Statehouse Update

July 24, 2020

Monday, July 20, 2020
COVID-19 Fallout Poised To Mute Impact Of Gas Tax Increase
One year after lawmakers instituted a much-debated motor fuel tax increase, the exact impact of that potential funding boost remains unclear due to the coronavirus pandemic.

July 1 marked the one-year mark since the increase – which bumped prices 10.5 cents-per-gallon for gasoline and 19 cents-per-gallon for diesel – went into effect at Ohio gas pumps. It was the result of contentious negotiations between legislative leaders and Gov. Mike DeWine during the transportation budget process (HB 62).

The Department of Transportation, however, doesn't yet have a full picture of how much was collected under the first year of the increase. That is in part because of a built in two-month lag time between when the tax is paid at the pump and when the revenue hits the state's books, said ODOT spokesman Matt Bruning.

Neither does the agency have an exact feel for how far from estimates those tax collections have fallen during the height of the COVID-19 public health crisis and the economic shutdown that ground travel to a near halt.

"When we look at March and April, we've taken a pretty big hit obviously relative to what we expected to take in because traffic volume has fallen off by almost 50% across the state of Ohio," Mr. Bruning said. "No, the gas tax revenues have not been what we projected a year ago, but we did not project COVID-19 either. That's been the big challenge."

Thanks to the lag, the agency's most recent figures are from revenue received in April based on purchases about two months earlier, Mr. Bruning said. Because of that reporting delay, even though the increase took effect July 1, 2019, the accompanying revenue increase didn't begin showing up in revenue figures until early fall.

To date, between July 2019 and April 2020, the agency reported its share of gas tax revenue was about $1.16 billion. Although it's unclear how far off the mark revenues are at this point, the Legislative Service Commission during budget talks projected ODOT's cut of motor fuel tax distributions for the entirety of Fiscal Year 2020 would be about $1.71 billion.

The tax increase was expected to generate an additional $865 million per fiscal year, 55% of which would be allocated to ODOT with the remainder to local governments. With reporting for the months of May and June left to account for – and those months expected to take a precipitous drop in reflection of COVID-19 – officials are under no illusion their projections will be realized.

"If we didn't have COVID-19 we would have a much more apples to apples (comparison) and say, well, here's all the things we told you we'd be able to accomplish when we pitched the gas tax increase," Mr. Bruning said. "Unfortunately, with COVID-19 taking such a huge bite out of travel…it's just hard to say we're up by this much because we kind of took a pretty big step back."

The pandemic has forced all agencies to make cuts to combat steep tax collection decreases. Although the state closed FY 2020 without dipping into the Rainy Day Fund, Gov. Mike DeWine has said utilizing the budget stabilization fund is inevitable.

Within ODOT, Director Jack Marchbanks last year announced a goal of finding $100 million in new savings over the next four years. Mr. Bruning said the agency is currently about a quarter of the way there.
The ongoing impact of the virus on Ohio's transportation landscape appears to be a topic rife for discussion by the Road to Our Future Joint Legislative Study Committee – a panel created in HB62 charged in part with examining revenue declines due to decreasing gas consumption.

The study group, which has not met since December, has a statutory deadline to issue a report to legislative leaders by Dec. 1.

Co-Chair Rep. Dave Greenspan (R-Westlake) said in an interview he expects the group will convene this month for its first meeting of the year. The group had wanted to meet in June, he said, but members' schedules proved to be problematic.

"It's changed our timeline, but I don't believe it's impacted our ultimate objective here," Rep. Greenspan said.

He said he anticipates working with co-chair Sen. Rob McColley (R-Napoleon) to reschedule the committee's agenda to accommodate the abbreviated timeline.

"We realize COVID has impacted our ability to meet, but the committee will meet its obligations as provided for in Revised Code," he said.

Advocates Urge Additional Federal Aid For Schools, Local Governments

A coalition of Ohio advocacy and union groups on Monday called on Congress to act quickly to finalize its next coronavirus relief package to assist residents, local governments, school districts and universities.

Nick Bates, policy director of One Ohio Now, which organized the virtual news conference, said now is not the time for the federal government to take a hands-off approach.

"Right now in Ohio, need is up and revenues are down," he said. "Cities, counties, schools and our state are struggling to make the investments that our students, our families and our communities need."

Scott DiMauro, president of the Ohio Education Association, said "devastating job cuts" could follow if federal lawmakers fail to deliver additional aid to the nation's public schools. With coronavirus cases climbing sharply in many parts of the country, he said just the opposite is needed.

"We need congress to step up and act, and it's not just for supplies, it's not just for facilities – it's also to make sure that we have the staffing that we need," he said. "We're going to need more help in terms of school nurses, in terms of education support professionals to keep kids safe on buses and in classrooms and in school buildings."

As for higher education, Sara Kilpatrick, executive director of the American Association of University Professors' Ohio Conference, said the state's colleges and universities have already cut hundreds of jobs in response to declining revenues amid the pandemic.

"We are concerned not only about jobs but about the impact to the quality of education, as well as the economic impact to our communities that accompany these layoffs," she said.

Theresa Moran, a former faculty member at Ohio University who lost her job in May, said the federal government needs to deliver an aid package that "stops the bloodletting" at institutions of higher education.

"The COVID-19 pandemic is a temporary situation that is creating long-term consequences for higher ed," she said. "We need action now or more jobs will be lost."

In addition to financial support, local governments need flexibility in how they can spend forthcoming federal dollars, said Wendy Patton, senior project director for Policy Matters Ohio.

Ms. Patton said federal aid provided for local government in the spring had to be put toward "direct effects" of the pandemic instead of general budgetary needs.

"They can't use it, for instance, to keep the water plant running when residents can't and aren't paying their water bills," she said.
Bill Faith, executive director of the Coalition on Homelessness and Housing in Ohio, said in addition to local governments and education institutions, residents need direct aid. He said the expiration of a moratorium on evictions has been followed by a growing number of people losing their homes in the state.

"It's only going to get worse as people face how they are going to pay the rent in August or September and Congress has no answer for that," he said.

**Tuesday, July 21, 2020**

**More Charges Possible As Case That Snared Speaker Continues**

Federal officials said additional charges are possible for other elected officials and private citizens after the Tuesday arrest of Speaker Larry Householder and four associates on racketeering charges.

The Glenford Republican faces up to 20 years in prison following his arrest on a charge of conspiracy to commit racketeering. Federal authorities allege Mr. Householder, 61, used a 501(c)(4) as a front to receive millions of dollars, which he used for his personal and political benefit.

Also arrested for the same offense were Matt Borges, a 48-year-old lobbyist and former chair of the Ohio Republican Party; Jeff Longstreth, 44, a longtime Householder strategist; lobbyist Neil Clark, 67; and lobbyist Juan Cespedes, 40. The 501(c)(4) organization, Generation Now, which authorities allege was controlled by Rep. Householder, also was charged.

None of the individuals have issued a plea on the charges they face and calls to attorneys for Messrs. Householder, Longstreth and Borges seeking comment were not returned.

FBI Special Agent In-Charge Chris Hoffman said the federal complaint against the lawmaker and his associates details "a shameful betrayal of public trust." He said it is the first time a federal racketeering charge has been brought against a public official in the Southern District of Ohio.

"Our state deserves to have an honest system of government that isn't hijacked by greed or corruption," he said.

