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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.

ATTORNEY GENERAL

Ohio Attorney General Mike DeWine is asking Congress to intervene in a dispute between the U.S. Environmental Protection Agency (USEPA) and state officials over Ohio's manganese ferroalloys industry, which constitutes one of two remaining production plants in the nation. He says the push for tougher regulations threatens not only the country's ferroalloy production but the entire U.S. steel industry it supports.

FY16-17 BUDGET

State revenues continued running behind estimates in January, coming in nearly \$91.6 million below estimates for the month and taking the shortfall for the year to \$388.1 million or 2.9 percent, according to preliminary figures from the Office of Budget and Management (OBM). A total of

nearly \$2.1 billion was collected in January, with a total of nearly \$12.9 billion brought in since the fiscal year began July 1, 2016.

FY18-19 BUDGET

Budget Director Tim Keen gave further explanation of the administration's proposals for education funding, assistance to counties for lost Medicaid sales tax revenues and a shift in Local Government Fund (LGF) distribution based on local revenue capacity. At a roundtable with reporters at the Office of Budget and Management (OBM) offices, Keen stressed repeatedly the argument that schools with "appreciable" reductions in student headcount should not keep getting paid the same amount. At the same time, he also shared analyses showing many of the districts' losses to be minimal. Because of that phenomenon, as well as the parameters developed for the proposed reductions, Keen expressed confidence the proposal would fare better than previous administration attempts to cut into funding guarantees.

Superintendent Paolo DeMaria testified to lawmakers Tuesday to offer more specifics about the K-12 education policies in the FY18-19 executive budget, while Budget Director Tim Keen returned to the House Finance Committee alongside him to field more questions on the school funding formula. Keen stressed the intent of the funding formula to drive more state aid to lower-wealth districts, and its basis in a "pupil-centered approach," explaining again the administration's view that districts with substantial losses in student population should see changes in funding as a result.

Ohio Department of Transportation (ODOT) Director Jerry Wray faced lawmakers once again on Tuesday, explaining some of the proposed motor fuel tax changes in the transportation budget, while deferring to Ohio Department of Taxation [ODT] Director Joe Testa on others.

Greg Moody, director of the Governor's Office of Health Transformation (OHT), led a team of administration officials Wednesday in providing the House Finance Committee a deeper look into the proposed changes in the state's Medicaid program that are contained in the FY18-19 biennial budget.

Tax Commissioner Joe Testa delved into greater detail on the administration's budget proposals Thursday, debating the efficacy of income tax reductions to drive business growth and fielding questions on consumption tax changes in the House Finance Committee. Testa also reiterated a message Gov. John Kasich used in debuting the biennial budget proposal two weeks ago: There are billions in tax expenditures to comb through for lawmakers who don't like the offsets Kasich chose to pay for his lower, flatter income tax proposal.

EDUCATION

The application window for four state scholarship programs -- the Jon Peterson Special Needs Scholarship, Cleveland Scholarship, EdChoice Scholarship and income-based EdChoice expansion

program that assist with the costs of attending private schools -- has opened. The application deadline is April 15 for the Peterson program and April 30 for the others. The two EdChoice programs will have a second application window in July.

GAMING

Ohio's four casinos saw a drop in revenues from a year before in January, according to numbers released by the Ohio Casino Control Commission. The four casinos earned \$63.9 million in the first month of the year. That is down from \$65.5 million earned in January 2016 and down from the \$66.3 million earned in December. The top monthly earner was Hollywood Casino Columbus, which brought in \$17.4 million in January. Hollywood Columbus earned nearly \$17.5 million in January 2016, and \$18.5 million in December.

GOVERNOR

The governor made the following appointments during the week:

