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RH RESOURCES

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Week in Review

June 15, 2018

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

Attorney General Mike DeWine announced the final report of his Insurer Task Force on Opioid Reduction Tuesday, a collection of 15 recommendations on prevention, intervention and treatment for opioid abuse through better coordination of health and insurance providers. DeWine gathered with task force members in Columbus to release the 24-page report, calling its recommendations "very, very sound." Members include representatives of Aetna, Anthem, Buckeye Health Plan, CareSource, Medical Mutual, Molina Healthcare, Ohio Association of Health Plans, Paramount Health Care and UnitedHealthCare.

AFFORDABLE CARE ACT

The constitutionality of the Affordable Care Act's (ACA) mandate for everyone to obtain health coverage, upheld by the U.S. Supreme Court in 2012, is again a major question after the Trump administration said Thursday it won't defend the mandate against arguments that the new federal tax law renders it unconstitutional. In February, 19 states filed a lawsuit in the U.S. District Court for the

Northern District of Texas, arguing that recent elimination of the penalty for failure to comply with the mandate obviates the basis on which the 5-4 Supreme Court ruling rests. While the Supreme Court found in *NFIB v. Sebelius* that the mandate is unconstitutional as an exercise of Congress' interstate commerce powers, it determined the policy was permissible under its taxing powers. The federal Tax Cuts and Jobs Act (TCJA), signed into law in December 2017, zeroes out the tax penalty for failing to obtain coverage, though the mandate itself remains in effect.

ATTORNEY GENERAL

Ohio Attorney General Mike DeWine has joined the U.S. Department of Homeland Security in announcing the seizure of approximately 20 pounds of fentanyl "with the capability of killing more than four million people," according to the AG's office. DeWine says authorities with the Miami Valley Bulk Smuggling Task Force -- part of the attorney general's Organized Crime Investigations Commission -- seized the drugs Monday night.

FY18-19 BUDGET

The state has announced that, due to lower than expected expenditures in the Ohio Medicaid program in this fiscal year, FY18, it is able to reduce a planned cut to hospitals by nearly \$1 billion - - "\$956 million less than the Ohio General Assembly enacted and \$402 million less than the Kasich administration originally proposed." According to the Office of Health Transformation (OHT), Ohio Medicaid updated its budget forecast in May and determined enrollment will be less than originally projected as a result of Ohio's steadily improving economy. "The reduced caseload will translate into budget savings of \$354 million (\$54 million state share) in 2018 and \$466 million (\$122 million state share) in 2019. While significant, these amounts are within 2.6 percent of the original budget in 2018 and 3.2 percent in 2019."

EDUCATION

As many as 71 programs around the state might receive grants to support youth mentorship programs after an advisory board voted Friday to recommend them as recipients of Community Connectors Grants. Applicants were allowed to request up to \$150,000 for their one year programs, matching state dollars with their local dollars on a three-to-one ratio. However, as Program Administrator Kimberlee Clark noted, the program received a 61 percent cut in funding this biennium, meaning only \$8 million was available to be awarded. The distribution must still be approved by Superintendent of Education Paolo DeMaria.

Superintendent Paolo DeMaria primed the pump Monday for soon-to-begin discussions with the State Board of Education for recommendations on the next biennial budget, development of which will start under this administration but will be taken over next year by a new governor. Guidance for FY20-21 is expected from the Office of Budget and Management (OBM) in July, and DeMaria predicted it will mirror that of the last budget cycle, asking agencies to submit plans for two scenarios: flat funding and a 10-percent cut.

The State Board of Education voted Tuesday to approve its strategic plan titled "EachChild=OurFuture," which lays out a broad framework for the state's educational goals, strategies and guiding principles. Included in the plan are four "domains of learning" on which education should be focused: foundational skills and knowledge; well-rounded content; reasoning; and social-emotional learning. In addition, the plan establishes eight "guiding principles" that

emphasize teaching toward equity of student outcomes, and 15 "strategies" designed to support Ohio's overarching education goals.

Auditor Dave Yost should not be admitted as a formal party to litigation in which court-appointed attorneys are overseeing the final affairs of the defunct Electronic Classroom of Tomorrow (ECOT), the online charter school argued in recent filings.

The court-ordered auction of assets from ECOT ended this week with the biggest ticket item, the former shopping mall site that served as the online school's headquarters, going to Columbus City Schools. The capital city district won with a bid of \$3.15 million for the 138,000-square-foot building, and expects to pay nearly \$3.5 million total when fees and transfer costs are added. The auction also included a hodge-podge of office equipment, computers, vehicles and miscellaneous items. A lot of eight robotics kits went for \$325. A 2002 Chevy flatbed pickup truck went for \$6,520. A welding table sold for \$101, and a foosball table for \$400.

