



GOVERNMENTAL POLICY GROUP, INC.

RH RESOURCES

17 SOUTH HIGH STREET – SUITE 245

COLUMBUS, OHIO 43215-3413

PHONE: 614-461-9335

FAX: 614-461-9336



Week in Review

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As a service to the clients and friends of Governmental Policy Group, Inc. and RH Resources we would like to extend the following weekly update of events happening around Capitol Square.

ADDICTION/SUBSTANCE ABUSE

Ohio will receive \$26 million in federal grants to help battle the state's opioid epidemic, the Trump Administration announced this week, introducing the first of two rounds of funding under the 21st Century CURES Act. The goal, says the U.S. Department of Health and Human Services (HHS), is to strengthen public health surveillance, advance best practices for pain management, improve access to treatment and recovery services, promote the distribution of overdose-reversing drugs and support cutting-edge research in Ohio and other states.

FY18-19 BUDGET

The House reduced all spending by \$1 billion in FY18 and \$1.5 billion in FY19 while directing about a quarter billion dollars more over two year to schools and anti-addiction efforts in the first

round of major changes to Gov. John Kasich's proposed budget Tuesday. The House Finance Committee accepted the substitute version of HB 49 following a morning press conference where Chairman Rep. Ryan Smith (R-Gallipolis) explained the changes alongside House Speaker Cliff Rosenberger (R-Clarksville) and Speaker Pro Tem Kirk Schuring (R- Canton). The House changes give the greatest funding increases to drug treatment, prevention and recovery efforts, with an additional \$170 million allocated. In K-12 education, the House committed about \$80 million in additional funding. The proposal largely jettisons Gov. Kasich's tax reform proposals, foregoing attempts at a tax cut but eliminating the bottom two brackets of the income tax.

The new House version of the FY18-19 budget bill targets more K-12 funding to help schools with low property wealth, high transportation costs or heavy dependence on power plants as part of their tax base. The substitute version of HB 49 (R. Smith) includes a small across-the-board increase in base per-pupil funding, raising it from \$6,000 to \$6,020. The bill also raises the cap on how much funding above FY17 levels a school can get, from 5 percent to 5.5 percent. In addition, it changes the multiplier used in the capacity aid calculation for low-wealth districts from 3.5 to 4.0. Plus, the bill exempts the transportation supplement for geographically dispersed districts from funding guarantees.

House Republicans are trying to address the addiction problem in Ohio with initiatives in everything from treatment facilities to child protective services to getting workforce credentials for those in recovery. The plan is part of the caucus' Ohio HOPES (heroin, opioid, prevention, education and safety) agenda. House Finance Committee Chairman Rep. Ryan Smith (R-Gallipolis) provided an outline of how the House substitute budget bill allocates \$170.6 million.

Senate President Larry Obhof (R-Medina) provided a forecast of Senate budget deliberations Wednesday, saying the upper chamber is facing major cuts to HB 49 (R. Smith) and a focus on outcomes rather than sheer dollars when it comes to the opioid crisis, public education and other concerns. "I do expect that there will be a lot of challenging decisions that need to be made over the next few months," he said. "I think the Senate will significantly decrease the amount of money being spent in this budget."

Office of Health Transformation Director Greg Moody began a two-day stint in the Ohio Senate on Wednesday making the case for the administration's human services -- primarily health care and Medicaid -- proposals in the FY18-19 budget, HB 49 (R. Smith).

EDUCATION

With less than a tenth of its charter school sponsors meeting the quality threshold necessary to apply, Ohio is scaling back plans for grants of federal funding to launch new schools. Superintendent Paolo DeMaria told the U.S. Department of Education (USDOE) in a recent letter that the state intends to use about \$49 million of the \$71 million available over five years.

Appeals Judge Gary Tyack warned Tuesday that a dangerous precedent would be set were he to be pulled from a charter school funding dispute over "aggressive questioning" during oral arguments. Tyack, who sits on the 10th District Court of Appeals, filed his official response Tuesday to a request from attorneys for Electronic Classroom of Tomorrow (ECOT) that Ohio Chief Justice

Maureen O'Connor remove him from the three-judge panel hearing ECOT's dispute with the Ohio Department of Education (ODE).

House Republicans proposed this week to pare down the Straight A Fund grant program for education innovation and put priority on projects that provide career and job prospects for underserved students in rural and urban areas. The program's Governing Board met Thursday to conduct business. The substitute version of HB 49 (R. Smith) adopted Tuesday in House Finance Committee provides \$10 million for the Straight A Fund over the next biennium, down from \$30 million in the current budget and \$250 million when Gov. John Kasich first created the program in the FY14-15 budget.

EMPLOYMENT/UNEMPLOYMENT

Ohio's unemployment rate remained at 5.1 percent in March, the Ohio Department of Job and Family Services (ODJFS) announced, as the state dropped 4,100 jobs and the number of unemployed was unchanged. According to ODJFS, Ohio's nonagricultural wage and salary employment went from a revised 5,522,800 in February to 5,518,700 in March. The number of unemployed workers was 294,000 in March, unchanged from February. The number of unemployed has increased by 9,000 over the past 12 months, when there were 285,000 unemployed. The March 2016 unemployment rate was 5.0 percent.

GAMING

Hearings on legislation clarifying that fantasy sports contests are legal in Ohio kicked off in the House on Wednesday. The House Government Accountability and Oversight Committee accepted a substitute version of HB 132 (Dever-McColley) after hearing sponsor testimony from Reps. Robert McColley (R-Napoleon) and Jonathan Dever (R-Cincinnati). The lawmakers noted that all rules concerning the games will be written and enforced by the Ohio Casino Control Commission.

