



Government Affairs Committee Agenda
March 3, 2021

Welcome & Introductions

Scott Corbitt, Region Vice President, Anheuser-Busch,
Committee Chair

OMA President's Report

Ryan Augsburger, OMA President

NAM Update

Todd Shelton, National Association of Manufacturers

COVID-19 Information

Rob Brundrett, OMA Staff
Kevin Orr, Director, Government Relations, Pfizer, Inc.

Staff Reports

- New 134th General Assembly
- Householder Corruption Scandal
- HB 6 Repeal
- State Budget
- Transportation Budget
- Income tax withholding
- House Bill 68 – contracts
- Clean Energy Local Referendum

Rob Brundrett, OMA Staff

Rachael Carl, OMA Staff

John Seryak, PE, Runnerstone LLC, OMA Energy Engineer

Committee Members

OMA Counsel's Report

- Tort issues
- Redistricting

Chris Slagle, Partner, Bricker & Eckler LLP,
OMA General Counsel

Guest Speaker

- Governor DeWine Budget Priorities

Aaron Crooks, Deputy Director, Legislative Affairs, DeWine
Administration

2021 Government Affairs Committee
Calendar

Meetings begin at 9:30 a.m.

Tuesday, June 15
Wednesday, August 25
Thursday, November 18

Our Meeting Sponsor:



OMA Government Affairs Committee - Mar 2021

Name	Company	Location
Kevin Abke	Ohio CAT	Perrysburg, OH United States
Tara Amis	Clark Schaefer Hackett	West Chester, OH United States
Ann K. Aquillo	Scotts Miracle-Gro Company	Marysville, OH United States
Wes Aubihl	American Electric Power - Ohio	Gahanna, OH United States
Ryan R. Augsburg	The Ohio Manufacturers' Association	Columbus, OH United States
Lissa Barry	Delta Systems, Inc.	Streetsboro, OH United States
James T. Batchelder	The M K Morse Company	Canton, OH United States
Dex Battista	Magna International	Troy, MI United States
Bradley H. Belden	The Belden Brick Company	Canton, OH United States
Kimberly W. Bojko	Carpenter Lipps & Leland LLP	Columbus, OH United States
Terry Boose	Norwalk Concrete Industries	Norwalk, OH United States
Daniel Bremer	Honda of America Manufacturing, Inc.	Marysville, OH United States
Rob Brundrett	The Ohio Manufacturers' Association	Columbus, OH United States
Stephen Buehrer	Carpenter Lipps & Leland LLP	Columbus, OH United States
Maribeth Burns	The J.M. Smucker Company	Orrville, OH United States
Rachael Carl	The Ohio Manufacturers' Association	Columbus, OH United States
Scott Corbitt	Anheuser-Busch Companies	Columbus, OH United States
Susan Corfman, MJ	The J.M. Smucker Company PO#: 19560	Orrville, OH United States
Andrew P. Corsig	Pharmaceutical Research and Manufacturers of America (PhRMA)	Cincinnati, OH United States
Lisa Cummings-Dye	The Ohio Manufacturers' Association	Columbus, OH United States
Nicholas D'Angelo	Eaton	Cleveland, OH United States
Russell Decker	Nutrien	Lima, OH United States
Kevin DeWine	Crown Equipment Corporation C/o CBD Advisors	Beavercreek Township, OH United States
Bobbi Dillon	The Procter & Gamble Company	Cincinnati, OH United States
Steve Dimon	AMG Vanadium LLC C/o 21 Consulting, LLC	Columbus, OH United States
Ray Drake	UPS	Carol Stream, IL United States
Joseph F. Dutt	Summitville Laboratories	Minerva, OH United States
Ania Ediger	CLEVELAND-CLIFFS INC.	Cleveland, OH United States
Tari Emerson	Charter Steel	Saukville, WI United States
Heidi Erm	Owens Corning	Toledo, OH United States
Drew Felz	General Mills, Inc. - DC	Washington, DC United States
Nate Filler	Boehringer Ingelheim USA Corporation	Dublin, OH United States
Chris Flaig	MCM CPAs & Advisors	Cincinnati, OH United States
Patrick G. Foltyn	The Cincinnati Insurance Companies	Columbus, OH United States
Todd Frank	Vistra Energy	Cincinnati, OH United States
Tayte French Lutz	The French Oil Mill Machinery Company	Piqua, OH United States
Jason Gonzalez	DuPont	Wilmington, DE United States
Christian Gullott	Bridgestone Americas Inc.	Washington, DC United States
Thomas A. Hamilton	Jones Day	Cleveland, OH United States
Charlie Heid, CPA	Gilmore Jasion Mahler, LTD	Maumee, OH United States
Michael E. Heltzer	B A S F Corporation	Florham Park, NJ United States
Sonya Higginbotham	Worthington Industries, Inc.	Columbus, OH United States
Dan Hilson	Roetzel & Andress	Akron, OH United States
Lawrence D. Holmes	Fort Recovery Industries Inc..	Greenville, OH United States
Stephen F. Irwin	DuPont	Circleville, OH United States
Matthew F. Johnston	Worthington Industries, Inc.	Columbus, OH United States
Jamie Karl	The Ohio Manufacturers' Association	Columbus, OH United States
Darin King	Columbia Gas of Ohio	Toledo, OH United States
Todd Lacksonen	AstraZeneca Pharmaceuticals	Dublin, OH United States
Ashley Lewis	Stellantis	Monroe, MI United States
Timothy Ling	Plaskolite	Columbus, OH United States
Chris Masciantonio	U S Steel Corporation	Pittsburgh, PA United States
Jody Mason	Danone North America	Minster, OH United States
John Meyer	Smithfield Foods	Cincinnati, OH United States
Theresa Mullen	CliftonLarsonAllen, LLP	Canton, OH United States
Dave Mustafaga	Hull & Associates LLC	Dublin, OH United States
Craig Orlan	American Honda Motor Co., Inc.	Washington, DC United States

OMA Government Affairs Committee - Mar 2021

Name	Company	Location
Kevin Orr	Pfizer, Inc.	Dublin, OH United States
Rick Platt	Heath-Newark-Licking County Port Authority	Heath, OH United States
Jeff Reed	American Honda Motor Company	Marysville, OH United States
Andrew Robreno	Ferrero U.S.A, Inc.	Washington, DC United States
Brent Rosebrook	PRO-TEC Coating Company	Leipsic, OH United States
Alex Roth	RB Medical Supply	Mentor, OH United States
Edward G. Sagebiel	Eli Lilly and CompanyLillyPAC & Employee Grassroots	Indianapolis, IN United States
Jim Samuel	NRG Energy Inc. C/o Capitol Integrity Group	Columbus, OH United States
Christine Schwartz	American Honda Motor Company	Marysville, OH United States
Todd Shelton	National Association of Manufacturers	Lancaster, OH United States
Christopher N. Slagle	Bricker & Eckler LLP	Columbus, OH United States
Gretchen Spear	International Paper	Bloomington, MN United States
Michael L. Squillace	Dinsmore & Shohl	Columbus, OH United States
Michael L. Squillace	Dinsmore & Shohl	Columbus, OH United States
Michael E. Stanek	Hunt Imaging LLC	Berea, OH United States
Duane Steelman	Zaclon, LLC	Cleveland, OH United States
Samantha Summers	Whirlpool Corporation	Washington, DC United States
Matthew Swentkofske	Molson Coors Beverage Company	Milwaukee, WI United States
Robert W. Tansing	Athens Foods, Inc.	Brook Park, OH United States
Whitney Tull	STERIS Corporation	Washington, DC United States
Ann Tumolo	PPG	Pittsburgh, PA United States
Jeffrey C. Turgeon	Zaclon, LLC	Cleveland, OH United States
April Vanover	FASTLANE/UDRI	Dayton, OH United States
Raymond Wayne	Heritage Thermal Services	East Liverpool, OH United States
Matthew Wells	WestRock	Richmond, VA United States
Hannah Zacharias	Vorys, Sater, Seymour & Pease LLP	Columbus, OH United States
Susan Zlajic	Cleveland-Cliffs, Inc.	Chicago, IL United States

Total Participants 84

Aaron Crooks Bio

Aaron Crooks currently serves as Deputy Director of Legislative Affairs in Governor DeWine's Office. In that role Aaron helps lead the creation and advocacy of the administration's legislative agenda with the General Assembly and stakeholders. Prior to joining the DeWine Administration, Aaron held positions with CareSource, OhioHealth and Governor Kasich's Office Of Health Transformation. He started working in the Ohio Senate in 2002. Aaron currently lives in Upper Arlington with his wife and two children.



January 13, 2021

The Honorable Mike DeWine
Governor, State of Ohio
77 S. High Street, 30th Floor
Columbus, OH 43215

The Honorable Jon Husted
Lieutenant Governor, State of Ohio
77 S. High Street, 30th Floor
Columbus, OH 43215

RE: COVID-19 Critical Industry Classification for the Purpose of Vaccines

Dear Governor DeWine and Lieutenant Governor Husted,

On behalf of the members of The Ohio Manufacturers' Association (OMA), thank you for your continued leadership and efforts to keep Ohioans safe during the COVID-19 pandemic. While this pandemic is an unprecedented emergency, your calm and steady hand has been and is reassuring to us.

Ohio manufacturers continue operating by following the directives and guidelines provided by your administration to keep the manufacturing workforce of 700,000 employees as safe as possible. Adopting physical distancing, temperature screening, sanitizing, and work-at-home arrangements, manufacturers are protecting employees, their families, and helping ensure that Ohioans – and beyond -- have access to the goods they need.

In the spring, we welcomed your decision to make plans based on the federal government's definition created by the Department of Homeland Security, Cybersecurity and Infrastructure Security Agency (CISA) of critical infrastructure sectors, which includes sixteen sectors whose assets, systems, and networks, whether physical or virtual, are considered so vital to the U.S. that their incapacitation or destruction would have a debilitating effect on security, national economic security, national public health or safety, or any combination thereof.

We encourage the state to continue to use CISA as guidance for the vaccination rollout, specifically with respect to essential manufacturing. OMA asks that Phase 2 of vaccination rollout include all aspects of manufacturing supply chains, including but not limited to distribution and logistics, as a critical infrastructure sector. In addition, we ask that manufacturers, and their related supply chains, distributors, and suppliers of

consumer goods and products be included in the Phase 2 definition. This would mirror the administration's order from the spring of 2020 which allowed Ohio's economy to continue operating during the statewide shutdown.

Our members stand ready to work with you and your team on the administration and distribution of the state's supply of vaccines.

Thank you for your consideration. I can be reached day or night at (614)348-1227.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Augsburger". The signature is fluid and cursive, with a large initial "R" and "A".

Ryan Augsburger
President

Ohio's Vaccination Program

Phase 1C Occupations:

▶ Childcare Services

- Administrators, lead and assistant teachers, and substitutes enrolled in Ohio's Professional Registry who are currently working in open child care and pre-Kindergarten programs.
- Licensing specialists employed by the Ohio Department of Job and Family Services or county Job and Family Services agencies.

▶ Funeral Services

- Embalmers/morticians, funeral home directors, crematory operators, and apprentices.

▶ Law Enforcement and Corrections Officers

- Sworn law enforcement officers and peace officers who have first responder or direct supervisory responsibilities. These persons must be active-duty, i.e. working a regular minimum of 20 hours a week. This does not include retired, "special," or reserve persons.
- Corrections staff, including probation and parole staff, who provide direct services to an adult or juvenile inmate or a court-supervised individual.
- Individuals who have a valid active firefighting certificate in the State of Ohio who are active members or employees of a recognized Ohio fire department. This does not include retired, emeritus, or reserve individuals.

All available vaccines will be administered to those who choose to receive it.



MIKE DEWINE
GOVERNOR OF OHIO



Department
of Health

coronavirus.ohio.gov



Ohio's Vaccination Program

– A Phased Approach

During Phase 1 vaccine supply will be limited.

Vaccine administration will be focused on reaching the following groups:

PHASE 1C



■ Individuals who are:

- Living with type 1 diabetes
- Pregnant
- Bone marrow transplant recipients
- Living with ALS

■ Working in:

- Childcare Services
- Funeral Services
- Law Enforcement and Corrections Officers

All available vaccines will be administered to those who choose to receive it.



MIKE DEWINE
GOVERNOR OF OHIO



Department
of Health

coronavirus.ohio.gov/vaccine

Ohio's Vaccination Program

A Phased Approach

PHASE 2



Because the risk of more severe reactions and outcomes of COVID-19 increase with age, Phase 2 will open vaccinations based on age, beginning with age 60 and older.



MIKE DEWINE
GOVERNOR OF OHIO



Department
of Health

coronavirus.ohio.gov/vaccine

Public Policy “Hot Topics” March 3, 2021

Overview

A new year and a new General Assembly. The 134th General Assembly was seated in the first week of January. The legislature continues to try and erase the ugly stains of corruption from the 133rd edition.

Ohio remains an interesting public policy environment since the last OMA Government Affairs Committee in November. Governor DeWine has continued his weekly COVID-19 updates. Over the past months, Ohio's infection totals have been dropping. It now stands at less than 2,000 new cases per day.

The aftermath of the July arrest of former Speaker Larry Householder continues to be felt throughout the halls of the Statehouse. To recap, Larry Householder and four associates were arrested on charges related to the passage of House Bill 6 which was described as the largest bribery scandal in Ohio politics. Allegedly FirstEnergy paid over \$60 million to ensure a Householder Speakership and legislation that would provide subsidies for its two nuclear power plants in Ohio. Since the initial arrests in July, two associates have plead guilty for their involvement in the schemes and Generation Now, a dark money 501(c)(4) has likewise plead guilty for the role it played in the process. More indictments are expected. U.S. Attorney David DeVillers resigned his position to allow for a Biden appointment to take over the office. There is concern the case will slow without his strong leadership.

After strong victories in both the House and Senate, Ohio Republicans remain in position to lead all three branches of government in Ohio. House Speaker Bob Cupp was reelected by his caucus to remain the Speaker. Speaker Cupp was originally elected over the summer to replace Larry Householder, who also won reelection to his state representative seat in November despite the pending criminal charges. Matt Huffman was elected to lead the Ohio Senate. Both men are from the Lima area.