ELECTIONS

Ohio's process for removing voters from its voting rolls does not violate federal law, the U.S. Supreme Court ruled Monday in a 5-4 decision that pitted conservatives on the Court against its liberal wing. Groups sued the state over its practice of removing individuals from the rolls if they do not vote for two federal cycles, saying it violates the National Voter Registration Act (NVRA) as well as the Help America Vote Act (HAVA). Writing for the majority in *Husted v. A. Philip Randolph Institute*, Justice Samuel Alito said that Ohio's "supplemental process" does exactly what the two laws spelled out, because if a voter does not cast a ballot in a federal election, the state notifies the voter of that failure and asks for a verification that the voter still resides at the current address on the voter's registration.

However, Secretary of State Jon Husted's office Tuesday notified county boards of elections that, despite the U.S. Supreme Court ruling Monday in *Husted v. A. Philip Randolph Institute* upholding Ohio's process for removing individuals from the voter rolls, that no action is to be taken until after the November 2018 election because federal law prohibits cancelling voter registrations less than 90 days prior to a federal election. Ohio has two federal elections set: one on Aug. 7 and another on Nov. 6.

ELECTIONS 2018

Republican Jim Renacci's U.S. Senate campaign announced two hires on Monday. Sarah Clamp will serve as deputy campaign manager. Prior to joining Renacci for Senate, Clamp managed the Jenkins for Senate campaign in West Virginia. In addition, Leslie Shedd joins Renacci's team as a senior communications advisor. She has previously worked as vice president of communications for the National Restaurant Association, deputy campaign manager and communications director for Kathy Szeliga's Senate campaign in Maryland, and as national press secretary for CARLY for America.

A new poll on a special election in the 12th Congressional District by Monmouth University shows a lead for Republican Troy Balderson over Democrat Danny O'Connor, but not much enthusiasm by voters of either party. The poll found Balderson leading O'Connor 43 percent to 33 percent among potential voters, which Monmouth described as those who have participated in an election since

2010 or have newly registered to vote. The poll also found Green Party candidate Joe Manchik getting 1 percent, while another 21 percent are undecided.

Two new polls show Democratic gubernatorial nominee Richard Cordray with a slight lead over Republican Mike DeWine, while Sherrod Brown has begun with a larger lead in his re-election bid against Jim Renacci. In its first poll of Ohio in the 2018 cycle, Quinnipiac University's Ohio survey put Cordray over DeWine 42 percent to 40 percent, respectively. The poll, conducted among 1,082 Ohio voters from Thursday, June 7 through Tuesday, June 12, saw men backing DeWine 47 percent to 36 percent, while women back Cordray 48 to 35 percent. White voters choose DeWine 44 percent to 39 percent, while non-white voters pick Cordray 56 percent to 23 percent. DeWine is getting 85 percent support from Republicans, while Cordray gets 81 percent of Democratic support. Independent voters back Cordray 39 percent to DeWine's 37 percent.

Meanwhile, Suffolk University released the results of a poll conducted in conjunction with the *Cincinnati Enquirer* that shows Cordray over DeWine 43 percent to 36 percent. Brown leads Renacci 53 percent to 37 percent.

A new unit within the auditor's office would seek to bring restitution to the state and taxpayers who were defrauded by charter schools and their operating companies under a plan announced Wednesday by Democratic candidate for auditor Zack Space. The "Stop Charter Abuse and Malfeasance Unit" or "S.C.A.M. Unit" would be charged with identifying how much charter schools have overbilled the state, examining how their operating companies spent taxpayer money and conducting an internal review of the auditor's office to determine if proper protocols were followed during audits of charter schools.

In a new 30-second ad, Democrat Danny O'Connor, candidate for the U.S. House 12th District seat in both the August special election and the November general election, calls for a change in leadership in the U.S. House "on both sides of the aisle."

Democratic gubernatorial candidate Richard Cordray Thursday urged Attorney General Mike DeWine, his GOP opponent, to join a group of states defending the Affordable Care Act (ACA) after the Trump administration declined to do so. Cordray and running mate Betty Sutton, a former U.S. representative, criticized DeWine for his plans to join Vice President Mike Pence at events in Ohio this weekend while the Trump administration is taking actions to undermine health care access.