- Matthew Noble of London (Delaware County) reappointed to the State Fire Council for a term beginning Feb. 3, 2017 and ending Nov. 1, 2021.
- Edwin J. Nagle of Perrysburg (Wood County) and H. Richard Rowe Jr. of Findlay (Hancock County) reappointed to the Owens State Community College Board of Trustees for terms beginning Feb. 3, 2017 and ending Sept. 21, 2022.
- Lewis W. Adkins, Jr. of Copley (Summit County) to the University of Akron Board of Trustees for a term beginning Feb. 3, 2017 and ending July 1, 2025.
- Jeanne M. Newkirk of Powell (Franklin County) to the Ohio Criminal Sentencing Commission for a term beginning Feb. 3, 2017 and ending Aug. 21, 2020.
- Alan A. Stockmeister of Jackson (Jackson County) to the Ohio State University Board of Trustees for a term beginning Feb. 3, 2017 and ending May 13, 2025.
- Thomas L. Shepherd of Cincinnati (Hamilton County) to the Financial Planning and Supervision Commission of the city of Norwood for a term beginning Feb. 3, 2017 and continuing at the pleasure of the governor.
- Pastor Mark D. Ford of Akron (Summit County), Deborah Givens of Columbus (Franklin County), and Rabbi Avraham L. Goldstein of Columbus (Franklin County) reappointed to the Advisory Board of the Governor's Office of Faith-Based and Community Initiatives for terms beginning Feb. 6, 2017 and ending May 4, 2017.
- Andrew D. Bowers of Blacklick (Franklin County) to the Counselor, Social Worker, and Marriage and Family Therapist Board for a term beginning Feb. 8, 2017 and ending Oct. 10, 2018.
- Daniel J. Guttman of Bexley (Franklin County) reappointed to the Ohio Thoroughbred Race Fund Advisory Council for a term beginning Feb. 8, 2017 and ending Jan. 31, 2020.

HEALTH & HUMAN SERVICES

A bill introduced in the Ohio House Wednesday will require photo identification for electronic benefit transfer (EBT) cards issued under the Supplemental Nutrition Assistance Program (SNAP), with some exceptions. Ohio Auditor of State Dave Yost announced the bill in a joint press conference with Senate President Larry Obhof (R-Medina), Sen. Matt Huffman (R-Lima) and Rep. Tim Schaffer (R-Lancaster). Schaffer sponsored HB 50, while Huffman plans to introduce a similar bill in the Senate.

INSURANCE

Ohioans for Step Therapy Reform, a group that advocates for reform of an insurance industry practice known as "fail first" or "step therapy," hosted a press conference on legislation to be re-introduced by Sens. Peggy Lehner (R-Kettering) and Charleta Tavares (D-Columbus). Reps. Terry Johnson (R-McDermott) and Nickie Antonio (D-Lakewood) will carry the companion bill in the Ohio House.

JUDICIAL

Ohio Supreme Court Justice Pat DeWine was ceremonially sworn in for a six-year term Thursday after winning election in November.

LOCAL GOVERNMENT

Treasurer Josh Mandel and Rep. Candice Keller (R-Middletown) on Monday announced legislation prohibiting local jurisdictions from limiting local officials' ability to work with federal authorities regarding a person's immigration status. The bill, which has not yet been introduced, would also create criminal and civil penalties for elected officials in "sanctuary cities." Local officeholders could face a fourth-degree felony for crimes committed in their city by undocumented immigrants, meaning the possibility of up to 18 months in prison and fines up to \$5,000. A victim of a crime committed by an undocumented immigrant could also file a civil action against the jurisdiction for \$1 million in compensatory damages for personal injury or \$500,000 for property damage.

Two Northeast Ohio Democrats pushed back against the proposal to prohibit and criminalize "sanctuary cities." Calling the legislation fiscally irresponsible and dangerous, Reps. Dan Ramos (D-Lorain) and Stephanie Howse (D-Cleveland) said Tuesday they plan to introduce a bill protecting sanctuary cities and ensuring immigrants and refugees feel welcome in Ohio.

WORKFORCE

Recommendations from Gov. John Kasich's Executive Workforce Board to embed career learning throughout the educational system would go into effect under legislation heard Wednesday in the

Senate Transportation, Commerce and Workforce Committee. Sen. Bill Beagle (R-Tipp City) explained that SB 3, jointly sponsored by Sen. Troy Balderson (R-Zanesville), includes some of those recommendations, which were presented to and endorsed by Kasich in December. He said the proposal would work in tandem with other workforce and education provisions of the executive budget.

LEGISLATIVE ACTIVITY:

SENATE

PASSED BY SENATE

SB22 INCORPORATING FEDERAL REVENUE CHANGES (Sen. Bob Peterson) To expressly incorporate changes in the Internal Revenue Code since February 14, 2016, into Ohio law.

Vote 32-0

HOUSE

No House activity to report.