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# Week in Review

March 3, 2023

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## AGING

On Friday, Gov. Mike DeWine signed Executive Order 2023-06D creating the Nursing Home Quality and Accountability Task Force that he announced during his recent "State of the State" address. The 18-member task force will study a range of issues addressing quality of life and quality of care in Ohio's nursing homes. It will travel to communities across the state between now and May to hear directly from nursing home residents and loved ones about their experiences and issue a report of their findings within an expedited timeline. Director Ursel McElroy of the Ohio Department of Aging (ODA) will chair the group that also includes a wide range of individuals from the nursing home community, including representatives of those with lived experience, family caregivers, nursing home administrators and state regulators.

On Thursday, he then attended the group's first meeting, saying the nursing home industry can expect no new money from his administration without major improvement in long-term care standards under review by the task force. He says more dollars demand change rather than another list of recommendations. The administration has laid out a demanding schedule of 12 more commission between now and May 23 and seven listening sessions between now and April 13.

## AGRICULTURE

The Ohio Department of Agriculture (ODAg) announced it is awarding \$4.2 million in grants for 12 two-stage ditch projects as part of the H2Ohio initiative. Six county engineers and six soil and water conservation districts will receive funds to construct or improve two-stage ditches. Recipients will receive up to 100 percent of requested funding for these projects.

## BUSINESS/CORPORATE

Ohio Chamber of Commerce President and CEO Steve Stivers addressed the Cleveland City Club Friday, discussing items the organization supports through the state budget as well as the "Blueprint for Ohio's Economic Future" released in October 2022. Several items from the blueprint proposal were included in the DeWine administration budget proposal, Stivers said, and the chamber hopes to see more added during the process. Ohio Chamber Communications Coordinator Amanda Ehrmantraut told *Hannah News* those items from the blueprint that are in the budget include a low-income tax credit; funding for innovation hubs; funding and policies on K-12 computer science education; continued investment in the TechCred program and Ohio technical centers; homeownership savings accounts; more funding for broadband grants; increases in student aid; \$2.5 billion for site development in the All Ohio Future Fund; and a U.S. Route 23 corridor study.

The JobsOhio Board of Directors held its first-quarter public meeting Thursday, though Chairman Bob Smith said they had met in a private session Wednesday that would produce publicly-known "outcomes." The public meeting opened with comments from Gov. Mike DeWine, who discussed attending the Tuesday groundbreaking of Honda and LG Energy Solution's EV battery plant in Fayette County.

## EAST PALESTINE DERAILMENT

Senate President Matt Huffman (R-Lima) Friday named a Senate Select Committee on Rail Safety. It is chaired by Sen. Bill Reineke (R-Tiffin); Sen. Michael Rulli (R-Salem) is vice chair. Other members of the committee include Senate Transportation Committee Chair Sen. Stephanie Kunze

(R-Hilliard), Sen. Frank Hoagland (R-Mingo Junction), Sen. Kristina Roegner (R-Hudson), Sen. Al Landis (R-Dover), Sen. Louis W. Blessing (R-Cincinnati), Ranking Member Nickie Antonio (D-Lakewood), Sen. Paula Hicks-Hudson (D-Toledo) and Sen. Catherine Ingram (D-Cincinnati).

The select committee held its first meeting on Wednesday, March 1, where Reineke described the panel as a "fact finding" body and said it's possible they will travel to East Palestine, though he plans for the first several meetings to take place in Columbus. He confirmed a meeting for next week but said the agenda is yet to be determined. The group then heard from Anne Vogel, director of the Ohio Environmental Protection Agency (Ohio EPA), who gave an overview of environmental remediation and testing efforts to-date and the process for determining ongoing monitoring efforts. Vogel said Ohio EPA and other partners are now in the investigatory phase. Under U.S. Environmental Protection Agency (USEPA) enforcement orders, Norfolk Southern is developing work plans for long-term remediation and monitoring, which will need to be approved by the Ohio and U.S. agencies.

U.S. Sens. Sherrod Brown (D-OH) and J.D. Vance (R-OH) this week announced they were joining with others on bipartisan legislation aimed at preventing future train disasters like the East Palestine derailment. According to the senators, the proposed bill would, among other provisions, do the following:

- Include new safety requirements and procedures for trains carrying hazardous materials like vinyl chloride.
- Require rail carriers to provide advance notification and information to state emergency response officials about what they are transporting.
- Create new requirements to prevent blocked railroad crossings.
- Mitigate derailment risk with rules for train size and weight.

