Monday, July 27, 2020

House Republicans Eye Informal Vote Over Ousting Householder

Allies of Rep. Robert Cupp believe the Lima Republican has a "solid lead" among the five contenders seeking to replace Speaker Larry Householder.

But before naming him or anyone else the next speaker-in-waiting, the GOP caucus must determine if and how to force Rep. Householder (R-Glenford) aside – an obstacle that is expected to be debated during an informal caucus meeting Tuesday afternoon.

A "socially-distanced" meeting at a downtown Columbus hotel is expected to include a secret ballot that will indicate whether adequate support exists among the majority party to remove the speaker, who was arrested last week along with four others accused of orchestrating a $60 million racketeering scheme.

ELECTING a new speaker would require 50 votes while ejecting him from the House entirely would require a two-thirds majority. Republicans hold a 61-38 supermajority and Rep. Householder has given no indication he will resign willingly.

The remaining House leadership team – led by Rep. Jim Butler (R-Oakwood), one of the five speaker candidates – on Monday outlined for GOP members in a memo what they should expect at Tuesday's meeting.

"We will entertain a motion, if one is made, as to whether Speaker Householder should be removed as speaker," the memo reads. "If such a motion is made, we will proceed to a secret ballot vote on that question following any appropriate debate. All attending members will have been advised at the meeting and prior to any vote on a motion to remove the speaker as to the procedures available of the removal of a duly elected speaker."

The question of how to convene a session not already scheduled by the speaker – who controls the legislative calendar – remains, however, which is why Attorney General Dave Yost is expected to attend the meeting to outline legal options.

"We have been invited to a private meeting with some legislators tomorrow," confirmed Bethany McCorkle, a spokeswoman for Mr. Yost. "The discussions will be covered by attorney-client privilege and any questions should be directed to the client."

Five candidates have emerged to succeed Rep. Householder, who federal prosecutors have accused of orchestrating a $60 million racketeering scheme along with four associates.

Rep. Cupp, Rep. Rick Carléscala (R-Genoa Twp.) and Rep. Butler each confirmed Monday they will stand as candidates, although they declined to comment in detail. Rep. Tim Ginter (R-Salem) and Rep. Craig Riedel (R-Defiance) on Friday both confirmed they seek the position.

The agenda distributed by House leaders for Tuesday gives no indication, however, that members will take an unofficial vote to gauge support for any of the candidates although there is nothing preventing a caucus member for moving for such a vote.

Rep. Cupp said he is "actively contacting" colleagues to generate support. Rep. Gary Scherer (R-Circleville), who is helping lead efforts to lobby support for Rep. Cupp, said he is encouraged by the feedback received from colleagues about the prospect of the former Ohio Supreme Court Justice and state senator serving as speaker.

"He is willing and able if the next caucus will have him," Rep. Scherer said. "We've got a solid lead. We are in the mid-20s, on our count. We need 20-some just to seal it."
Rep. Cupp wrote in a letter to colleagues that members generally agree with the need to elect a new leadership team, review the energy law at the center of the controversy (HB 6), rebuild confidence in the House and boost the level of respect for members of the caucus.

He said he supports a repeal of the law in question and the implementation of new policy that achieves similar goals, and would agree to stay on as speaker next session.

"Although only those involved in the scheme share legal responsibility for his alleged corruption, we all share the unfortunate aftermath as well as the necessity to do our part in cleaning it up," he wrote.

Rep. Riedel said in an interview he too has been encouraged by reaction to his candidacy. He said the chamber needs an individual of "high integrity and character" who can unify members.

"Right now, the House caucus is still divided," he said. "You can sense it in my conversations and this next speaker is really going to have to find a way to unite the caucus back together. And there is no magic bullet. It's going to take time."

He said he would start by appointing a new leadership team to put distance between the chamber and Rep. Householder's tenure. But he acknowledged concerns that disunity among the majority caucus could split the vote and hand Democrats greater say in determining the chamber's next speaker.

"As a House Republican caucus, we cannot allow that to happen and I'm very certain that it will not happen," Rep. Riedel said. "I'm very certain the House Republican caucus will get this right and will come out unified behind one individual."

Rep. Steve Hambley (R-Brunswick) Sunday evening announced he would resign as chair of the House Civil Justice Committee upon the election of the next speaker. He urged his fellow chairs and all leaders in the House to do the same by submitting written pledges.

"I assert that in order to achieve an irrefutable leadership and culture change in the Ohio House of Representatives, that any leadership position that involved the appointment by or assent of Speaker Householder has to change from the very start of the new speaker selection," he wrote to his GOP colleagues.

Concern among caucus members has also been raised about the state of the GOP caucus' financial resources, which are undergoing a review following the speaker's arrest.

Rep. Householder has traditionally had a hands-on approach to the caucus' fundraising efforts, but the House Republican Campaign Committee's coffers are at about $330,000 thanks to previous primary spending, according to members, which is below the caucus' comfort level this close to the November election.

Tuesday's meeting is scheduled to include "updates on HRCC finances and discussion of potential (Ohio Republican Party) assistance to HRCC campaign staff and consultants," according to the leadership memo.

**House Subpoenaed Over HB6; Main Sponsor Joins Calls For Speaker’s Resignation**

Federal investigators are seeking legislative records tied to prior iterations of the nuclear subsidy law at the heart of the dark money scandal that continues reverberating around Capitol Square.

The Ohio House on Monday released copies of a grand jury subpoena the chamber received June 20, the day before Speaker Larry Householder was arrested and charged along with four others with allegedly overseeing a $60 million racketeering scheme.

The subpoena from U.S. Attorney David DeVillers, which was requested to remain confidential, commands House staff to provide in part all communications and memoranda related to House Bill 6 and its precursors (HB178, SB128 & HB381, 132nd General Assembly).