Mr. Hoffman said the speaker was "very cooperative" and "acted as a gentleman" during the arrest.

U.S. Attorney David DeVillers of the Southern District of Ohio said at a press conference the investigation into what he deemed "what is likely the largest bribery, money laundering scheme ever perpetrated against the people of the state of Ohio" will continue following the arrests.

He said the defendants before and after the passage of a controversial plan (HB 6) to bail out nuclear plants owned by Energy Harbor, formerly known as FirstEnergy Solutions, engaged in a "pay-to-play" scheme.

"The conspiracy was to pass and maintain a $1.5 billion bailout in return for $61 million in dark money that were used for various things: 1. To line the pockets of the defendants. 2. To build a power base for Larry Householder and 3. To further the conspiracy," he said.

Mr. DeVillers said he had briefed Franklin County Prosecutor Ron O'Brien and Attorney General Dave Yost on the case. He added it is possible that the ongoing investigation could lead to additional federal charges, as well as to state-level campaign finance charges, as the covert phase of the probe wraps up. He said, however, the investigation continues.

"As of this morning, there are a lot of FBI agents knocking a lot of doors, asking a lot of questions, serving a lot of subpoenas, executing a lot of search warrants, and that's going to go on for days," he said.

Mr. DeVillers said the initial goal of the alleged conspiracy was install Rep. Householder as speaker to pass HB6 to benefit a firm referred to in the complaint as "Company A."

"Millions of dollars were filtered through Company A, through Generation Now to numerous, dozens of different enterprises controlled by members of the conspiracy to confuse, to hide that the money was coming from even Generation Now to 'Team Householder,'" he said.
"Team Householder" was 21 candidates in 2018 that were running in the primaries as well as the general elections," he continued. "Millions of dollars went to support those candidates and to attack their rivals to get them elected. It was very successful. All of the individuals in 'Team Householder' that were funded by Company A via Generation Now all voted for Larry Householder to be speaker of the House."

After consolidating his "power base," Mr. DeVillers said Rep. Householder turned his attention to passing HB6. Only one of those lawmakers supported via Generation Now funding eventually voted against the measure.

The U.S. attorney said millions of dollars from Company A were filtered through Generation Now to fund commercials, fliers and other advertisements in support of HB6 during the legislative debate over the measure in 2019.

"In fact, some of the commercials and some of the fliers kept going after House Bill 6 was even passed," he said, adding that members of the conspiracy referred to that as "running cover" for lawmakers who supported the legislation.

Mr. DeVillers said an attempt to place a statewide issue on the ballot to reverse the measure was met with "tens of millions of dollars" flowing from the company to Generation Now to be filtered and spent to defeat that campaign.

"That money was used to bribe individuals that worked on the ballot (measure) to get insider information," he said. "That money was used to bribe the ballot collectors on the street – to give them thousands of dollars and a flight out of town."

He said "hundreds of thousands of dollars" were also used to hire signature-collection services simply so they could not be employed by the group backing the ballot campaign.

Mr. DeVillers said federal officials are still trying to determine the amount of money that flowed into the personal accounts of the alleged conspirators.

He said about $500,000 went to Rep. Householder's "personal benefit," with about $300,000 going to pay off a lawsuit and legal fees, and $100,000 going toward a house in Florida.

Mr. DeVillers said authorities have "no evidence" officials within Gov. Mike DeWine's administration played any role in the scheme.

The Complaint: The federal complaint unsealed Tuesday shows more specifics into how prosecutors believe the alleged bribery scheme worked. Generation Now was allegedly overseen by Mr. Clark, who in multiple recorded conversations referred to the entity as the "speaker's account," prosecutors said.

The filing also illustrates how, prosecutors believe, the speaker worked to ensure HB6's success at every step of the process – from pressuring members of the House and Senate into voting yes to using Generation Now to wage a $15 million pro-HB6 media blitz with support of the energy company.

The complaint alleges that between March 2017 and March 2020, Generation Now received about $60 million from companies seeking the passage of nuclear subsidies. Other stakeholder groups may also have contributed to the group's coffers; the complaint also outlines recorded conversations between the speaker and Mr. Clark discussing donations to Generation Now from the payday loan industry, which in 2018 was the target of reform.

The complaint accuses Generation Now and Company A of a "corrupt relationship" and notes the speaker spoke 30 times via phone with Company A's CEO from January to July 2019, including on the day he was sworn in as speaker. Mr. Clark, in a recorded conversation, said the speaker "went to war" for HB6's passage.

Meanwhile, prosecutors say, Mr. Cespedes served as a "key" intermediary, coordinating Company A and Generation Now's efforts.

The document states that money from Company A – $250,000 quarterly payments – began flowing to the speaker following "his January 2017 trip on Company A's private jet."
In the heat of the HB6 fight, Generation Now spent $450,000 to hire signature gathering firms so they could not be hired by the repeal effort and mounted efforts to pay signature gatherers to abandon the repeal campaign, the complaint charges. Prosecutors also allege that Mr. Clark described in the speaker's presence how the group utilized Mr. Borges in an effort to bribe a worker with the repeal effort for $15,000 to receive "inside information."

The document outlines Rep. Householder’s efforts to secure needed votes for HB6’s passage both in the House and Senate – including by pressuring an unnamed House lawmaker via text message while the member was being interviewed by the FBI.

That representative later told investigators he was instructed to delete the text messages he received from the speaker regarding HB6. The representative instead shared them with investigators.

**Elections Referral:** Secretary of State Frank LaRose also Tuesday referred Mr. Householder and other entities to the Ohio Elections Commission over 19 alleged or apparent campaign finance violations.

Mr. LaRose said the referral could be updated as more information is revealed.

"For those of us who answer the call to public service with a sincere desire to serve as good stewards of the public trust, today's events are deeply disappointing," said Mr. LaRose, who also called for the speaker's resignation. "Sadly, today's criminal complaint is a reminder that some enter public life seeking to accumulate personal power and to enrich themselves. Those who do so are not fit to hold public office."

Among other things, the referral charges violations involving receipt of direct corporate contributions; failure to file complete and accurate campaign finance statements and converting campaign funds for personal benefit.

**Governor, Other Top Officials Want Speaker Out**
Gov. Mike DeWine called Tuesday for Speaker Larry Householder to resign in the wake of racketeering and bribery charges announced by U.S. Attorney David M. DeVillers.

Mr. DeWine, who canceled his regular COVID-19 news conference when news of the alleged scheme broke, called it a "sad day for Ohio" in a statement.

"I am deeply concerned about the allegations of wrongdoing in the criminal complaint issued today by the U.S. Attorney's Office," he said.

"Every American has the presumption of innocence until proven guilty. Because of the nature of these charges, it will be impossible for Speaker Householder to effectively lead the Ohio House of Representatives; therefore, I am calling on Speaker Householder to resign immediately."

Mr. DeWine's call was echoed by all four other non-judicial statewide elected officials – all Republicans – as well as Ohio Republican Party Chair Jane Timken, who posted a video statement to that effect.

Attorney General Dave Yost said in a statement that the affidavit unveiled Tuesday shows "Larry Householder sold out the people of Ohio in exchange for power and dirty money."

"The 81-page sworn affidavit filed today shows plainly he cannot be trusted to act in the public interest, or trusted with public authority," he added. "He is entitled to a presumption of innocence regarding the criminality of his acts, but he is entitled to no presumption of continuance in office. He should resign immediately. If he refuses, the House should eject him under Article II, section 6 of the Ohio Constitution."