The U.S. senators also said the bill will take a number of steps to improve rail safety protocols, such as enhancing safety procedures for trains carrying hazardous materials, establishing requirements for wayside defect detectors, creating a permanent requirement for railroads to operate with at least two-person crews, increasing fines for wrongdoing committed by rail carriers, and more. Some of those items were included in the Ohio House-passed version of HB23 (Edwards), the transportation budget, though the rail industry has argued that only Congress can address these issues.

## **ECONOMIC DEVELOPMENT**

Gov. Mike DeWine's administration announced Monday the approval of assistance for two projects expected to create 223 new jobs and retain 165 jobs statewide. During its monthly meeting, the Ohio Tax Credit Authority (TCA) reviewed economic development proposals brought by JobsOhio and its regional partners. The projects are expected to collectively result in more than \$10.1 million in new payroll and spur more than \$4.4 million in investments across Ohio.

## **EDUCATION**

The upper chamber once again passed a K-12 education overhaul bill on Wednesday, with Senate Republicans saying the systemic changes are needed to ensure policies are effectively implemented

to improve student outcomes. The Senate voted 26-7 to pass SB1 (Reineke), with all Republicans voting in favor of the legislation and all Democrats voting against it. "For too long, the Ohio Department of Education (ODE) has operated free from effective oversight and accountability," Senate President Matt Huffman (R-Lima) said.

This followed action by the Senate Education Committee on Tuesday, which again advanced plans to overhaul K-12 governance and relegate the State Board of Education (SBOE) to a subset of its current powers, after making a handful of changes to the legislation. Under SB1 (Reineke), ODE would be renamed as the Ohio Department of Education and Workforce (DEW) and would be led by a gubernatorial appointee. The new agency would assume most duties of the SBOE and state superintendent, which would maintain oversight of teacher licensure and discipline and school district territory transfers. The new DEW would have two deputy directors, overseeing general education and career-technical education, respectively.

The House Primary and Secondary Education Committee Tuesday accepted three amendments to its own version of the overhaul of ODE and the SBOE, HB12 (Jones-Dobos). Vice Chair Sarah Fowler Arthur (R-Ashtabula) offered the amendments that were accepted, with a fourth tabled after Rep. Jessica Miranda (D-Cincinnati) objected, citing Rule 93(b) regarding amendments submitted after midnight the day of the hearing.

HB11 sponsors Reps. Riordan McClain (R-Nevada) and Marilyn Johns (R-Shelby) told the House Primary and Secondary Education Committee Tuesday their "Backpack Bill" would center education funding around students, though Democratic members of the committee raised concerns about how public schools would be affected and questions on differing accountability standards at private schools. McClain noted he supports the fair funding model, and said there are a range of reasons the "state of education in Ohio today needs change," including large disparities between districts in spending and outcomes, high remediation rates for post-secondary students, chronic absenteeism, "cries from job creators on a capable workforce" and "tension between parents and districts over curriculum." He asked committee members to consider whether further testimony they hear is focused on students or "the broader system of education bureaucracy" and said the bill would create an opt-in Education Savings Account (ESA) program eligible to all students regardless of zip code or economic status. In most cases, he said, parents would still see the local public school as the best option, but it would give an alternative to those who need it.

House lawmakers vetting education funding Thursday dug into the details of literacy improvement efforts and the implications of using more recent cost data in calculating formula amounts for local schools. Interim Superintendent Stephanie Siddens and ODE budget chief Aaron Rausch spoke and answered questions on HB33 (Edwards) for about three hours before the House Finance Primary and Secondary Education Subcommittee. Their formal testimony was similar to what they presented in February to the full House Finance Committee. Committee members asked Siddens to elaborate on the concept of the "science of reading" that underlies literacy improvement efforts in the budget, including support for schools to use high-quality instructional materials aligned to those teaching methods and funding for teachers to get intensive training in them.

After overcoming attempts by the state and intervening families to get an early dismissal or ruling, school districts challenging the constitutionality of Ohio's EdChoice scholarship program now have a 2024 trial date for their lawsuit. Backed by a large coalition of schools, five districts and a pair of families sued the state about a year ago in Franklin County Common Pleas Court, arguing that the voucher program violates constitutional guarantees of a "common" school system and prohibitions against giving control of education funding to religious sects. While the state is defending the

program, Franklin County Common Pleas Judge Jaiza Page has also added two groups of families who use EdChoice scholarships as parties to the case.