Investigators also requested all documents and communications dating from Jan. 1, 2019 tied to public records requests relating to HB6 and Mr. Householder.
The subpoena defines communications as including any "written correspondence, e-mail, instant messages, iMessages, text messages or messages sent via social networks or mobile applications, snap chats, faxes, video recordings, audio recordings, voicemail messages, meetings, notes, agendas, calendars, and other hard copy documents and should include both drafts as well as final copies."

The chamber has until Wednesday to respond.

Mr. DeVillers, in announcing the charges last week, had said agents would step up their information gathering efforts now that the investigation had entered the public phase. (See Gongwer Ohio Report, July 21, 2020)

The disclosure of the subpoena comes as the chamber continues grappling with the ongoing situation and a day before House Republicans are expected to meet in an informal caucus to explore next steps.


Rep. Callender also said he would donate contributions from anyone involved in the case and from FirstEnergy to Lake County organizations.

"While U.S. Attorney David DeVillers and his team have not contacted me to inquire about what I know about the passage of House Bill 6 and the subsequent petition effort, I will certainly cooperate fully with any investigator or regulatory agency that wants more information," he said.

"I will tell them what I tell the public now – good legislation that protected Lake County was marred by a poisonous political process and it appears multiple legal violations," he continued. "People who broke the law should be held accountable and that includes Larry Householder."

He added that he will support "any single legislative measure" to repeal and replace HB6 as long as it maintains support for the nuclear plants. Several repeal efforts are in the drafting phase and Gov. Mike DeWine has also backed an approach to repeal and replace the law.

FirstEnergy CEO Chuck Jones, meanwhile, issued a statement Monday seeking to clarify comments he had made during a Friday earnings call with investors. In his statement, he sought to provide more detail on the timeline of corporate separation by FirstEnergy and Energy Harbor, the former FE subsidiary that was the direct beneficiary of HB6.

AEP Ohio CEO Nick Akins also sought to distance his company from the scandal in a statement issued Monday in response to a July 26 report by the Columbus Dispatch that examined the company's support for HB6 through funding for 501(c)4 Empowering Ohio's Economy.

"Neither AEP nor any of its subsidiaries made any contributions to Generation Now," Mr. Akins said, referring to the dark money group Speaker Householder is accused of operating. "AEP has made contributions to Empowering Ohio's Economy to support its mission of promoting economic and business development and educational programs in Ohio. These contributions were done appropriately, and we have every reason to believe that the organizations we support have acted in a lawful and ethical manner."

Democratic campaign operators meanwhile continue to criticize Republicans amid the unfolding scandal.

The Ohio House Democratic Caucus campaign committee renewed its call for House Republican Campaign Committee assets to be frozen and for Republican candidates to refuse further contributions from Rep. Householder, the Ohio Republican Party or the HRCC.

And Ohio Democratic Party Chair David Pepper highlighted a portion of the criminal complaint against Mr. Householder alleging the 501(c)4 Generation Now in some cases funded campaign staff for supporters of the speaker.
"If they had a campaign staffer that was paid by Larry Householder or one of his co-conspirators, these campaigns should have reported that as an in-kind donation," Mr. Pepper said. "If they did not, that raises significant legal and ethical questions."

Tuesday, July 28, 2020

House Plans Thursday Vote On Resolution To Remove Speaker

House Republicans voted Tuesday in favor of proceeding with ousting Speaker Larry Householder from leadership and have scheduled a Thursday floor vote to finalize his removal as the chamber’s leader.

But when the House will vote on which of the five likely contenders to succeed the Glenford Republican remains to be determined.

In a secret ballot, a majority of the House GOP caucus expressed support for vacating the speakership and removing Mr. Householder from his leadership position.

Ultimately, the caucus stopped short of pursuing excising the speaker from the chamber entirely, which would require a two-thirds majority. Some members feared Rep. Householder would simply return to the chamber in January since he is running unopposed for reelection in November.

The vote came during an informal caucus meeting at the Renaissance Columbus Downtown Hotel that marked the first time majority members have come together since Mr. Householder was arrested and indicted last week on corruption allegations.

Majority Floor Leader Rep. Bill Seitz (R-Cincinnati) and other members of the leadership team declined to discuss the vote total. As per caucus tradition, they said ballot results were not shared with rank and file members.

In addition to the vote, the group spent much of Tuesday's closed-door meeting grappling with legal questions such as how best to convene a session when the speaker, who sets the calendar, declines to do so. Attorney General Dave Yost spent about 30 minutes inside the room with members reviewing their legal options.

The final determination was to conduct a floor vote on a resolution to remove the speaker, which would require 50 votes to be adopted and take effect immediately upon passage. It will take the same number of votes to elect a new speaker when the time comes.

"The decision by House Republicans today to proceed with removing Larry Householder as speaker reflects the reality that while he is entitled to his day in court and a presumption of innocence until proven guilty, it has become abundantly clear that he has lost the trust of his colleagues and the public, and is unable to effectively lead this chamber," reads a joint statement issued by the remaining members of the House GOP leadership team.

"Today begins a new chapter for the Ohio House of Representatives," the statement adds. "Our first priority is restoring trust and confidence in the institution. We and our colleagues look forward to working with Gov. DeWine and our colleagues in the Ohio Senate on real solutions to lay the foundation for economic renewal and a brighter future for all Ohioans."

House Democratic leaders, who have been calling for action from their majority counterparts, issued their own statement calling the decision over whether to oust the speaker "a necessary decision and one that should not have required so much debate and hand-wringing."

"The disgraced Republican supermajority's desperate attempts to shift the focus away from their failed leader who allegedly orchestrated the largest public corruption and bribery scheme in Ohio history is pathetic," reads Democrats' joint statement. "And Ohioans are smarter than that."

Only 49 members were allowed in the meeting room at a time in order to ensure a majority of the chamber was not present which would have violated the open meetings law. That meant several members at a time had to wait in the hallway for their turn to rotate in.

