Week in Review
February 22, 2019

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.

AGRICULTURE

Hemp and hemp-derived products such as cannabidiol (CBD) could be legally produced and sold in Ohio under legislation to be proposed by Sens. Steve Huffman (R-Tipp City) and Brian Hill (R-Zanesville). The bill would create an industrial hemp program administered by the Ohio Department of Agriculture (ODAg), Huffman told Hannah News, noting the department would be responsible for writing rules on licensing and other aspects of the program. He said licensing fees for farmers would be set by ODAg but guessed they would likely cost between $500 and $1,000 annually.

The Ohio Department of Agriculture (ODAg) is implementing a new program on preK-5 children's initiatives, ODAg Director Dorothy Pelanda said Wednesday. "We have hired persons and will continue to hire people in our department who, for the first time, will have a focus on children's initiatives. Our first lady [Fran DeWine] is passionate about young people learning where their food comes from and how it's processed. So, the first lady and I are going to be involved in a very exciting program called 'Fran’s Farm,'” Pelanda told attendees of the Ohio Farm Bureau Federation's (OFBF) "Ag Day at the Capital" event.
ATTORNEY GENERAL

Ohio is part of a $269.2 million national settlement with pharmacy giant Walgreens over alleged Medicare and Medicaid fraud and Medicaid overbilling, according to the Ohio Attorney General's (AG) Office. Settlement of two whistleblower lawsuits resolve allegations that Walgreens Boots Alliance knowingly engaged in fraudulent over-dispensing of insulin pens to Medicare and Medicaid beneficiaries and billed Medicaid for certain prescription drugs at rates higher than its usual and customary rates. The AG's Medicaid Fraud Control Unit helped investigate and negotiate the claims against Walgreens.

CRIME AND PUNISHMENT

While well-intentioned state lawmakers have made efforts to reform the criminal justice system over the past two General Assemblies, they are sabotaging their mission by continuing to introduce and pass bills that send more people to prison for longer periods of time, American Civil Liberties Union (ACLU) of Ohio chief lobbyist Gary Daniels said Tuesday. "The trend is that this is getting worse in Ohio," Daniels said, pointing to his organization's newest "Statehouse-to-Prison Pipeline" report, which shows that 137 or 12 percent of the 1,144 bills introduced in the 132nd General Assembly (GA) included provisions increasing incarceration. During the 131st General Assembly, 91 bills or 9 percent of the 1,004 bills introduced had language sending more people to prison or jail. Twenty-two such bills passed in the 132nd GA, while 16 of them passed in the 131st GA.

ECONOMIC DEVELOPMENT

Economic development nonprofit JobsOhio will direct more attention to the agriculture industry under his administration, Gov. Mike DeWine said Wednesday. "I was just talking to the new head of JobsOhio, J.P. Nauseef from Dayton, who will take over in a couple weeks, about the need to focus on agriculture in JobsOhio, particularly looking at the industry as a whole," DeWine told attendees of the Ohio Farm Bureau Federation's "Ag Day at the Capital." Nauseef was named the next president and chief investment officer of JobsOhio on Feb. 14.

EDUCATION

Ohio charter schools show promise in providing additional learning gains for specific populations, but the overall sector matches or trails the performance of traditional district students, while online charters are markedly worse, according to a new study from Stanford University's Center for Research on Education Outcomes (CREDO). A follow-up to studies in 2009 and 2014, CREDO's latest analysis compares state test performance in reading and math for students enrolled in charter schools to their peers in district schools. The report looks at performance from the 2013-2014 through 2016-2017 academic years. Overall, the study found no substantial difference in reading performance between charter and district students, but in math, charter students got the equivalent of 41 fewer days of learning across the academic year. That result was similar to findings of the 2009 and 2014 studies, which showed similar loss of learning in math and small lags in reading for charter students.

A new state study by the Ohio Department of Public Safety (ODPS) and the Ohio Facilities Construction Commission (OFCC) examining the school safety practices of districts around the state recommends that districts perform risk assessments, develop basic safety strategies and install affordable security upgrades that can help keep students and staff safe. The study, required by 132-
HB318 (Patterson-LaTourette), included an Ohio Homeland Security (OHS)-designed survey of schools asking them what security procedures, personnel and equipment they use. The report also examined other resources with security recommendations and tools for schools.