State Sen. and Republican candidate for the U.S. Congress Troy Balderson (R-Zanesville) announced this week that he will donate contributions received in his Statehouse and State Senate campaign accounts from Electronic Classroom of Tomorrow's (ECOT) Bill Lager to three local nonprofit organizations. They include Transitions, Inc. and Miracle League in Muskingum County and Turning Point in Delaware County.

The following endorsements were made over the week:

- The League of Conservation Voters Action Fund endorsed Aftab Pureval for the 1st Congressional District.
- The DeWine-Husted campaign announced that the Indiana/Kentucky/Ohio Regional Council of Carpenters and the Ohio Conference of Plasterers and Cement Masons both endorsed their campaign for governor/lieutenant governor.

- The Ohio Chamber of Commerce Political Action Committee endorsed Justice Mary DeGenaro and Judge Craig Baldwin for the Ohio Supreme Court.
- The DeWine-Husted campaign announced that Sheet Metal Workers Local 24 and Local 33 and Northwest Ohio Building Trades have endorsed its bid for governor/lieutenant governor.

FEDERAL

State Solicitor Eric Murphy and Acting Assistant U.S. Attorney General Chad Readler have been nominated by President Donald Trump to the U.S. 6th Circuit Court of Appeals, splitting Ohio's U.S. Senate delegation. Sen. Rob Portman (R-OH) released a statement saying he had spoken with the candidates and was backing them; Sen. Sherrod Brown (D-OH) said he would withhold his support.

U.S. Sens. Sherrod Brown (D-OH) and Rob Portman (R-OH) are leading a bipartisan group of 10 senators in demanding the Trump administration release the results of a study regarding what levels of certain chemicals are safe in drinking water. According to media reports, the U.S. Environmental Protection Agency (USEPA) has been working to block the release of results from a U.S. Department of Health and Human Services (HHS) study on the toxic Per- and Polyfluoroalkyl Substances (PFAS). The substances are a class of toxic chemicals used in manufacturing that have been linked to a variety of cancers and serious health conditions, according to the offices of Brown and Portman.

The Trump administration should "be careful" about using national security provisions in the Trade Expansion Act as reasons to change trade policies, especially with a country like Canada, U.S. Sen. Rob Portman (R-OH) said Tuesday. "Section 232 is for national security, and it should be used for that purpose only, and it should be used selectively," Portman told reporters on a conference call, noting he would support limited uses of the provision, but "not a broad-based tariff, particularly with a country that is not posing a national security threat from any perspective, and certainly not from a trade perspective."

Three of the state's top elected officials on Tuesday offered measured responses to President Donald Trump's meeting this week with North Korean dictator Kim Jong Un with U.S. Sen. Rob Portman (R-OH), U.S. Sen. Sherrod Brown (D-OH) and Gov. John Kasich all noting North Korea's "empty promises" of the past and lack of follow-through while at the same time saying they are pleased the talks took place and they hope for success.

The version of the farm bill passed by a U.S. Senate Committee includes provisions drawn from his own proposals on assistance to farmers and water quality protection, U.S. Sen. Sherrod Brown (D-OH) said Wednesday. Brown said the Senate version also drew bipartisan support and protects the Supplemental Nutrition Assistance Program (SNAP), unlike the U.S. House version.

To mark Flag Day on Thursday, June 14, U.S. Sens. Sherrod Brown (D-OH) and Susan Collins (R-ME) introduced legislation that requires the federal government to only buy American flags that are American-made. The federal government is currently required to purchase flags made from only 50 percent American-made materials. The senators' legislation would require the government to buy flags that are produced entirely with American-made materials and are manufactured in the U.S.

GAMING/GAMBLING

Casinos in Toledo, Columbus and Cincinnati pulled in more revenue last month than in May 2017, while revenues in Cleveland fell by nearly \$2 million, offsetting the gains. Meanwhile, statewide racino revenues were up nearly \$2 million over May 2017. Ohio's casinos earned \$68.7 million in May, down from \$70.2 million in May 2017 and also down from \$72.3 million in April, according to figures released Thursday by the Ohio Casino Control Commission.

GENERAL ASSEMBLY/STATEHOUSE

The Joint Committee on Agency Rule Review (JCARR) cleared its slate Monday, including two items from the Ohio Department of Medicaid (ODM) on durable medical equipment (DME), particularly speech-generating devices, and one item from the Ohio Department of Job and Family Services on child support enforcement agency (CSEA) funding.

The House State and Local Government Committee Wednesday accepted a substitute version of SB86 (Hackett) which originally designated May 25 as "Ohio National Missing Children's Day" but now incorporates dozens of other bills and resolutions regarding special designations and license plates. It then reported the bill out.