In addition to Mr. Yost, other officials attending portions of the meeting included Ohio Republican Party Chairwoman Jane Timken and House Clerk Brad Young. Mr. Householder did not attend.
Not debated during Tuesday's unofficial GOP caucus was the question of who should take Rep. Householder's place on the dais.

Should the resolution pass, Assistant Majority Floor Leader Anthony DeVitis (R-Green) would be tasked with scheduling a session to elect a new speaker. That is because the chamber's No. 2, Rep. Jim Butler (R-Oakwood), is among the five candidates jockeying to replace Rep. Householder.


Reps. Butler and Carfagna declined to comment on the situation. The other candidates continued their calls for the speaker to be removed.

"I think there's overwhelming if not unanimous recognition he has really put a stain on the Ohio House and state government and that he needs to go and we need to move on to repairing the situation and get back to normal," Rep. Cupp said in an interview.

He described himself as running on a "unity ticket" but declined to say who his leadership team might be if selected speaker.

"My policy is never to talk about internal caucus discussions, so we're working on it," he said.

Rep. Ginter agreed with House leaders in that the decision is not an indictment of Speaker Householder, who has yet to have his day in court.

"We would love to see him step down, but nevertheless we feel it's imperative that he be removed so that we can go forward with the business of the state," Rep. Ginter said. "He is innocent until proven guilty. We recognize that, but nevertheless we as House members have a responsibility to make sure we can move forward and get the work of the people done."

Rep. Riedel said a resolution on Speaker Householder's status is critical so the caucus can turn its attention back to legislative matters and to assisting its candidates in the field.

Part of Tuesday's meeting included hearing a proposal from Ohio Republican Party Chairwoman Jane Timken on how the party can boost House Republican Campaign Committee efforts heading into November. (See separate story)

"First things first: the removal of the speaker," Rep. Riedel said. "Then we can start to make these sorts of decisions – are we going to use those funds (in HRCC)? Are we just going to leave them at bay and start a brand new account? There are a lot of decisions we have to make."

**DeWine Restricts County Fairs, Eases Child Care Limits**

Gov. Mike DeWine on Tuesday said he would limit all fairs starting July 31 or after to junior fair events after COVID-19 outbreaks originated from previous gatherings.

The governor also announced changes on child care, giving providers the option to expand classroom sizes.

The Department of Health on Tuesday reported one-day increases in cases of 1,320, deaths of 38, hospitalizations of 140 and ICU admissions of 22. All four categories exceeded the 21-day averages of 1,314 cases, 20 deaths, 97 hospitalizations and 18 ICU admissions.

Ohio has totaled 86,497 reported cases, 3,382 deaths and 10,425 hospitalizations due to COVID-19.

The number of Ohioans who are currently hospitalized with the virus, at 1,144, has risen steadily over the past couple of weeks, he said.

"Those numbers are certainly not going in the right direction for us," Gov. DeWine said.
One positive trend is in emergency room visits involving COVID symptoms, for which the seven-day rolling average has dropped in recent days after rising sharply from mid-June to mid-July.

"We believe we have started to see a plateau in some of these numbers. Certainly not in all the numbers," he said.

The governor said the administration will order all fairs starting this weekend or later to be junior fairs only, with no games, carnivals, grandstand events, or rides, and a curfew at 10 p.m. That order stems from incidents at several fairs that did not adhere to social distancing and mask guidelines, leading to outbreaks of the virus.

"That's just a real shame. It's a real shame," Gov. DeWine said. "It's clear that we cannot have full fairs that are safe."

Allowing junior fair events to continue will help preserve the "essence of the fairs," he said.

He urged Ohioans to wear masks and maintain safe practices, including social distancing.

"My message and my plea to everyone going forward is if you live in a yellow county or an orange county, what you do as we move forward is going to determine how school will open. It's going to determine our ability to grow the economy," he said. "We don't have to have everybody do it. If we get to 80-90%, we're going to knock this virus in the head."

On child care, Gov. DeWine said beginning Aug. 9, providers will have the choice to return to pre-pandemic statutory ratios and classroom sizes. At present, those ratios are limited by health orders.

The tradeoff for providers is that those who choose to return to previous ratios won't be eligible for subsidy payments, which the state has been providing to the tune of $30 million per month, he said.

Providers will still have to comply with strict cleaning standards, temperature checks, face covering requirements for everyone older than 10, and other guidelines.

The governor said there are "few things that I've agonized over as much as child care," adding that the change comes as a way to help address the lack of options for many parents who have to go back to work.

"I became convinced that the alternative was children in unsafe conditions as people go back to work and kids go back in the fall," he said.

"This is the best that we could come up with in a very difficult situation."

The move earned praise from Mary Ann Rody, executive director of the Ohio Association of Child Care Providers.

"The decision to allow child care providers to return to normal class sizes is a pivotal step toward positively restoring our economy and reducing stress on families," she said in a statement. "We will continue working diligently to ensure the children in our care remain as safe as possible."

**Administration Details Planning, Timeline For Next Operating Budget**

It is scarcely midway through 2020, but for state budget drafters, now is the time to start thinking about 2023.

With the state now in the second year of an operating budget (HB 166) wounded by COVID-19 and its resulting economic difficulties, Budget Director Kimberly Murnieks said the plan for Fiscal Years 2022-23 "will be challenging, and needs will be great."

"Times like these call for us all to identify ways to become more efficient and pioneering," she wrote in guidance to state agencies. "This budget provides great opportunity to revolutionize service delivery and focus on our most effective programs."

Director Murnieks also signaled her appreciation for budget staff's work during a trying end to FY 2020.
OBM "is especially appreciative of the way our directors, fiscal leaders, and our entire state government team worked together to address the budget challenges created by COVID-19, ensuring that our agency, board, and commission staff and our state and local partners have the resources to directly respond to the pandemic, while simultaneously moving all fiscal operations to a remote work environment," she said. "The world changed in mid-March; you rose to the occasion and we balanced the budget."