The two top Democrats in the legislature – House Minority Leader Emilia Sykes (D-Akron) and Senate Minority Leader Kenny Yuko (D-Richmond Hts.) also called for the speaker's resignation.

"As Ohioans are grappling with a public health and economic crisis like we haven't seen in generations, this is an unnecessary distraction from the very important business facing our citizens," Rep. Sykes said. "Because of this, we demand the immediate resignation of Larry Householder as Speaker of the House and implore our Republican colleagues to announce a new leader for this body as soon as possible."
Senate President Larry Obhof (R-Medina) said the allegations against the speaker "are very detailed, they are very serious, and they are very troubling to me, and undoubtedly, to the people of Ohio. Every member of the Ohio legislature has a sacred trust with the citizens of this state, and the people deserve the honest services of their elected representatives."

"The seriousness and gravity of the allegations cast a dark shadow over the People's House," he said. "It is clear that he cannot continue to lead the Ohio House of Representatives. He should resign."

The House Majority Leadership team issued a joint statement expressing surprise at the charges.

The comments were issued by Rep. Jim Butler (R-Oakwood), the speaker pro tempore, Rep. Bill Seitz (R-Cincinnati), the majority floor leader, Rep. Anthony DeVitis (R-Green), assistant majority floor leader, Rep. Jay Edwards (R-Nelsonville), majority whip, and Rep. Laura Lanese (R-Grove City), assistant majority whip.

"We were shocked to learn of the charges filed today against Speaker Householder. The Ohio House of Representatives remains open, and the members and staff are continuing their work to serve the people of Ohio," the group stated.

"We are reviewing the allegations. To our knowledge, no other member of the Ohio General Assembly is under investigation in connection with these allegations. We have not been in contact with Speaker Householder today. Due to the pending investigation, we cannot comment further at this time."

Other officials took to Twitter to relay their messages.

State Auditor Keith Faber tweeted: "The allegations against Speaker Householder are serious and, if true, constitute a grave violation of the trust placed in him by the citizens of Ohio. As the legal process plays out, it is in the best interest of the House to pick a new leader. @HouseholderOH needs to resign."

In fact, social media erupted as details emerged about the alleged scheme, which tied back to the passage of the controversial HB 6 and related campaign funding.

Among the current and former officials to weigh in was former Speaker Ryan Smith, who lost the gavel to Mr. Householder last year and subsequently resigned his House seat to take a top higher education post in southeast Ohio. Ironically, Mr. Smith became the chamber leader in 2018 as a result of a separate FBI probe into the activities of former Speaker Cliff Rosenberger, who resigned but was never charged with a crime.

"It's a beautiful day at the University of Rio Grande and Rio Grande Community College!" Mr. Smith, the president of the institution, stated on Twitter.

During his bare-knuckle struggle for the speakership with Mr. Householder, Mr. Smith had complained about his rival's tactics. As the maneuvering for the gavel heated up in the spring of 2018 after Mr. Rosenberger's departure, the Bidwell Republican bemoaned what he characterized as "bullying, to threats to downright extortion" by Mr. Householder's camp.

The charges against the current speaker were also met with a healthy dose of schadenfreude by some Democrats who have come under fire in the past from GOP circles.

Ohio Democratic Party Chairman David Pepper said in a Twitter post: "I was once attacked by the Ohio GOP, in statewide advertising, for purchasing a desk, a computer, and a few chairs to furnish the empty office I inherited as a new councilmember."

Franklin County Recorder Danny O'Connor, who ran unsuccessfully for Congress in 2018, tweeted: "Today, I am reminded that the Ohio Republican Party once attacked me for fishing without a license in high school."

Meanwhile, some stakeholders began calling for the repeal of HB6, and stock prices for Energy Harbor, which owns the nuclear plants, and its former parent company, FirstEnergy Corp., plunged sharply upon news of the arrests – by 20% and 17%, respectively.
FirstEnergy Solutions was spun off from FirstEnergy in 2018 during a bankruptcy proceeding and adopted the Energy Harbor name in 2020.

An Energy Harbor spokesman did not return a request for comment. First Energy Corp. later in the day said it received subpoenas in connection with the investigation Tuesday afternoon.

"We are reviewing the details of the investigation and we intend to fully cooperate," FirstEnergy said.

The charges in Ohio follow a similar pattern of a recent case in Illinois brought by federal prosecutors against energy utility ComEd.

That company has agreed to pay $200 million to resolve a long-running federal probe into bribery allegations that have implicated Illinois House Speaker Michael Madigan, the Associated Press reported. The company was accused of providing favors in return for the passage of helpful legislation.

**Sponsor Says Broadband Bill Would Bolster Underserved Regions**

Questions over cost and scope marked the first hearing of a House priority measure that aims to improve access to broadband internet services in rural areas of the state.

Sponsored by Rep. Rick Carfagna (R-Genoa Twp.) and Rep. Michael O'Brien (D-Warren), the main thrust of the measure (HB 13) is a $20 million, three-year pilot program to incentivize providers to extend services to Appalachian Ohio, where many areas currently lack broadband access. The bill also would create the Broadband Expansion Program Authority in the Department of Commerce to oversee the initiative.

Rep. Carfagna briefed the Senate Energy & Public Utilities Committee on the proposal, which he called "a labor of love that stems from the 14 years I formerly served in the cable industry, working with local governments throughout the state to expand and upgrade broadband infrastructure." Rep. O'Brien was unable to attend Tuesday's hearing.

"Throughout my time working on this important issue, I've heard so many stories from around the state that illustrate the broadband access problem that exists in Ohio," the sponsor said. "We've all heard of the children having to utilize the free WiFi at McDonald's in order to do their homework. Here in Central Ohio of all places, the Columbus Dispatch reports that 17% of schoolkids lack access to broadband."

"The Ohio Library Council has spoken of the public library down in Athens County, where 50% of their WiFi usage occurs when the library is closed," Rep. Carfagna added.

Under the measure, which underwent significant changes in the House and saw its funding increased tenfold, broadband providers will submit buildout proposals to DOC to provide broadband speeds of at least 25 megabytes per second for downloads and 3 MPS for uploads and "quantify the broadband funding gap that is preventing them from otherwise building out to these listed homes on their own," Rep. Carfagna explained.

"To be clear, we're not proposing that the state pay the total project costs under this bill. The providers all have their own construction formulas, with a number of variables, which they use to justify the economics of whether or not to build to a given area. The intent of the bill is to isolate and fund only the cost hurdle – the dollar amount by which a proposed project fails a provider's buildout model," he said. "The provider is expected to fully fund the portion of the project that falls within its construction formula."

While DOC will administer the program, the award decisions will be made by the five-member Authority consisting of the DOC director, president of JobsOhio, and one appointee each by the governor, House and Senate, the sponsor explained. The bill provides for up to two application windows per year, transparency in the process and a "robust challenge process established where another provider can contest an application on the grounds of service to an ineligible or already-served area."

The awards will be weighted to prioritize underserved areas, and recipients will be required to submit an annual project progress report for a period of four years following the build, Rep. Carfagna said. The Authority would have additional
responsibilities such as identifying ongoing barriers to deployment, and local governments would provide input into the process.