ENERGY

Wind turbine setbacks are not stopping another wind farm from locating in Ohio after the state approved a 125-megawatt (MW) installation Thursday in turbine-rich Paulding County, adding to EDP Renewables North America's existing wind field there and bringing the county's total count to more than 200 turbines. The Ohio Power Siting Board (OPSB) approved the 37-tower Timber Road IV Wind Farm for 20,400 acres across five townships near the village of Payne. It expands on EDP's existing, 55-turbine wind field in Paulding County.

FEDERAL

President Donald Trump Friday officially declared a national emergency in order to redirect funding to pay for construction of a wall on the U.S.-Mexico border, including the use of $3.6 billion out of a fund to pay for military construction projects. Reaction from Ohio officials fell mostly along party lines.

GAMING/GAMBLING

The staff of the Ohio Casino Control Commission is preparing a package of draft rules for regulating fantasy sports in Ohio but are also eyeing other areas where the commission might have to regulate in the future. Fantasy sports games were put under the purview of the commission by the General Assembly, which also made the practice legal in Ohio. Executive Director Matt Schuler told the commission Wednesday that the commission's legal team has been looking at other states and has put together a package of draft rules that will go to the commission at a future meeting.

GENERAL ASSEMBLY/STATEHOUSE

Sen. Brian Hill (R-Zanesville) said Wednesday he'll resign at the end of March to become CEO of the Guernsey-Muskingum Electric Cooperative, creating another vacancy in the 20th District just months after Hill was appointed to the seat. Hill joined the Senate in December, leaving his House seat to replace former Sen. Troy Balderson, who's been serving in Congress since winning a special U.S. House election in August.

The House clerk's office announced that Speaker Larry Householder (R-Glenford) is moving all session start times for Tuesdays through Thursdays to 1 p.m.

A former president from Ohio and the first deaf baseball player were added to the ranks of "Great Ohioans" by the Capitol Square Review and Advisory Board (CSRAB) during its quarterly meeting. The 2019 Great Ohioan awardees are President Rutherford B. Hayes and William Ellsworth "Dummy" Hoy, a professional baseball player, baseball innovator and advocate for the deaf community. Since it was created in 2003, 44 Ohioans have been recognized with the "Great Ohioan" designation.
In other business, CSRAB announced that the Pearl Alley Market will not be held on the Statehouse grounds this spring and summer, moving to Gay Street instead. In addition, a portion of State Street and the State Street sidewalk will be closed for a period for utility work.

Newly elected Rep. Mary Lightbody (D-Westerville) is bringing her career as an educator and a teacher of educators to the Statehouse where she believes her experiences will inform the school funding debate, among other areas, she told Hannah News.

Sen. Joe Uecker (R-Loveland) has reached a settlement with a constituent who sued him after Uecker blocked the constituent from posting on his official Facebook page. According to the Cincinnati Enquirer, Uecker will pay damages and attorney's fees totaling $20,000 while not admitting guilt. Uecker has denied he violated the constitutional rights of the constituent, Anthony Famby, when Famby commented on a Facebook post made by Uecker on the page associated with his Senate office about the heartbeat abortion bill.

New representative Casey Weinstein, a Democrat from Hudson, spelled out for Hannah News his top priorities for the 133rd General Assembly: restoring local government funds, reforming public school funding and shortening wind farm setbacks.

House Minority Leader Emilia Sykes (D-Akron) told the Ohio Associated Press 2019 Legislative and Political Preview that, "So far, it has been a good experience working with Speaker Householder and I look forward to being able to say that this time next year and throughout the General Assembly." Speaker Larry Householder (R-Glenford) said working in a bipartisan fashion is something he works "at every single day."

Correctional Institution Inspection Committee (CIIC) Chairman Rep. Doug Green (R-Mt. Orab) said at Tuesday's organizational meeting that a job posting for a new executive director for the prison watchdog agency will soon be issued and the committee will have monthly meetings while the Legislature is in session.

Ohio House Democratic Leader Emilia Strong Sykes (D-Akron) announced Tuesday the appointment of Sam Herd as chief of staff for the House Democratic Caucus, making Herd the first woman in recent Ohio House history to serve as the highest staffer for either Democrats or Republicans. She succeeds Andy DiPalma in the position.