The judge overseeing the state's case seeking restitution from Electronic Classroom of Tomorrow (ECOT) founder William Lager is assigning a magistrate to hear arguments on whether Lager's assets should be frozen. The state has been seeking for more than four years to recover tens of millions of dollars in state payments to ECOT from Lager and affiliates, which was the largest online charter school in Ohio before folding in 2018. The state found the school couldn't substantiate large swaths of its enrollment and ordered repayment of tens of millions of dollars. ECOT challenged that determination but ultimately lost in the Ohio Supreme Court. In an order filed earlier this month, Judge Kimberly Cocroft assigned Magistrate Elizabeta Saken to preside at a hearing on the preliminary injunction request at 9:30 a.m. on Monday, March 20.

## **ELECTIONS**

Secretary of State Frank LaRose announced this week that the latest round of the state's supplemental process that removes inactive voters from the rolls has been completed, with 124,158 voter registrations cancelled. Boards of elections had identified 138,770 registrations eligible for cancellation in March 2022, but over the course of the next few months, 15,612 of those voters were identified and removed from the cancellation list due to activity or other action. A list of cancelled registrations can be found at <https://registrationreadiness.ohiosos.gov/>. Voters who had their registration cancelled can immediately reinstate their registration by visiting the state's registration website at [www.ohiosos.gov/elections/voters/](http://www.ohiosos.gov/elections/voters/) or visiting their county board of elections.

Secretary of State Frank LaRose and Sen. Theresa Gavarone (R-Bowling Green) Wednesday announced SB71 (Gavarone), legislation that they said would improve election data collection and retention to boost election transparency in Ohio. LaRose said the bill, dubbed the DATA Act, proposes the following:

- Codifies the standard definitions for key election data so that post-election data can be analyzed.
- Creates within the secretary of state's office an Office of Analytics and Archives that LaRose said will serve as a clearinghouse of records for retention and review. He said the office will make sure data is available for anyone who wants to look at it and analyze it.
- Requires standardized data and results to be published online.
- Codifies the process for election data to be transferred from county boards of elections to the secretary of state's office. He said it is currently a cumbersome process, and the language of the bill will standardize it and allow it to be comparable.

## **ENERGY/UTILITIES**

Former Public Utilities Commission of Ohio (PUCO) Chairman and PJM Interconnection Vice President Asim Haque spoke to both the Senate Energy and Public Utilities Committee and the House Public Utilities Committee this week, covering considerable ground in remarks to both. On Tuesday, he told senators there is a wide gap between the overwhelming number solar farms approaching operation in the 13-state region and the reliability concerns of those and other renewable power sources compared to traditional, fossil fuel generators still dominating the grid.

Then on Wednesday, he redoubled the point that policy preferences rather than pure economics are driving the proliferation of renewable energy projects lacking the predictable power or "reliability" of fossil fuel and nuclear generators. Haque said traditional base load will remain essential to the economy until distribution-scale renewables, long-storage batteries, hydrogen cells and/or emerging technologies can replace natural gas and other "thermal" generation. "Until we have that technology, we will need thermal resources to keep the system reliable," he said, noting battery storage actually is quite dependable for as long as it lasts, while solar and wind generation must be "derated" from their advertised megawatts (MW) due to intermittent weather. "It just reflects the physical realities of what those resources can provide."

## **GAMING/GAMBLING**

Ohioans placed more than \$1.1 billion in sports bets in January, according to the first sports gambling revenue report released by the Ohio Casino Control Commission (OCCC). Sportsbooks paid out \$883.7 million in winnings during the month, and \$20.7 million in wagers were voided. Nearly \$320 million in promotional credits were issued. January's taxable revenue for sportsbooks was \$208.9 million.

Of individuals who engage in sports betting, those who wager on esports, tennis and fantasy sports are the most likely to exhibit problem gambling behaviors, according to researchers from Bowling Green State University (BGSU). Those findings were among many discussed by BGSU clinical psychology professor Joshua Grubbs, second-year BGSU doctoral student Christopher Floyd and first-year BGSU doctoral student Alexander Connolly during a sports betting panel at the recent Ohio Problem Gambling Conference. The national study conducted by the BGSU researchers was funded by the International Center for Responsible Gaming, and used data gathered in March 2022.