The General Assembly failed to pass repeal legislation during the lame duck session in December. The OMA supported House Bill 772 the most comprehensive of the repeal options that would have rebalanced the energy scale between customers and utilities.

Other top priorities during quarter one include the operation budget, transportation budget, COVID-19 vaccine rollout, worker's comp premiums, workforce development, general tax changes, and withholding taxes.

COVID-19 Response

We are coming up on the one-year anniversary of COVID-19 closures in Ohio. Ohio manufacturers have overcome a lot in order to continue safely operating over the past year. Ohio's rates for infections and hospitalizations continue to decline.

The state's vaccination plan rollout remains focused on the most susceptible to the disease. Ohio began targeting healthcare personnel first and has expanded it through its 1C phase to include teachers, and most recently, first responders, daycare and preschool teachers and staff. Phase 2 of the rollout will begin by lowering the age of eligible Ohioans to 60. The constraint continues to be the amount of vaccines shipped to Ohio each week. The OMA has urged the administration if they revisit essential businesses to use the March/April definition that was used in 2020 that allowed manufacturing to remain open. The OMA is hosting a vaccine webinar for the members next week featuring Lt. Gov. Jon Husted and vaccine manufacturer Pfizer. We will also have public health and legal experts to help answer member questions. The webinar is planned for March 11.

Redistricting

2021 is a big year for Ohio's district maps. Every 10 years, the Ohio General Assembly and Congressional districts are redrawn. Two big factors are in play this go-around: 1) this is the first redistricting after Ohio voters passed a ballot measure to reform the process for drawing General Assembly districts and 2) we may not have census data until September 30th (29 days after the Ohio Redistricting Commission is supposed to vote on the new General Assembly districts).

Previously, the Census Bureau planned to release the data no later than March 31. Now, the Bureau is citing delays due to COVID-19 and they set September 30 as the new deadline. In reaction to the news, Ohio's Attorney General, Dave Yost filed a federal lawsuit compelling the Bureau to release Ohio's data.

This decennial count will be significant. Not only will the data dictate how much federal dollars will flow back to Ohio, this reapportionment could result in the loss of a congressional seat. This will be one to watch.

Reducing Regulatory Restrictions

The Senate is back at it. A bill was re-introduced to reduce regulatory restrictions within the Ohio Administrative Code. Senate Bill 9 would require state agencies to reduce 30% of these restrictions by June 30, 2025, and it would cap the agencies from adopting additional regulatory restrictions above the 30% reduction.

It is important to ensure that the regulations promulgated are necessary, non-duplicative, and the least burdensome possible while still providing their intended protections. With the current draft of the bill, a required reduction in regulatory restrictions would not allow for the intended purposes of the rules. For example, rules promulgated by the Ohio EPA for the purposes of implementing an Ohio program that otherwise would be run by the federal EPA would face a 30% slash in their rule inventory. This would put those Ohio programs out of compliance with the feds and force EPA programs to revert back to the federal EPA. Certain types of regulations need further consideration from the legislature on the appropriate way to reduce regulatory restrictions.

Workforce Development

Workforce development remains a top priority for Ohio manufacturers even in the time of COVID-19. Former OMA President Eric Burkland has transitioned to lead the OMA's Foundation and its workforce arm. OMA has expanded its network of Industry Sector Partnerships over the past year. The state operating budget as introduced retained the sector partnership grant line item. Over the past year, a majority of manufacturing-led partnerships earned these grant dollars. The OMA will be working to keep these in the budget. Please contact the OMA staff to get your team engaged in regional efforts to develop a modern manufacturing workforce. See more under Human Resources Report.

Ohio Manufacturing Alliance and Onshoring

In 2020 OMA supported the Ohio Manufacturing Alliance to produce needed emergency protective equipment. That work was celebrated regularly by Governor DeWine and Lt. Governor Husted. We hope to work with state and national leaders to promote reshoring of production capacity for products ranging from PPE to defense and medical equipment. The OMA is looking to ensure that state procurement of important PPE supplies benefits Ohio manufacturers who are answering the call.

2021 Political and Policy Environment

In a carryover from the previous General Assembly, legislative leaders are hearing bills that would push back and strip the governor of some of his powers in responding to pandemic or health emergencies. This disagreement on how to handle the pandemic has caused friction between the legislature and the administration.

Continued fallout of the Householder scandal has the ability to reshape the legislature depending on how deep the investigation goes over the next few months.

State Operating Budget

Governor DeWine outlined his state operating budget proposal on February 1. The bill was formally introduced two weeks later. The House of Representatives is currently reviewing and hearing the bill. Once again different portions of the bill are being heard in a variety of subcommittees.

The Governor has focused on the themes of: Healthy People, Renewed Communities, and Thriving Economy.

The budget is focused on jumpstarting the economy in a post-COVID-19 world. There are no major tax changes offered in the as introduced version of the budget. A second companion bill that would provide additional funding for some programs is expected.

Transportation Budget

Following the themes of the operating budget, there are not many surprises in the Transportation Budget. The administration had offered a bill that would increase certain fees. The House of Representatives removed those provisions along with distracted driving provisions that the OMA supported over the years with other business groups.

Bureau of Workers' Compensation/Industrial Commission Budget

As expected, this biennial budget for the BWC and IC is pretty vanilla. Both agencies are requesting a slight increase in appropriations, but no major policy initiatives were included in their proposal. Hearings are continuing in the House, and we can expect this legislation to jump over to the Senate in the next few weeks. Fingers crossed, the bills will remain unexciting throughout the legislative process.

Immunity Legislation

HB 606 was approved by the General Assembly in August. The OMA-supported legislation covers employers against exposure and also covers the manufacturer of emergency protective equipment or components. The bill's protections only last until September of 2021. There is support to extend the provisions.

Prompt Pay on Private Contracts

House Bill 68 would require owners of private construction projects to pay contractors within 30 days after the contractor provides the owner a final invoice. This is a re-introduction of House Bill 380 from the previous General Assembly. The OMA was successful in holding this bill back in committee last go-around and will work to do the same this General Assembly.

Tax Policy

In the original House bill to respond to COVID-19, the OMA was able to win a provision to allow companies to their current local withholding tax practice. The withholding provision has gotten much scrutiny over the summer from legislators and policy groups. The provision is now subject to multiple lawsuits by the Buckeye Institute and several bills have been introduced legislation repealing the provision in state law. The OMA has created a workgroup regarding this issue focused on long-term goals.

The BWC continues to provide dividends and rebates to state fund members. This year for the first time they mailed out 1099's. The state also determined for the first time that dividends would be considered gross receipts. The OMA and others have worked to get a ruling or a legislative fix that the dividends are not gross receipts as they were not considered at the time the state adopted the CAT. Currently, a provision within Senate Bill 18 that would do just that.

HB 6 Repeal and Bribery Scandal

According to federal prosecutors, "company A" expended more than \$60 million to pass and protect HB6. Also according to the federal affidavit, other energy interests contributed significant funds towards the "enterprise." No other new charges or arrests have been announced, but there continues to be a lot of activity. Two of the five persons arrested in connection with the scandal recently pled guilty to racketeering. Within hours of the plea, FirstEnergy Corp fired CEO Chuck Jones and two other executives were fired. The energy holding company notified investors of the possibility of coming criminal charges even though Jones had insisted the company acted "ethically" and did not participate in any wrongdoing. Generation Now the 501(c)(4) described in the charging documents has now also plead guilty. There is speculation that more indictments are coming in the near future.

The OMA was the most vocal business opponent to HB6. The OMA opposed the bill and prior efforts by utilities to garner subsidies from the PUCO. The bill transfers money from customers to power plant

owners and in so doing, distorts competitive markets that protect customers from overpayment, drive innovation, fuel diversity and reliability.

House Bill 772 the most comprehensive repeal solution was stalled during lame duck. Over the past several weeks the Senate has pushed two smaller repeal bills through committee. Senate Bill 10, which repeals decoupling and SEET provisions, and Senate Bill 44, which repeals the nuclear credit portions of House Bill 6. The House is pushing House Bill 144 that eliminates the entire clean air fund, and adds decoupling and SEET. The OMA has testified on all three bills but continues to advocate for the removal of the OVEC subsidies as well.

After over a year and a half of destruction House Bill 6 seems to be falling apart bit by bit.

Environment

Ohio EPA finished testing Ohio's public water sources for PFAS. In 2019 Governor DeWine directed Ohio EPA and the Department of Health to develop an "action plan" for PFAS in Ohio with the focus of testing public and private water systems. The pandemic halted testing right after the agency began testing. As noted above testing resumed over the summer. The results were promising with much lower levels of PFAS exposure than anticipated.

The administration also remains focused on water quality across Ohio. The H2Ohio program introduced by the Governor was provided initial startup funding for the state budget bill and will be administered by three state agencies, EPA, AG, and ODNR. The program will remain fully funded through FY 2020 with many of the projects spilling over into the 2021 calendar year. The new operating budget will fully fund H2Ohio.

OMA members and staff have been highly engaged on several federal issues including stormwater and Ohio air permit nuisance SIP. See environment report for all of these issues.

Unemployment Compensation

After the failure of the General Assembly to address comprehensive unemployment compensation reform in the state budget, manufacturers saw their unemployment taxes reduced in 2020. However, due to COVID-19 Ohio has had to borrow \$4 billion from the federal government. Employers will be required to repay the government in the coming years. Ohio now finds itself in the same position as it did after the Great Recession. OMA is working to ensure any of the new benefits awarded via the state's unemployment compensation systems are not the responsibility of individual companies who have continuously paid into the insurance system.

Members need to be aware of rampant unemployment compensation scams including stolen identities to file for claims.

Workers' Comp Claims Expansion to Mental Injury and COVID-19

The Governor announced a second \$1.5 billion rebate (checks distributed to employers in late October), then more recently, a third rebate or dividend payment in 2020, this time amounting to \$5 billion (checks going out in December). Overall, the Ohio BWC will returned an aggregate \$8 billion to employers in 2020. That figure is approximately five times greater than the aggregate premium collected! Some wonder if base rates should be reduced instead, but few can dispute the benefit of injecting cash into the economy.

The BWC Board of Directors recently approved a 7.1% reduction for private employer premiums. This reduction is set to go into effect on July 1st, which is the start of the 2021 policy year.

The OMA was able to kill the latest PTSD workers' comp bill during lame duck. In its place a study was commissioned to determine the best way to provide PTSD coverage for first responders outside of the BWC. The OMA was appointed to the Board to consider the potential alternatives.



134th General Assembly Legislative Directory 2021-2022



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Ohio Senate

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Majority Whip:	Rob McColley	614.466.8150
Majority Chief of Staff:	John Barron	614.466.2510
Minority Leader:	Kenny Yuko	614.466.4583
Asst. Minority Leader:	Cecil Thomas	614.466.5980
Minority Whip:	Nickie Antonio	614.466.5123
Asst. Minority Whip:	Tina Maharath	614.466.8064
Minority Chief of Staff:	Mike Rowe	614.466.4371
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Senate Committees

*Ranking Member

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Schaffer (R)-Chair;
S. Huffman (R)-Vice-Chair
(R) Hackett, O'Brien, Peterson
(D) *Fedor, Maharath

Energy and Public Utilities
614.466.8156
Peterson (R)-Chair;
Schuring (R)-Vice-Chair
(R) Brenner, Cirino, Dolan, Hoagland,
McColley, Reineke, Romanchuk, Wilson
(D) *Williams, Craig, Fedor

Finance
614.466.8056
Dolan (R)-Chair;
Gavarone (R)-Vice-Chair
(R) Blessing, Brenner, Hottinger, Lang,
Manning, Peterson, Romanchuk,
Schuring
(D) *Sykes, Antonio, Craig

Financial Institutions & Technology
614.466.9737
Wilson (R)-Chair;
Hottinger (R)-Vice-Chair
(R) Antani, Hackett, Kunze
(D) *Maharath, Craig

Government Oversight and Reform
614.466.4823
Roegner (R)-Chair;
McColley (R)-Vice-Chair
(R) Hoagland, Lang, Schaffer
(D) *Craig, Thomas

Health
614.466.6247
S. Huffman (R)-Chair;
Antani (R)-Vice-Chair
(R) Johnson, Roegner, Romanchuk
(D) *Antonio, Thomas

Insurance
614.466.3780
Hackett (R)-Chair;
Romanchuk (R)-Vice-Chair
(R) Brenner, Dolan, Hottinger,
S. Huffman, Kunze, Lang, Schaffer,
Wilson
(D) *Craig, Maharath, Thomas

Judiciary
614.644.7613
Manning (R)-Chair;
McColley (R)-Vice-Chair
(R) Antani, Gavarone, Schuring
(D) *Thomas, Fedor

Local Government and Elections
614.466.8060
Gavarone (R)-Chair;
O'Brien (R)-Vice-Chair
(R) Cirino, Kunze, Manning
(D) *Maharath, Sykes

Primary and Secondary Education
614.466.8086
Brenner (R)-Chair;
Blessing (R)-Vice-Chair
(R) S. Huffman, O'Brien, Rulli
(D) *Fedor, Sykes

Rules and Reference
614.466.7584
M. Huffman (R)-Chair;
Hottinger (R)-Vice-Chair
(R) Brenner, Dolan, Gavarone, Hackett,
Kunze, McColley, Peterson, Schuring
(D) *Yuko, Antonio, Maharath, Thomas

Small Business and Economic Opportunity
614.466.8285
Rulli (R)-Chair; Lang (R)-Vice-Chair
(R) Gavarone, Reineke, Schuring
(D) *Sykes, Williams

Transportation
614.466.5981
Kunze (R)-Chair;
Reineke (R)-Vice-Chair
(R) Antani, Blessing, Hoagland,
Manning, O'Brien, Roegner, Rulli,
Schaffer
(D) *Antonio, Maharath, Williams

Veterans and Public Safety
614.466.6508
Hoagland (R)-Chair;
Johnson (R)-Vice-Chair
(R) Hackett, Peterson, Wilson
(D) *Thomas, Fedor

Ways and Means
614.466.8068
Blessing (R)-Chair;
Roegner (R)-Vice-Chair
(R) Cirino, Dolan, Hottinger
(D) *Williams, Antonio

Workforce and Higher Education
614.466.8082
Johnson (R)-Chair; Cirino (R)-Vice-Chair
(R) McColley, Reineke, Rulli
(D) *Williams, Antonio

Joint Legislative Committees

Controlling Board
614.728.8778
President - W. Fletch Zimpher
Gavarone (R)-Chair;
Reps. Oelslager, Wilkin
Democrats: Sen. Sykes; Rep. Crawley

Joint Committee on Agency Rule Review (JCARR)
614.466.4086
Larry Wolpert - Executive Director
Rep. Callender (R)-Chair
Sen. Gavarone (R)-Vice-Chair
Republicans: Sens. Lang, Schuring;
Reps. Hillyer, Stein
Democrats: Sens. Craig, Williams;
Reps. Boggs, Skindell

Joint Legislative Ethics Committee (JLEC)
Sen. M. Huffman (R)-Vice-Chair
Republicans: Sens. Hottinger, McColley
Democrats: Sens. Antonio, Thomas,
Yuko

Joint Medicaid Oversight Committee (JMOC)
614.644.2016
Sen. Antonio (D)-Ranking Member
Republicans: Sens. Antani, S. Huffman,
Romanchuk
Democrats: Sen. Thomas
Representatives to be named.