"Finally, HB13 implements a number of regulatory and industry reforms. These are designed to help mitigate the risks associated with making these capital investments into unserved areas, with or without this program," the sponsor said. They include:

- Nondiscriminatory Access to pole attachments in terms of rates, terms and conditions.
- Improved access to utility easements for broadband providers.
- Creation of a pilot project for electric utilities to construct middle mile infrastructure specifically to unserved areas within hard-to-reach Appalachian counties.

"HB13 incentivizes true public/private partnerships and rewards cooperation to bring this infrastructure to those without this critical resource," Rep. Carfagna said. "The time has come for providers to sharpen their pencils and put forth their best effort and best technologies to buildout their networks. I am confident that the deployment of broadband infrastructure to any of the numerous Ohioans left behind will be deeply meaningful and enhance quality of life."

The sponsor concluded by noting that Gov. Mike DeWine "committed $20 million for the remainder of this biennium from an existing Development Services Agency line-item" to fund the initiative.

Sen. Andy Brenner (R-Powell) asked whether that total was enough and questioned whether an exponential amount of capital funding was in order to match federal dollars for the program.

Rep. Carfagna said he wished that kind of money was available but called $20 million "a heck of a good start."

Sen. Sean O'Brien (D-Bazetta) questioned how the state would know it's getting a solid return for its funding.

The sponsor said it's unclear how far $20 million will go in terms of return on investment, but cited a Colorado study showing broadband access increases home values.

"All kinds of economic promise" at could stem from the effort, Rep. Carfagna added.

Sen. Frank Hoagland (R-Adena) suggested that the 25mps down/3mps up internet speed standard in the bill is insufficient. "I have that...and it's terrible," he said.

The lawmaker asked the sponsor if he would be amenable to increasing those speeds.

Rep. Carfagna said that while it's an old benchmark it reflects a minimum standard and it's assumed that providers are going to offer state of the art to consumers. He said he's willing to discuss the issue but is worried that raising the bar too much would result in "pricing out of the market" for some providers.

Regarding access to pole attachments, the sponsor told Sen. Sandra Williams (D-Cleveland) that the proposed language was based on federal regulations and that the concept of getting the Public Utilities Commission of Ohio to adjudicate such issues was opposed.

Sen. Williams also questioned why the bill didn't address circumstances in poor urban areas of the state where there's only one provider. Rep. Carfagna said the primary aim of the bill was to create access to infrastructure rather than affordability.

Sen. Dave Burke (R-Marysville) said he was interested to see how aspects of the measure would interacts with PUCO's oversight.

Sen. Matt Huffman (R-Lima) commented that using existing regulatory bodies rather than creating a new Authority might be preferable.
Senate Panel Kicks Off Review Of Emergency Alcohol Bills

House sponsors said their plan to expand alcohol sales hours has plenty of safeguards for communities that might not be thrilled with that idea.

Rep. Brett Hillyer (R-Uhrichsville) made that argument during the Senate Agriculture & Natural Resources Committee's first hearing on emergency legislation (HB 674) to support restaurants financially devastated by the economic fallout of the novel coronavirus pandemic.

It was one of two pandemic-related alcohol bills heard for the first time by the panel Tuesday, the other being a plan (HB 669) from Rep. D.J. Swearingen (R-Huron) and Rep. Jeffrey LaRe (R-Violet Twp.) to enable delivery sales of alcoholic beverages.

HB674 would in part create a J liquor permit to extend hours of operation to 4 a.m. on Saturdays and Sundays – an idea that faced pushback from some parties during House committee debate.

Sen. Steve Huffman (R-Tipp City) sought more detail on that provision, including whether a municipality could object to that move.

He also requested for more explanation on the thought behind authorizing voters to allow potential consumption 24 hours a day, questioning whether it was driven by casinos and similar businesses.

Rep. Hillyer replied the 4 a.m. change would benefit those who work until 2 a.m. and want to go out for an afterwork drink. It would also be beneficial, he said, to hotels, convention centers or wedding venues who have a "captive audience" but must give last call.

He said the permit application process would follow existing procedures, giving citizens the ability to testify and speak to why they believe the permit would be a mistake.

"I think you'll hear some testimony from some restauranteurs on how that has been successful in policing our licensed premises," Rep. Hillyer said.

Citizens or businesses can report bad actors or complain should the situation become a nuisance, he said.

"The communities have a say on that," Rep. Hiller said. "I think there are plenty of safeguards in place of the 4 a.m. sales and the 24-hour sales."

Rep. John Becker (R-Union Twp.) added that continuing law would give "important remedies by which the voters of a precinct can challenge unscrupulous liquor permit holders."

The legislation also eliminates statutory limitations on Sunday sales, makes it easier to establish outdoor refreshment areas, loosens restrictions on alcohol in airports, and exempts brewpubs from certain food sales licensure requirements.

HB669, also an emergency bill, seeks a similar end: to alleviate some of the financial strain placed on a hospitality industry forced in large part to shutter this spring to limit spread of COVID-19.

"The intent of this legislation is to allow these businesses to regain some of the revenue they have lost during this unprecedented time, while also being able to serve their customers and keep Ohioans safe," Rep. LaRe told the committee.

That measure would permit sales for off-premises consumption and delivery of alcoholic beverages and spirituous liquor. It also enables the expansion of the sales area for liquor permit premises.

"This bill balances the safety of owners workers and customers while also aiding our Main Street businesses in Ohio," Rep. Swearingen said.

Sen. Stephanie Kunze (R-Hilliard) questioned whether businesses must notify local municipalities beforehand when expanding sales areas in addition to requirements to notify the Division of Liquor Control and the Department of Public Safety.
Rep. Swearingen replied that if the expansion took place on public property one would have to work with the local political subdivision.

**Senate Committee Hearings - Agriculture & Natural Resources**

**SB 333 TAX PAYMENTS** (Schaffer, T.) To require the Ohio Department of Natural Resources to make payments in lieu of taxes to local taxing units for significant land acquisitions by the department after 2018. CONTINUED (1st Hearing- Sponsor)

Sen. Tim Schaffer (R-Lancaster) reiterated his support for the Department of Natural Resources recent acquisition of several swathes or AEP ReCreation Land but said the potential for communities to lose property tax revenues from those transactions would be devastating.

The plan would expand the agency's Payment in Lieu of Taxes program to any local government that relies upon property taxes from the purchase of that land. The aim is to ensure local governments, fire and emergency response departments, townships and other entities are made whole as those thousands of acres leave property tax rolls.

"Some of the cuts to our local governments, while not huge numbers to the state, jeopardize their operations, including the sheriff, fire and EMS departments that this new state park will rely upon as thousands of new visitors from outside the 20th District visit," the sponsor said.

He said the bill only applies to purchases over 5,000 acres in one or a series of transactions from the same seller dating back to Jan. 1, 2019.

Sen. Steve Huffman (R-Tipp City) questioned whether the sponsor considered potential new tax revenue as a result of more visitors coming to the area due to the land.

"It doesn't take it into account because we don't have that infrastructure at this point," the sponsor replied.

**Wednesday, July 22, 2020**

**HB6 Repeal Efforts Gain Traction Following Speaker's Arrest; DeWine Supports Policy**

Bipartisan plans to repeal the nuclear subsidy law at the heart of an alleged racketeering scheme are underway in both chambers – a prospect Gov. Mike DeWine said he does not support.

A chorus of opponents of the law (HB 6) called for its repeal within hours of the arrest of Speaker Larry Householder (R-Glenford) and four others for allegedly orchestrating a racketeering scheme to ensure the law's passage.