## **GENERAL ASSEMBLY**

Rep. Kris Jordan (R-Ostrander) died Saturday morning, Feb. 25, after a diabetic reaction at his home. He was 46. His sudden death was announced by colleagues on social media as well as House Speaker Jason Stephens (R-Kitts Hill), who in a memo to House members called Jordan "a loving man of faith, and a person I considered a very dear friend." Gov. Mike DeWine ordered flags at the Statehouse and all public buildings and grounds throughout Delaware County to be flown at half-staff until sunset on the day of his funeral.

The House this week delayed its vote on seating Justin Pizzulli to replace Brian Baldrige in the 90th House District seat when Rep. Derek Merrin (R-Maumee) and a number of his allies refused to support the choice, one recommended by the Scioto County Republican Party chair. Pizzulli was also recommended by a screening committee over seven other applicants. Speaker of the House Jason Stephens (R-Kitts Hill) said he believes Pizzulli would have had the majority of the caucus votes for the appointment, but he wanted to make it an "extreme majority, if not unanimous vote." He said there weren't necessarily any issues with Pizzulli himself, "this was just the caucus."

The Capitol Square Review and Advisory Board (CSRAB) Tuesday voted to name Ohio natives and astronauts Jim Lovell and Judith Resnick as "Great Ohioans." The Great Ohioan Award commemorates Ohioans who have played a significant role in an event or series of events of lasting significance in world, American or Ohio history. Lovell, who was born in Cleveland and will turn 95 later this month, had flown on two Gemini missions and two Apollo missions, including Apollo 13, the 1970 mission to the moon he commanded that experienced mechanical failures and saw his crew circle the moon and return safely home. Resnick, an engineer, was part of the first training group of

astronauts to include women and flew on two space shuttle missions, including the 1986 Challenger mission that broke up shortly after liftoff, killing her and the rest of the crew. In addition, both Lovell and Resnick will also feature prominently on artwork commissioned by the Capital Square Foundation with the subject of Ohioans in space. Foundation Chair Charles Moses told CSRAB the artist commissioned for the project is William Hirsch, whose concept features Lovell, Resnick, John Glenn and Neil Armstrong.

## **GOVERNOR**

Appointments made during the week include the following:

- Kimberly A. Winkle of Crestline (Crawford County) reappointed to the North Central State College Board of Trustees for a term beginning Feb. 24, 2023, and ending Jan. 16, 2026.
- Dale G. Foerster of Warren (Trumbull County) to the Eastern Gateway Community College Board of Trustees for a term beginning Jan. 18, 2023, and ending Oct. 16, 2025 and Kathy A. Maguschak of Mingo Junction (Jefferson County) reappointed for a term beginning Jan. 18, 2023, and ending Oct. 16, 2026.
- Lucas M. Sutter of Martin (Ottawa County) to the Terra State Community College Board of Trustees for a term beginning Feb. 24, 2023, and ending Dec. 30, 2026 and James A. Lahoski of Bellevue (Sandusky County) and Jodi Lynn Rucker of Bellevue (Sandusky County) for terms beginning Feb. 24, 2023, and ending Dec. 30, 2028.
- P. Kelly Tompkins of Rocky River (Cuyahoga County) to the Cleveland State University Board of Trustees for a term beginning Feb. 24, 2023, and ending May 1, 2031.
- Thomas F. Needles of Whitehall (Franklin County) reappointed to the Ohio Higher Educational Facility Commission for a term beginning Feb. 24, 2023, and ending Jan. 1, 2031.
- Erin Limes Stickel of Bowling Green (Wood County) and Angela N. Krile of Lancaster (Fairfield County) reappointed to the Ohio Expositions Commission for terms beginning Feb. 24, 2023, and ending Dec. 1, 2028.
- Margaret A. Hess of Morrow (Warren County) to the Governor's Executive Workforce Board for a term beginning Feb. 24, 2023, and continuing at the pleasure of the governor.
- Ty Dale Marsh of Columbus (Franklin County) to the Ohio Air Quality Development Authority for a term beginning Feb. 24, 2023, and ending June 30, 2026.
- Kathryn Bartter Arnold of Columbus (Franklin County) to the Ohio Soil and Water Conservation Commission for a term beginning Feb. 24, 2023, and ending June 30, 2026.
- Anita Hall of Millersburg (Holmes County) to the Housing Trust Fund Advisory Committee for a term beginning Feb. 24, 2023, and ending March 18, 2025.
- Brian H. Veith of Cincinnati (Hamilton County), William E. Ackman of Upper Arlington (Franklin County), Courtney Rae Hineman of Hamilton (Butler County) Debbie L. Lozano of Mentor (Lake County), Jennifer Kucera of Berea (Cuyahoga County), Jodi L. Young of Columbus Grove (Putnam

County) and Pamela Green of Cincinnati (Hamilton County) reappointed to the Ohio Developmental Disabilities Council for terms beginning Feb. 24, 2023, and ending Dec. 31, 2025.