Legislative Service Commission (LSC)
614.466.3615
Republicans: Sen. Obhof; Rep. Cupp
Additional members to be named.

Task Force on Redistricting, Reapportionment and Demographic Research
Republicans: Sen. McColley; Rep. Cupp
Democrats: Rep. Sykes
Public Member: Christine Morrison

U.S. Senate

Senate Office Building | Washington, D.C | 20515

Brown, Sherrod 202.224.2315 503 Hart SOB	Portman, Rob 202.224.3353 448 Russell SOB
(D) District: 614.469.2083	(R) District: 614.469.6774
200 N. High St., room 614 Columbus, OH 43215	37 W. Broad St., room 300 Columbus, OH 43215

U.S. House

House Office Building | Washington, D.C | 20515

Balderson, Troy 202.225.5355 2429 Rayburn HOB	Jordan, Jim 202.225.2676 2056 Rayburn HOB
(R) District 12: 614.523.2555	(R) District 4: 419.999.6455
250 E. Wilson Bridge Rd., ste 100 Worthington, OH 43085	3121 W. Elm Plaza Lima, OH 45805

Beatty, Joyce 202.225.4324 2303 Rayburn HOB	Joyce, David 220.225.5731 2065 Rayburn HOB
(D) District 3: 614.220.0003	(R) District 14: 330.357.4139
471 E. Broad St., ste 1100 Columbus, OH 43215	10075 Ravenna Rd. Twinsburg, OH 44087

Chabot, Steve 202.225.2216 2408 Rayburn HOB	Kaptur, Marcy 202.225.4146 2186 Rayburn HOB
(R) District 1: 513.684.2723	(D) District 9: 419.259.7500
441 Vine St., room 3003 Cincinnati, OH 45202	One Maritime Plaza, room 600 Toledo, OH 43604

Davidson, Warren 202.225.6205 2113 Rayburn HOB	Latta, Bob 202.225.6405 2467 Rayburn HOB
(R) District 8: 937.339.1524	(R) District 5: 419.354.8700
20 Dotcom Dr. Troy, OH 45373	1045 N. Main St., ste 6 Bowling Green, OH 43402

Fudge, Marcia 202.225.7032 2344 Rayburn HOB	Ryan, Tim 202.225.5261 1126 Longworth HOB
(D) District 11: 216.522.4900	(D) District 13: 330.740.0193
4834 Richmond Rd., ste 150 Warrensburg Heights, OH 44128	241 W. Federal St. Youngstown, OH 44503

Gibbs, Bob 202.225.6265 2217 Rayburn HOB	Stivers, Steve 202.225.2015 2234 Rayburn HOB
(R) District 7: 419.207.0650	(R) District 15: 614.771.4968
110 Cottage St. Ashland, OH 44805	3790 Municipal Way Hilliard, OH 43026

Gonzalez, Anthony 202.225.3876 2458 Rayburn HOB	Turner, Mike 202.225.6465 2082 Rayburn HOB
(R) District 16: 4150 Belden Village St., ste 607 Canton, OH 44718	(R) District 10: 937.225.2843
	120 W. 3rd St., ste 305 Dayton, OH 45402

Johnson, Bill 202.225.5705 2336 Rayburn HOB	Wenstrup, Brad 202.225.3164 2419 Rayburn HOB
(R) District 6: 740.376.0868	(R) District 2: 513.474.7777
246 Front St. Marietta, OH 45750	7954 Beechmont Ave., ste 200 Cincinnati, OH 45255

Ohio Supreme Court

Moyer Justice Center | 65 S. Front St. | Columbus OH 43215

Chief Justice - Maureen O'Connor

Jennifer L. Brunner

Patrick F. Fischer

R. Patrick DeWine

Sharon L. Kennedy

Michael P. Donnelly

Melody J. Stewart

Elected State Officials

GOVERNOR 614.466.3555
 Mike DeWine (R)
 Vern Riffe Center
 77 S. High St., 30th Floor
 Columbus, OH 43215

LT. GOVERNOR 614.466.3555
 Jon Husted (R)
 Vern Riffe Center
 77 S. High St., 30th Floor
 Columbus, OH 43215

ATTORNEY GENERAL 614.466.4986
 Dave Yost (R)
 Rhodes Office Tower
 30 E. Broad St., 17th Floor
 Columbus, OH 43215

Ohio House of Representatives

Vern Riffe Center | 77 S. High St. | Columbus OH 43215

Republicans (64) - Democrats (35)		
Speaker:	Bob Cupp	614.466.9624
Speaker Pro Tempore:	Tim Ginter	614.466.8022
Majority Floor Leader:	Bill Seitz	614.466.8258
Assistant Majority Floor Leader:	Rick Carfagna	614.466.1431
Majority Whip:	Don Jones	614.644.8728
Assistant Majority Whip:	Cindy Abrams	614.466.9091
Majority Chief of Staff:	Christine Morrison	614.466.0968
Minority Leader:	Emilia Sykes	614.466.3100
Assistant Minority Leader:	Kristin Boggs	614.466.1896
Minority Whip:	Paula Hicks-Hudson	614.466.1401
Assistant Minority Whip:	Richard Brown	614.644.6002
Democratic Caucus Chair:	Phil Robinson	614.644.6041
Minority Chief of Staff:	Samantha Herd	614.466.2185
House Clerk:	Brad Young	614.466.3357

Abrams, Cindy 614.466.9091
 (R-29) 14th Floor
 92 Fawn Dr., Harrison 45030

Baldridge, Brian 614.466.2124
 (R-90) 13th Floor
 14475 State Route 136, Winchester 45697

Bird, Adam 614.644.6034
 (R-66) 11th Floor
 3562 Behmyer Rd., Cincinnati 45245

Blackshear Jr., Willis 614.466.1607
 (D-39) 11th Floor
 531 Belmonte Park N Apt. 411, Dayton 45405

Boggs, Kristin 614.466.1896
 (D-18) 14th Floor
 834 Hamlet St., Columbus 43215

Boyd, Janine 614.644.5079
 (D-09) 10th Floor
 216.291.0967
 1366 Cleveland Heights Blvd., Cleveland Heights 44121

Brent, Juanita 614.466.1408
 (D-12) 10th Floor
 16804 Glendale Ave., Cleveland 44128

Brinkman Jr., Tom 614.644.6886
 (R-27) 11th Floor
 513.321.6591
 3215 Hardisty Ave., Cincinnati 45208

Brown, Richard 614.644.6002
 (D-20) 14th Floor
 7559 Bruns Ct., Canal Winchester 43110

Callender, Jamie 614.644.6074
 (R-61) 11th Floor
 9920 Ashwood Tl., Concord 44060

Carfagna, Rick 614.466.1431
 (R-68) 14th Floor
 6155 Baneberry Dr., Westerville 43082

Carruthers, Sara 614.644.6721
 (R-51) 13th Floor
 601 Glenway Dr., Hamilton 45013

Click, Gary 614.466.1374
 (R-88) 11th Floor
 1473 CR 268, Vickery 43464

Ginter, Tim 614.466.8022
 (R-05) 14th Floor
 846 Homewood Ave., Salem 44460

Grendell, Diane 614.644.5088
 (R-76) 13th Floor
 7413 Battersall Dr., Chesterland 44026

Gross, Jennifer 614.466.8550
 (R-52) 13th Floor
 2193 Stratingham Dr., Dublin 43016
 7350 Lakota Springs Dr., West Chester 45069

Hall, Thomas 614.644.5094
 (R-53) 13th Floor
 6364 Trenton Franklin Rd., Middletown 45042

Hicks-Hudson, Paula 614.466.1401
 (D-44) 14th Floor
 2633 Robinwood Ave., Toledo 43610

Hillyer, Brett 614.466.8035
 (R-98) 11th Floor
 1427 Roanoke Ave., Uhrichsville 44683

Holmes, Adam 614.644.6014
 (R-97) 13th Floor
 5480 Creamery Rd., Nashport 43830

Hoops, Jim 614.466.3760
 (R-81) 11th Floor
 195 Old Creek Dr., Napoleon 43545

Householder, Larry 614.466.2500
 (R-72) 13th Floor
 3825 Twp. Rd. 19 NW, Glenford 43739

Howse, Stephanie 614.466.1414
 (D-11) 10th Floor
 216.407.0876
 1220 Spring Rd., Cleveland 44109

Ingram, Catherine 614.466.1645
 (D-32) 10th Floor
 250 Dorchester Ave., Cincinnati 45219

Jarrells, Dontavious 614.466.5343
 (D-25) 11th Floor
 1245 Mt. Vernon Ave. Apt 3H, Columbus 43203

John, Marilyn 614.466.5802
 (R-02) 11th Floor
 21 Cold Draw Ct., Shelby 44875

Johnson, Mark 614.644.7928
 (R-92) 11th Floor
 330 Red Bud Rd., Chillicothe 45601

Jones, Don 614.644.8728
 (R-95) 14th Floor
 34755 Jones Rd., Freeport 43973

Jordan, Kris 614.644.6711
 (R-67) 11th Floor
 614.203.5365
 7740 Marysville Rd., Ostrander 43061

Kelly, Bridgid 614.466.5786
 (D-31) 10th Floor
 3421 Traskwood Circle Apt D., Cincinnati 45208

Kick, Darrell 614.466.2994
 (R-70) 11th Floor
 8050 Twp Rd 462, Loudonville 44842

Koehler, Kyle 614.466.2038
 (R-79) 13th Floor
 937.969.9192
 4674 Hominy Ridge Rd., Springfield 45502

Lampton, Brian 614.644.6020
 (R-23) 13th Floor
 40 Mann Ave., Fairborn 45324

Lanese, Laura 614.466.9690
 (R-23) 11th Floor
 2315 Milligan Grove, Grove City 43123

LaRe, Jeffrey 614.466.8100
 (R-77) 13th Floor
 7587 Cumberland Circle NW
 Canal Winchester, OH 43110

Leland, David 614.466.2473
 (D-22) 10th Floor
 614.365.4111
 361 Walhalla Rd., Columbus 43202

Lepore-Hagan, Michele 614.466.9435
 (D-58) 10th Floor
 330.746.8091
 562 Madera Ave., Youngstown 44504

Seitz, Bill 614.466.8258
 (R-30) 14th Floor
 2097 Beech Grove Dr., Cincinnati 45233

Sheehy, Michael 614.466.1418
 (D-46) 10th Floor
 419.698.3095
 1129 Schmidlin Rd., Oregon 43616

Skindell, Michael 614.466.5921
 (D-13) 10th Floor
 216.521.9919
 16800 Delaware Ave., Lakewood 44107

Smith, Kent 614.466.5441
 (D-08) 10th Floor
 216.509.7600
 34 E 209th St., Euclid 44123

Smith, Monique 614.466.0961
 (D-16) 11th Floor
 19793 Coffinberry Blvd., Fairview Park 44126

Sobecki, Lisa 614.644.6017
 (D-45) 11th Floor
 2714 117th St., Toledo 43611

Stein, Dick 614.466.9628
 (R-57) 12th Floor
 2854 SR 61, Norwalk 44857

Stephens, Jason 614.466.1366
 (R-93) 13th Floor
 26 County Rd. 230, Kitts Hill 45645

Stewart, Brian 614.466.1464
 (R-78) 12th Floor
 15075 Home Ct., Ashville 43103

Stoltzfus, Reginald 614.466.9078
 (R-50) 11th Floor
 13789 Telpahak St. SE, Minerva 44657

Swearingen, DJ 614.644.6011
 (R-89) 13th Floor
 3806 Lawrence Ave., Huron 44839

Sweeney, Bride 614.466.3350
 (D-14) 10th Floor
 3632 W. 133rd St., Cleveland 44111

O'Brien, Michael 614.466.5358
 (D-64) 10th Floor
 1849 Edgewood St. NE, Warren 44483

Oelslager, Scott 614.752.2438
 (R-48) 13th Floor
 330.454.9394
 215 N. Circle Dr. SW, North Canton 44706

Patton, Thomas 614.466.4895
 (R-07) 11th Floor
 17157 Rabbit Run Dr., Strongsville 44136

Pavliga, Gail 614.466.2004
 (R-75) 11th Floor
 1965 New Milford Rd., Atwater 44201

Plummer, Phil 614.644.8051
 (R-40) 13th Floor
 1831 Kershner Rd., Dayton 45419

Powell, Jena 614.466.8114
 (R-82) 11th Floor
 8172 SR 722, Arcanum 45304

Ray, Sharon 614.466.8140
 (R-69) 13th Floor
 283 Stratford Ave., Wadsworth 44281

Richardson Tracy 614.466.8147
 (R-36) 13th Floor
 1807 Chiprock Dr., Marysville 43040

Riedel, Craig 614.644.5091
 (R-82) 11th Floor
 1246 Hilton Head Court, Defiance 43512