On Wednesday, lawmakers in both chambers distributed cosponsor requests seeking support for several forthcoming proposals to do just that.

But Gov. Mike DeWine said he would not support a repeal and that he continues to believe in the policy at the heart of HB6 despite recent events.

"For a long time, I've advocated…for a balanced energy policy for the state of Ohio," Gov. DeWine said. "We think having nuclear plants is a part of that balanced policy."

Critics of HB6 are not convinced and believe the speaker's arrest and the allegations he oversaw an alleged $60 million racketeering scheme may be enough to walk back the controversial policy change, which among other things grants Energy Harbor up to $150 million a year in subsidies for its nuclear plants.

"The whole issue is obscene at this point," Rep. Michael O'Brien (D-Warren) said in an interview. "I believe it's not a tide that has changed. It's a tsunami that has changed."

A majority-led bill is also in the works from Rep. Mark Romanchuk (R-Mansfield) and Rep. Laura Lanese (R-Grove City). That plan is expected to be outlined during a press conference Thursday, Rep. Romanchuk said.

At the same time, a cosponsor request has been issued to senators for a forthcoming repeal attempt by Sen. Stephanie Kunze (R-Hilliard) and Sen. Sean O'Brien (D-Bazetta) – both of whom originally voted against HB6.

"I do believe we will get hearings in committee," Sen. Kunze said in an interview. "Let's have a real conversation about energy policy based on factual data, information. Let's bring all of this out into the light."

Added Sen. O'Brien: "We cannot in good faith keep laws in place that financially benefit any company engaging in pay-to-play."

Not all members are sold on a repeal, however, with some lawmakers saying that the subsidies at the center of HB6 are key in preserving important carbon-free energy and hundreds of jobs at the two plants.

"I am quite comfortable with my position on HB6," said Rep. Dick Stein (R-Norwalk), co-chair of the House subcommittee. "It was and is the right policy for Ohio regardless the motives of our speaker."

Some lawmakers who previously supported HB6 said policymakers must proceed with caution.

Rep. John Patterson (D-Jefferson) said legislators need to consider many variables, including the potential for job losses among power plant workers, when considering the question.

"There is no doubt it needs to be revisited, but with great care and with open dialogue and with fresh eyes," he said.

HB6 supporter Rep. Paul Zeltwanger (R-Mason) also said lawmakers would need to account for potential job losses should the law be repealed.

Given the narrow margins by which HB6 initially passed both chambers, it might not take many defections to repeal the law. The measure passed the House initially by three votes and the Senate by two votes, leading to a House concurrence vote that succeeded with one vote to spare.

Elaborating on the situation during his daily coronavirus briefing, Gov. DeWine called the allegations a "sickening story" but said he had no inkling of potential illegal activity and no knowledge of anyone in his administration having contact with investigators in the case.

He said he intends to donate any money his campaign received from anyone charged in the case to charity.

Although the governor's support for HB6 remains intact, Attorney General Dave Yost called a repeal a "great idea," but added: "But this will never make it to the floor with a vote with the current speaker. First things first."

Mr. Yost has joined other statewide officials in calling for Mr. Householder to resign – calls that several Householder supporters seconded on Wednesday.

Interest groups that fought HB6 throughout the legislative process began issuing statements calling for a repeal within hours of the speaker's arrest Tuesday. They include the Buckeye Institute, the Ohio Environmental Council and the Ohio Consumers Power Alliance.

House Members Call For Speaker To Resign As Governor Threatens Special Session

Members of both parties who helped propel Speaker Larry Householder back to the speaker's chair joined the chorus of officials calling for his resignation Wednesday.

And Gov. Mike DeWine said he will not hesitate to convene a special session in order have the speaker expelled should he not go willingly – although the governor said he would prefer House members sort out the matter themselves.

Statehouse Update
The calls for the Glenford Republican's resignation continued unabated the day after the speaker and four others were arrested and charged with conspiracy to commit racketeering for their efforts to ensure passage of a controversial nuclear subsidy law (HB 6).

House officials on Wednesday afternoon were gauging GOP members' availability for a Friday caucus meeting to discuss the situation, according to members. Rep. Householder, meanwhile, has not entered a plea or commented on the charge. Legislative leaders in the other three caucuses and every statewide office holder had already called for the speaker's resignation in the wake of his arrest.

Of the 50 lawmakers who voted for Rep. Householder for speaker in January 2019, at least 11 had issued statements urging him to resign as of Wednesday afternoon, including three Republicans – Rep. Jon Cross (R-Kenton), Rep. Tracy Richardson (R-Marysville), and Rep. John Becker (R-Union Twp.).

At least 16 other Representatives – nine Republicans and seven Democrats – had also issued calls for the speaker to depart either in statements or interviews.

Asked outside federal court a day earlier whether he would resign, Speaker Householder replied "No," meaning the onus shifts for now to his fellow members who could oust him with a two-thirds majority vote if the political will exists.

The speaker, however, continues to control the chamber's meeting schedule and the next scheduled session is not planned until September at the earliest.

Should the speaker refuse to resign and House members fail to act, Gov. DeWine said he would convene a special session and task members to select a new leader. Saying the presumption of innocence must be maintained, he said: "It is clear the speaker cannot function as speaker."

"So, we're talking to members of the House," he said. "It's their obligation to do something about this. If they cannot and, again I'm still trying to understand the House rules…if it's necessary for us to call the legislature into session and give them a specific topic, which would be the speakership, I certainly would not hesitate to do that at all."

Rep. Cross, who had been a vocal supporter of HB6 during the committee process, said in a statement he was "shocked at the allegations."

"Rep. Householder should step down as speaker of the Ohio House of Representatives," Rep. Cross said. "The work of the Ohio House must continue and to do so it will take bipartisan support by all members to keep the focus on the recovery of Ohio's health and economy."

Rep. Richardson likewise opined the speaker's resignation would be in the chamber's best interest, adding: "The work of the Ohio House must be united to focus on the compelling issues posed by the COVID-19 pandemic."

And Rep. Becker, who called the speaker a "friend," said he hopes for the speaker's exoneration, also urged him to resign "so that he can fully concentrate on defending himself against the charges."

Rep. Laura Lanese (R-Grove City), the chamber's assistant majority whip, became the first member of the majority leadership team so far to call for him to step down.

Rep. Lanese, who had supported Rep. Householder's rival for the speakership, had a day earlier signed onto a joint statement by the House leadership team, absent Mr. Householder, that stopped short of calling for the speaker to quit.

Rep. Lanese is one of a number of lawmakers working on legislation to repeal HB6 in light of recent events. (See separate story)

"Ohioans deserve leaders they can trust," Rep. Lanese said. "With the announcement of the FBI's allegations against Speaker Householder yesterday, it is clear that he must resign as speaker of the Ohio House of Representatives."
Mr. Householder still has some support from those who want to see the legal process play out and say the speaker is innocent until proven guilty.

"Let the process play out," said Rep. Paul Zeltwanger (R-Mason), adding that the speaker should remain in office "if he hasn't done anything illegal."

Others said that the speaker cannot effectively lead at this point even if the charges were ultimately disproven.

"Every American is presumed innocent until proven guilty, but it seems implausible at this point that the speaker will be able to lead the House of Representatives any further," Rep. Craig Riedel (R-Defiance) said. "I believe it is in Ohio's best interest that he resign immediately."