- Keith A. Cheney of Lima (Allen County) and Penelope R. Cunningham of Cincinnati (Hamilton County) to the Ohio Casino Control Commission for a term beginning Feb. 24, 2023, and ending Feb. 21, 2027; Christopher Smitherman of Cincinnati (Hamilton County) for a term beginning Feb. 24, 2023, and ending Feb. 21, 2026; and Thomas J. Stickrath of Westerville (Delaware County) as chair for a term beginning Feb. 24, 2023, and ending Feb. 21, 2027.

- Ronald J. O'Brien of Columbus (Franklin County) reappointed to the Liquor Control Commission and appointed to serve as chair for a term beginning Feb. 24, 2023, and ending Feb. 8, 2029.

- Kathryn N. Farmer of Bluffton (Allen County) has been reappointed to the Ohio AMBER Alert Committee for a term beginning Feb. 24, 2023, and ending Feb. 6, 2025.

- Christine H. Merritt of Columbus (Franklin County) Brian L. Castner of Powell (Delaware County), Brent L. Currence of Carroll (Fairfield County), Paul R. Jellison of Wilmington (Clinton County), Harry W. Trombitas of Dublin (Franklin County), Clayton A. Harris of Solon (Cuyahoga County), Clark F. Donley of Columbus (Franklin County) and Leslie J. Prater of Ridgeway (Logan County) reappointed to the Ohio AMBER Alert Advisory Committee for terms beginning Feb. 24, 2023, and ending Feb. 6, 2025.

- Joshua S. Motzer of Columbus (Franklin County), Kevin L. Baxter of Powell (Delaware County) and David Losinski of Gahanna (Franklin County) reappointed to the Underground Technical Committee for a term beginning Feb. 24, 2023, and ending Dec. 31, 2026.

## **HIGHER EDUCATION**

The Ohio State University (OSU) Board of Trustees announced the process for seeking the university's next president following Kristina M. Johnson's resignation from the post at the close of the current academic year in May 2023 -- about two and a half years into her five-year contract with the university. Hiroyuki Fujita, chair of the Board of Trustees, will chair the overall Presidential Search Committee, which includes two subcommittees: the Presidential Selection Subcommittee, composed of trustees, and the University Advisory Subcommittee, made up of faculty, staff and students. Both subcommittees will collaborate in identifying a candidate that the Presidential Search Committee will recommend to the board.

## **INSURANCE**

Ohio Department of Insurance (ODI) Director Judith French gave an overview of the department's FY24-25 budget priorities while presenting before the Finance Subcommittee on Health and Human Services Thursday. The department, French noted, is one of the largest insurance regulatory agencies in the world. Ohio has the sixth-largest insurance market in the country and the 15th largest in the globe. ODI does not regulate self-insured employer health plans, Medicaid, and Medicare plans in Ohio but does regulate the fully insured market, meaning health plans purchased by employers or individuals from health insurance companies. In total, ODI is requesting \$46,366,669 for FY24, a 4.4 percent increase over FY23, and \$47,087,703 for FY25, a 1.6 percent increase over FY24.



## MARIJUANA/HEMP

There are more than 338,000 patients registered in the Ohio Medical Marijuana Control Program (MMCP), the Ohio Board of Pharmacy (OBP) announced Monday. Specifically, there are 338,049 patients registered in the program. Of registered patients, 20,633 are military veterans, 21,738 are classified as "indigent" and 1,265 have a terminal diagnosis. Of the 338,049 patients, only 160,121 have both an active registration and an active recommendation from a doctor.