According to House of Representatives spokeswoman Gail Crawley, applicants are now being interviewed to fill the vacant Third House District seat. It became vacant when Rep. Theresa Gavarone (R-Bowling Green) was appointed to the Senate earlier in February. Applicants include the following: Matthew Beegle, John E. Clemons, Tiffany Densic, Haraz Ghanbari, Sue Larimer, Peter Range, Edward Schimmel, Mark Tolles and Kathy Wojcicki.

GOVERNOR

Despite broad bipartisan support to reform the criminal justice system, members of the General Assembly are undermining their own stated goals by continuing to introduce legislation extending prison sentences for certain crimes, former Ohio Supreme Court Justice Evelyn Stratton said Friday. "You have 93 bills introduced in the Legislature over the last two years for more time for their favorite crime. ... There are several pending right now -- more time for their favorite crime. Every one of those is the antithesis of what we want to do here," Stratton told fellow members of the
RecoveryOhio Advisory Council during the panel's discussion on criminal justice and youth services at the Ohio Department of Public Safety's offices in Columbus.

Ohio Gov. Mike DeWine Tuesday named Kristi Burre the director of the Office of Child Welfare Transformation to lead Ohio's child protection and foster care reform efforts, a role he created in an executive order he signed moments after being sworn in as governor. Burre most recently served as the deputy director of protective services at Fairfield County Job and Family Services. She will report directly to Director Kimberly Hall of the Ohio Department of Job and Family Services, and will lead a policy team focused on improving services to some of Ohio's most vulnerable citizens, children affected by abuse and neglect and children in foster and kinship care.

**HOUSING/HOMELESSNESS**

January home sales are 5.3 percent below figures from a year ago, the Ohio Association of Realtors said in its monthly sales report. Sales of 8,154 compare to 8,583 seen in January 2018. Average prices increased by 4.5 percent, from $160,501 to $167,766.

**HUMAN SERVICES**

Disability Rights Ohio (DRO) released 23 self-advocacy resources newly translated into Spanish and Somali. These documents, found on DRO's website, provide information and resources to Spanish- and Somali-speaking individuals with disabilities and their families. The project was made possible with a grant from the Ohio State Bar Foundation (OSBF).

**JUDICIAL**

Chief Justice Maureen O'Connor said Tuesday at the Associated Press 2019 Legislative and Political Preview Session at the Ohio Judicial Center that she's been talking with legislative leaders about a state response to the failed drug penalty and prison release overhaul of 2018's Issue 1, and she likes what she's hearing. Her plan for improved drug sentencing and rehabilitation includes the carrot-and-stick approach of increased intervention in lieu of conviction (ILC), increased record sealing, and a continuation of tough penalties for drug offenders who do not embrace recovery. She said conversations with local officials affirm the drug intervention concerns of Issue 1, even if a majority of state policymakers and voters thought it was the wrong approach.

The Ohio Supreme Court Thursday announced the third annual National Judicial Outreach Week for March 1-10. The Supreme Court says the observance is an opportunity for active and retired judges to engage citizens about the importance of fair and impartial courts and the work judges do.

**LOBBYISTS/TRADE ASSOCIATIONS**

A recent survey released by the Ohio Restaurant Association (ORA) shows that same-store sales in the state rose 4.9 percent in the last quarter of 2018, an increase attributed to a sizable number of online orders. Food costs are increasing for operators, representing 31.3 percent of total sales, up from 30.7 percent. Labor costs remain relatively high at 28.6 percent of total sales in Q4 of 2018, up from 28.2 percent.

**LOCAL GOVERNMENT**
Legislation that would create a mechanism for counties facing sizable legal costs for pursuing capital cases is being reintroduced for the 133rd General Assembly. Reps. Shane Wilkin (R-Hillsboro) and John Rogers (D-Mentor-on-the-Lake), Sen. Bob Peterson (R-Washington Court House), and Ohio Attorney General Dave Yost discussed the legislation at a press conference Tuesday. The legislation was originally introduced as 132-HB781 (Wilkin) and 132-SB345 (Peterson) during the 2018 lame duck session in response to the ongoing Pike County capital case involving the murder of eight members of the Rhoden family. The bill would allow the Controlling Board to release unappropriated funds to these counties for the trial defense and prosecution of these cases with approval of the Ohio Public Defender (OPD) and Ohio Attorney General. The Ohio Public Defender will oversee the funds and the funds will cover the first trial through any appeals proceedings.