Robinson, Phil 614.644.6041
 (D-06) 10th Floor
 7099 Longview Dr., Solon 44139

Roemer, Bill 614.644.5085
 (R-83) 11th Floor
 3616 Southern Rd., Richfield 44286

Russo, Allison 614.466.8012
 (D-24) 10th Floor
 1850 Tewksbury Rd., Columbus 43221

Schmidt, Jean 614.466.8134
 (R-65) 12th Floor
 771 Wards Corner Rd., Loveland 45140

Families, Aging and Human Services 614.466.6344
 Manchester (R)-Chair;
 Lanese (R)-Chair;
 T. Young (R)-Vice-Chair
 (R) Bird, Cross, Hall, John, Manning, Pavliga
 (D) *Ingram, Lightbody, J. Miller, K. Smith, Weinstein West

Troy, Dan 614.466.7251
 (D-60) 10th Floor
 31600 Lake Shore Blvd. Apt 37, Willowick 44095

Upchurch, Terrence 614.466.7954
 (D-10) 11th Floor
 1426 Clearaire Rd., Cleveland 44110

Vitale, Nino 614.466.1507
 (R-85) 12th Floor
 937.508.7777
 4940 Benson Rd., Urbana 43078

Weinstein, Casey 614.466.1177
 (D-37) 10th Floor
 8 N. Westhaven Dr., Hudson 44236

West, Thomas 614.466.8030
 (D-49) 10th Floor
 625 12th St. NW, Canton 44703

White, Andrea 614.644.6008
 (R-41) 11th Floor
 4744 Bokay Dr., Kettering 45440

Wiggam, Scott 614.466.1474
 (R-01) 13th Floor
 316 E. Beverly Rd., Wooster 44691

Wilkin, Shane 614.466.3506
 (R-91) 13th Floor
 4151 E. Danville Rd., Hillsboro 45133

Young, Bob 614.466.1790
 (R-36) 11th Floor
 2037 Greensburg Rd., North Canton 44720

Young, Tom 614.466.6504
 (R-42) 11th Floor
 1121 Cedar Creek Cir., Centerville 45458

Zeltwanger, Paul 614.644.6027
 (R-54) 12th Floor
 513.850.3476
 4607 White Blossom Blvd., Mason 45040

Transportation Subcommittee 614.466.4895
 (R) LaRe, Stephens
 (D) *Lepore-Hagan, Blackshear, Boyd, Brent, M. Smith

Criminal Justice 614.466.8100
 LaRe (R)-Chair;
 Swearingen (R)-Vice-Chair
 (R) Abrams, Plummer, Ray, Schmidt, Seitz, White
 (D) *Leland, Blackshear, Denson, Galonski, A. Miller

Economic and Workforce Development 614.466.2158
 Edwards (R)-Chair;
 Powell (R)-Vice-Chair
 (R) Cross, Ferguson, Holmes, Loychik, Ray, Riedel, B. Young, Zeltwanger
 (D) *Upchurch, Ingram, Miranda, Robinson, M. Smith

Energy and Natural Resources 614.466.1366
 Stephens (R)-Chair;
 Stewart (R)-Vice-Chair
 (R) Click, Hillyer, Kick, Loychik, Riedel, Wiggam
 (D) *Weinstein, Denson, Leland, Lightbody, O'Brien

Health 614.644.6023
 Lipps (R)-Chair;
 Holmes (R)-Vice-Chair
 (R) Bird, Cutrona, Ginter, Gross, Manchester, Plummer, Stewart, White, T. Young
 (D) *Russo, Boyd, Lepore-Hagan, Liston, Upchurch, West

Higher Education and Career Readiness 614.466.9690
 Lanese (R)-Chair;
 T. Young (R)-Vice-Chair
 (R) Bird, Cross, Hall, John, Manning, Pavliga
 (D) *Ingram, Lightbody, J. Miller, K. Smith, Weinstein West

Insurance 614.644.6886
 Brinkman (R)-Chair;
 Lampton (R)-Vice-Chair
 (R) Carfagna, Cross, Dean, Fraizer, Jordan, LaRe, Patton, Stephens
 (D) *Miranda, Boggs, Jarrells, Sweeney, Upchurch

Primary and Secondary Education 614.644.5076
 Manning (R)-Chair;
 Bird (R)-Vice Chair
 (R) Click, Fowler Arthur, Jones, Koehler, Manchester, Pavliga, Richardson, Swearingen
 (D) *Robinson, Ingram, Lightbody, J. Miller, Sobecki

Public Utilities 614.466.3760
 Hoops (R)-Chair;
 Ray (R)-Vice-Chair
 (R) Brinkman, Carfagna, Lanese, Patton, Seitz, Stein, Stephens, Wilkin, B. Young
 (D) *K. Smith, Boggs, Crossman, Denson, Troy, Upchurch

Rules and Reference 614.466.9624
 Cupp (R)-Chair;
 Ginter (R)-Vice-Chair
 (R) Abrams, Jones, Oelslager, Plummer, Seitz
 (D) *Sykes, Boggs, Brown, Hicks-Hudson

State and Local Government 614.466.1474
 Wiggam (R)-Chair;
 John (R)-Vice-Chair
 (R) Callender, Creech, Dean, Fowler Arthur, Ginter, Grendell, Stewart, Wilkin
 (D) *Kelly, Galonski, Russo, Skindell, Sobecki

Technology and Innovation 614.466.1482
 Fraizer (R)-Chair; Hall (R)-Vice-Chair
 (R) Edwards, Ghanbari, Gross, Koehler, Merrin, Richardson, Stein, B. Young
 (D) *Lightbody, Miranda, Skindell, K. Smith, M. Smith

Transportation and Public Safety 614.466.2124
 Baldridge (R)-Chair;
 McClain (R)-Vice-Chair
 (R) Creech, Ghanbari, Hall, Johnson, LaRe, B. Young
 (D) *Sheehy, Brent, Lepore-Hagan, Miranda, O'Brien

Ways and Means 614.466.1731
 Merrin (R)-Chair
 Riedel (R)-Vice-Chair
 (R) Fraizer, Jordan, McClain, Powell, Roemer, Stoltzfus, Wiggam, T. Young, Zeltwanger
 (D) *Sweeney, Crossman, Jarrells, Liston, Robinson, Troy

House Committees

***Ranking Member**

Agriculture and Conservation 614.466.2038
 Koehler (R)-Chair;
 Creech (R)-Vice-Chair
 (R) Baldridge, Bird, Fowler Arthur, Jones, Kick, Powell
 (D) *Brent, Hicks-Hudson, J. Miller, O'Brien, Sheehy

Armed Services and Veterans Affairs 614.466.8104
 Ghanbari (R)-Chair;
 Loychik (R)-Vice-Chair
 (R) Fowler Arthur, Gross, Holmes, Lampton, Lanese, Richardson
 (D) *A. Miller, Brown, Crawley, Sheehy, Weinstein

Behavioral Health and Recovery Supports 614.644.6721
 Carruthers (R)-Chair;
 Pavliga (R)-Vice-Chair
 (R) Click, Ferguson, Gross, Holmes, Lipps, Ray
 (D) *Boyd, Jarrells, Liston, A. Miller, West

Civil Justice 614.466.8035
 Hillyer (R)-Chair;
 Grendell (R)-Vice-Chair
 (R) Cutrona, Kick, Lampton, Merrin, Seitz, Stewart, Swearingen, White
 (D) *Galonski, Brown, Crossman, Leland, Skindell

Commerce and Labor 614.466.9628
 Stein (R)-Chair;
 Johnson (R)-Vice-Chair
 (R) Cutrona, Fraizer, Hoops, Jones, Manning, Roemer
 (D) *Lepore-Hagan, Blackshear, Boyd, Brent, M. Smith

Financial Institutions 614.644.6711
 Jordan (R)-Chair;
 Ferguson (R)-Vice-Chair
 (R) Brinkman, Hillyer, Lampton, Merrin, Powell, Roemer
 (D) *Crossman, Denson, Ingram, Leland, Sweeney

Government Oversight 614.466.3506
 Wilkin (R)-Chair;
 White (R)-Vice-Chair
 (R) Abrams, Carfagna, Ginter, Jones, Plummer, Seitz
 (D) *Sweeney, Galonski, Howse, Kelly, Sykes

Health 614.644.6023
 Lipps (R)-Chair;
 Holmes (R)-Vice-Chair
 (R) Bird, Cutrona, Ginter, Gross, Manchester, Plummer, Stewart, White, T. Young
 (D) *Russo, Boyd, Lepore-Hagan, Liston, Upchurch, West

Higher Education and Career Readiness 614.466.9690
 Lanese (R)-Chair;
 T. Young (R)-Vice-Chair
 (R) Bird, Cross, Hall, John, Manning, Pavliga
 (D) *Ingram, Lightbody, J. Miller, K. Smith, Weinstein West

Insurance 614.644.6886
 Brinkman (R)-Chair;
 Lampton (R)-Vice-Chair
 (R) Carfagna, Cross, Dean, Fraizer, Jordan, LaRe, Patton, Stephens
 (D) *Miranda, Boggs, Jarrells, Sweeney, Upchurch

Primary and Secondary Education 614.644.5076
 Manning (R)-Chair;
 Bird (R)-Vice Chair
 (R) Click, Fowler Arthur, Jones, Koehler, Manchester, Pavliga, Richardson, Swearingen
 (D) *Robinson, Ingram, Lightbody, J. Miller, Sobecki

Public Utilities 614.466.3760
 Hoops (R)-Chair;
 Ray (R)-Vice-Chair
 (R) Brinkman, Carfagna, Lanese, Patton, Seitz, Stein, Stephens, Wilkin, B. Young
 (D) *K. Smith, Boggs, Crossman, Denson, Troy, Upchurch

Rules and Reference 614.466.9624
 Cupp (R)-Chair;
 Ginter (R)-Vice-Chair
 (R) Abrams, Jones, Oelslager, Plummer, Seitz
 (D) *Sykes, Boggs, Brown, Hicks-Hudson

State and Local Government 614.466.1474
 Wiggam (R)-Chair;
 John (R)-Vice-Chair
 (R) Callender, Creech, Dean, Fowler Arthur, Ginter, Grendell, Stewart, Wilkin
 (D) *Kelly, Galonski, Russo, Skindell, Sobecki

Technology and Innovation 614.466.1482
 Fraizer (R)-Chair; Hall (R)-Vice-Chair
 (R) Edwards, Ghanbari, Gross, Koehler, Merrin, Richardson, Stein, B. Young
 (D) *Lightbody, Miranda, Skindell, K. Smith, M. Smith

Transport



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Ohio House, Senate Set Schedule for 2021

The Ohio House and Senate have announced their schedules for 2021. Unless otherwise noted, the House will meet at 1 p.m. on all days while the Senate will meet at 1:30 p.m. on Mondays, Tuesdays and Wednesdays and 11 a.m. on Thursdays. **Dates and times, however, are subject to change.**

January

Friday, Jan. 1 - **New Year's Day** (State Offices closed)

Monday, Jan. 18 - **Martin Luther King, Jr. Day** (State Offices closed)

Tuesday, Jan. 26 - Senate committee hearings

Wednesday, Jan. 27 - Senate committee hearings

February

Monday, Feb. 1 - **State budget due**

Tuesday, Feb. 2 - Senate committee hearings

Wednesday, Feb. 3 - Senate Session/House Session (if needed)

Tuesday, Feb. 9 - Senate committee hearings

Wednesday, Feb. 10 - Senate Session/House Session (if needed)

Monday, Feb. 15 - **Presidents' Day** (State Offices closed)

Tuesday, Feb. 16 - Senate committee hearings/House committee hearings

Wednesday, Feb. 17 - Senate Session/House Session

Thursday, Feb. 18 - House Session

Tuesday, Feb. 23 - Senate committee hearings/House committee hearings

Wednesday, Feb. 24 - Senate Session/House Session

Thursday, Feb. 25 - House Session

March

Tuesday, March 2 - Senate committee hearings/House Session (if needed)

Wednesday, March 3 - Senate Session/House Session

Thursday, March 4 - House Session

Tuesday, March 9 - Senate committee hearings/House committee hearings

Wednesday, March 10 - Senate Session/House Session

Thursday, March 11 - House committee hearings

Tuesday, March 16 - Senate Session/House committee hearings

Wednesday, March 17 - Senate Session/House Session

Thursday, March 18 - House committee hearings

Tuesday, March 23 - Senate Session/House Session (if needed)

Wednesday, March 24 - Senate Session/House Session

Thursday, March 25 - House Session

Tuesday, March 30 - Senate Session

Wednesday, March 31 - Senate Session

Friday, March 26 - Monday, April 12 - **House Break**

Thursday, April 1 - Monday, April 19 - **Senate Break**

April

Tuesday, April 13 - House committee hearings

Wednesday, April 14 - House Session

Thursday, April 15 - House Session

Tuesday, April 20 - Senate committee hearings/House committee hearings

Wednesday, April 21 - Senate Session/House Session

Thursday, April 22 - House Session

Friday, April 23 - House Session (if needed)

Tuesday, April 27 - Senate committee hearings/House committee hearings

Wednesday, April 28 - Senate Session/House Session (if needed)

Thursday, April 29 - House committee hearings

May

Tuesday, May 4 - **Primary Election Day**

Senate committee hearings/House committee hearings

Wednesday, May 5 - Senate Session/House Session

Thursday, May 6 - House Session

Tuesday, May 11 - Senate committee hearings/House committee hearings

Wednesday, May 12 - Senate Session/House Session

Thursday, May 13 - House Session (if needed)

Tuesday, May 18 - Senate committee hearings/House committee hearings

Wednesday, May 19 - Senate Session/House Session

Thursday, May 20 - House Session

Tuesday, May 25 - Senate Session/House committee hearings

Wednesday, May 26 - Senate Session/House Session

Thursday, May 27 - Senate Session/House Session (if needed)

Monday, May 31 - **Memorial Day** (State Offices closed)

June

Tuesday, June 1 - Senate committee hearings
Wednesday, June 2 - Senate Session

Tuesday, June 8 - Senate committee hearings/House committee hearings
Wednesday, June 9 - Senate Session/House Session
Thursday, June 10 - House Session

Tuesday, June 15 - Senate committee hearings/House committee hearings
Wednesday, June 16 - Senate Session/House Session
Thursday, June 17 - House Session

Tuesday, June 22 - Senate Session/House committee hearings
Wednesday, June 23 - Senate Session/House Session
Thursday, June 24 - Senate Session/House Session
Friday, June 25 - House Session (if needed)

Monday, June 28 - Senate Session
Tuesday, June 29 - Senate Session/House Session (if needed)
Wednesday, June 30 - House Session (if needed)

July

Thursday, July 1 - **FY22 begins**
House Session (if needed)

Monday, July 5 - State Offices closed in observance of **Independence Day**.
Wednesday, July 7 - House Session (if needed)

August

No scheduled dates.