## MENTAL HEALTH

The House Behavioral Health Committee heard wide-ranging presentations from Ohio Department of Mental Health and Addiction Services (OhioMHAS) Director Lori Criss; Christi Valentini-Lackner, chief program officer of PreventionFIRST, a Cincinnati-based organization; and Ohio Citizen Advocates for Addiction Recovery (OCAAR) CEO Molly O'Neil, also of Cincinnati -- three experts in mental health and addiction recovery services across the state. Committee Chair Gail Pavliga (R-Atwater) told *Hannah News* her priorities for the 135th General Assembly were represented by the presentations. "We want to be able to kind of pull apart and study mental health for children and adolescents because it's a very different approach for somebody in the childhood and adolescent [phase] versus adult mental health, so we want to be talking about the difference between serving certain populations," she said, adding that prevention, long-term treatment and sustainable recovery are also priorities.

Personalized brainwave stimulation can help address substance use problems, Wave Neuroscience President and Chief Medical Officer Erik Won told the Senate Community Revitalization Committee on Tuesday. "These types of drug injuries, whether it's opioids, whether it's cocaine, whether it's chronic alcohol use -- we see very definitive changes in brain networks. That's really our core expertise, is restoring brain networks," Won said, responding to a question from Chair Sen. Terry Johnson (R-McDermott). Johnson said he's intrigued by research he's seen regarding brain plasticity. The committee also heard anti-marijuana presentations from Center for Christian Virtue (CCV) Policy Director David Mahan and Cincinnati Challenge Ranch Executive Director George Martin. Mahan said he is opposed to medical marijuana remediation bill SB9 (Schuring-S. Huffman) and legalization of cannabis for adult use.

## OHIO HISTORY

Digital billboards across the state will encourage Ohioans to "party like it's 1776" as the U.S. approaches its semiquincentennial, Gov. Mike DeWine announced Thursday. The America 250-Ohio billboard campaign was among several announcements made during Statehood Day, which was held in the Statehouse Atrium. DeWine was joined by former U.S. Sen. Rob Portman (R-OH) and Outdoor Advertising Association of Ohio (OAAO) President Chris Avondet, among others, to unveil the billboard campaign.

## PEOPLE

Thomas P. Pappas & Associates, an Ohio-based lobbying firm, announced it has merged with Michigan-based lobbying firm Kelley Cawthorne to create "the leading Midwest-based multistate advocacy firm," according to the agency. The two firms will continue to operate under their current names in each market. Pappas & Associates clients will have "an additional network of

representation in Michigan," while this marks the formal entry of Kelley Cawthorne into Ohio's market after increased activity in Columbus in recent years.

The Ohio Conservative Energy Forum (OHCEF) Wednesday announced that Kyle Funk has been named to its Leadership Council, joining other current members Craig Butler, Dave Greenspan, Terry McClure, Mark Patton, Zach Upton and Jerry Zielke. Funk is currently a senior program specialist in infrastructure and transportation at the National League of Cities, and the OHCEF release noted his views as a board member do not represent the views or values of the league. He previously served as a conservative fellow for the Citizens Climate Lobby and studied environmental studies at Hope College in Michigan.

## STATE GOVERNMENT

The Controlling Board Monday approved more grant funds for a program that targets chronically absent students as well as funds to assist with economic development in Appalachian counties in Ohio. Rep. Bride Rose Sweeney (D-Cleveland) asked the Ohio Department of Education (ODE) about its request, which would direct an additional \$1.16 million of federal coronavirus school relief funds to a contract with Graduation Alliance to re-engage and support students who are chronically absent or who have dropped out of school through the ENGAGE Ohio program. Aaron Rausch, chief of budget and school funding at ODE, told the panel that the funds are in addition to the \$7 million that had been appropriated by budget bill 134-HB110 (Oelslager). He said the funds have come as a result of underspending in other programs, and they brought the request because the original \$7 million did not meet the demand.

The Controlling Board also approved the release of nearly \$7 million to 20 planning firms for the Appalachian Community Grant Program. Rep. Jay Edwards (R-Nelsonville) asked if there will be more grants other than the amount in the request. John Carey, director of the Governor's Office of Appalachia, said this is the first to go to the Controlling Board as they wanted to get the first contracts out. He said they anticipate coming back before the Controlling Board for at least a portion of the \$15 million allotted for the program in June.