**Statewide Mask Mandate To Take Effect Thursday**

Gov. Mike DeWine on Wednesday announced residents statewide will generally be required to wear facial coverings in public starting at 6 p.m. Thursday.

The forthcoming order will mandate that people inside a building that is not a residence and those who are outdoors but cannot maintain 6 feet of distance from people outside of their households wear masks.

The governor said a growing body of evidence suggests facial coverings are key to prevent COVID-19 from spreading.

"The jury's back. The verdict's in. Masks work," he said.

Gov. DeWine said exceptions to the mandate include people:

- With a disability or medical condition.
- Communicating with a person with a disability.
- Playing sports or exercising.
- Overseeing religious services.
- Engaging in public safety activities.
- Eating or drinking.

The mandate also will not apply to residents who are younger than 10 years old.

"I would also urge all my fellow citizens to not be judgmental," he said. "If someone is in a store and they do not have a mask now, we should assume they have some medical problem. We should assume that there is some very legitimate reason why they cannot wear a mask.

The announcement of the requirement comes one day after President Donald Trump, who previously has sent mixed signals regarding facial coverings, issued a Twitter post calling the wearing of masks "patriotic."

More than one-fifth of the state's counties and about 60% of the state's population already were under a mask mandate by the end of last week.

The governor's latest order drew praise from statewide medical groups.

Mike Abrams, president and CEO of the Ohio Hospital Association, in a statement urged residents to comply with the mandate.

"This is a very serious situation that has enormous implications for every Ohioan," he said. "Our livelihood, economy and health care system all depend on the cooperation and support of everyone in wearing masks and practicing social distancing to reduce spread and exposure."

The Ohio State Medical Association said in a statement the order reflects "the best scientific evidence we have at this time about the virus which causes COVID-19."
"OSMA, on behalf of the thousands of physicians, medical residents, and medical students we represent, urges Ohioans to do their part to help our state keep as many individuals healthy as possible," the statement said. "By following the guidelines and orders set forth by our state and local health officials, we can all work together to promote safety and well-being of our families, friends, neighbors, and others in our communities across the state."

Gov. DeWine also announced a travel advisory for anyone coming into Ohio from states where coronavirus testing positivity rates are at 15% or higher. The administration recommends such individuals quarantine for 14 days.

Currently the advisory covers people traveling to Ohio from Alabama, Arizona, Florida, Georgia, Idaho, Mississippi, Nevada, South Carolina and Texas.

The governor said earlier in the day he urged stricter compliance with state safety guidelines during a conversation with county fair officials from across Ohio. He said 19 cases have been linked to one county fair alone.

"We want these fairs to continue, but they have to follow the rules," he said.

The announcements came on a day in which the state saw its second-highest number of cases reported over a 24-hour period since the coronavirus pandemic began.

The Department of Health on Wednesday afternoon reported the state had reached 78,742 cumulative cases and 3,235 deaths, including probable cases.

Cases over the last 24 hours, 1,527, were well above the 21-day average of 1,232. The state saw 16 deaths in the past day, about even with the 21-day average of 17.

The state reported 128 hospitalizations, which is 35 above the average. ICU admissions at 19 in the past 24 hours were about even with the average.

**Thursday, July 23, 2020**

**House GOP Mulls Options As DeWine Urges Action In Speaker Scandal**

House Republicans say they are still processing the arrest of Speaker Larry Householder as they consider how to proceed in the days ahead, but names are already being floated as potential replacement candidates.

Among them is Rep. Rick Carfagna (R-Genoa Twp.), who was in line to be speaker pro tempore if former Rep. Ryan Smith had won the speakership last year.

Members of the chamber's remaining leadership team are strategizing on the path forward and several lawmakers said that Speaker Pro Tempore Rep. Jim Butler (R-Oakwood) has scheduled an informal caucus meeting on Tuesday to discuss the chamber's options.

Unofficial meetings, meanwhile, are slated for Friday as members continue to digest the charges against the speaker and four others who are accused of orchestrating a $60 million racketeering scheme.

Those meetings will include an afternoon discussion to which all members of the caucus were invited. Some members, however, said they question the legitimacy of that meeting and would prefer a solution to be reached during Tuesday's caucus in order to ensure adequate protocols are adhered to and that the need for a quick resolution does not result in a "knee-jerk action."

It is unclear if Mr. Householder, who has not commented in detail on the situation, will attend. The gatherings are informal since the speaker generally convenes caucus meetings, although Rep. Butler, as the caucus' dean, can also convene them by tradition.

Members face increasing pressure from Gov. Mike DeWine to expel Rep. Householder from the chamber should the speaker not willingly resign. The governor said he is encouraging Republicans to select a new speaker and maintained he will compel a special session, if necessary.
"It is very, very important for you to be engaged at this point in thinking who the next speaker should be," he said. "I would urge members of the legislature to do what they're already doing: to think about this, to start talking among themselves, because it is clear ... that Speaker Householder can no longer function as speaker with these very, very serious charges."

Gov. DeWine he understands that lawmakers need time to process recent events.

"Somebody's got to put together 50 votes," he said. "They've got to think who that would be. It is not my job nor is it proper for me to suggest for them who that individual should be. But clearly it needs – to state the obvious – to be someone who is respected, someone who has trust...on both sides of the aisle."

Rep. Carfagna has been approached by his colleagues about running for speaker should the position open. The two-term Republican voted against House Bill 6 and has cosponsored a repeal effort.

Rep. Robert Cupp (R-Lima) is another lawmaker whose name has been floated as an option. The former Ohio Supreme Court justice, who voted in favor of HB6, did not return requests for comment.

Also thought to be in the mix is second-term lawmaker Rep. Craig Riedel (R-Defiance), another Ryan Smith supporter who voted against HB6. Rep. Riedel declined to comment on whether he would seek the post.

Rep. Carfagna, who has joined more than one-third of House members in publicly calling for Rep. Householder's resignation as of Thursday, said he hopes to see the leadership team provide some direction.

"What are our options? What timetables are involved? What resources can we work with?" he said. "That needs to be something that is driven by broad consensus within our caucus. If that cannot happen there are options including intervention of the executive branch."

Rep. Laura Lanese (R-Grove City), the chamber's assistant majority whip, said the leadership team continues discussing that subject.

"We are in the process of organizing and I don't want to be premature in announcing decisions that are going to be announced here by others shortly," she said. "The goal is for the House to deal with this. That is the ideal and we want to be the ones to handle that."

Rep. Lanese is the highest-ranking House official to date to call for Rep. Householder's resignation; she and other leadership members had issued a statement after his arrest expressing alarm but stopping short of calling for him to step down.

She said she anticipates more clarity on the path forward in the next "day or so."

"This broke 48 hours ago so were all still trying to figure out procedure and getting everyone back. It is something we are definitely talking about," she said. "Behind the scenes we are very much working on it."

"It is definitely our goal (to resolve this)," she added. "We know Ohioans deserve their right to have their legislature fully functioning and that's what we're working toward."

**DeWine Joins Calls To Repeal HB6 While Continuing To Defend Policy**

Gov. Mike DeWine Thursday called for lawmakers to repeal and replace the state's nuclear subsidy law, which he said has been tainted by Speaker Larry Householder's arrest.