The budget guidance details the timeline for the DeWine Administration's preparation of the executive budget set to be introduced early next year.

Budget requests by boards and commissions and non-cabinet agencies are due to OBM by Sept. 15, with cabinet agencies and other executive agencies' requests due by Oct. 14. Legislative, judicial and statewide elected agencies' requests are due by Nov. 1.

The executive budget and the Blue Book would be released around Feb. 1, with the bill introduced about a week later.

Agency budget requests will be subject to limits for how much money can be requested, with each one submitting two different scenarios: one for a 10% cut and one for the level of funding an agency would need to continue operating while maintaining the same level of service as for FY 21. For the second request, agencies are asked to eliminate processes and programs that do not add value and to redirect them toward priorities.

The current $143 billion FY 2020-21 budget is already a difficult one for policymakers. The legislative process for the current budget included debates over how best to use the expected revenue spoils of a growing economy, through tax cuts and targeted investments in schools, child care, developmental disabilities and other areas.

That is unlikely to be the case in the wake of the COVID-19 pandemic and the subsequent economic downturn.

OBM's Monthly Financial Report for May, released in June, included updated estimates predicting $2.29 billion less in tax revenue for FY 2021 compared to what was anticipated in the budget. That figure is primarily driven by sales and uses taxes projected to be $1.47 billion less than expected, and personal income taxes being $660 million less.

That shortfall is expected to be addressed through a variety of different ways, including pay cuts and other ways to address personnel costs.

Portman Calls On State Lawmakers To Act On Local Government Aid

Ohio's junior senator on Tuesday urged the General Assembly to get remaining federal coronavirus relief dollars to local governments.

U.S. Sen. Rob Portman (R-Terrace Park) said during a call with reporters that state lawmakers have appropriated $350 million of the about $1.2 billion earmarked for local governments in Ohio via the federal Coronavirus Aid, Relief, and Economic Security Act.

"They are sitting on $850 million in federal CARES funding from the last bill that counties and cities in Ohio need right now," he said.

Sen. Portman said he understands instability in the leadership of the Ohio House could be a complicating factor.

Multiple lawmakers are currently jockeying to head the chamber following the arrest of Speaker Larry Householder (R-Glenford) on a federal racketeering charge.

Sen. Portman said he plans to broach the topic of the lack of action on disbursement of remaining federal dollars with whomever ends up leading the chamber.

"My sense is we'll have, potentially, a new speaker of the Ohio House here shortly – maybe this week," he said. "I certainly will be raising that with whoever that is."

Sen. Portman said "given the information that we have, it would be better if Speaker Householder were to resign."
"Ohioans have a right to expect those high standards of ethical conduct from those of us in elected office," he said. "That trust is essential to our democracy."

Sen. Portman said he is also pushing for the next congressional coronavirus relief package to include language giving increased flexibility to local governments regarding use of the federal funding.

The lawmaker said he feels there is bipartisan support for removing strings requiring local governments to put relief funding solely toward coronavirus-related expenses.

"I'm not saying everybody supports it because I know that's not true even on our side of the aisle, but I think for the most part people understand that's necessary," he said.

Sen. Portman said "the big issue" under debate is whether local governments should be able to use coronavirus relief funding to replace revenue lost during the pandemic.

The Senate also has not reached a consensus on whether more federal money for local government will be necessary, Sen. Portman said.

"Frankly, people don't know what the needs are, and they want to be sure they understand it better," he said.

If a future relief package contains more aid for cities and counties, Sen. Portman said that funding should be released directly to them instead of through the state.

The National Conference of State Legislatures in a statement called for Congress to provide "additional flexible funds" for state governments, as well, in any forthcoming aid package.

"For many states it will take years to recover from the abrupt drop-off in revenue caused by this pandemic," the group said. "Rather than disregarding the fiscal realities that currently exist in states, Congress must be part of the solution and provide a robust and flexible funding stream to states."

Sen. Portman said the U.S. Senate GOP proposal for a planned fourth round of federal coronavirus aid unveiled Monday contained his plan to provide a refundable payroll tax credit for employers against 50% of the costs associated with disinfecting and reconfiguring workplaces, providing protective equipment and other pandemic-related expenses.

The lawmaker said the provisions would provide an "incentive to do the right thing."

"These are all costs that we should be encouraging these companies, nonprofits, nursing homes and others to take," he said.

Judges Blocks Columbus Ordinance Limiting Hours For Bars, Restaurants
A plan by Columbus officials to force bars and restaurants to close at 10 p.m. is on hold by order of a Franklin County judge.

Franklin County Common Pleas Judge Mark Serrott granted a temporary restraining order Tuesday afternoon to block the Columbus City Council's Monday night decision affecting bars, restaurants and nightclubs.

The city council had voted on the proposal after Mayor Andrew Ginther recommended closing the businesses early – initially at 11 p.m., then revising his recommendation to 10 p.m. on Monday – in an effort to slow the spread of the novel coronavirus.

The case was brought by a group of businesses and business owners, including Pins Mechanical Company, 16-Bit Bar + Arcade, Late Night Slice, Oddfellows Liquor Bar and Pastimes Pub & Grill. The city, Mayor Ginther, Columbus Public Health and Health Commissioner Dr. Mysheika Roberts were named as defendants.

The plaintiffs said in their complaint that they have cooperated with health authorities and directives to prevent the spread of the disease, and that the "industry suffered dearly during the original mandated shutdown."
They claimed there is "no reliable scientific evidence that establishes a causal relationship between the spread of COVID-19 and the hours of operation for restaurants, bars and night clubs."

The Columbus proposal drew opposition over the weekend from the Ohio Restaurant Association, with President and CEO John Barker writing to city leaders that restaurants are committed to "being part of the solution for controlling the transmission of COVID-19."

"Public health can be maintained, while also fully supporting central Ohio's restaurant community – these concepts are not mutually exclusive. Our industry and our members are working tirelessly to help as many locations and jobs survive as possible to keep our state and the City of Columbus vibrant," he wrote.