GENERAL ASSEMBLY/STATEHOUSE

Rep. Heather Bishoff (D-Blacklick) resigned Monday, ending her term in the Ohio House immediately to focus on her family and growing the Bishoff Financial Group.

Tavia Galonski, a Summit County magistrate, got the nod Wednesday from House Democrats to represent the 35th House District, recently left vacant when former Rep. Greta Johnson (D-Akron) resigned for a post in Summit County government. Her appointment is expected to be taken up officially in a House vote Wednesday, May 10. Galonski was among eight people interviewed for the seat.

GOVERNOR

Gov. Kasich appointed Alan D. Hackenberg of Findlay (Hancock County) to serve as a judge on the Findlay Municipal Court. Hackenberg will assume the bench on Friday, April 28, 2017. He must run in November 2017 to retain the seat for the unexpired term ending Dec. 31, 2021. Hackenberg is replacing Judge Jonathan P. Starn, who has been appointed to the Hancock County Common Pleas Court.

The governor made the following appointments during the week:

- Lynn Slaby of Copley (Summit County) to the Ohio Casino Control Commission for a term beginning April 21, 2017, and ending Feb. 21, 2021.
- Dr. Craig Miesse of Celina (Mercer County) to the State Veterinary Medical Licensing Board for a term beginning April 24, 2017, and ending Dec. 31, 2019.
- Laura Swanson of Columbus (Franklin County), William Faith of Columbus (Franklin County), Deborah Lieberman of Dayton (Montgomery County) and Angela King of Celina (Mercer County) to the Housing Trust Fund Advisory Committee for terms beginning April 24, 2017, and ending March 18, 2021.

HOUSING

The Ohio Development Services Agency (DSA) announced more than \$4.5 million in funding to help low-income Ohioans with home repairs and homebuyer assistance. Grants to 22 local organizations will help improve handicap accessibility and provide down payment assistance and homebuyer counseling.

The Ohio Housing Finance Agency (OHFA) is highlighting a number of milestones in its mission under the Hardest Hit Fund Save the Dream Ohio (SDO) programs. For example, the Neighborhood Initiative Program (NIP), designed to help prevent foreclosures and stabilize local property values, has exceeded 5,000 residential demolitions after experiencing strong first quarter performance.

Many recipients of U.S. Housing and Urban Development (HUD) assistance are neglecting to train and hire local people for projects, in violation of federal law, HUD Secretary Ben Carson said Thursday. Carson told attendees of the Starting at Home Conference in Columbus that Section 3 of the HUD Act of 1968 is "so important" in addressing issues of homelessness and poverty. The speech at the conference was one of several stops Carson has made in Central Ohio this week.

MARIJUANA

Aspiring medical marijuana cultivators will have multiple opportunities to ask questions of the Ohio Department of Commerce (DOC) before applications are due in June, according to an agency

document. Application forms are now available on the Medical Marijuana Control Program (MMCP) website at <http://medicalmarijuana.ohio.gov/>. DOC plans to post a recorded webinar explaining the application process and instructions on Monday, May 1. The agency will accept questions from May 1 through Friday, May 5, and provide answers on Friday, May 12. DOC will also accept questions from Monday, May 15 through Friday, May 19, and provide answers on Friday, May 26.

UTILITIES

Ohio's major utilities called for the creation of a two-way, interactive electric grid at the Public Utilities Commission of Ohio's (PUCO) PowerForward conference, saying the residential customer of the future will demand more access to distributed generation, demand-side energy management, smart metering and other technologies. The Ohio Consumers' Counsel (OCC) said the state must subject those technologies to a careful cost-benefit analysis, however, before allowing utilities to proceed with long-term investments to be passed on to ratepayers in new non-bypassable bill riders.

The CEO of FirstEnergy told the House Public Utilities Committee Tuesday that a proposed \$300 million-per-year bill rider to shore up its two failing nuclear plants is neither a subsidy nor a bailout. Legislators on both sides of the aisle were alternatively skeptical or supportive of that claim. With the bill pending referral and six proponents scheduled for its first hearing, sponsor Rep. Anthony DeVitis briefly explained the genesis of HB 178. "FirstEnergy alerted me to the urgent need of this legislation, and I felt compelled to offer this bill ...," he said.

LEGISLATIVE ACTIVITY:

HOUSE:

PASSED BY HOUSE

HB18 SPECIAL ELECTION REQUIREMENTS (Rep. Dorothy Pelanda, Rep. Wes Retherford) To eliminate the requirement of holding a special election to fill a vacancy in a party nomination for the office of representative to Congress under certain circumstances.

Vote 92-1

HB45 MONTH DESIGNATION-NEUROFIBROMATOSIS AWARENESS (Rep. Robert Sprague) To designate May as "Neurofibromatosis Awareness Month."

Vote 94-0

HB94 MONTH DESIGNATION-TEEN DATING VIOLENCE AWARENESS (Rep. Emilia Sykes, Rep. Rick Perales) To designate February as "Teen Dating Violence Awareness Month."

Vote 94-0

SENATE:

PASSED BY SENATE

HB84 MONTH DESIGNATION-OHIO BOATING (Rep. Steve Arndt) To designate June as "Ohio Goes Boating Month."

Vote 33-0

SB3 WORKFORCE DEVELOPMENT (Sen. Bill Beagle, Sen. Troy Balderson) To revise the laws governing the state's workforce development system, programs that may be offered by primary and secondary schools, certificates of qualification for employment, and the Opportunities for Ohioans with Disabilities Agency, and to designate the first week of May as In-Demand Jobs Week.

Vote 33-0