September

Monday, Sept. 6 - **Labor Day** (State Offices closed)
Tuesday, Sept. 7 - Senate committee hearings
Wednesday, Sept. 8 - Senate Session

Tuesday, Sept. 14 - Senate committee hearings/House committee hearings
Wednesday, Sept. 15 - Senate Session/House Session
Thursday, Sept. 16 - House committee hearings

Tuesday, Sept. 21 - Senate Session/House committee hearings
Wednesday, Sept. 22 - Senate Session/House Session
Thursday, Sept. 23 - House Session (if needed)

Tuesday, Sept. 28 - Senate Session/House committee hearings
Wednesday, Sept. 29 - Senate Session/House Session
Thursday, Sept. 30 - Senate Session/House committee hearings

October

Tuesday, Oct. 5 - Senate committee hearings
Wednesday, Oct. 6 - Senate Session

Monday, Oct. 11 - **Columbus Day** (State Offices closed)
Tuesday, Oct. 12 - House committee hearings
Wednesday, Oct. 13 - House Session
Thursday, Oct. 14 - House committee hearings

Tuesday, Oct. 19 - Senate committee hearings/House committee hearings
Wednesday, Oct. 20 - Senate Session/House Session
Thursday, Oct. 21 - House Session (if needed)

Tuesday, Oct. 26 - Senate committee hearings/House committee hearings
Wednesday, Oct. 27 - Senate Session/House Session (if needed)
Thursday, Oct. 28 - House Session (if needed)

November

Tuesday, Nov. 2 - **Election Day**
House committee hearings
Wednesday, Nov. 3 - House Session
Thursday, Nov. 4 - House Session (if needed)

Tuesday, Nov. 9 - Senate committee hearings
Wednesday, Nov. 10 - Senate Session
Thursday, Nov. 11 - **Veterans' Day** (State Offices closed)

Tuesday, Nov. 16 - Senate committee hearings/House committee hearings
Wednesday, Nov. 17 - Senate Session/House Session
Thursday, Nov. 18 - House Session (if needed)

Thursday, Nov. 25 - **Thanksgiving Day** (State Offices closed)

Monday, Nov. 29 - Senate Session
Tuesday, Nov. 30 - Senate Session/House committee hearings

December

Wednesday, Dec. 1 - Senate Session/House Session (if needed)
Thursday, Dec. 2 - House Session (if needed)

Tuesday, Dec. 7 - Senate committee hearings/House committee hearings
Wednesday, Dec. 8 - Senate Session/House Session
Thursday, Dec. 9 - House Session (if needed)

Tuesday, Dec. 14 - Senate committee hearings
Wednesday, Dec. 15 - Senate Session/House Session (if needed)

Friday, Dec. 24 - State Offices closed in observance of **Christmas Day**.



OMA POLICY COMMITTEES ADVANCE OHIO MANUFACTURING

OMA policy committee meetings provide opportunities for you to work with colleagues, subject matter experts, policymakers and government agency staff to gain critical updates and to set policy priorities for Ohio manufacturing.

OMA has five standing policy committees: **Energy, Environment, Government Affairs, Safety & Workers' Compensation, and Tax and Finance.**

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2021 OMA Policy Committee Meeting Calendar *(click dates to register)*

Energy	Environment	Government Affairs	Safety & Workers' Compensation	Tax
Thurs., February 25	Weds., February 10	Weds., March 3	Weds., March 17	Weds., February 17
Thurs., May 27	Weds., May 19	Tues., June 15	Tues., June 22	Weds., June 2
Thurs., September 9	Weds., September 29	Weds., August 25	Weds., October 20	Weds., October 13
Thurs., November 11		Thurs., November 18		

Register for Meetings

Click the dates above or [visit this web page](#). You can also call us at **(800) 662-4463** or email us at oma@ohiomfg.com.

Attending?

Once you register, we will email you the instructions to join the meeting, whether the meeting is virtual, in-person, or via phone.

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Our Office

The Ohio Manufacturers' Association
33 N. High St., 6th floor
Columbus, Ohio 43215

Investing in Ohio's Future: Healthy People

Healthy people are meaningful to Ohio's way of life.

The health of Ohioans and the health of our state's economy are unquestionably connected. The COVID-19 pandemic has shown us directly how physical health, mental health, accessibility to wellness services, and healthcare inequities in our communities affect an individual's ability to participate in the marketplace. Healthy people lead to renewed communities and a thriving economy. Our economy cannot rebound without healthy individuals.

For more information about ongoing efforts to address the pandemic, visit coronavirus.ohio.gov for information and resources. This site also contains the latest information from the Ohio Public Health Advisory System and the Governor's Responsible RestartOhio Initiative.

Health Surge

Access to quality care is critical to the health of all Ohioans. Still, access is limited by a program or service's ability to reach communities, the conditions of the community, and the trust those communities have with the providers. Governor DeWine's Executive Budget includes a \$50 million one-time investment to advance public health equity initiatives to be led by the Ohio Department of Health. The Executive Budget will:

- Provide \$6 million to support local health departments in improving Ohio's population health based upon the findings and recommendations in Ohio's 2020-2022 State Health Improvement Plan (SHIP) and to incentivize efficiencies, including shared services or the consolidation of local health districts that formally merge on or after July 1, 2021. The Department of Health may also use a portion of this funding to support pre-merger analysis and planning for districts interested in a merger.
- Invest \$5.5 million to improve the health of infants and women. The Governor's Office of Children's Initiatives will support programming of community and local faith-based service providers who provide services and support to pregnant mothers to improve both maternal and infant health outcomes. In addition, the Departments of Health and Medicaid will develop a universal needs assessment for vulnerable women to identify and provide needed health and wrap-around supports.
- Allocate \$2 million to the Ohio Department of Health along with other agencies, boards, and commissions, to identify and address social determinants of health which will improve health equity for all Ohioans.
- Fund \$3.25 million for emergency department diversion and harm reduction efforts. Governor DeWine's RecoveryOhio Initiative will support the continuation of the Emergency Department Comprehensive Care Initiative to enhance Ohio's response to the addiction crisis by creating a comprehensive system of care for patients who present in emergency departments with addiction. In addition, the Governor's RecoveryOhio Initiative will support local health providers' harm reduction efforts for accidental drug overdose rates and deaths.
- Provide \$5 million for nursing home quality training. The Ohio Department of Aging will incentivize quality-improvement initiatives in or regarding long-term care facilities or connect long-term care facilities with technical assistance programming including training on infection control, elder abuse, or other topics identified by the Department of Health informed by trends in citation data from the Bureau of Nursing Home Survey and Certification.

- Provide \$2.25 million for housing for pregnant mothers. The Development Services Agency, along with the Department of Health and the Governor's Children's Initiatives Office, will support stable housing initiatives for pregnant mothers to improve maternal and infant health outcomes.
- Allocate \$1 million for the Technology First Initiative. The Department of Developmental Disabilities will invest in projects to increase technology access for individuals with developmental disabilities through the Technology First Initiative. This initiative strives to use technology to better support individuals with developmental disabilities and ensure opportunities to live, work, and thrive in their communities.
- Invest \$25 million to improve public health data. The Departments of Health and Administrative Services will support or procure a comprehensive and integrated technology solution to align data systems and records and streamline timely data to improve and enhance disease reporting and healthcare delivery across the state. The COVID-19 pandemic has highlighted the importance of more accurate and timely health data to improve community health programs and protect Ohio lives.

Nursing Home Initiatives: Protecting Ohio's Most Vulnerable

Governor DeWine's budget proposes needed reform to further the State of Ohio's ability to regulate and ensure quality in long-term care service delivery. The Governor's plan to make the needed investment into high-quality nursing homes, while at the same time providing an option for low quality providers to exit the business or invest and improve their care models, is one that will provide better quality care and opportunity across the board for Ohioans. In addition to the one-time nursing home reform initiative, the Governor's Executive Budget will:

- Invest \$50 million for a nursing home reform initiative in response to the underutilization of licensed nursing home beds in Ohio. The Department of Health, in collaboration with the Department of Aging and Medicaid, will launch a reform initiative to encourage facilities to voluntarily downsize, move to single patient rooms, and remove the costly excess unused beds from the system. The way the nursing home payment structure in Ohio was designed years ago, Medicaid is required to cover a portion of expenses for unused bed days. According to current Department of Health records, nearly 20% (approximately 11,000) of eligible nursing home beds were vacant prior to the start of the COVID-19 pandemic. As Ohioans demand more community-based care options, this initiative will help rebalance the services available and improve the quality of care for all Ohioans, regardless of setting.
- Increase the authority and ability of the Department of Health to protect nursing home patients from dangerous situations. The Patient Protection proposal would give the Department of Health the authority to swiftly intervene to protect patients in nursing facilities when they determine the health and safety of patients is in jeopardy. If needed, the Department will have the authority to immediately remove patients and relocate them into a safe facility. Protecting patients from dangerously low-quality providers is essential to Governor DeWine's commitment to protect the lives of all vulnerable Ohioans.
- Launch new training opportunities through the Department of Aging. The Training and Improving Ohio Nursing Facilities proposal will launch a series of new quality improvement initiatives and a technical assistance programs to improve the quality of care across the board for Ohio nursing homes. Programming will be targeted to address infection control, elder abuse, and other areas that are flagged as prominent during the Department of Health's inspection process.

- Invest \$440 million into quality outcome incentives for Medicaid nursing home services. The Quality Driven Reimbursement proposal seeks an increase of \$100 million into a new payment formula that moves to reward nursing homes for providing high-quality care, based on meaningful outcome-driven industry leading metrics. The Department of Medicaid will work in collaboration with a joint committee and seek input from experts across multiple agencies, providers, and senior advocates to ensure a robust and highquality incentive-based payment structure. Additionally, to encourage high quality oversight, recipients will be required to ensure that key nursing home staff such as an administrator, medical director, nursing director, and quality improvement director reside in and work in the state of Ohio.

Health Programs

As we move through the pandemic and into economic recovery, it is crucial that we build on our momentum in priority health programs to ensure that Ohio children grow up healthy, and that our adults are strong and job-ready. The Executive Budget will:

- Increase funding for Help Me Grow, Ohio's evidenced-based home visiting program serving more than 8,200 families, encourages early prenatal and well-baby care, as well as parenting education to promote the comprehensive health and development of children. The Executive Budget invests an additional \$1.9 million each fiscal year - for a total investment of \$41.2 million in Fiscal Years 2022 and 2023 - allowing the Ohio Department of Health to increase home visiting services for at-risk, expectant mothers, and families of young children at or below 200 percent of the federal poverty level. Home visiting is proven to reduce infant mortality and promote child development and school readiness.
- Continue the lead hazard control programs, to make Ohio's homes and communities lead-safe. The Ohio Department of Health will conduct lead hazard control and abatement services on hundreds of Ohio homes, conduct public outreach and education, and increase the number of lead hazard workers through the Lead Worker/Contractor Licensure Repayment Program. A new, statewide Lead-Safe Housing Fund will provide competitive grants to Ohio communities to abate lead hazards in their housing stock, promoting revitalized, renewed communities.
- Support the FQHC Primary Care Workforce Initiative, which addresses the need for more qualified health professionals by providing medical, dental, behavioral health, advanced practice nursing, and physician assistant students with clinical rotations in Federally Qualified Health Centers (FQHC) that are recognized as Patient Centered Medical Homes (PCMH). Funds are distributed to the Ohio Association of Community Health Centers (OACHC).
- Address chronic disease and health equity through increased awareness and action in all Ohio Department of Health programs and initiatives.

Continuing RecoveryOhio

RecoveryOhio is the state's initiative to address the crisis of substance use disorders and support the mental health and well-being of Ohio's citizens. The goals of the initiative are to create a system to help make treatment available to Ohioans in need, provide support services for those in recovery and their families, offer direction for the stat's prevention and education efforts. These executive budget highlights underscore the comprehensive, collaborative work that is happening across Ohio's state agencies, boards, and commissions. The investment from the Executive Budget will:

- Expand early identification programs to increase screening, provide early intervention, and connect people to treatment.
- Support forensic services to reduce the stress on the hospital and criminal justice systems that interact with people with serious mental illnesses and expand treatment capacity for those incarcerated with critical mental illnesses by providing access to the medicine they need.
- Support programs to address disparities and disproportionate negative impacts on minority, poor, and underserved populations, including African Americans, Hispanics and Latinos, immigrant populations, refugee and traumatized populations, Deaf, Hard of Hearing, disabled, veterans, elderly, and other special communities.
- Continue the support of crisis services to meet the mental health and addiction needs of children, youth, families, and adults.
- Expand access to the Tobacco Use Prevention and Cessation program for all Ohioans. The program provides and promotes tobacco control activities that support the three primary objectives of: 1) decreasing the initiation of tobacco use, including e-cigarettes and vaping products; 2) increasing quitting of tobacco; and 3) protecting Ohioans from exposure to secondhand smoke. Furthermore, the Ohio Department of Health's My Life, My Quit youth-centered quit program also seeks to educate Ohio youths of the risks of the vaping/e-cigarette epidemic.
- Fund the expansion of Specialized Dockets with new courts that seek to connect individuals with support services around mental health, substance abuse, trauma care, and other service to better the individual's wellbeing. There are currently 183 specialized court dockets across 57 counties, serving more than 8,000 Ohioans, seeking to ensure public safety by identifying individuals with mental health needs involved in the criminal justice system and supporting them via diversion or linkage to trauma-informed, culturally-responsive, and consumer-directed services and supports when appropriate.