His comments came a day after he expressed support for keeping the law (HB 6), saying the legislation was the right policy for the state despite Mr. Householder and four others being charged this week with allegedly orchestrating a $60 million racketeering scheme.

The governor said Thursday, however, that upon further reflection, the corrupted process that resulted in the bill's passage has eroded public trust.
"No matter how good this policy is, the process how this bill was passed is simply not acceptable," Gov. DeWine said. "That process, I believe has forever tainted the bill and now the law itself."

He urged the General Assembly to "very quickly" repeal and replace the law, which he continues to believe should preserve the state's two nuclear plants. He said "all things should be on the table" should policymakers reopen HB6 for debate.

"While the policy in my opinion is good the process by which it was created stinks, it's terrible, it's not acceptable," he said. "Therefore, I believe this whole policy issue must be revisited by the General Assembly. I ask the General Assembly to repeal and replace HB6 through a process, an open process, that the public can have full confidence in."

Gov. DeWine's comments came hours after House Republicans unveiled a forthcoming repeal bill by Rep. Laura Lanese (R-Grove City) and Rep. Mark Romanchuk (R-Mansfield) that has upwards of 33 cosponsors at this point. The cosponsor list has not yet been finalized, making it unclear how many of those signing onto the effort previously supported the nuclear subsidy law.

"From the beginning through the middle to the end, this legislation has been tainted," Rep. Lanese said. Even if the charges levied against the speaker and others are false, she continued, "that does not remove the taint. That's why we have to start fresh."


House Democrats a day earlier outlined their own forthcoming repeal plan and Sen. Kunze and Sen. Sean O'Brien (D-Bazetta) are also partnering on a similar effort in the upper chamber.

Other lawmakers remain hesitant regarding such a move.

Sen. Steve Wilson (R-Maineville), chair of the Senate Energy & Public Utilities Committee which led debate on the bill in that chamber, expressed reservations about walking back HB6. But when it comes to concerns the legislative process was "tainted," he said he is willing to hear that discussion.

"I'm certainly disgusted with what went on over in the House relative to it, but in the Senate, as you know, we simplified it greatly," Sen. Wilson said. "It got down to the point we felt it needed to happen for the state of Ohio. I would be of the camp going in it is still good policy and it should stay. However, I haven't heard the debate so it's hard to make a firm comment."

House Majority Leader Rep. Bill Seitz (R-Cincinnati) circulated to members an email Thursday morning opining the law should be maintained.

Citing an updated Legislative Service Commission analysis, Rep. Seitz said: "The bill will save ratepayers (residential, commercial and industrial) $2.3 billion over its life. Efforts to repeal HB6 are therefore tantamount to raising electric charges for all Ohioans by $2.3 billion. In my opinion, given these uncertain economic times, that kind of adverse economic impact would only inhibit Ohio's road to economy recovery."

Energy Harbor, the operator of the nuclear plants formerly known as FirstEnergy Solutions, declined to comment on the prospect of a repeal. The company has said it intends to cooperate fully with the ongoing investigation.

FirstEnergy Corp. issued a similar statement Thursday on the eve of its next earnings call.

"We intend to cooperate fully with the Department of Justice investigation involving the Ohio Speaker of the House, and we will ensure our company's involvement in supporting HB 6 is understood as accurately as possible," CEO Chuck Jones said.

"I believe that FirstEnergy acted ethically in this matter," he continued. "At no time did our support for Ohio's nuclear plants interfere with or supersede our ethical obligations to conduct our business properly. I believe the facts will become clear as the investigation progresses."
Gov. DeWine's reversal on the prospect of repeal comes the same day the Cincinnati Enquirer reported that DeWine legislative director Dan McCarthy was previously president of a dark money group identified in the federal complaint against Rep. Householder as "Energy Pass-Through."

The complaint alleges "Company A" used that 501(c)(4), Partners for Progress Inc., to transfer hundreds of thousands of dollars to Generation Now, the dark money group prosecutors believe was overseen by Speaker Householder.

Mr. McCarthy denied knowledge of any wrongdoing and Gov. DeWine backed him up when questioned on the matter. The governor noted that dark money groups when operated appropriately are lawful and commonplace, adding that his top lobbyist "has done an excellent job for the state of Ohio."

"Neither Dan nor anyone else that I'm aware of in my administration has been contacted by the FBI or contacted by the Justice Department," Gov. DeWine said. "We have a great deal of confidence in him and have no indication at all that he did anything wrong."

House GOP Campaign Fund Undergoing Audit Following Speaker's Arrest
The chair of the House Republican Campaign Committee said he has ordered an audit of the caucus' political fund following Speaker Larry Householder's arrest.

But Rep. Paul Zeltwanger (R-Mason) said other than that precautionary measure, it is "business as usual" despite the unfolding FBI investigation that brought racketeering charges against Speaker Householder (R-Glenford) and four others.

"I'm having them all recheck the background, the records," Rep. Zeltwanger said in an interview. "I don't think there's been anything, but...we're looking through the records just to make sure."

That comes as leaders of the House Democrats' own campaign committee and Ohio Democratic Party Chair David Pepper raised questions about the legitimacy of the majority caucus' funds given allegations the speaker oversaw a $60 million racketeering scheme.

Aryeh Alex, executive director of the House Democratic Campaign Committee, said the majority's coffers are full of "tainted funds."

"There should be a serious investigation into those resources and why those accounts aren't frozen at the time being," he said in an interview.

Jeff Longstreth, one of the individuals charged in the case and a longtime Householder adviser, was previously described by Rep. Zeltwanger as a "contractual adviser" with the HRCC. The speaker had the campaign committee, formerly known as the Ohio House Republican Organizational Committee, restructured shortly after his election.

A spokeswoman for the U.S. Attorney overseeing the case, however, confirmed none of the HRCC's assets have been frozen. The HRCC had $1.3 million on hand as of its most recent campaign finance filing in March.

"The Ohio House Republican Campaign Committee should not be permitted to fund candidates and campaigns with proceeds from a criminal enterprise," Mr. Pepper said in a statement. "Therefore, we are asking the courts and law enforcement to take appropriate action to freeze any accounts associated with Larry Householder and his co-conspirators and prevent further corruption of our political process here in Ohio."

Although GOP campaign spending can continue unimpeded at this point, the landscape has already shifted for Republican candidates who until this week viewed Mr. Householder's endorsement as an asset heading into November.

Since the scandal broke Tuesday, GOP candidates have begun seeking to distance themselves, with some pledging to return donations or calling for the speaker to step down.

Mehek Cooke, the Republican seeking to unseat Rep. Beth Liston (D-Dublin) in the 21st House District, for instance called the allegations laid out in the criminal complaint "astounding" and said she would donate a $250 contribution she received from one of the arrested individuals to charity.
"It took a bipartisan effort to make Larry Householder speaker," she added on Facebook. "It should be an easy bipartisan effort to remove him."

Mr. Alex said he believes the unfolding scandal will bolster voters' desire to end one-party rule in Columbus and to ensure gerrymandered districts are made fairer.

"We definitely think this is going to be a core message that gives us another opportunity to highlight their failures in state government," Mr. Alex said.

Rep. Householder would not have had the votes to attain the speakership had he not received the backing of 26 Democrats — support that helped him overcome a deficit of support within his own caucus. But Mr. Alex opined that to say Democrats had a hand in the current situation is an "overstatement."

"I think this is a Republican issue," he said. "These are Republicans who were a part of this entire thing. You don't see any Democrats that were a part of this."