Before the judge's ruling Tuesday, Gov. Mike DeWine expressed support for the city's plan, saying he talked with Mayor Ginther about it last week.

The governor said he plans to talk more about bars at his Thursday coronavirus briefing.

"We are in the process of doing a deep dive on that," including identifying how many cases have emerged from bars, he said.

**Wednesday, July 29, 2020**

**Latest HB6 Repeal Bill Introduced But Support For Policy Remains**

Lawmakers on Wednesday introduced the second of three in-the-works efforts to repeal nuclear subsidy legislation, but divisions persist on whether the law should remain in place.


The two main sponsors announced their plan for the bill last week a day after the arrest and indictment of Speaker Larry Householder (R-Glenford) for allegedly using a $60 million racketeering scheme to help ensure passage of the law (HB 6).

"Corruption has no place in our government, regardless of political party," Rep. Skindell said in a statement. "When corruption is revealed, it is important we act quickly to fix what has been broken."

Rep. O'Brien added that regardless the policy arguments on the bill, a law "funded by a scheme to defraud taxpayers and circumvent the will of the people" needs to be taken off the books.

"Recent events have been a black eye for our institution, and our legislation is the first step toward repairing the damage to the public trust caused by Republican leaders in the Ohio House," he said.


House Democrats, however, say they have grown skeptical of recent policy arguments coming from Republican members, beginning with a July 23 email from Rep. Bill Seitz (R-Cincinnati) to all members arguing a repeal would be "tantamount to raising electric charges for all Ohioans by $2.3 billion."

As a result, minority members said many in their caucus who initially signed on to cosponsor a repeal effort soon-to-be-introduced by Rep. Mark Romanchuk (R-Mansfield) and Rep. Laura Lanese (R-Grove City) have requested to be removed from that measure.

"House Democrats are willing to work with the GOP caucus on a HB6 repeal but are currently concerned with the chaos and inconsistencies among the Republican members on this issue," according to a caucus statement.

Republican sponsors said Friday the cosponsor list for that forthcoming plan was at about 39 members.

Rep. Gayle Manning (R-N. Ridgeville), who voted against HB6, said it was closer to 19 cosponsors as of Wednesday.
"With the corruption clout this legislation faces, I find it absolutely appropriate that we repeal House Bill 6 and work diligently to replace it with a more responsible and efficient initiative regarding Ohio's energy systems," she said.

Rep. Nino Vitale (R-Urbana), who helped shepherd HB6 through the legislative process as the chair of the House Energy & Natural Resource Committee, defended the law in his first statement since the speaker's arrest.

Calling the "political side of HB6…a mess," he said he never felt bullied or pressured by Rep. Householder and that all of their conversations resolved around policy. He also bemoaned media reporting on HB6, saying the nuclear subsidies were "one small piece" of the expansive energy law.

"Repeal of HB6 will raise electric charges for all Ohioans by billions," he wrote. "I am against a total repeal of the bill but foresee adjustments to the legislation that I could support."

A Senate repeal plan (SB 346) from Sen. Sean O'Brien and Sen. Stephanie Kunze was formally introduced Tuesday with 15 other cosponsors.

HB6 originally passed the Senate 19-12. Eight Democrats in the chamber have signed on as cosponsors for SB346, including two who originally voted in favor of HB6 – Sen. Teresa Fedor (D-Toledo) and Sen. Sandra Williams (D-Cleveland).

And nine Republicans have cosponsored the bill, including Sen. Bob Hackett (R-London), Sen. Jay Hottinger (R-Newark), Sen. Peggy Lehner (R-Kettering), Sen. Frank Hoagland (R-Adena) and Sen. Tim Schaffer (R-Lancaster) – each of whom supported HB6.

Sen. Nathan Manning (R-N. Ridgeville) and Sen. Kristina Roegner (R-Hudson), who did not vote on HB6, also cosponsor.

**House Girds For Vote On Speaker Removal, Possible Replacement**

Members of the House on both sides of the aisle were still processing recent events Wednesday, the day before the chamber is expected to strip Speaker Larry Householder of power.

A motion to strip Rep. Householder (R-Glenford) of the gavel is expected to be the main order of business during the 10 a.m. Thursday session to be convened by Speaker Pro Tempore Rep. Jim Butler (R-Oakwood).

Several Republicans said they expect the vote on the motion to be unanimous. The chamber is then expected to recess, after which majority party members plan to caucus in the early afternoon to discuss next steps and gauge support for the five likely candidates seeking to succeed Rep. Householder.

Should a consensus be reached among the contenders – which at this point include Rep. Butler, Rep. Rick Carfagna (R-Genoa Twp.), Rep. Bob Cupp (R-Lima), Rep. Tim Ginter (R-Salem) and Rep. Craig Riedel (R-Defiance) – the session could reconvene for a floor vote to make it official.

"We won't go to the floor unless there is consensus," said one Republican.

Minority party members were still contemplating the path forward Wednesday after a morning caucus call. Another strategy call is planned for Thursday morning before session, according to members.

The scandal has thrown the chamber into turmoil following Speaker Householder's arrest July 21 and his indictment for allegedly leading a $60 million racketeering scheme.

A House GOP spokeswoman confirmed that House staff on Wednesday complied with the federal subpoena received last week requesting communications and other records tied to the energy law (HB 6) at the heart of the investigation and its prior iterations from the 132nd General Assembly. The Senate has received no such subpoena, according to Senate Chief Legal Counsel Frank Strigari.

The GOP plan to pass a simple resolution requiring 50 votes to oust Rep. Householder from the speaker's chair means Republicans opted not to pursue the two-thirds vote margin required to eject Rep. Householder from the chamber entirely.
Along with concerns about whether that action would be premature since Rep. Householder has not been convicted, legislators have pointed out that Rep. Householder is on the path to reelection since he is unopposed in November.