Mental Health Expansions

People with serious mental health issues often interact with multiple systems, including health care, behavioral health, human services, homeless services, and criminal justice. An expanded investment in multi-system adult collaboration will help connect these individuals to needed care, recovery supports, stable housing, and positive community participation. This \$11 million to strengthen cross-system collaboration and expand access to services and supports that promote continued stability and recovery outside of institutions for adults with serious mental illness.

OHMHAS & ODRC Partnership

Incarcerated Ohioans struggling with substance use disorders need access to reliable resources for recovery. Sixty-seven percent of incarcerated people have a moderate or severe need for recovery services. Almost 23 percent of incarcerated people are on the mental health caseload; and 10.2 percent with a serious mental illness. This investment will expand access to treatment within Ohio's correctional facilities, including counseling, peer support, technology, and medication. Recovery services provided during incarceration significantly increase the likelihood that these individuals become productive members of society when released.

K-12 Student Wellness

One of our most disrupted populations due to the pandemic are our school children. The pandemic has further strained the health, mental wellbeing, and academic success of these students. The Executive Budget includes \$1.1 billion to continue support for Student Wellness and Success programs, which fund partnerships between schools and community organizations to develop programs that meet the social and emotional needs of students.

A recent study released by the Ohio Department of Education called Student Wellness and Success Fund Survey Data Report, released in December 2020, found schools and districts implementing more than 3,000 initiatives, serving over 1 million Ohio students. More than one in four initiatives was focused on mental health services, with nearly two-thirds of districts implementing or planning an initiative in this category. Almost one in seven initiatives was focused on physical health services across more than one-third of districts.

Medicaid Highlights

Medicaid serves many vulnerable Ohioans. The Department of Medicaid and its priority programs to meet Ohioans' needs, the Executive Budget invests \$28.4 billion for Fiscal Year 2022 and \$29.7 billion for Fiscal Year 2023. It is crucial that this safety net program incentivize self-sufficiency. Just prior to the onset of the pandemic, Ohio's Medicaid work requirement had been approved by federal regulators; however, current federal law prohibits the state from implementing the requirement during the ongoing public health emergency. To continue our momentum, the Executive Budget includes a voluntary Medicaid work program to bridge the gap until the new work requirements can be implemented. Additionally, the Executive Budget will:

- Support the re-procurement of Ohio's managed care system to improve wellness and health outcomes while emphasizing a personalized care experience. This managed care system will improve care for children with complex behavioral needs, and it will support providers in better patient care while increasing program transparency and accountability.
- Increase access to and care for Medicaid members with significant behavioral health needs through continued funding of Medicaid's Behavioral Health Care Coordination program.
- Expand access to personalized care through Medicaid's Emergency Telehealth program, which made access to care easier and more flexible during the COVID-19 pandemic. Through partnerships with the Governor's office, Ohio agencies, managed care plans, providers, and consumers, this budget seeks to expand telehealth services for medical, clinical, and behavioral health, ease technology restrictions on patient/physician interaction to deliver telehealth services, reduce prior authorization requirements, enhance pharmacy benefits for the consumer and the pharmacy, and enable nursing home and congregate care members to access telehealth service with no prior authorization.
- Prevent custody relinquishment of multi-system youth children with an additional \$5 million per Fiscal Year. Multi-system youth utilize various services beyond public children's service agencies (PCSA) such as mental and behavioral health and health care.

Investing in Ohio's Future: Renewed Community

Investing in our communities will strengthen them for future growth and improve the quality of life for all Ohioans.

As Ohioans, we know that our communities are the best places to live, work, play, and raise a family. Our cities, counties, small towns, townships, and villages have been challenged by the pandemic but are already on the road to recovery. This Executive Budget will provide the needed boost our renewal and carry our communities forward. Our livelihood, wellness, and Ohio's economic recovery and stability are grounded in our diversity. The initiative provides a variety of investments to strengthen our communities and the quality of life in Ohio.

With investments in renewed communities, our economy will rebound stronger.

Local Government Fund and the Public Library Fund

Ensuring stability for local governments and public libraries is critical to sustained communities. The Executive Budget renews its commitment to Ohio's local governments and public libraries by continuing funding for the Local Government Fund and the Public Library Fund at their statutory levels. Based on current revenue estimates, the Local Government Fund and the Public Library Fund will each provide \$425 million in Fiscal Year 2022 and \$440 million in Fiscal Year 2023 in shared revenue to these critical local partners.

Law Enforcement Investments

Safe and secure communities are thriving communities. This budget seeks to increase police transparency by expanding body camera accessibility, reduce violent crimes and substance abuse, assist local agencies in the recruitment and hiring of new peace officers, and create safe schools. The Governor's Executive Budget will:

- **Fund \$10 million** in grants to local law enforcement agencies across the state to implement or enhance body-worn camera programs. This includes the body cameras themselves and other expenses associated with running the program.
- **Provide \$8 million** to help reduce violent crimes through state and local law enforcement agencies. This new program is designed to provide flexible grant funding that can meet individual communities' needs with promising or proven crime reduction strategies.
- **Invest \$1 million** to support state and local law enforcement agencies in recruiting and hiring new peace officers.
- **Invest \$6.5 million** to expand the Ohio Narcotics Intelligence Center (ONIC) to further support local law enforcement and their partners further. The ONIC assists Ohio narcotics task force and law enforcement agencies through investigative, analytical, and digital forensic support. Launched in December of 2019, it has assisted with more

than 100 criminal investigations, analyzed more than 220 cellphones, and conducted more than 840 forensic examinations. The ONIC has also supported 70 agencies across federal, state, local, and county task forces, as well as within sectors including criminal justice, homeland security, and public health.

- **Provide \$4.6 million** in additional funding for the Ohio School Safety Center (OSSC) to support operations and ongoing initiatives. The OSSC assists local schools and first responders with preventing, preparing for, and responding to threats and acts of violence, including self-harm, through a holistic, solutions-based approach to school safety. This funding is in addition to the continuation of funding for maintaining and promoting the Safer Ohio Schools Tip Line. In April 2020, the OSSC implemented a social media-scanning program of posts from K-12 Ohioans, resulting in 1,145 alerts. The OSSC maintains the state's Safer Ohio School Tip Line offering suicide intervention and counseling services for individuals. Furthermore, OSSC has reviewed 2,797 school emergency management plans and helped schools create and implement pandemic response procedures.

Indigent Defense

The right to legal representation is part of the fabric of our justice system. This right can be accessed through public defenders and other indigent defense services for those unable to pay for a lawyer. This budget will reimburse Ohio counties \$125 million per year for such services.

H2Ohio

Water quality, preservation, and accessibility are crucial to healthy people and our communities' economic strength. We must continue the work started with the H2Ohio initiative in Fiscal Years 2020 and 2021 implemented by the Ohio departments of Agriculture and Natural Resources, the Ohio Environmental Protection Agency, and the Lake Erie Commission. H2Ohio addresses critical water quality needs and innovative solutions for some of the state's most pressing water challenges. Governor DeWine's Executive Budget will:

- **Invest \$100 million** for the Department of Agriculture to continue to enroll and engage more than 1,900 agriculture producers in nutrient management, water management, and erosion management. Farmers rely on nutrients to ensure the maximum crop yields, and this program helps farmers with implementing proven practices that prevent nutrient runoff. To date, more than 1.1 million acres across 14 counties, 36% of the representative cropland, is part of this program to implement ten best practices for nutrient management.
- **Provide \$50 million** for the continuation of wetland restoration through the Department of Natural Resources, supporting 44 projects encompassing 80,000 acres of watershed and protecting threatened or endangered species. To date, this initiative has 26 wetland projects in contract, engaged with 18 nonprofit conservation partners

to support 60,000 acres of watershed filtered by wetland projects, and identified 90 species threatened or endangered that will benefit from this additional habitat.

- **Allocate \$92 million** for the Ohio Environmental Protection Agency to continue the protection of public health by improving water and wastewater infrastructure, reducing lead exposure by replacing an additional 1,500 lead service lines and more than 600 failed home treatment systems across seven counties. To date, H2Ohio has replaced 185 lead service lines, repaired or replaced 180 failed home sewage treatment systems, improved the quality of drinking water for 4,000 people, and served 670 people with three new wastewater projects.

Farmland Preservation

Agriculture is an integral part of the Ohio economy, and through this budget, we seek to stabilize and expand this sector of our marketplace. The Farmland Preservation Program's goal is to permanently preserve farmland through the purchase of agricultural easements from landowners. Similar to an economic development program, the proceeds are used to expand farming operations, reduce debt, and install conservation practices. To aid farmers and landowners to move forward quickly and preserve at least 3,500 additional acres, this budget adds \$7 million in addition to the \$12 million in recent capital appropriations.

Broadband

A lack of access to high-speed internet and digital resources is a significant barrier for Ohioans citizens and communities to connect with one another, with educational opportunities, and to job openings. A critical component of the DeWine-Husted agenda is to increase access to these important resources throughout the state. This Executive Budget will:

- **Invest \$200 million** to expand access to broadband for Ohio households that lack basic connectivity necessary to be part of the modern economy, modern education system and modern healthcare system. This investment provides direct grants to internet service providers to expand their network and to build conduits along limited access interstate rights of way that can then be leased out to companies for long haul and middle-mile infrastructure.
- **Provide \$50 million** to help companies provide low cost internet by paying infrastructure costs, leveraging state assets, and matching funds in order to draw down federal dollars to make broadband more affordable in both urban and rural areas.

Imagination Library

Encouraging imagination through books is essential to cultivating inquisitive learners and building sustaining relationships between the reader and the child. This Executive Budget provides \$16 million to continue the Governor's Imagination Library, providing all Ohio

children with a monthly book for the first five years of their lives. This program will help ensure that every Ohio child receives help spur their development and kindergarten readiness.

Children's Services Transformation

Creating safe, healthy, and stable environments for all Ohio children is central to thriving, renewed communities. This budget seeks to reinforce existing programs and invest in evidencebased strategies to promote independent families, build resilient children, and bring greater transparency to the children services system. The Executive Budget will:

- **Invest \$240 million** for State Child Protection Allocation (SCPA) to Ohio's 88 county public children services agencies, preventing custody relinquishment of Multisystem Youth, expand Foster Care Recruitment, and best practices to support Ohio's nearly 16,000 youth in and out-of-home care and more than 10,000 kinship and foster caregivers who care for them.
- **Provide \$60 million** in financial assistance to kinship while they work toward foster care licensure.
- **Allocate \$10 million** to provide financial support caregivers in cases where children cannot return to their homes.
- **Invest \$1 million** to engage college students in the protective services program with meaningful experiences that build commitment to the children services system and quality practice.
- **Fund \$20 million** for evidence-based prevention services to prevent children from entering the children services system and, if children must enter foster care, to ensure appropriate settings are used.
- **Support \$1 million** to establish a state-level ombudsman to independently investigate and resolve complaints made by or on behalf of children and families involved with children services.
- Devote \$14 million to help find permanent homes for children in foster care through Wendy's Wonderful Kids, a child-focused recruitment model.
- **Provide \$2 million** to help counties efficiently inspect and approve placements for foster and adoptive children.
- **Fund \$1 million** to establish the Adoption Assessor Registry to evaluate the current home assessor workforce, develop home study completion measures, and adjust requirements for assessors.

Keeping Ohioans in their Homes

The loss of income for Ohioans due to the pandemic has placed many in jeopardy, behind in rent, utility, and energy bills. Ohioans impacted by the pandemic with rent, rent arrears, utilities and home energy costs, and utility and home energy cost arrears will receive assistance from funds awarded to local Community Action Agencies (CAAs). These funds total \$565 million from the US Treasury and are approved for use in Ohio.

Foodbanks and Other Nutrition Programs

Local foodbanks have experienced a sustained increase in demand for their services as families struggle to put food on the table during the pandemic's economic impacts. The Executive Budget will help foodbanks purchase food for distribution and expand aid for the supply chain areas of transportation and storage capacity.

- Provide \$49 million to support the Ohio Association of Foodbanks in purchasing and distributing food products.
- Fund \$7 million in Fiscal Year 2022 to expand the storage capacity and meet the transportation needs of foodbanks during this crucial time.

Older Ohioans

The coronavirus pandemic has hit our older Ohioans very hard, amplifying health issues, increasing isolation, and reducing critical access to general healthcare, elective surgeries, nutrition, and long-term care. Governor DeWine's Executive Budget expands aid to Senior Community Services and the Department of Aging's Statewide Aging Initiatives to meet older Ohioans' needs best. The Executive Budget will:

- Provide \$8.7 million to support the implementation of health, nutrition, long-term care, and safety programs under the Older Americans Act and Medicaid through the state's Area Agencies of Aging.
- Allocate \$9 million to support older Ohioans' needs, including access, equity, health outcomes, independence, and protection for older Ohioans in whatever place they call home, with special consideration given to older Ohioans with the greatest need.

Investing in Ohio's Future: Thriving Economy

A thriving economy is how Ohioans begin anew in 2021 and beyond.

Ohio's economy was strong before the onset of the worldwide COVID-19 pandemic, and Ohio remains above the national average on Moody's Analytics/CNN's Back-to-Normal Index and on the path to recovery. The virus has significantly impacted certain sectors of the economy.

Ohioans are resilient. We are pioneers, and we are innovators. We see opportunity in the challenge, and this Executive Budget plan will assist Ohioans by investing in our communities, businesses, and economies. Governor DeWine's Executive Budget includes a \$1 Billion Investing in Ohio Initiative, an aggressive plan to accelerate economic growth and ensuring economic vitality. By making targeted investments, we can address disparities, build prosperity, and set Ohio on the road to a bright future.