## TAXATION

Deliberations began Tuesday in the House Ways and Means Committee with sponsor testimony on HB1 (Mathews), the wide-ranging tax reform proposal that cuts taxes and implements a flat income tax in the process, as well as "simplifies" the state's property taxes by decoupling them from income taxes by removing the 10 percent property tax rollback. Chief sponsor Rep. Adam Mathews (R-Lebanon) testified that he has four goals with the legislation:

- Lower the state's income tax to 2.75 percent for all taxpayers. He maintains that "a flat tax system encourages families and businesses to move to and stay in our great state. Many of our neighboring states have moved to a flat tax, and a rate of 2.75 percent would be the lowest from here to either Tennessee or South Dakota."

- Simplify the tax. He proposes doing this by disentangling "our property and income taxes by removing the 10 percent rollback and giving more local control over tax policy."

- Protect homeowners by adjusting the valuation coefficient from 35 percent of appraised value to 31.5 percent "with an inflation-neutralizing factor, thereby protecting homeowners as values fluctuate. ... We again keep our focus on those at the margins, bolstering our homestead protections

for our seniors while also shifting our 2.5 percent reductions credit to a flat \$125, benefiting smaller homes and those entering the market."

- Shield local communities from the cuts/shift in the property tax "as we transition to a simpler and more accountable model." Per questions, this entails using excess state dollars to shore up communities over the next one to two General Assemblies.

## **TECHNOLOGY/AEROSPACE**

The House Aviation and Aerospace Committee's Tuesday meeting focused on presentations by JobsOhio President and CEO J.P. Nauseef and Joe Zeis, advisor to Gov. Mike DeWine on aerospace and defense, regarding their respective strategies to advance Ohio in terms of industry and the federal sector. It was the second meeting for the new committee.

The executive budget proposal includes significant increases for information technology (IT) security, Ohio Department of Administrative Services (DAS) Director Kathleen Madden told the House Technology and Innovation Committee on Wednesday. Madden and DAS Chief Information Officer Katrina Flory provided presentations during the meeting, which was the committee's first of the 135th General Assembly. "We worked very hard to craft a budget request that was fiscally conservative in an inflationary environment, recognizing that a large portion of our expenses are related to the Office of Information Technology (OIT). But where you will see a request for an increase is in our Office of Information Security and Privacy, and that's specific to a request that's kind of twofold -- one to carry out a roadmap, if you will, for ongoing improvements in the security space. ... And two, is to hire and onboard additional security and privacy staff," Madden said in response to a question from Rep. Elliot Forhan (D-South Euclid). Specifically, the DAS IT Governance line item would be \$38.6 million in FY24 (an 18.3 percent increase from FY23) and \$42.2 million in FY25 (a 9.2 percent increase from FY24).

## **TRANSPORTATION/INFRASTRUCTURE**

HB23, the transportation budget, passed the House Wednesday by a vote of 74-21, following acceptance of a floor amendment offered by Rep. Jim Hoops (R-Napoleon), that did the following:

- Modifies eligibility requirements so that only rural highway projects that have received approval for funding under the Transportation Review Advisory Council (TRAC) process are eligible for funding from the Rural Highway Fund.
- Specifies that any qualifying rural highway project that receives funding from the fund may not receive additional funding through any other funds used to support TRAC projects.
- Specifies that at the end of FY24, the unused portion of the fund may be used only for TRAC projects that have been previously approved, rather than other non-rural highway applications.
- Replaces force account limits with scope of work limits for county engineers with regards to road, highway, bridge, and culvert projects, thereby requiring competitive bidding when the size of the project exceeds the statutory parameters, but authorizing the county to do the work if the project is within those parameters. It also specifies the parameters for work that may be conducted by a county without competitive bidding.

The House Finance Committee Tuesday had approved an omnibus amendment to the bill, HB23, making 15 changes. Those changes included stripping out previous amendments regarding bicycle lanes and stopped trains, and reducing the registration fee for plug-in hybrid vehicles from \$200 to \$100, though non-hybrid electric vehicles will still be required to pay the full \$200. The omnibus amendment left in changes involving rail that were added in the wake of the East Palestine derailment, including the two-man crew requirement and the use of wayside detector systems, tweaking the latter to include language requiring train operators to be notified of defects detected by the system.

The Transportation Review Advisory Council (TRAC) recently approved the annual draft list of projects that will receive funding from the Ohio Department of Transportation's (ODOT) Major New Capacity Program over the next four years. The list includes more than \$390 million in funding commitments. There were 31 new applications for funding submitted this year. Projects on the draft list include a new interchange on State Route 32 in Brown County; widening U.S. 36/State Route 37 and replacing an existing rail bridge in Delaware County; improvements to the Interstate 270/U.S. 23 interchange and U.S. 23/Rathmell Road intersection; improvements to the Brice Road interchange on Interstate 70 in Franklin County; a new interchange at U.S. 33/Pickerington Road in Fairfield County; work on new phases of the Lawrence Chesapeake Bypass; improvements to the Interstate 90 Interchange on the Cleveland Innerbelt in Cuyahoga County; and work on the Western Hills Viaduct in Hamilton County.

