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**RH RESOURCES**

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**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.

**FY18-19 BUDGET**

The FY18-19 biennial budget bill, HB 49 (R. Smith), underwent one last round of major changes Tuesday before the Senate passed the bill Wednesday and the House voted to reject Senate changes, setting up the conference committee to hammer out a final version. That committee met for the first time Thursday to hear new revenue projections that confirmed estimates of a \$1 billion shortfall.

Ohio Medicaid would be prohibited from enrolling new individuals in the expansion group starting on July 1, 2018 under the Senate GOP's latest version of the budget. The policy was one of several changes accepted in the omnibus amendment to HB 49 (R. Smith), which was reported out by the Senate Finance Committee on Tuesday. Committee Chairman Scott Oelslager (R-North Canton) said the budget is balanced, cutting \$1.055 billion from the as introduced level. Oelslager told reporters that qualifying individuals will be able to gain coverage in Medicaid Group VIII during an open enrollment period from July 1, 2017 to July 1, 2018. He also noted that people with serious mental illnesses will be exempted from work requirements under the amendment.

At Wednesday's Senate session, HB 49 was approved 24-8 on a mostly party-line vote, with Sen. Kris Jordan (R-Powell) voting against the budget and Sen. Sandra Williams (D-Cleveland) supporting the proposal. Sen. Vernon Sykes (D-Akron) was recused from voting.

Emmalee Kalmbach, spokesperson for Gov. John Kasich, issued the following statement: "Gov. Kasich is grateful to members of the Ohio Senate for their passage of a state budget that keeps Ohio's fiscal house in order and strengthens our jobs-friendly climate. Now that the Senate has concluded its work, the governor looks forward to working with the joint House/Senate conference committee to hammer out a final two-year budget that preserves Ohio's fiscal health, furthers our pro-growth policies and protects our most vulnerable citizens."

As the conference committee on HB 49 (R. Smith) began hammering out the differences between the House and Senate versions of the FY18-19 biennial budget, new projections from the Office of Budget and Management (OBM) and the Legislative Service Commission (LSC) confirmed Thursday that lawmakers have \$1 billion less to work with than was originally thought when the bill was introduced in February. OBM Director Tim Keen, however, told reporters that he believes the package passed by the Senate on Wednesday is "very close to where we need to be," and may only be off by \$20 million to \$25 million.

## **EDUCATION**

Rep. Andrew Brenner (R-Powell) got a chance to pitch colleagues on his plan for a major overhaul of school funding that would allow money to follow students and end the use of local property tax levies for K-12 education. The House Finance Committee heard sponsor testimony on Brenner's HB 102, an updated version of the plan he introduced late in 2016 as HB 628. Brenner, chairman of the House Education Committee, said he believes he's laid out the framework for a fair system that answers the findings of the *DeRolph* rulings, while acknowledging repeatedly Tuesday that many details are still to be addressed.

Not much more than a year after it launched, the Joint Education Oversight Committee (JEOC) is on the chopping block, targeted for dissolution by October in the Senate's version of the biennial budget. Senate President Larry Obhof (R-Medina) said the General Assembly doesn't need a special joint committee to perform the panel's intended work. Lawmakers created the joint committee in the previous budget, HB 64 (R. Smith). It only started meeting in April of 2016 and hired its first director, Lauren Monowar-Jones, last June.

## **ELECTIONS 2018**

Former Democratic U.S. Rep. Zack Space filed a designation of treasurer form Friday for a campaign committee for a potential run for state auditor.

Attorney General Mike DeWine issued a statement Monday saying that this Sunday, June 25, he expects "to make a major announcement about Ohio's future" at the annual DeWine Family Ice Cream Social at their home in Cedarville. DeWine has hinted broadly at plans to run for the Republican gubernatorial nomination but has not yet made it official.

## **EMPLOYMENT/UNEMPLOYMENT**

The state's unemployment rate was 4.9 percent in May, down from 5.0 percent in April, according to the Ohio Department of Job and Family Services (ODJFS). Ohio's nonagricultural wage and salary employment increased 6,300 over the month, from a revised 5,509,100 in April to 5,515,400 in May, the department said in a news release.

## **ENERGY**

Rover Pipeline LLC will make a one-time \$1.5 million payment to the Ohio History Connection (OHC) as part of an amended memorandum of agreement (MOA). According to the original MOA, Rover was to pay OHC \$1.5 million on March 1 of every year for five years. According to the amended version, Rover will make one payment of \$1.5 million on July 7 and will "continue to consult regarding additional mitigation measures to offset the adverse effects that have already occurred to the Stoneman House and adverse effects that shall occur to" a historically significant property in Crawford County. OHC complained to the Federal Energy Regulatory Commission (FERC) about the non-payment, which led to the dispute resolution process.