Investing in Ohio by Sustaining Our Businesses

Recognizing that some sectors – such as entertainment, hospitality, and new businesses – have been hit especially hard by the pandemic, the Executive Budget invests \$460 million to help these entities cover costs and keep their doors open. The Executive Budget will:

- Provide funding for grants of up to \$30,000 to assist bars and restaurants that have been severely impacted by the pandemic.
- Assist 15,000 small businesses by providing \$10,000 grants to the qualified Small Business Relief Grant applicants who have yet to receive assistance through the state's share of the Coronavirus Relief Fund.
- Provide funding for grants up to \$30,000 to support lodging industry businesses that have seen a significant occupancy reduction during the pandemic.
- Provide funding for grants up to \$30,000 to support indoor entertainment venues that have been most impacted by the pandemic, including movie theaters, bowling alleys, trampoline parks, and privately-owned museums.
- Assist 2,000 new businesses across the state that opened their doors between the beginning of January and the end of March 2020 with grants of up to \$10,000 each. These critical grants will help our newest entrepreneurs make it through this challenging time.

Investing in Ohio by Enhancing our Communities

Through a nearly half-billion-dollar investment, we are supporting key infrastructure projects and the development and adoption of a more robust broadband network in communities throughout the state. The Executive Budget will:

- Invest \$250 million to provide grants to expand broadband access throughout Ohio, with the goal of ensuring that all households have the basic connectivity necessary to support children's homework, a job search, or online training.
- Invest \$200 million to provide up to \$2.5 million in grants to pay for infrastructure projects in communities.

Investing in Ohio by Telling Ohio's Story

Whether looking for a place to call home, receive an education, take a vacation, or start or advance your career, we want people living in and outside of Ohio to know they will find their future here. This budget will invest \$50 million in a national marketing campaign to drive 3 billion impressions across broadcast tv, connected tv, digital and social media, paid search, and limited radio and print advertisements promoting Ohio as the ideal place to live, learn, work, and play.

Investing in Ohio by Growing a Skilled Workforce

We are investing in programs to help tens of thousands of Ohioans upskill and find success in new careers and ensure businesses can access the talent needed in today's economy. While assisting Ohioans in accessing high-demand, quality-wage careers, these initiatives also ensure businesses have access to the talent needed in today's economy and make targeted workforce investments in rural and urban parts of the state. The Executive Budget will:

- Fund an additional 5,000 technology-focused credentials through the TechCred Program (including the Individual Microcredential Assistance Program) in Fiscal Year 2021 (\$5 million) and an additional 45,000 credentialed individuals in the next biennium (\$25 million in both Fiscal Years 2022 and 2023).
- Invest \$15 million to support targeted workforce investments in economically distressed rural and urban communities. This program partners with businesses, communities, organizations, and educational institutions throughout Ohio to establish and expand programs that help Ohioans reskill and pursue new, in-demand employment opportunities.
- Invest \$16 million with the goal of helping high school students earn 70,000 workforce credentials each year. An additional \$25 million investment is recommended to aid schools in offering new and high-demand credentials to students.
- Expand Ohio to Work to help Ohioans facing job loss connect with a career coach, supportive services, and rapid re-training to become employed in an in-demand job.
- Fund the Industry Sector Partnership Grant to support partnerships among business, schools, training providers, and community leaders, strengthening the local workforce.
- Continue to support and expand successful programs like the Export Internship, Diversity & Inclusion Internship, and Choose Ohio First. The Export Internship and the Diversity and Inclusion Internship programs will provide opportunities to 690 individuals across the biennium. Choose Ohio First will provide 2,000 new scholarships in addition to the 3,375 total scholarships in the 2019-2020 Academic Year.
- Guarantee that every student in Ohio has access to computer science education.

Transforming the Unemployment Insurance System

Ohio's unemployment insurance system needs to be modernized to better serve Ohioans. In the short term, Ohio will use federal funds to administer and provide additional call center support for Ohioans who receive unemployment insurance benefits and pandemic unemployment assistance through this crisis. The Executive Budget will invest more than \$10 million to modernize the unemployment insurance tax, benefits, and appeals systems to allow Ohio Job and Family Services (ODJFS) to provide a more efficient administration of the unemployment insurance program in the future.

Expanding Access to Affordable Childcare

The Executive Budget will ease the burden on low-income working parents and caregivers who struggle to provide adequate childcare. By raising family initial income eligibility requirements from 130 percent to 138 percent of the Federal Poverty Level (FPL), and 150 percent FPL for special needs children, more children will receive the care, supervision, and developmental opportunities they need.

Supporting K-12 Learning

As Ohio recovers from the pandemic, we must catch up kids who were left behind during school closures and continue to support students with the most need. Investing in children allows us to strengthen our future workforce and economy. In the Fiscal Years 2022 and 2023 budget recommendation, the Ohio Department of Education will disburse more than \$13.1 billion to schools and districts across the state to support Ohio's 1.7 million schoolchildren. This investment includes \$1.1 billion in Student Wellness and Success Funds, adding \$100 million to this program in each year, to help schools and districts continue partnerships with local organizations for programming to meet students' social and emotional needs. Additionally, \$125 million in foundation funding to schools and districts will also be restored in Fiscal Years 2022- 2023.

The Executive Budget also will appropriate over \$2 billion of additional federal funding provided in the recent stimulus package to give kids access to the learning opportunities they have missed out on because of the pandemic. To help kids catch up, schools and districts will develop extended learning and learning recovery plans. Schools and districts will partner with community organizations to deliver extended learning and activities to targeted student populations.

Additionally, \$1.6 billion in federal funding will support child nutrition programs, including the National School Lunch, National School Breakfast, and Child and Adult Food. These programs reimburse schools, childcare centers, after-school programs, and adult day centers for providing nutritious meals and snacks that contribute to the health and wellness of children, older adults, and chronically disabled persons.

The recommended Fiscal Years 2022-2023 funding levels allow the Department to leverage state and federal funds to promote high-quality professional development and school improvement initiatives. This includes targeted support for students with disabilities, literacy improvement, social and emotional learning, and promoting the use of data to improve learning for all students. The budget promotes local partnerships, which are essential to student success and school improvement.

To encourage and identify high-quality charter schools, the Executive Budget will increase the Quality Community School Support Fund to \$54 million per year. To access these funds, charter schools must meet several academic, good-standing, and financial criteria set forth by the Department. These funds will help successful charter schools build the capacity to serve more Ohio students.

Prioritizing Higher Education and Student Scholarship Programs

Ohio prioritizes access to a quality college education for our disadvantaged students to create more opportunities to succeed. The cost of higher education is a barrier to many students to obtain a degree and the skills necessary to compete in today's fast-paced economy. The Executive Budget will:

- Raise the per-student Ohio College Opportunity Grant award by \$500 over the biennium to make college more affordable for students with financial need.
- Provide at least 2,000 new scholarships through the Choose Ohio First scholarship program, which helps students become skilled in high-demand areas and prioritizes awards for underrepresented

populations enrolled in the critical STEM disciplines of science, technology, engineering, math, and medicine.

- Continue to support Ohio's wide range of colleges and universities throughout the state by increasing our investment in the State Share of Instruction institutional subsidy by 1.8 percent over the biennium to maintain quality and provide support services.

Substitute House Bill 74: Transportation Budget Summary

Public Transit: Doubles the proposed biennial total investment for public transportation, taking it to \$193.7 million over the next two years, specifically \$46.3 million GRF, \$66 million flex funds and \$81.4 million in FTA funding over the biennium.

Remove distracted driving provisions: Removes all of the as introduced bill's provisions related to distracted driving.

State Highway Patrol funding: Removes fee increases and provides an additional \$35 million per year in general revenue funds, solely for Highway Patrol operating costs.

Farm bus registration: Increases the validity period of a motor vehicle registration for a farm bus from 210 to 310 days, aligning the farm bus registration period to the time H-2A visas are valid.

Force accounts: Removes language from the introduced version that would have determined force account thresholds based on lane miles instead of centerline miles.

Regional Transportation Planning Organizations (RTPOs): Allocates \$2.6 million per year to RTPOs for rural transportation planning grant programs.

Vehicle registration reminder notices: Clarifies electric vehicles are excluded from E-check. These vehicles are currently exempted, the provision clarifies that Ohio must provide electric vehicles the current exemption.

Rules regarding highway construction bidding: Requires ODOT to adopt rules that prevent any particular type of highway pavement from receiving priority in the bidding process. Specifies rules are to be promulgated through the 119 rule making process.

Landslide mitigation: Removes language that would permit ODOT to complete certain landslide mitigation projects without competitive bidding.

Joint Ownership with Right of Survivorship: Extends the joint survivorship provision in current law for motor vehicles, to all purpose vehicles and off-highway motorcycles. Allows owners who have title through joint ownership with right of survivorship to transfer that title through a transfer-on-death designation.

Transit Authority Membership & Taxation: Removes provision that temporarily reauthorizes a special procedure to allow certain subdivisions to join a regional transit authority (RTA) that levies a property tax and satisfies certain population criteria and to convert that property tax to a sales and use tax.

Signage: The bill includes a provision encouraging ODOT to install more "Keep Right Except To Pass" signs throughout Ohio.

Salvage certificates of title: Makes permanent a temporary provision of law that prohibits a clerk of court from issuing a salvage certificate of title if the only basis for issuing the title is information reported from the National Motor Vehicle Title Information System.

Revenue share fee exemption: Language prohibiting the Department of Administrative Services from charging a revenue share fee as a term or condition of a sale made through a cooperating purchasing program.

Remove navigable airspace provisions: Removes all of the as introduced bill's provisions related to navigable airspace.

Retail Service: Language clarifying an existing rule pertaining to the general prohibition against a retail seller charging any additional fee.

Land conveyance: Language authorizing the Governor to convey state-owned land in Jefferson County to the state for the benefit of the Jefferson Soil and Water Conservation District.

Township fire department vehicles: The sub-bill includes language adding township fire department vehicles in the as introduced bill's exemption from vehicle weight limits and permit requirements.

Chairman of the Board
JANE M. NEAL
Senior Vice President, AMG Vanadium, LLC

President
RYAN AUGSBURGER



February 16, 2021

The Honorable Brett Hillyer
Chairman
House Civil Justice Committee
77 S. High St., 11th Floor
Columbus, OH 43215

RE: Senate Bill 13 – Written Proponent Testimony

Dear Chairman Hillyer:

The Ohio Manufacturers' Association (OMA) appreciates the opportunity to provide written proponent testimony on behalf of Senate Bill 13.

Senate Bill 13 would reduce the statute of limitations for oral and written contracts. Under Senate Bill 13, the statute of limitations for written contracts would be reduced from the current eight years to six; for oral contracts, it would be reduced from six years to four. The bill provides greater predictability and certainty for businesses and would benefit Ohio's business climate for manufacturing.

The OMA appreciates the time and effort Senator Lang invested in crafting this legislation and we encourage a swift, affirmative vote of the esteemed committee.

Thank you very much for the opportunity to submit this written testimony. I'd be pleased to try to answer any questions that you might have; contact me at rbrundrett@ohiomfg.com or (614) 629-6814.

Sincerely,

A handwritten signature in blue ink that reads "Rob Brundrett".

Rob Brundrett
Managing Director, Public Policy Services

ATTORNEY-CLIENT PRIVILEGED MEMORANDUM

To: Rob Brundrett, Ohio Manufacturers' Association

From: Bricker & Eckler LLP (Jack Rosati)

RE: **House Bill 68 – Potential Adverse Impact on Ohio Manufacturers of Proposed Amendment to O.R.C. 4113.61 Voiding the Standard Construction Contract Payment Process and Establishing a Punitive Interest Rate.**

Date: March 1, 2021

How would HB 68 Modify Ohio Construction Law and What are the Potential Negative Impacts on Ohio Manufacturers?

Last year, HB 380 was introduced seeking to amend the statute governing the payment obligations of an Ohio Manufacturer under a construction contract. That Bill did not pass. However, the proposed amendment has now returned as HB 68. HB 68 would require that the owners of private construction projects (including manufacturers building, improving, or maintaining facilities in Ohio) pay contractors within 30 days of receiving an application for payment from the contractor or, if there is a process for certification of a payment application by a design professional, within 30 days after the payment application has been certified, whichever is later. The recognition of the certification process was in response to concerns expressed by OMA last year but is the only substantive change to the legislation as introduced last year, despite objections to other provisions that were voiced by OMA.

Under HB 68, late payments would be subject to a punitive 18% interest rate. While many manufacturers will see the potential problems with this ill-conceived legislation on its face, it may be helpful to delineate some of the major concerns.

- 1) This legislation is a solution in search of a problem. Virtually every private construction contract is a freely negotiated agreement that sets forth the payment process in great detail and sets an agreed upon, reasonable interest rate for late payments. No one is holding a gun to the heads of the contractors to sign an unfair agreement. This is particularly so in today's construction marketplace where it continues to be a seller's market, despite the current pandemic. One of the pillars of a free market economy is freedom of contract. It is not appropriate for the legislature to negotiate contract terms by statute that provide a huge potential windfall to one of the parties at the expense of another party, who may not be well versed in Ohio statutory law. As will be elaborated below, if this legislation passes, a manufacturer could negotiate a contract with reasonable payment terms and a reasonable interest rate, and comply with those contract obligations, only to later find out that they have

violated the law and now owe 18% interest plus potential attorney fees and costs.

- 2) While it may not affect a manufacturer directly, the definition of an “Owner” who may be liable for the statutory penalties goes beyond entities that sign a written contract for construction. First, a written contract is not required which creates the potential for litigation based solely on an alleged verbal agreement which is fraught with the potential for fraudulent claims. Moreover, because an Owner includes anyone who has a legal or equitable interest in the project, it could be the basis for claims against anyone who holds a ground lease or a mortgage on the property, even if they are not parties to the construction contract.
- 3) HB 68 is not just a trap for unwary Owners who negotiate a contract in good faith, comply with its terms, and then have an 18% penalty sprung upon them. It will also have a chilling effect on economic development generally, and will have a negative impact on the attractiveness of Ohio to major manufacturers who might come to Ohio, meaning a potential loss of jobs not only for those who might be employed by the manufacturer, but by those who would have been employed to perform the construction. Far from addressing a real, pervasive problem, HB 68 will, in fact, create far worse and very real problems for Ohio manufacturers.