The Ohio Constitution in Article II, Section 6 forbids removal of a member twice for the same cause, meaning that by expelling the speaker now the chamber would be removing expulsion as an option during the 134th General Assembly and thereafter.

Rep. Householder's attorneys have not responded to requests for comment.

A confidential letter submitted to remaining House leadership on Monday by Attorney General Dave Yost shows that the House GOP's chosen approach does not quite mesh with removal strategies proposed by the AG.

The letter outlines the thorny legal issues the caucus debated behind closed doors Tuesday. In the document, Mr. Yost suggests that other than expulsion or impeachment the only way to effectively remove Mr. Householder from his speakership role is for both chambers to pass a law to remove him as speaker.

That conclusion is based on Article II, Section 38 of the Ohio Constitution, which enables laws to be passed providing for the prompt removal of officials for "any misconduct involving moral turpitude." The House's internal rules, Mr. Yost argues, do not supersede that constitutional provision.

Mr. Yost, who has declined to comment on his legal advice due to attorney-client privilege, also advocated in the letter for lawmakers to request Gov. Mike DeWine convene a special session since no controlling authority exists on whether the speaker pro tempore can do so if the speaker is not absent.

"Why go through the difficulty of this debate and decision if it would be vulnerable to a collateral attack based on an improperly called session?" Mr. Yost asked.

**Thursday, July 30, 2020**

**Newly Elected Speaker Cupp Promises Transparency, Restoration Of Public Trust**

New House Speaker Bob Cupp said Thursday he will work to restore trust in the Ohio House following an ongoing racketeering scandal that has thrown the chamber into turmoil.

House Republicans now hope that scandal is behind them after the majority of party members coalesced around Rep. Cupp (R-Lima) to succeed former speaker Rep. Larry Householder (R-Glenford), who was ousted from the job earlier in the day.

Rep. Cupp called the indictment of the former speaker a "serious and unprecedented breach of trust," but said the chamber must return to pressing policy issues at hand such as the economic fallout of the novel coronavirus pandemic.

"We need to resume our legislative efforts," he said. "We cannot allow the events of the past week to distract us from the work that we must continue to do to work hard on solutions for Ohioans."


Aside from the nominating speeches by Rep. Tim Ginter (R-Salem) and Rep. Jason Stephens (R-Kitts Hill), there was no debate. Both cited Rep. Cupp's long history of public service as a lawmaker and Ohio Supreme Court justice, among other positions, and said he would bring integrity and valuable experience to the post.

In response to Rep. Cupp's election, Minority Leader Emilia Sykes (D-Akron) issued a simple statement: "We don't trust any of them."

Rep. Cupp said after session he plans to discuss his next moves with the caucus, including whether and how to replace the leadership slate assembled by Rep. Householder. He had previously in a memo to members advocated for establishing a new leadership team.

"We're going to take a look at things and analyze it, but one of the things that I don't like is to jump to conclusions, so there's a wide range of people to consult which we will and step we believe are appropriate," he said.

Rep. Laura Lanese (R-Grove City), the chamber's assistant majority whip, urged support for Rep. Cupp and informed members Wednesday evening she would resign her leadership position to give the incoming speaker more flexibility. Rep. Steve Hambley (R-Brunswick) has also signaled he will resign his chairmanship for the same reason.

Among the first legislative orders of business is a review of the energy law (HB 6) at the center of the allegations against Rep. Householder, Rep. Cupp said. That would be dependent on forthcoming talks with Senate President Larry Obhof (R-Medina) and Gov. Mike DeWine, he added.

"There have been several bills introduced to repeal that and there's interest also in taking a look at replacing it so we will be consulting with the caucus when is the appropriate time to do that," he said.

Addressing members in a speech, Rep. Cupp called it "imperative" to restore trust in the institution and to enact "carefully crafted" legislation that members have ample time to digest.

"Transparency and accountability remain top priority in leading this chamber," he said.

Elaborating to reporters later, he said his approach would restore faith "by operating in a careful and ethical manner."

"Members of this chamber do that every day and so I think we need to emphasize how relatively careful members of this chamber are," he said. "So, we're going to operate above board. We are going to make sure all our members understand or have the opportunity to inquire about legislation and hopefully be able to set a good example that way."

He also signaled he will take a less combative tone with Gov. DeWine's efforts to address the ongoing coronavirus pandemic than his predecessor, although he acknowledged he has shared concerns with the governor in private.

Going into the GOP caucus meeting, members were divided, with some favoring the term-limited Rep. Butler as a choice that would enable a more robust speaker race heading into the 134th General Assembly.

Rep. Bill Seitz (R-Cincinnati), who backed Rep. Butler, said earlier in the day: "To choose anyone else would be to give someone else a leg up on who the speaker should be in the next term."


"Good luck to Rep. Bob Cupp on his quest to become the next speaker," Mr. Smith tweeted. "Bob is a person of great integrity that will serve Ohio well. I also hope he will put Speaker Davidson's portrait back in the House chambers where it was previously and rightfully belongs!"

Reaction: Gov. Mike DeWine, who had threatened to convene a special session if the House did not replace Rep. Householder, praised the choice.

"I congratulate Bob Cupp upon his election as the new Speaker of the Ohio House of Representatives," Gov. DeWine said. "Speaker Cupp is a man of integrity who will serve Ohio well. I look forward to working with Speaker Cupp and Senate President Obhof in the days ahead."
Ohio Republican Party Chairwoman Jane Timken agreed, saying: "Rep. Cupp is the best person to unite the caucus. He will bring much-needed transparency and accountability to the people of Ohio, and to the Ohio House of Representatives overall."

Lt. Gov. Jon Husted said of the incoming speaker: "His character is well known and his selection as speaker is an excellent choice. I am confident he will lead the House with integrity, and I look forward to working with him in his new role."