Rep. Emilia Strong Sykes (D-Akron) has filed an official complaint with Ohio Department of Public Safety (ODPS) Director John Born, citing incidents of profiling among Capitol Square's Ohio State Highway Patrol (OSHP) security personnel. Sykes has said she and other black women lawmakers have routinely been subjected to additional security measures when entering the Statehouse and other government office buildings.

GOVERNOR

Appointments made during the week include the following:

- Cassandra B. Robertson of Cleveland Heights (Cuyahoga County) reappointed to the State Council of Uniform State Laws for a term beginning June 13, 2018, and ending June 5, 2021.
- Rev. Dr. Todd C. Davidson of Lyndhurst (Cuyahoga County) to the Kent State University Board of Trustees for a term beginning June 13, 2018, and ending May 16, 2027.

HOUSING/HOMELESSNESS

Only two of the top 10 occupations in Ohio actually pay their employees enough to afford a modest two-bedroom apartment, according to a report released Wednesday. Ohio's housing wage increased again this year to \$15.25 -- the hourly amount renters need to earn to afford the rent for a basic, two-bedroom unit, according to the report "Out of Reach 2018," jointly released by the National Low Income Housing Coalition and the Coalition on Homelessness and Housing in Ohio (COHHIO). The report explains that, in Ohio, the Fair Market Rent (FMR) for a two-bedroom apartment is \$793. "In order to afford this level of rent and utilities -- without paying more than 30 percent of income on housing -- a household must earn \$2,644 monthly or \$31,723 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates" into the \$15.25 hourly housing wage.

JUDICIAL

The Ohio Board of Professional Conduct is warning trial attorneys against the temptation to be bought off by a higher settlement figure in exchange for a gag agreement not to disclose public information about a civil case, thereby insulating the defendant against future damage claims by the same attorney. In its third opinion of the year, the board says the prohibition in Rule 5.6(b) of the Ohio Rules of Professional Conduct protects a lawyer's right to practice law and a potential client's ability to hire counsel with prior knowledge of a prospective defendant.

LIBRARIES

Libraries represent hubs of potential growth for businesses and skills training, members of the Governor's Executive Workforce Board were told in Tuesday's quarterly meeting. Representatives of public library systems around the state spoke on specific initiatives that have succeeded in their communities, ranging from job training, assisting new Ohioans, offering temporary mobile Wi-Fi and housing 3D printing and laser technology on site.

MARIJUANA

A constitutional amendment legalizing marijuana for adults age 21 and older is something a vast majority of Ohioans should be able to support in 2019, backers of the "Marijuana Rights and Regulations" amendment told *Hannah News* in an interview. "What we are trying to do here is establish these rights and with that, place limitations on them that create an economic system and a regulatory system that is taxable," amendment chief editor Tom Jackson said, noting former Ohio Supreme Court Justice Bill O'Neill and other legal scholars reviewed and helped shape the proposal.

MEDICAID/MEDICAID REFORM

A 10-day public comment opened Tuesday on the Ohio Department of Medicaid's (ODM) proposed Managed Care Quality Strategy. The comments are being solicited prior to the state's submission of the quality strategy to the Centers for Medicare and Medicaid Services (CMS) "for review and comment before adopting it as final." The document can be found online at <http://tinyurl.com/y7wfnjh2>. Comments, due by midnight on Friday, June 22, can be submitted by email to QualityStrategy@medicaid.ohio.gov; or in writing to ODM, 50 W. Town St., Columbus 43215.

Many more Ohioans would be at risk of losing access to health care under federally-approved Medicaid expansion work requirements than the state has currently estimated according to a new report from Policy Matters Ohio (PMO). PMO estimates that 318,479 Ohioans are at risk of losing their health care, citing vague exemptions especially for individuals with chronic conditions.

NATURAL RESOURCES

U.S. Hotel and Resort Management (USHRM) has officially taken over management of the Maumee Bay State Park Lodge and Conference Center, the Ohio Department of Natural Resources (ODNR) announced Tuesday. USHRM will also operate four other state lodges, including those at Deer Creek, Mohican, Punderson and Salt Fork state parks -- bringing its total to eight throughout Ohio, according to ODNR. The other state lodges currently managed by the company include those at Burr Oak, Hueston Woods and Shawnee.

The Ohio Department of Natural Resources (ODNR) and the Ohio Trails Partnership are seeking help from the public to create the state's next plan for recreational trails of all types throughout Ohio. Five meetings will be held around the state to get input. Ohio offers more than 5,000 miles of trails for hiking, biking and horseback riding, among other activities.