## **FEDERAL**

Gov. John Kasich was one of seven governors to sign a letter Friday criticizing the U.S. House of Representatives' handling of the American Health Care Act (ACHA) and urging the U.S. Senate to work in a bipartisan manner to ensure the bill provides coverage and care for vulnerable Americans. The letter, addressed to Senate Majority Leader Mitch McConnell (R-Kentucky) and Minority Leader Chuck Schumer (D-New York), urges both parties to work together to develop a bill that will "result in a system that is available and affordable for every American."

## **GOVERNOR**

Appointments made during the week include the following:

- Molly S. Seals of Canfield (Mahoning County) and Capri S. Cafaro of Hubbard (Trumbull County) to the Youngstown State University Board of Trustees for terms beginning June 20, 2017 and ending, respectively, April 30, 2024 and June 30, 2026.

## **HEALTH AND HUMAN SERVICES**

Lance Himes has been named the permanent director of the Ohio Department of Health (ODH), the governor's office announced Tuesday. Himes has served as interim director of the department since March 2017.

Mental health providers and Kasich administration officials all professed a commitment to the goals of a planned behavioral health redesign Thursday but offered contrasting views on the system's readiness for the changes. One psychologist urged members of the Joint Medicaid Oversight Committee to keep paying close attention to the transition, saying the administration and providers are "no longer in a functional relationship" and need "rational" third-party oversight. Perspectives also differed among the providers who testified to JMOC Thursday on whether to press ahead now or delay implementation.

## **NATURAL RESOURCES**

During the first quarter of 2017, Ohio's horizontal shale wells produced 3,904,732 barrels of oil and 371,921,659 Mcf (371 billion cubic feet) of natural gas, according the figures released recently by the Ohio Department of Natural Resources (ODNR). Natural gas production from the first quarter of 2017 showed an increase over the first quarter of 2016, while oil production was reduced for that same period.

## **UTILITIES**

Ohio owners of the coal-fired Ohio Valley Electric Corporation (OVEC) moved one step closer to getting cost recovery as the House Public Utilities Committee approved major changes to HB 239 (Smith-Carfagna) intended to soften opposition to the bill. With additional amendments pending, the legislation did not receive a scheduled vote, however. Similar changes were adopted to SB 155 by the Senate Public Utilities Committee.

The Public Utilities Commission of Ohio (PUCO) moved Wednesday to stop sub-metering companies from charging residents of multi-family units more for resold electricity than what PUCO-regulated utilities bill consumers directly for the same usage. The decision, which affirms a new class of regulated utilities in Ohio, follows three and a half years of debate in the General Assembly and a series of proposed legislation, including the latest companion bills, HB 249 (Duffey) and SB 157 (Bacon).

Among a raft Senate changes to budget bill HB 49 (R. Smith) is one that would allow the Public Utilities Commission of Ohio (PUCO) to increase residential electric bills to salvage a local utility's credit rating. Several paragraphs inserted into the 500-page omnibus amendment accepted by the Senate Finance Committee Tuesday add the new non-bypassable bill rider to electric security plans (ESP) implemented by SB 221 (Schuler).

## **WORKERS' COMPENSATION**

Rep. Bill Seitz (R-Cincinnati) will apparently have to wait another day to try once again to block illegal aliens from receiving workers' compensation benefits in the state of Ohio. The provision survived just over a month in the General Assembly before meeting the same fate Tuesday in workers' comp budget HB 27 (Brinkman) that it had encountered in a series of standalone bills dating back to 2010. Excision of the "unauthorized worker" ban was one of five changes to HB 27 accepted by the Senate Insurance and Financial Institutions Committee before members reported the bill on a party-line vote.

## **LEGISLATIVE ACTIVITY:**

### **SENATE:**

#### **PASSED BY SENATE**

**HB49** OPERATING BUDGET (Rep. Ryan Smith) Creates FY 2018-2019 main operating budget.

*Amended on Floor, Bill Vote 24-8*

**HB124** VOCATIONAL SCHOOL TAX LEVY (Rep. Andrew Brenner, Rep. Rick Carfagna) To authorize a joint vocational school district to submit the question of a renewal tax levy to voters who did not have an opportunity to vote on the levy at an election held in November of 2015 because the levy was only placed on the ballot in one of several counties in which the district has territory.

*Vote 33-0, Emergency Clause 33-0*

**SB77** LICENSE PLATES-KYLERSTONG (Sen. William Coley) To create the "KylerStrong Foundation" license plate.

*Vote 33-0*

**SB78** ROAD DESIGNATION-YVONNE FAIR (Sen. Frank Hoagland) To designate a portion of State Route 7 in Jefferson County as the "U.S. Air Force Staff Sergeant Yvonne Marie Fair Memorial Highway."

*Vote 33-0*

**SB117** MONTH DESIGNATION-OHIO BYWAYS (Sen. Cliff Hite) To designate May as "Drive Ohio Byways Month."

*Vote 33-0*

#### **CONSIDERATION OF HOUSE AMENDMENTS**

**SB7** PROTECTION ORDER VIOLATIONS (Sen. Kevin Bacon, Sen. Gayle Manning) To provide that service of a protection order or consent agreement upon a person is not necessary for the person to be convicted of the offense of violating a protection order if the person had actual notice of the order or agreement and the person recklessly violated its terms.