**Grand Jury Indicts Householder, Others In Racketeering Case**

A federal grand jury has indicted Rep. Larry Householder and four associates on one count of conspiracy to violate federal racketeering law.

The indictment, which supersedes a criminal complaint filed against the lawmaker last week, was announced by the U.S. Department of Justice minutes before the House voted unanimously to remove Rep. Householder (R-Glenford) as speaker Thursday morning.

The document largely restates allegations that the former speaker used a 501(c)(4), or social welfare organization, known as Generation Now as a "slush fund" for millions of dollars that ultimately went toward furthering the lawmaker's personal and political goals. It provides plenty more details, however, including several excerpts from wiretapped calls between Mr. Householder and longtime lobbyist Neil Clark.

"Dark money is a breeding ground for corruption. This investigation continues," U.S. Attorney David DeVillers said in a statement.

The alleged criminal enterprise was funded to the tune of about $60 million by FirstEnergy, referred to as "Company A" in court documents, and its affiliates before and after a successful push to enact a law (HB 6) to bail out two nuclear power plants owned by a former subsidiary of the firm.

The indictment alleges members of the conspiracy referred to the company as "the bank" based on its vast financial resources and willingness to fund the enterprise.

Mr. DeVillers took to Twitter to highlight one portion of the indictment in particular.

"Anyone contemplating using a 501(C)(4) to funnel dark money should read this indictment very carefully," he wrote. "Start on paragraph 38. A 501(C)(4) is not your own private - personal Super PAC."

That section of the indictment alleges Rep. Householder and associates solicited and received what were essentially campaign contributions to the lawmaker through Generation Now "because the contributions were concealed from public scrutiny and not subject to reporting requirements."

An attorney representing the lawmaker declined to comment on the indictment.

Also indicted on federal racketeering conspiracy charges were lobbyists Mr. Clark and Juan Cespedes, former Ohio GOP Chair Matt Borges and longtime Householder adviser Jeff Longstreth.

Each defendant faces up to 20 years in prison, if convicted.

The indictment also names Generation Now and "others known and unknown to the Grand Jury" as participants in the alleged criminal enterprise.

At least $60 million tied to the scheme are subject to forfeiture upon conviction, as are the contents of multiple financial accounts linked to the alleged conspiracy, according to the indictment.

If the funds cannot be recovered "as a result of any act or omission of the defendants," federal officials intend to seek forfeiture of other property owned by the defendants.
Mr. DeVillers has said Generation Now's activities were illegal because its primary purpose was political, and it intervened in political campaigns on behalf of and against specific candidates in violation of federal law. He has also said "not a dime" of the millions of dollars filtered through the group went to social welfare causes, while some of the funding was illegally put toward personal uses.

Rep. Householder allegedly received more than $400,000 via Generation Now for his personal benefit, with the majority – about $300,000 – going toward a legal settlement and fees. The indictment also alleges the lawmaker received more than $100,000 that he put toward costs associated with a home in Florida and about $20,000 to pay off credit card debt.

Multiple state officials have called on stricter financial disclosure requirements in the wake of the scandal as a bulwark against similar schemes going forward.

**Mostly Unified House Ousts Householder As Speaker**

After more than a week of buildup, members of the House made quick work of ejecting Rep. Larry Householder from the speaker's chair Thursday.

The chamber voted 91-0 to accept a motion to vacate the speaker's chair, bringing Rep. Householder's (R-Glenford) second stint as the chamber's leader to an unceremonious end.

The vote came shortly after a federal grand jury indicted Rep. Householder for his alleged role in orchestrating a $60 million racketeering scheme. He had previously been charged for that alleged crime via criminal complaint.

The morning session was convened and presided over by Rep. Jim Butler (R-Oakwood) based on a House rule enabling him to act as the speaker if the speaker is "absent." The lack of a solid legal definition for when the speaker should be considered absent has driven much debate within the caucus in recent days.

Following the vote, the chamber recessed to allow members of both caucuses to meet privately to discuss next steps; Speaker Bob Cupp (R-Lima) was ultimately selected the lead the chamber when the session resumed in the late afternoon.

But not before Democrats attempted to go further with a motion from Rep. Jeffrey Crossman (D-Parma) to expel Rep. Householder from the House. That motion was defeated 53-38 mostly along party lines.

Rep. Butler and other leadership team members issued a statement highlighting the bipartisan nature of the vote to eject Rep. Householder from the speaker's rostrum.

"Today's strong bipartisan vote to remove Larry Householder as Speaker of the Ohio House of Representatives is not a decision any member of the House took lightly, but it was clear that Mr. Householder is unable to effectively lead the House," the leadership team said. "This is an opportunity to move the House forward and continue our work to move Ohio forward."

Minority Leader Emilia Sykes (D-Akron) agreed, saying the charges against Mr. Householder "made it clear that Larry Householder could no longer serve as speaker of the People's House."

"His removal is the first step toward restoring public trust, which for the second time in three years has been eroded by Republican leadership that sees itself as above the law," Rep. Sykes said.

Rep. Bill Seitz (R-Cincinnati), the chamber's majority floor leader under Rep. Householder and the member who made the motion, said the overwhelming vote sends a message to the people of Ohio.

"It shows that there was broad bipartisan support for the removal of the speaker," he said.

Some members did not vote on the motion, including Mr. Householder, who did not attend the session. Among them was Rep. Nino Vitale (R-Urbana) who said in an interview he chose not to participate because he viewed an affirmative vote as an indictment of the former speaker.

"I feel voting green is voting guilty," he said. Should the charges against Mr. Householder be disproven in court, "You've just destroyed someone's life and we really don't know what's going on here."
"I'm not saying he's innocent, guilty or what," he said, adding: "We've got to be very careful."

Rep. Householder retains his 72nd House District seat despite his ouster from leadership. He is running unopposed for reelection and GOP members opted not to pursue possible impeachment or expulsion from the chamber given the likelihood of his reelection.