MARIJUANA

Two more medical marijuana dispensaries are now legally operating in Ohio, according to the Ohio Medical Marijuana Control Program (MMCP). The Ohio Board of Pharmacy recently awarded certificates of operation to Clubhouse Dispensary in Elyria and Buckeye Botanicals LLC in Jackson, MMCP said. There are currently eight medical marijuana dispensaries operating in Ohio.

Ohio’s medical marijuana dispensaries have sold $947,056 worth of cannabis since opening day, according to the Ohio Medical Marijuana Control Program (MMCP). Dispensaries sold 126 pounds of marijuana from Jan. 16 through Feb. 17, MMCP said.

MEDICAID

The Ohio Department of Medicaid (ODM) said Friday it will have managed care plans pay claims outstanding from July to behavioral health providers and freeze for now their efforts to collect advance payments made amid the rollout of a new billing system. ODM last year launched its Behavioral Health Redesign Initiative (BHRI) and moved behavioral health services under managed care. Providers have argued in the leadup and aftermath of the changes that the new benefits and billing structure was not ready, and that cashflow interruptions would threaten their viability. The Kasich administration delayed implementation once amid uncertainty in budget deliberations and also offered contingency payments to providers who weren’t ready for the change.

MENTAL HEALTH

The Ohio Department of Mental Health and Addiction Services (OhioMHAS) named Brandon M. Haas chief of Ohio Pharmacy Services (OPS). In his new role, Haas will manage pharmacy operations for Central Pharmacy Inpatient, Central Pharmacy Outpatient and the Ohio Pharmacy Service Center. OPS serves state behavioral health hospitals, state correctional facilities, county health departments, community mental health and addiction agencies, free clinics, county jails and nonprofits throughout Ohio by providing centralized procurement and distribution services for pharmaceuticals, over-the-counter medications, medical and laboratory supplies and personal care products. OPS also provides expertise in formulary management and clinical pharmacy services.

NATURAL RESOURCES

Ohio hunters would be allowed to carry either printed or electronic versions of their licenses and permits under a rule change proposed to the Ohio Wildlife Council. The Ohio Department of Natural Resources (ODNR) proposal would allow all fishing licenses, hunting licenses, deer permits, wild
turkey permits, fur-taker permits and wetlands habitat stamps to be in either printed or electronic form.

The National Park Service has closed off a section of Cuyahoga Valley National Park (CVNP) to protect a pair of bald eagles that have returned to nest in the park's trees in the Pinery Narrows area of the park. The pair has successfully fledged 15 eaglets since its first nesting in 2007.

ODNR has closed the adjudication phase of what has become the largest case in the 146-year history of the ODNR Division of Wildlife. The case, dubbed "Operation North Coast," culminated in March 2016 with the execution of search warrants, arrest warrants and dozens of simultaneous interviews, according to ODNR. The case primarily concerned the illegal taking and sales of Lake Erie sportfish and white-tailed deer meat products in counties along the Lake Erie shoreline. Since the takedown, state wildlife investigators have spent two-and-a-half years attending court hearings in Cuyahoga, Lorain, Lucas, Richland, Ottawa and Wood counties.

ODNR Director Mary Mertz has named Mike Angle as chief of the Division of Geological Survey and Dan Balser as chief of the Division of Forestry, the department announced Wednesday.

NEWS MEDIA

The owner of the Dayton Daily News, WHIO and other Ohio media businesses is being bought by an international asset management and private equity firm for an undisclosed amount, the company announced Friday. Cox Enterprises said Apollo Global Management LLC is buying a controlling stake in Cox Media Group (CMG) and its associated radio, TV and newspaper properties. Cox Enterprises will keep a minority stake and, along with Apollo, will create a new private company to operate CMG's stations around the country, including Ohio. In addition to the Dayton Daily News and WHIO, Cox Media Group owns WZLR of Xenia, WHKO of Dayton, the Springfield News-Sun and the Journal-News of Hamilton OH.

