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RH RESOURCES

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Week in Review

June 30, 2017

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

The model policies crafted by the Ohio Attorney General's (AG) Advisory Group on Unmanned Aircraft Systems have been sent to state law enforcement officials for review, according to the AG's office. Representatives of the Ohio Attorney General's Office and Ohio Peace Officer Training Academy (OPOTA) will likely make changes and send the draft documents back to the advisory group for consideration in August or September, the group was told this week.

FY18-19 BUDGET

The Legislature finished up its work on the proposed FY 18-19 budget, HB 49 (R. Smith), over the course of the week: the Conference Committee on the bill reviewed over 500 pages with over 600 points of difference, finishing late Tuesday, June 27. Both houses then agreed to the report at Wednesday sessions, clearing the way for it to go to the governor who must sign it by July 1 so it is in place for the start of the new fiscal year. Among the major provisions included in the conference

report are the following: retention of the Senate-added provision freezing enrollment in the Medicaid expansion eligibility group on July 1, 2018 but amended to exempt individuals with a mental illness or drug addiction; authorization for the Office of Budget and Management to transfer cash from certain agencies to the General Revenue Fund (GRF); reimbursement for counties for up to 50 percent of acquisition costs for voting machine upgrades; reinstatement of the Joint Education Oversight Committee; authorization for the speaker and Senate president to appoint members of the Oil and Gas Leasing Commission; exclusion of fifth-degree felony drug traffickers from the administration's prison diversion efforts; elimination of changes in the handling of wrongful imprisonment; revisions to the calculation of the Current Agricultural Use Valuation (CAUV); elimination of the Manufactured Homes Commission, the Permanent Joint Committee on Gaming and Wagering and the Ohio Constitutional Modernization Commission; and permitting casinos to provide free tasting samples of beer, wine and liquor.

The conference committee declined to restore biennial budget provisions added by the Ohio House addressing sick leave and tenure at Ohio public colleges and universities but it did adopt House language authorizing the chancellor of the Ohio Department of Higher Education to investigate all fees charged students by state institutions of higher education and to prohibit any state institution from charging a fee the chancellor determines is not the best interests of students.

The conference committee report gives K-12 school districts a tiny increase in per-student funding, sets a flexible gain cap to accommodate districts with rapid enrollment growth, and shrinks the timeframe within which population loss can lead to loss of guarantee funding. In terms of policy, the bill responds to calls for additional diploma options for the first class facing new graduation requirements, and it takes steps to scale back required testing, though to a lesser degree than recommended by a study group and the state superintendent of education.

Also among provisions dropped from the conference report was Senate language changing the setback requirements for wind turbines.

On Wednesday, the House approved the conference committee report by a vote of 59-38 and the Senate, 24-8, approval margins that set up the possibility of veto overrides which require a three-fifths majority in both chambers. Both Speaker Cliff Rosenberger (R-Clarksville) and Senate President Larry Obhof (R-Medina) said they are prepared to call legislators back the first week of July for that purpose.

DEATH PENALTY

The Ohio Department of Rehabilitation and Correction (DRC) Tuesday issued its second notice of execution for Ronald Phillips in as many months, with the possibility that the 43-year-old will once again be rescheduled for lethal injection, marking his 10th date in three and a half years. However, this may be the final notice in light of the U.S. 6th Circuit Court of Appeals Wednesday decision clearing the way for Ohio executions to resume in July after a three-year hiatus, ruling 8-6 to lift a federal injunction against the state's lethal injection protocol.

ECONOMIC DEVELOPMENT

JobsOhio has hit a half-billion-dollar "milestone" in project funding, President and Chief Investment Officer John Minor told his board of directors recently, when members reviewed first-quarter results

putting total projects up 11 percent year-over-year and outside capital investment up 121 percent. Other numbers were mixed: New jobs held steady while retained jobs fell by half in Q1; total payroll, on the other hand, was up 19 percent for the preceding four quarters.

EDUCATION

Auditor of State Dave Yost, in a letter to ECOT Superintendent Rick Teeters dated Friday, June 23, called the school's use of funds it has received to educate its students instead for ads opposing the Department of Education's action seeking return of \$60 million "impermissible." Yost went on to demand that ECOT immediately "cease and desist the expenditure of public funds" for the ads. He then announced later in the week that he is preparing to go to court to stop the school from spending on advertising about its fight with the state.

ELECTIONS 2018

Confirming long-running rumors, Ohio Attorney General Mike DeWine announced his candidacy for governor Sunday at his annual ice cream social. DeWine told the crowd that, if elected, he would be ready to go "on day one." "Ohio is a great state," DeWine said, "but we have some very significant problems . . . The tragedy of our state today is that too many Ohioans will never realize their dreams because they simply lack the education, the skills, the training -- and frankly, in too many cases, the sobriety."