Speaker Cupp, speaking to reporters after session, said he did not support that approach at this time given that the Ohio Constitution prevents the chamber from ejecting a member twice for the same cause.

"He is on the ballot unopposed, so I think maybe we don't want to use all our options at one time," he said.

The session marked an ignominious end to Rep. Householder's second stint as speaker – an office he regained in January 2019 when he bested rival Ryan Smith by using 26 Democratic votes to offset a lack of support among the majority of the GOP caucus.

After previously serving as speaker from 2001-2004, he began his second go around prioritizing a series of bipartisan efforts targeting criminal sentencing, domestic violence and other policy areas. But that bipartisan goodwill soon began to deteriorate thanks in part to contention over a controversial priority nuclear subsidy bill (HB 6) that later factored heavily into the criminal charges now facing the former speaker.

His leadership spot was called into question as soon as he was arrested July 21 and charged along with four others with using a dark money group to fuel his election to the chamber's top seat and ensure the passage of HB6.

**Governor Plans Earlier Last Call For Bars, Restaurants**

Gov. Mike DeWine on Thursday announced his administration's intent to limit the hours when bars and restaurants can serve alcohol.

The governor said during his regular briefing on the coronavirus that he is asking the Liquor Control Commission, at a meeting set for 9 a.m. Friday, to order license holders to cut off the sale of alcohol at 10 p.m. each night.

On-premises consumption of alcohol purchased before that deadline could continue until 11 p.m., the governor said.

"We do not want to shut down Ohio bars and restaurants," he said. "That would be devastating to them. But we do have to take some action and see what kind of results we get from this action."

The move is part of an effort to reduce crowds, particularly of young people, gathering at bars and night clubs and not practicing social distancing, the governor said.

"We believe stopping the sales at 10 o'clock will help thin that crowd out and help slow the spread," he said.

The proposal also includes increasing the number of drinks that can be offered with to-go meals from two to three, he said.

"I'm mindful of the economic impacts this has, but we have to slow the spread of the virus and we have to slow it down across the state of Ohio," Gov. DeWine said of the overall plan.

Most bars have followed state guidelines and have provided safe environments, Gov. DeWine said. He praised those bar owners that have followed recommendations.

"Sadly, not everyone is doing that," he said.

The city of Columbus proposed and passed an ordinance earlier this week that would force bars and restaurants to close except for takeout at 10 p.m. That policy was blocked by a Franklin County judge after bar owners filed a lawsuit in response to the measure.
The governor's proposal takes a somewhat different tack, not forcing the businesses to close outright at 10 p.m. but halting the sale of alcohol at that time.

Gov. DeWine also announced that his administration would release a new order regarding mass gatherings, although many key parts, such as the existing 10-person limit, will not change.

The new order will include recommendations to help guide people seeking input on how to stay safe when gathering with friends and family, he said.

The guidelines recommend that gatherings at homes should be limited to close friends and family and 10 visitors or fewer. They should also occur infrequently in high risk counties, he said. Other recommendations include precautions be taken when people are at bars or restaurants or around high-risk individuals.

**Friday, July 31, 2020**

**Last Call: State Orders Early End To Alcohol Sales For Bars, Restaurants**

The Ohio Liquor Control Commission voted Friday to prohibit the sale of alcohol after 10 p.m., despite vocal opposition from bar owners and employees.

The three-member panel met virtually to approve the emergency rule after Gov. Mike DeWine requested the change on Thursday.

The measure prevents license holders from serving alcohol after 10 p.m., although alcohol purchased before then could still be consumed before 11 p.m. The move is designed to limit the spread of COVID-19 by reducing large late-night crowds.

Gov. DeWine issued an executive order Friday afternoon making the changes effective immediately.

Bar owners, bartenders and attorneys representing the industry told commissioners the move would devastate businesses already operating on razor-thin margins amid other health and safety precautions.

"It would be extremely devastating for us to have to close at 10 p.m.," said Julia Petiprin, who owns two bars in Cincinnati.
"We might as well not open."

Gov. DeWine in his Thursday briefing said most bars are following proper health and safety guidelines. But he said some are not and those are becoming vectors for the spread of the novel coronavirus.

Ed Hastie, an attorney who represents many hospitality businesses and who brought a lawsuit against Columbus this week for a similar prohibition, said the state has other ways to address businesses that have seen outbreaks. That includes actions through the Liquor Control Commission, the Ohio Investigative Unit and through local health authorities.

"We do not need to punish a whole industry for the actions of a few, and you guys of all people know," he said.

The business hours after 10 p.m. are among the most profitable for bars, with sizable percentages of their revenue coming from those late-night hours.

"Ten p.m. is an arbitrary time meant to destroy an industry. It will have no meaningful effect on the public health and safety of Ohio residents," Mr. Hastie said.

"There is a real fear that this industry is being scapegoated," he added.

That loss of revenue will also cause more hardship for bartenders and other hospitality workers already hit hard by the virus, especially right as expanded unemployment benefits expire, owners said.

"A lot of people are going to be devastated by rolling back our hours to 10 p.m.," said Bob Deck, managing partner of Four Entertainment Group in Cincinnati, which owns 11 Ohio bars and restaurants. "It's just going to cause them to now have to lay off or furlough more individuals again."
Without the extra $600 a week in unemployment benefits, "a lot of those people are going to have to think about not being able to have a livable wage," he said.

Some bars were just returning to the point of being able to bring workers back. Aaron Crater, a bartender at Tremont Lounge in Columbus, said the bar had been operating with only one employee since reopening July 1, but planned to bring the rest of the staff back Saturday. That cannot happen with the limited hours, he said.

"You are putting us and thousands of other workers in an untenable position going forward," he said.

Attorney Alicia Zambelli, from the firm Isaac Wiles, said the proposal is an arbitrary deadline and that "to punish all for the acts of a few would be very unfair."

"It's just an assumption and it's a very unfair one," she said.

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