*Senate Does Concur, Vote 33-0*

#### **HOUSE:**

#### **PASSED BY HOUSE**

**HB10** INTRASTATE EQUITY CROWDFUNDING (Rep. Steve Arndt) To permit intrastate equity crowdfunding under certain circumstances.

*Vote 94-0*

**HB41** VOTING PROCESS (Rep. Dorothy Pelanda) To modify the law concerning challenges to voter registrations, the appointment of observers, and the procedures for processing absent voter's ballots and for casting absent voter's ballots in person.

*Vote 64-30*

**HB60** DRIVER'S LICENSES-INTERNATIONAL (Rep. Steve Hambley, Rep. John Rogers) To authorize the issuance of an enhanced driver's license, enhanced commercial driver's license, and enhanced identification card to facilitate land and

sea border crossings between the United States and Canada and Mexico, pursuant to an agreement with the United States Department of Homeland Security.

*Vote 90-4*

**HB69** LEVY REVENUE REIMBURSEMENT (Rep. Bob Cupp) To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.

*Vote 92-0*

**HB95** DISTRACTED DRIVING PENALTY (Rep. Jim Hughes, Rep. Bill Seitz) To establish an enhanced penalty for committing a moving violation while distracted if the distraction is the apparent cause of the violation and to reenact provisions of law that specified that certain electronic wireless communications device violations were allied offenses of similar import.

*Vote 82-12*

**HB125** TRAFFIC ORDINANCE JURISDICTIONS (Rep. Hearcel Craig, Rep. Bill Seitz) To specify the jurisdiction of municipal and county courts over municipal traffic ordinances and to establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a municipal corporation that does not have the authority to establish a mayor's court.

*Vote 92-1*

**HB145** IMPAIRED MEDICAL PRACTITIONERS (Rep. Stephen Huffman, Rep. Robert Sprague) To provide for the establishment of a confidential program for the treatment of certain impaired practitioners and to declare an emergency.

*Vote 93-1, Emergency Clause 89-5*

**HB158** UNEMPLOYMENT COMPENSATION-MILITARY TRANSFERS (Rep. Rick Perales, Rep. Hearcel Craig) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.

*Vote 87-6*

**HB170** COMPUTER SCIENCE EDUCATION (Rep. Rick Carfagna, Rep. Mike Duffey) With regard to academic content standards and curriculum requirements for computer science; to revise educator qualifications regarding computer science; to create a competitive technology grant program for the 2018-2019 school year; and to make an appropriation.

*Vote 83-12*

**HB195** TRANSPORTING DISABLED PERSONS (Rep. Catherine Ingram, Rep. Bill Seitz) To modify the provisions concerning the transport of persons who require the use of a wheelchair or other mobility aid in nonemergency circumstances.

*Vote 94-0*

- HB199** OHIO RESIDENTIAL MORTGAGE LENDING ACT (Rep. Louis Blessing III) To create the Ohio Residential Mortgage Lending Act for the purpose of regulating all non-depository lending secured by residential real estate and to limit the application of the current Mortgage Loan Law to unsecured loans and loans secured by other than residential real estate.  
*Vote 77-18*
- HB213** REAL ESTATE APPRAISER LICENSING CHANGES (Rep. Jonathan Dever) To change the definition of "appraisal" for purposes of the Real Estate Appraiser Licensing Law, to make changes to certain procedures and the exceptions to licensure under that law, to regulate appraisal management companies, and to declare an emergency.  
*Vote 87-8, Emergency Clause 85-10*
- HB223** SETTLEMENT PAYMENT RIGHTS TRANSFER (Rep. Jonathan Dever) Relative to transfers of structured settlement payment rights.  
*Vote 94-0*
- SB2** ENVIRONMENTAL PROTECTIONS LAWS (Sen. Cliff Hite) To revise specified laws relating to environmental protection.  
*Vote 85-10*
- SB7** PROTECTION ORDER VIOLATIONS (Sen. Kevin Bacon, Sen. Gayle Manning) To provide that service of a protection order or consent agreement upon a person is not necessary for the person to be convicted of the offense of violating a protection order if the person had actual notice of the order or agreement and the person recklessly violated its terms.  
*Vote 92-2*

#### **CONSIDERATION OF SENATE AMENDMENTS**

- HB49** OPERATING BUDGET (Rep. Ryan Smith) Creates FY 2018-2019 main operating budget.  
*House Does Not Concur, Vote 1-93*
- HB124** VOCATIONAL SCHOOL TAX LEVY (Rep. Andrew Brenner, Rep. Rick Carfagna) To authorize a joint vocational school district to submit the question of a renewal tax levy to voters who did not have an opportunity to vote on the levy at an election held in November of 2015 because the levy was only placed on the ballot in one of several counties in which the district has territory.  
*House Does Concur, Vote 83-11, Emergency Clause 86-8*