While not officially announcing campaigns, three Democrats have filed paperwork with the secretary of state's office to create campaign committees for possible 2018 statewide runs. The filings include U.S. Rep. Zack Space, who filed paperwork for a run for auditor and Robert Richardson, a former chairman of the University of Cincinnati board of trustees, and Newark Councilman Jeremy Blake who are exploring campaigns for state treasurer.

GENERAL ASSEMBLY/STATEHOUSE

The screening committee for the House Democratic Caucus announced the selection of attorney Richard Brown of Canal Winchester to fill the 20th District seat left vacant by the resignation of Rep. Heather Bishoff (D-Blacklick) earlier this year. Brown was officially seated on Wednesday.

The House released its meeting schedule for the remainder of 2017, showing sessions and "if needed" sessions monthly from September through December.

GOVERNOR

Gov. John Kasich Wednesday signed the following three bills into law:

- **HB28** (Brinkman) which makes appropriations for the Industrial Commission for the biennium beginning July 1, 2017 and ending June 30, 2019, and provides authorization and conditions for the operation of commission programs. It is effective July 1.

- **HB124** (Brenner-Carfagna) which allows a county to propose as a single ballot question property taxes and a bond issue for the acquisition of, or permanent improvements to, criminal justice-related facilities and the operating expenses associated with such facilities and other criminal justice services, authorizes 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 2015. As an emergency measure, it went into effect immediately on Wednesday, June 28.

- **SB7** (Bacon-Manning) which provides the circumstances when 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. It is effective in 90 days.

A fourth bill, **SB2** (Hite) to revise specified laws relating to environmental protection, had also been sent to the governor this week for his signature.

Appointments made during the week include the following:

- Jon T. Elsasser of Zoar (Tuscarawas County) and Richard F. Hillis of Powell (Delaware County) reappointed to the Ohio History Connection Board of Trustees for terms beginning June 27, 2017 and ending June 26, 2020.

- John T. Gannon of Dublin (Franklin County) to the Advisory Board on Amusement Ride Safety for a term beginning June 27, 2017, and ending Jan. 1, 2023.

- Etta M. Reed of West Chester (Butler County) reappointed to the Ohio Soil and Water Conservation Commission for a term beginning June 29, 2017 and ending June 28, 2021.

- Koral A. Clum of Dover (Tuscarawas County) reappointed to the Reclamation Commission for a term beginning June 29, 2017 and ending June 28, 2021.

- Edward C. Nurre of Cincinnati (Clermont County) reappointed to the Board of Embalmers and Funeral Directors for a term beginning July 1, 2017 and ending June 30, 2022.

- Michael F. Curtin of Marble Cliff (Franklin County) reappointed to the Ohio Air Quality Development Authority for a term beginning July 1, 2017 and ending June 30, 2025.

- Diane B. Carnes of Chillicothe (Ross County) reappointed to the Ohio Real Estate Commission for a term beginning July 1, 2017 and ending June 30, 2022.

- Senena J. Esty of Utica (Licking County) reappointed to the Ohio Standardbred Development Commission for a term beginning July 1, 2017 and ending June 30, 2021.

- Stephanie E. Green of Columbus (Franklin County) to the Wright State University Board of Trustees for a term beginning July 1, 2017 and ending June 30, 2026.

- Day'Shawn M. Jones of Toledo (Lucas County) to serve as a student member on the Central State University Board of Trustees for a term June 29, 2017 and ending June 30, 2018.

- Nygeria Hicks of Columbus (Franklin County) to serve as a student member on the Central State University Board of Trustees for a term beginning July 1, 2017 and ending June 30, 2019.

- Brett A. Rappold of St. Paris (Champaign County) to serve as a student member on the Shawnee State University Board of Trustees for a term beginning July 1, 2017 and ending June 30, 2019.

INSURANCE

Gov. John Kasich and leaders of insurance companies met Wednesday to discuss ways to meet the workforce needs of the sector and to respond to worker displacement in years ahead because of the spread of artificial intelligence technologies.

MARIJUANA

Columbus-based Battelle has announced the expansion of its public health research center beyond tobacco to include research on the physical and behavioral effects of other substances such as marijuana and opioids. The new Battelle Public Health Center for Substance Use Research will deploy the company's researchers, technologies and methods to help understand the effects of marijuana and opioids on users, as well as evaluate potential trends and usage patterns among specific demographics or communities.

MEDICAID/MEDICAID REFORM

After joining fellow governors of both parties last week to urge a bipartisan approach on federal health care reform, Gov. John Kasich said the new draft released by U.S. Senate Republicans doesn't fit the bill. "I have deep concerns with details in the U.S. Senate's plan to fix America's health care system and the resources needed to help our most vulnerable, including those who are dealing with drug addiction, mental illness and chronic health problems and have nowhere else to turn," Kasich said in a statement.