PEOPLE

The Ohio Restaurant Association (ORA) recently installed its 90th chair, Sam Lindsley, chief operating officer of Michael Symon Restaurants. He will serve through June 2020.

The Asian Pacific Islander Public Affairs Association (APAPA) launches its Ohio Chapter with the 2018 Ohio Civic Leadership Forum on Saturday, June 16. It is one of 23 chapters across the United States that boasts nearly 40,000 members.

POLITICS

The Ohio Republican Party State Central Committee elected two officers and swore in its members during its meeting Friday at the Capitol Square Sheraton. District 33's Dave Johnson was unanimously elected treasurer, while District 27's Bryan Williams was unanimously elected assistant treasurer.

PUBLIC SAFETY

Ohio Department of Mental Health and Addiction Services (OhioMHAS) Director Tracy Plouck and U.S. Sen. Rob Portman (R-OH) honored first responders Monday at Ohio's 2018 Opiate Conference in Columbus, where 1,200 participants attended the two-day gathering hosted by the Ohio Association of County Behavioral Health Authorities (OACBHA) in conjunction with OhioMHAS and the Ohio Department of Rehabilitation and Correction. Plouck and Portman presented the OACBHA Cares Awards, which recognize professionals working on the front lines of the opioid epidemic in communities across Ohio.

STATE GOVERNMENT

Except for one item that was deferred, the Controlling Board approved the rest of its agenda Monday, including the 10 items that were held for questioning at the requests of legislators. Members also approved the school foundation funding distribution.

STUDIES/POLLS

Undocumented immigrants brought to the U.S. as children, also known as "Dreamers," should be allowed to stay in the country and eventually apply for citizenship, 76 percent of Ohio voters said this week in a Quinnipiac University issues poll. Every listed group in the poll, which surveyed 1,082 voters from June 7-12, overwhelmingly supports allowing these immigrants to stay.

The poll also sought voter opinions on the issues of trade, health care and tax cuts. By a 55 percent to 34 percent margin, voters support raising tariffs on products imported from China. However, that drops to a divided 46 percent to 46 percent when voters are asked if they support tariffs, "if the tariffs raised the cost of goods that you buy." Further, the poll found that by a count of 50 percent to

41 percent, voters oppose tariffs on Chinese products "if the tariffs resulted in China raising tariffs on American products."

Ohio voters also support keeping in place the Affordable Care Act, also known as "Obamacare." The health care law is backed by 51 percent of Ohio voters, while 44 percent said it should be repealed. Those supporting keeping the Affordable Care Act are Democrats 91 percent to 6 percent and Independent voters 53 percent to 41 percent. Republicans vote 91 percent to 6 percent for repeal.

TECHNOLOGY

The Federal Communications Commission's (FCC) repeal of Obama-era net neutrality rules, effective Monday, hasn't elicited much action from Ohio state government officials. The only net neutrality legislation that has been introduced in the 132nd General Assembly is HCR18 (Ramos-West), which asks Congress and the president to protect open Internet access. The resolution has received one hearing in the House Federalism and Interstate Relations Committee.

DriveOhio, the state's new center for coordinating smart mobility initiatives, announced plans to study the use of unmanned aircraft systems (UAS), sometimes called drones, to monitor traffic and roadway conditions from the air along the 33 Smart Mobility Corridor. The three-year, \$5.9 million study is a partnership between DriveOhio's UAS Center and the Ohio State University (OSU) College of Engineering. It is set to begin July 1, 2018.

UTILITIES

The Public Utilities Commission of Ohio (PUCO) has shot down another major utility request to hike fixed distribution charges on electric consumers, perhaps signaling its pending decision in the Dayton Power & Light rate case. The commission on Wednesday denied FirstEnergy's proposal to increase fixed distribution charges while lowering so-called "volumetric" costs, or monthly distribution charges reflecting the number of kilowatts customers actually use.

VETERANS

The Ohio Department of Veteran Services (ODVS) named Terry Prince, a retired U.S. Navy hospital corpsman, as the new superintendent of the Veterans Homes in Sandusky and Georgetown.

WORKERS' COMPENSATION

A temporary employment agency based in Columbus must pay the Ohio Bureau of Workers' Compensation (BWC) \$3.5 million in unpaid insurance premiums billed to a predecessor company with the same owner, the Supreme Court of Ohio ruled Wednesday. In a split decision, the Court said that Daily Services LLC, a short-term temp agency, had "wholly" succeeded I-Force LLC, a long-term temp agency, even though Daily had assumed only 30 percent of its customers.

LEGISLATIVE ACTIVITY:

SENATE:

No legislative activity to report.

HOUSE:

No legislative activity to report.