PEOPLE

Lauren Blauvelt-Copelin has been hired as Planned Parenthood of Greater Ohio's vice president of government affairs and public advocacy, the organization announced Thursday. Blauvelt-Copelin has worked at Planned Parenthood for more eight years, beginning in 2010 as the coordinator in the Health Center Advocacy Program at Planned Parenthood of the Southwest Ohio Region. She replaces Joanna Saul, who left the organization in September 2018 for a job in the state of Washington, Planned Parenthood spokesperson Sarah Inskeep told Hannah News. Saul is also a former executive director of the Correctional Institution Inspection Committee (CIIC).

Eric Leach, a former legislative aide to Rep. Bill Reinke (R-Tiffin), has joined the Association of Independent Colleges and Universities of Ohio (AICUO) as director of research and policy. Leach, who also worked under Rep. Doug Green (R-Mt. Orab), had been a data analyst and media buyer at the Strategy Group Company during the 2016 presidential election and a data analyst for Uber, focusing on labor analytics.

POLITICS

The Democratic National Committee (DNC) recently re-elected Ohio Democratic Party Chairman David Pepper as vice president of the Association of State Democratic Committees (ASDC). Former
Dayton Mayor Rhine McLin was again elected secretary of the ASDC and former Cincinnati Mayor Mark Mallory was elected as one of two Midwest representatives on the DNC Executive Committee.

Ohio Democratic Party Chairman David Pepper and Ohio Republican Party Chairwoman Jane Timken began their joint address to the Associated Press Legislative and Political Preview Session in collegial fashion Tuesday but grew increasingly pointed as the hour-long session wore on. Timken touted last year's GOP electoral victories, while Pepper highlighted the uptick in Democratic voters and key party wins in metropolitan centers. In the end, both conceded Ohio would remain a battleground state in 2020.

SECRETARY OF STATE

Secretary of State Frank LaRose Thursday told reporters that he has been working on a bill with Ohio lawmakers that will reform Ohio's supplemental process for removing inactive voters from the rolls. The current process, which removes voters if they don't vote in two consecutive federal elections and do not respond to a letter warning them that their registration may be cancelled, was upheld by the U.S. Supreme Court last year. LaRose said he hopes to create a more automated process to register people to vote and keep their information up-to-date. More details on the proposal will be announced in the coming weeks once the bill is ready for introduction.

STATE GOVERNMENT

Thousands of people who collected unclaimed funds received tax forms with errors for the 2018 tax year, including incorrect personal information or incorrect amounts of interest paid on those funds. The Ohio Department of Commerce (DOC) said it has mailed corrected forms to most of the 9,000 consumers affected by a processing error, while the remainder should get new forms shortly. In the meantime, some affected consumers will be offered a year of identity theft protection at no cost. Those selected consumers will be notified directly by mail about the service and how to enroll.

The Governor's Office of Faith-Based and Community Initiatives (GOFBCI) Advisory Board held its first meeting of the DeWine administration Wednesday under the leadership of newly appointed director Michele Reynolds.

TOBACCO/SMOKING

Noting that "Ohio has a long way to go when it comes to both tobacco control policy and access to care for cancer patients," the American Cancer Society Cancer Action Network (ACS CAN) recently released its priority initiatives for 2019 that discourage the use of tobacco products. These include asking lawmakers to fund the state's tobacco prevention and cessation program at $35 million annually and supporting increasing the price of tobacco products by equalizing the tax on "other tobacco products" (OTP), including e-cigarettes, with the tax on cigarettes.

TRANSPORTATION/INFRASTRUCTURE

Gov. Mike DeWine Thursday proposed an 18-cent per gallon hike in the state's gas tax as well as indexing it to reflect inflation to fill the $1.5 billion shortfall in funds needed for highway maintenance and construction. The proposal was unveiled in the House Finance Committee as a substitute bill to HB62 (Oelslager). Testifying on the specifics of the proposed $7.43 billion transportation and public safety budget was Ohio Department of Transportation (ODOT) Director
Jack Marchbanks who said the hike would cost an additional $2.65 per week for a 2015 Ford F-150 driver traveling the national average of 13,000 miles a year, and $1.91 for a 2015 Jeep Cherokee driver or $1.61 for a 2015 Honda Accord driver. The sub bill was not formally accepted, giving members an opportunity to draft potential amendments, committee chair Rep. Scott Oelslager (R-North Canton) explained.