Kasich then on Tuesday joined Colorado's Gov. John Hickenlooper, a Democrat, in Washington, D.C. to call on Congress to take bipartisan action on improving health care, even if that means scrapping the current bill and starting anew. Speaking a day after the Congressional Budget Office released its projections on the Senate bill's impact, Kasich said that it was "not acceptable" to him because of the loss of coverage for millions of Americans, including the mentally ill, drug addicted, chronically ill and the working poor; and the amounts of funding for Medicaid and the exchanges, among "many other things" he was concerned about.

U.S. Senate leaders delayed a vote on the latest draft of federal health care legislation Monday after a number of Republican senators, including U.S. Sen. Rob Portman (R-OH), said they oppose the current version. Portman released a joint press release with U.S. Sen. Shelley Moore Capito (R-WV) outlining their concerns with the bill.

STATE GOVERNMENT

Eleven state websites were back online Monday after a group changed the sites to post pro-Islamic State and anti-President Trump messages on Sunday. The websites that were affected included the

governor's office, First Lady Karen Kasich's office, the inspector general's office, the Ohio Department of Rehabilitation and Correction, the Ohio Casino Control Commission, the offices of workforce transformation and health transformation and the Ohio Department of Medicaid.

UTILITIES

A split Supreme Court of Ohio set a precedent of sorts Thursday when it ordered Duke Energy customers to pony-up \$55.5 million to remediate a pair of rusting manufactured gas plants (MGP), whether or not they can be construed as "used and useful" under R.C. 4909.15(A)(1). The decision is partly moot: Had the 4-3 Court denied clean-up charges, Duke still would have kept moneys collected over the past three years as revenue immune from retroactive ratemaking by the Public Utilities Commission of Ohio (PUCO).

WORKERS' COMPENSATION

The Ohio Bureau of Workers' Compensation (BWC) Board of Directors voted Friday to implement major changes in its minority and women's investment contractor program, citing "sub-par" returns. In other business, the board also passed a 3 percent premium increase in the public employer group retrospective rating plan for the policy year beginning January 2019, as well as a number of revisions to BWC's outpatient formulary, including removal of the anti-anxiety drug Xanax and the extended release opioid Opana, and a prohibition against the concurrent use of more than one type of erectile dysfunction medication per month, among other changes. In addition, the first rebate checks for the latest "Billion Back" will go out to employers on July 10, with all checks delivered by Aug. 1.

The Bureau of Workers' Compensation (BWC) budget, HB 27 (Brinkman), cleared the General Assembly this week and now goes to the governor. The final version retains the reduced timeframe for submitting claims and allows cities to rebut the presumption a firefighter's cancer is work-related.

LEGISLATIVE ACTIVITY:

SENATE:

PASSED BY SENATE

HB27 WORKERS' COMPENSATION BUDGET (Rep. Tom Brinkman) To make changes to the Workers' Compensation Law, to make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of the Bureau's programs.

Vote 24-9

HB63 SENTENCING-DISFIGUREMENT SPECIFICATION (Rep. Jim Hughes) To require an additional prison term for felonious assault of 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, or 20 years if the offender also is convicted of a specification that charges that the harm caused by the violation resulted in a

permanent, serious disfigurement or substantial incapacity or that the offender used an accelerant in committing the violation and to name the act's provisions "Judy's Law."

Vote 33-0

HB103 FISCAL EMERGENCY PROVISIONS (Rep. William Reineke) To modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision.

Vote 33-0

SB70 CHILD SUPPORT CHANGES (Sen. William Coley) To amend the child support laws.

Vote 33-0

SB79 STATE DEPARTMENTAL REVIEW SCHEDULE (Sen. Kris Jordan) To require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet, and to require that Auditor of State performance audits be scheduled to coincide with the periodic review.

Vote 24-9

SB145 DISMEMBERMENT ABORTIONS BAN (Sen. Matt Huffman) To criminalize and create a civil action for dismemberment abortions.

Vote 24-9

SCR8 MISSILE DEFENSE SITE-RAVENNA (Sen. Sean O'Brien, Sen. John Eklund) A resolution to urge the United States Missile Defense Agency to select Camp Ravenna Joint Military Training Center in Ravenna, Ohio, as the preferred site for a future east coast Missile Defense system.

Vote 32-1

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

Vote 24-8

HOUSE:

CONSIDERATION OF SENATE AMENDMENTS

HB27 WORKERS' COMPENSATION BUDGET (Rep. Tom Brinkman) To make changes to the Workers' Compensation Law, to make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2017, and

ending June 30, 2019, and to provide authorization and conditions for the operation of the Bureau's programs.

House Does Concur, 60-39

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

House Accepts Conference Committee Report, Vote 59-40

ADOPTED BY HOUSE

HR188 20TH DISTRICT VACANCY-RICHARD BROWN (Rep. Cliff Rosenberger) Relative to the election of Richard D. Brown to fill the vacancy in the membership of the House of Representatives created by the resignation of Heather Bishoff of the 20th House District.

Vote 32-0

HR191 TRAVEL ALLOWANCE (Rep. Cliff Rosenberger, Rep. Fred Strahorn) Relative to travel allowance.

Vote 99-0