## **TREASURER OF STATE**

Ohio Treasurer Robert Sprague and Sen. Theresa Gavarone (R-Bowling Green) Wednesday announced legislation that will update and align Ohio law with the current operations of the Ohio Treasurer's office. SB74 includes the following changes:

- Repeals a 40-plus year-old section of the Ohio Revised Code that created a fund that was never utilized.
- Amends sections of the Ohio Revised Code addressing electronic tax payments to account for the existence of the Ohio Business Gateway.
- Updates sections of the Ohio Revised Code regarding investment terminology, debt management, and banking relationships "that have not been revised for decades," the release notes.
- Amends the Ohio Revised Code to achieve statutory consistency regarding matters of pledged collateral among state agencies.

## **UKRAINE**

Gov. Mike DeWine issued a proclamation Friday recognizing the one-year anniversary of Russia's invasion of Ukraine, saying the state's support for the people of Ukraine "remains steadfast." He noted steps the state has taken to support Ukraine, including state agencies, boards, commissions, educational institutions and pension funds being ordered to divest investments in, and terminate contracts with, Russian companies and institutions. The Ohio National Guard provided armored personnel carriers, and law enforcement agencies collected nearly 2,000 pieces of equipment to provide surplus and personal protective gear to Ukraine. In addition, the Ohio Department of Job and Family Services hosted a summit in March 2022 to help with relocation of Ukrainian families in the state. As of February 2023, more than 4,000 Ukrainians have been relocated to Ohio.

## **WORKERS' COMPENSATION**

The Ohio Bureau of Workers' Compensation (BWC) saw a major changing of the guard Friday as the man credited with saving the agency from its 2006 investment debacle announced his formal retirement to BWC directors, who then voted to make Chief Investment Officer-designee Rob Palmeri official. The agency and its board have often cited BWC investment returns as a major reason for ongoing private and public employer rate cuts over the last decade. The bureau's fiscal health began to rebound several years ago with the hire of newly retired Bruce Dunn as chief investment officer (CIO), directors noted. The BWC Board of Directors also put its imprimatur on the \$90 million, 8 percent average rate cut for private employers proposed by its Actuarial Committee in January.

## **LEGISLATIVE ACTIVITY**

### **HOUSE**

#### **PASSED BY HOUSE**

**HB23** TRANSPORTATION BUDGET (Rep. Jay Edwards) To make appropriations for programs related to transportation for the biennium beginning July 1, 2023, and ending June 30, 2025, and to provide authorization and conditions for the operation of those programs.

*Amended on Floor, Bill Vote 74-21*

**HB52** MEDICAL SERVICES TRAINING, CONTINUING EDUCATION (Rep. Sarah Fowler, Rep. Marilyn John) To restore law related to emergency medical services training and continuing education programs and EMS and fire instructor certification, to amend the versions of sections 4765.10, 4765.11, 4765.30, and 4765.55 of the Revised Code that are scheduled to take effect on December 29, 2023, to continue the changes on and after that date, and to declare an emergency.

*Vote 95-0, Emergency Clause 95-0*

**SB10** INTERNAL REVENUE CODE CHANGES (Sen. Louis Blessing III) To amend section 5701.11 of the Revised Code and to amend Sections 225.12, 265.10, 265.20, and 701.10 of H.B. 45 of the 134th General Assembly to expressly incorporate changes in the Internal Revenue Code since February 17, 2022, into Ohio law, to make changes to the Emergency Rental Assistance program, to revise an existing earmark, to modify the requirements for a temporary arts economic relief grant program, and to declare an emergency.

*Vote 88-7, Emergency Clause 89-5*

### **SENATE**

#### **PASSED BY SENATE**

**SB1** REFORM OHIO DEPARTMENT OF EDUCATION (Sen. William Reineke) To rename the Department of Education as the Department of Education and Workforce; to create the position of Director of Education and Workforce; and to reform the functions and responsibilities of the State Board of Education and the Superintendent of Public Instruction.

*Vote 26-7*