One Republican House candidate on Thursday, however, criticized his Democratic opponent for his vote in support of Mr. Householder for speaker.

Shay Hawkins, who is challenging Rep. Phil Robinson (D-Solon) in the 6th District, said the incumbent backed Mr. Householder and accepted campaign funds from the FirstEnergy. Mr. Robinson is among several lawmakers who have called for the speaker's resignation.

Rep. Zeltwanger said he believes GOP candidates will remain successful based on the strength of their message regardless of the speaker's legal woes.

"We're still for the economy workforce development, small and large businesses, working through the current crisis," he said. "Keeping Ohio moving forward. The same issues of pro-life and Second Amendment. Really, it's right now trying to work through the current situation as it relates to jobs and people and understanding there are really Ohioans hurting."

**BWC Investment Returns Deemed 'Outstanding' Despite Pandemic Impacts**
The Bureau of Workers' Compensation is expected to see an investment return of about 7% for Fiscal Year 2020 when the final tally is completed.

Mark Palmer, who chairs the Investment Committee for the BWC's Board of Directors, told the board Thursday that the unaudited final return at the moment is about 7.3%, a figure that is expected to drop a bit when real estate returns are finalized.

The bureau's return on equities was 2.6% for the fiscal year, with all assets significantly affected by the novel coronavirus pandemic, he said.

"This is an outstanding result given the market of the past fiscal year," Mr. Palmer said.

Board Chairman Chan Cochran praised the bureau's investment strategy.

"Time and again, in good times and bad, the rigor of our asset allocation approach, the diversity of that approach, has shown to pay off as it has in this this difficult time," he said.

Preliminary results show the bureau finishing the fiscal year with a net position of $11.5 billion, up from about $10.8 billion at the end of March and from the $11.3 billion net position the bureau had a year earlier, Chief Financial Officer Kevin Giangola said.

The bureau's net position has increased to about $12.3 billion as of Thursday, he said.
The BWC had $27.8 billion in total assets as of June 30, he reported. The bureau's simple funding ratio – assets to liabilities – was 1.87 at the end of the fiscal year, well above its target range of 1.3 to 1.5.

"If nothing else changed it would take a decrease of $5.8 billion to reach the top end of our funding ratio," he said.

Administrator/CEO Stephanie McCloud also provided an update for the board on the bureau's efforts to send masks to employers. As of July 9, they have sent about 13 million masks to more than 160,000 employers.

"We'll keep making shipments to thousands more in the next couple weeks," she said, adding the masks are one way Ohioans can help mitigate the spread of COVID-19.

"We are layering in," she said. "While masks are not the 100% solution, neither is social distancing. Neither is washing your hands. Neither is staying at home when you don't need to go out."

Audit Committee Chairman Ken Haffey said the bureau presented a request for an additional $36.8 million in safety grant funds largely for face coverings. That proposal will receive a second reading before the committee next month.

**Rate Reductions:** BWC staff this week also presented an initial proposal before the board's Actuarial Committee to reduce rates for public employer taxing districts starting Jan. 1.

In a memo, Chief Actuarial Officer Chris Carlson said the actuary Oliver Wyman gave the bureau a range of decreasing rates by between 9.8% and 26.3%. The staff recommended a decrease of 10%.

"I believe this approach will result in a reasonable overall statewide average rate level and will meet the statutory requirement of setting the lowest possible rates of premium consistent with the maintenance of a solvent state insurance fund," Mr. Carlson wrote.

That decrease would lead to a projected annual premium decrease of about $13.4 million, he wrote.

"Given the current uncertainty around increased coverage through legislation, I feel that the recommended statewide average rate level will result in a reasonable matching of expected program revenue (premium, future investment returns) with expected future program costs (benefits and covered expenses)," he wrote.

The proposal will receive further consideration before the committee at a future meeting.

**Friday, July 24, 2020**

**Ginter Joins Speaker Race As House Path Forward Remains Unclear**

Rep. Tim Ginter (R-Salem) is the latest contender to enter the fray to succeed Speaker Larry Householder, although the process to replace the incumbent remains far from settled.

An informal meeting planned for Friday afternoon was expected to provide some clarity on the path forward, but was canceled, according to members.

Some members had a day earlier expressed reservations, wondering if the group should wait until the more formal meeting planned for Tuesday to be convened by speaker pro tempore Rep. Jim Butler (R-Oakwood).

Rep. Ginter is the fourth lawmaker to indicate an interest in the House's top spot to replace Speaker Householder, who along with four associates was arrested Tuesday and charged for allegedly leading a $60 million racketeering scheme.

"I am humbled by the support I have been given by my colleagues," Rep. Ginter said. "Based on that support, I believe I am called in this troubled time to do my best to bring a steady hand to the House of Representatives by running for speaker. Over the coming days, my team and I plan to share with members our vision for the General Assembly as well as a team capable of supporting the current and incoming members in November."

Rep. Rick Carfagna (R-Genoa Twp.) has already said he is considering the job after being asked by several members to consider running. And other members have expressed support for Rep. Robert Cupp (R-Lima), a former senator and Ohio Supreme Court justice, who has not responded to requests for comment.

Rep. Craig Riedel (R-Defiance) is another potential candidate floated this week, although he declined to comment.


"Having serve in the State Senate, on the Ohio Supreme Court, and now as a state representative, he is the only candidate who can unify the House in order to find solutions to the global pandemic and economic crisis we are in," Rep. Antani said.

Rep. Reggie Stoltzfus (R-Minerva) signaled his support for Rep. Ginter, calling him a man of "unimpeachable character."


House Republicans are expected to use Tuesday's informal caucus meeting to discuss how best to move forward and whether a particular candidate has sufficient support.

The preference continues to be for Rep. Householder to willingly resign, but with no indications that will happen, leadership and members have spent recent days going over other options. It would require 50 votes to elect a new speaker and a two-thirds majority to expel Rep. Householder from the chamber entirely.

Members said the key legal question remains how best to convene a session when the speaker, who is in charge of setting the calendar, is out of communication.


Some have also floated the idea of converting a previously scheduled nonvoting session into a full session via the attendance of a majority of members. The thinking goes if 50 or more members show up to a nonvoting session, it becomes a regular session and a vote could be taken.

All those options could avoid forcing Gov. Mike DeWine to make good on his threat to convene a special session. House leaders and Gov. DeWine have said their preference remains the House resolving the situation without intervention by the executive branch.

**Repeal Efforts:** Rep. Shane Wilkin (R-Hillsboro), one of the joint sponsors of HB6, commented on the situation for the first time Friday, adding his voice to those calling for Rep. Householder's resignation.

Rep. Wilkin saying he was "disappointed and angry at Larry Householder" and said he agreed to sponsor the measure with Rep. Jamie Callender (R-Concord) "because it's good energy policy for Ohio consumers."

"If the legislature decides to repeal House Bill 6 because of the way Larry Householder handled it, I understand, but it should be immediately replaced with a measure advancing the same core principles that help Ohioans," he said.

Rep. Mark Romanchuk (R-Mansfield), a joint sponsor of the forthcoming House Republican plan to repeal the law, said Friday the number of cosponsors on the measure was up to 39. Some House members, such as Majority Floor Leader Rep. Bill Seitz (R-Cincinnati), have argued the policy at its core is needed for Ohio despite the recent scandal.

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