Local officials told the House Finance Committee Tuesday that a number of factors have come together to force a crisis point when it comes to funding road construction projects. The officials, including County Engineers Association of Ohio Executive Director Dean Ringle, Delaware County Engineer Chris Bauserman, Clinton County Engineer Jeff Linkous, Heidi Fought of the Ohio Township Association, Keary McCarthy of the Ohio Mayors Alliance and Jonathan Westendorf of the Ohio Fire Chiefs' Association, said that inflation, increased costs of materials, cuts by the state to local sources of funding, more fuel efficient vehicles and a stagnant gas tax have all come together to fuel the crisis. Ringle, who served on Gov. Mike DeWine's Governor's Advisory Committee on Transportation Infrastructure, told the committee that the "funding hole" for transportation projects "is quite real. The hole is deep and the hole is wide."

The Senate will track closely with House deliberations on the transportation budget and will conduct its due diligence on the level of need and alternative funding methods and cost saving measures before deciding on a gas tax increase, said the chairman who'll lead deliberations. Sen. Robert McCollley (R-Napoleon), chairman of the Senate Transportation, Commerce and Workforce Committee, called an informal hearing Wednesday to hear an assessment of local governments' infrastructure needs as a preview of transportation budget hearings to come.

Mayors and representatives from various industry groups testified to the House Finance Committee Wednesday urging strong support for at least some increase to the state's motor fuel tax to be included in the transportation budget, HB62 (Oelslager), saying it would help communities cope with increased maintenance costs and help stimulate the economy.

Reps. Michael Skindell (D-Lakewood) and Terrence Upchurch (D-Cleveland) Wednesday called for more state support for public transit. Specifically, their proposal would increase state General Revenue Fund (GRF) support for transit to $100 million in FY20 and FY21 and boost the use of federal flex funds for transit to $50 million.

TREASURER OF STATE

The County Auditors' Association of Ohio (CAAO) announced Wednesday the formation of a working group to study how blockchain technology can be implemented in making property deed transfers more efficient. Initial meetings will be held via conference calls and include discussions on operating principles and setting goals. Members also will view a presentation in the near future from SafeChain Co-founder and CEO Tony Franco on current projects in the state.

UTILITIES

The Public Utilities Commission of Ohio (PUCO) handed Duke Energy customers a $260 million rate cut Wednesday to bring Ohio's third electric distribution utility (EDU) into compliance with President Donald Trump's 2017 Tax Cut and Jobs Act (TCJA). The commission previously approved tax refunds for customers of American Electric Power (AEP) of Ohio and Dayton Power
and Light (DP&L) as part of out-going Chairman Asim Haque's promise to return "every dime." It must still finalize a TCJA plan for FirstEnergy.

WORKERS' COMPENSATION

Because the Ohio Bureau of Workers' Compensation (BWC) leads state agencies overcharged by pharmacy benefit managers (PBM), Ohio Attorney General Dave Yost said Tuesday his office will initiate mediation with Minnesota-based OptumRx to recover nearly $16 million in contractually agreed discounts. Yost said he has informed OptumRx that BWC plans to file a demand for mediation of injured worker prescription prices with the American Arbitration Association -- a move required under BWC's contract with OptumRx.

WORKFORCE

Two Northwest Ohio lawmakers, Reps. Craig Riedel (R-Defiance) and Susan Manchester (R-Lakeview), said Tuesday they want local governments to be able to choose whether to require prevailing wage for construction projects, arguing it would save taxpayers money and help to greenlight more projects. They said their constituents in local government want the flexibility provided in HB78. However, asked about the issue later Tuesday at the Associated Press (AP) Legislative Preview Session, Speaker of the House Larry Householder (R-Glenford) said he believes that reducing the wages on skilled labor is the wrong direction for Ohio to go, particularly as the state is looking to increase the pool of skilled workers. House Minority Leader Emilia Sykes (D-Akron) echoed that sentiment, adding she wonders why "we would shortchange the work on government buildings," which is where the state would want to ensure "great workmanship."

LEGISLATIVE ACTIVITY:

SENATE:
No legislative activity to report.

HOUSE:
No legislative activity to report.