MEMORANDUM

TO: Ohio Manufacturers' Association
Government Affairs Committee

FROM: Bricker and Eckler LLP
Christopher N. Slagle, OMA General Counsel

DATE: March 3, 2021

RE: March 2021 OMA Government Affairs Committee Counsel Report

I. March 2021 Government Affairs Committee Counsel Report.

Please find below several political, legislative, and judicial efforts our Firm has been monitoring for the OMA.

II. Statewide Ballot Issues Overview.

The next opportunity for statewide ballot issues is the November General Election. Statewide ballot issue committees must submit their petition of signatures to be placed on the 2021 general election ballot by or on June 30, 2021. All ballot issues certified by both the Attorney General and the Ohio Ballot Board can collect signatures to be placed on the upcoming general election ballot.

III. Pending Legislation (2021-2022).

The House and Senate began the 134th General Assembly on January 4, 2021. Governor DeWine released his executive operating budget proposal on February 1, 2021. Despite slowed economic activity caused by the pandemic, tax receipts were higher than expected, resulting in state spending relatively similar to previous budget levels. The executive budget proposal does not contain controversial policy changes, unlike the previous budget where Governor DeWine proposed a hike in the gas tax.

Repealing House Bill 6 Efforts. After the previous General Assembly failed to address H.B. 6, many House and Senate members reintroduced legislation to repeal all or portions of H.B. 6 including:

- House Bill 10 is sponsored by Representative David Leland (D-Columbus). The measure would repeal and refund the subsidies, as well as the decoupling charges. It would also repeal Ohio Valley Electric Corp. cost recovery and revoke changes to the Home Energy

Assistance Program while creating a new Energy Waste reduction program. The bill was introduced on February 3, 2021 and was referred to the Senate Public Utilities Committee. The bill received its first hearing on February 17, 2021.

- House Bill 18 is sponsored by Representative Laura Lanese (R-Grove City). The bill fully repeals H.B. 6. Therefore, Ohio's energy efficiency program and renewable energy portfolio standards would be reinstated if H.B. 18 is enacted. The bill was introduced on February 3, 2021 and was referred to the Senate Public Utilities Committee. The bill received its first hearing on February 17, 2021.
- House Bill 57 is sponsored by Representative Michael Skindell (D-Lakewood) and Representative Michael O'Brien (D-Warren). Identical to H.B. 18, H.B. 57 will repeal all provisions enacted by H.B. 6. Ohio's energy efficient program and renewable portfolio standards would return to the levels required before H.B. 6 was enacted. The bill was introduced on February 3, 2021 and was referred to the Senate Public Utilities Committee. The bill received its first hearing on February 17, 2021.
- House Bill 58 is sponsored by Representative Michael Skindell (D-Lakewood) and Representative Sedrick Denson (D-Cincinnati). If enacted, the bill will repeal the budget provision that allowed the Public Utilities Commission of Ohio (PUCO), in its significantly excessive earnings test (SEET) reviews for annual ESP adjustments, to consider, "directly or indirectly, the revenue, expenses, or earnings of" any EDU affiliate that is an Ohio EDU. The bill revives prior law that prohibits PUCO from considering these factors for "any affiliate or parent company". The bill was introduced on February 3, 2021 and was referred to the Senate Public Utilities Committee. The bill received its first hearing on February 17, 2021.
- House Bill 128 is sponsored by Representative Jim Hoops (R-Napoleon) and Representative Dick Stein (R-Norwalk). This bill was coined as the House plan to repeal H.B. 6. H.B. 128 fully repeals the nuclear and solar subsidies that were enacted under H.B. 6. The bill also eliminates the decoupling provisions enacted in H.B. 6 and the prior budget change to the significantly excessive earnings test (SEET) that FirstEnergy benefited from. The bill does not touch the OVEC benefits received in H.B. 6. Lastly, the bill requires the Ohio Power Siting Board to issue a report to lawmakers by Dec. 1, 2021, on transmission projects and spending. The bill was introduced on February 16, 2021 and referred the House Public Utilities Committee. So far, the bill has received two hearings.
- Senate Bill 10 is sponsored by Representative Mark Romanchuk (R-Medina). S.B. 10 terminates the decoupling mechanism that provided benefits to FirstEnergy. All funds collected under the mechanism in 2019 must be refunded to customers. Additionally, the bill also repeals the budget provision that allowed the PUCO to consider earnings of EDUs affiliates in Ohio during its revenue review under the SEET. All funds collected

attributable to the PUCO's SEET review must be refunded to customers. The bill was introduced on January 21, 2021 and referred to the Senate Energy and Public Utilities Committee. After three hearings, the committee unanimously reported the bill out of committee on February 9, 2021. The following week, the Senate unanimously passed the legislation. The bill now awaits action in the House.

- Senate Bill 44 is sponsored by Senator Michael Rulli (R-Salem) and Senator Jerry Cerino (R-Kirtland). S.B. 44 eliminates the nuclear subsidies that were enacted under H.B. 6. However, the bill keeps the solar subsidies that were created under H.B. 6. The bill was introduced on February 2, 2021 and received three hearings in the Senate Energy and Public Utilities Committee before being voted out of committee on February 23, 2021.

Unemployment Compensation. No legislation has been introduced to this general assembly regarding unemployment compensation. However, many House members have asked cabinet members of the Administration during their budget testimony how much unemployment compensation fraud has cost the state during the recent months. Senate President Matt Huffman (R-Lima) told the Gongwer News Service he wants a long-term solvency plan included in the state budget.

H.B. 68 - Payment to Construction Contractors. Representative Jon Cross (R-Kenton) and Representative Bride Sweeney (D-Cleveland) reintroduced House Bill 380 language on February 4, 2021. House Bill 68 was referred to House Commerce and Labor Committee. Thus far, H.B. 68 received one hearing in the committee. Generally, H.B. 68 requires owners of commercial and public construction projects to pay contractors within 30 days after receiving a request for payment. If a payment is not timely made, then an 18% annual interest rate will be applied to the amount owed. This modification to the Prompt Pay Act would include private owners in the act. Currently, the act only addresses payments amongst contractors, subcontractors, material suppliers, and laborers.

State Minimum Wage. Representative Brigid Kelly (D-Cincinnati) and Representative Dontavius Jarrells (D-Columbus) reintroduced legislation to increase Ohio's minimum wage. House Bill 69 increases the minimum wage to ten dollars per hour beginning January 1, 2022. Every year after Ohio's minimum wage will increase by one dollar until 2027 when it hits fifteen dollars per hour. The bill was introduced on February 9, 2021 and was referred to the House Commerce and Labor committee.

Senator Cecil Thomas (D-Cincinnati) and Senator Hearcel Craig (D-Columbus) introduced similar legislation to increase Ohio's minimum wage, Senate Bill 51. S.B. 51 increase the minimum wage to twelve dollars per hour beginning January 1, 2022. Every year after Ohio's minimum wage will increase by one dollar until 2025 when its hits fifteen dollars per hour. S.B. 51 also allows any municipal corporation, township, or county may establish a higher minimum than the state's minimum wage. If the employer is subject to both a municipality's minimum wage

and the state's minimum wage, the employer must pay their employees the highest minimum wage they are subject to. The bill was introduced on February 9, 2021 and was referred to the Senate Workforce and Higher Education Committee. The committee has not scheduled the bill for a hearing yet.

Local Referendum on New Energy Generation Sites. Two bills were introduced that grants the capability to invalidate an Ohio Power Siting Board certificate for wind and solar projects via a voter referendum. Representative Craig Riedel (R-Defiance) and Representative Dick Stein (R-Norwalk) introduced H.B. 118 on February 18, 2021. The bill was referred to the House Public Utilities Committee and received its first hearing on February 23, 2021. Senator Bill Reinke (R-Tiffin) and Senator Rob McColley (R-Napoleon) introduced S.B. 52 on February 9, 2021. S.B. 52 was referred to the Senate Energy and Public Utilities Committee. So far, the bill received one hearing.

S.B. 68 Prohibits Felony Question on Job Applications. Senator Sandra Williams (D-Cleveland) introduced S.B. 68, which prohibits private employers from including on an employment application any question concerning whether an applicant has been convicted of or pleaded guilty to a felony. This bill was introduced on February 17, 2021, and has not been referred to a Senate committee.

IV. Tort Reform.

Counsel is currently monitoring various tort reform legislative efforts and await the possible re-introduction of certain civil justice legislative items from prior legislative cycles. Thus far, the 134th General Assembly has kept Ohio within the same bounds of tort reform, and continues to discuss how to change the laws to be better for businesses in Ohio.

Third Party Litigation Funding. Senator Steve Wilson (R-Maineville) reintroduced the non-recourse civil litigation legislation, S.B. 95. Specifically, the bill requires a company engaged in the business of non-recourse civil litigation advance in Ohio to register with the Superintendent of Financial Institutions in the Department of Commerce.

Statute of Limitations on Contracts.

Senator George Lang (R-West Chester) introduced S.B. 13 on January 21, 2021, which mirrors H.B. 251 from the previous General Assembly. The legislation shortens Ohio's statute of limitations for actions brought related to contracts. The Senate quickly acted on the bill by referring it and passing it out of the Senate Judiciary Committee within a week. S.B. 13 was considered by the full Senate on February 3, 2021 and passed unanimously out of the chamber. Following, the House referred S.B. 13 to the House Civil Justice Committee on February 10, 2021. The bill received two hearings and was voted out of the committee on February 23, 2021.

Representative Brett Hillyer (R-Uhrichsville) also introduced the language, House Bill 53, on February 3, 2021. The bill was referred to the House Civil Justice Committee, but has not received a first hearing.

V. Ohio's Redistricting Efforts

Ohio's Redistricting process will look different this year due to the 2015 and 2018 constitutional amendments that alter how the general assembly districts and congressional districts will be drawn.

Ohio's General Assembly districts, including the 33 Senate Districts and 99 House Districts, will be drawn by a seven-member Ohio Redistricting Commission, as established in a 2015 constitutional amendment. The commission includes Gov. Mike DeWine, State Auditor Keith Faber, Secretary of State Frank LaRose and two appointees from each chamber of the General Assembly. It will have a 5-2 Republican edge and a bipartisan vote is required to approve a map. Any legal challenge against the map drawn must be filed at the Ohio Supreme Court.

Ohio's Congressional district boundaries will be drawn by the full General Assembly, as established in a 2018 constitutional amendment. To adopt a map, lawmakers must approve districts with a sufficient bipartisan supermajority. If the required supermajority is not reached, the process then passes to the Ohio Redistricting Commission. If the commission is unable to adopt a plan with sufficient bipartisan support, the General Assembly is again empowered to draw districts, although a lower majority is required. Any legal challenge must be filed at the Ohio Supreme Court.

In mid-February, the U.S. Census Bureau announced that it would not meet the legal deadline of March 31, 2021 to release the census data, citing the effects of the COVID-19 pandemic. Instead, the U.S. Census data set a new deadline of September 30, 2021. Census data gives states their overall population, which allows for new general assembly districts and congressional district lines to be drawn. On February 25, Ohio's Attorney General Dave Yost (R) filed a case in the United States Circuit Court for Southern District of Ohio for injunctive relief against Secretary Coggins of the U.S. Department of Commerce (Case No. 3:21-cv-64).

In the complaint for injunctive and mandamus relief, Attorney General Yost argues that under Ohio's Constitution, the Ohio Redistricting Commission must finalize its work on the general assembly districts by September 1. Ohio's Redistricting Commission will not be able to meet the constitutional deadline if the Commission does not receive the data until September 30, 2021. Additionally, Ohio's general assembly is supposed to finalize congressional districts by September 30, 2021. Although, the Ohio Constitution spells out other options if the general assembly or the Redistricting Commission is unable to finalize the districts maps by the deadlines, these other options were created if members could not agree on the districts line. Therefore, Ohio will be harmed because it will not be able to utilize the new processes properly for drawing fair district maps. The Attorney General requests the court to either: (1) set aside the Census Bureau's unlawful

decision; and (2) issue an injunction either prohibiting the defendants from delaying the release of Ohio's redistricting data beyond March 31, 2021, or else requiring the defendants to provide the State with Ohio's population data at the earliest date this Court deems equitable. Alternatively, the State of Ohio seeks a writ of mandamus requiring the Secretary to meet the statutory March 31 deadline.

VI. Political Updates

At the end of January, Senator Rob Portman (R) announced he would not seek reelection; therefore, his U.S. Senate seat is up for grabs. Several individuals have expressed interest in running for the seat; however, two individuals have already indicated their candidacy for the seat. Former State Treasurer Josh Mandel was the first individual to announce his intent to run for Portman's seat. Quickly following, former Ohio Republican Party chair, Jane Timken, announced her bid for the seat. Both are Republican candidates, so the field for the primary will likely be crowded. Due to Trump's large win of Ohio in 2020, a Republican candidate could be successful in a statewide race. No Democrats have announced a bid for the seat, but Counsel expects the candidate field to get more crowded in the next few weeks.

House and Senate Republican members introduced legislation to require certain judicial candidates to place their party designation after their names on the ballot. Senator Teresa Gavarone (R-Bowling Green) and Senator Jerry Cerino (R-Kirtland) introduced S.B. 80 on February 23, 2021. Representative D.J. Swearingen (R-Huron) and Representative Brian Stewart (R-Circleville) introduced similar legislation in the House, H.B. 149. Counsel will continue monitoring the status of this legislation due to the Court's composition being an important element to Ohio's business climate remaining stable.

VII. Litigation and Amicus Activity Update

A. Litigation and Amicus Activity Update

1. Monitored Cases

- a. *State of Ohio v. Du Pont de Nemours and Co.*, Washington County Common Pleas Court, No. 18OT000032 (February 8, 2018)

On February 8, 2018, Ohio Attorney General Mike DeWine filed a lawsuit against DuPont and the Chemours Company in the Washington County Common Pleas Court alleging that the company released perfluorooctanoic acid (PFOA) from its 1,200 acre facility on the Ohio River for decades, all while knowing the harm the toxic chemical posed to people and the environment.

The complaint cites a 2017 University of Cincinnati study that found residents of the Mid-Ohio River Valley had elevated levels of PFOA. The state further alleges that at least 150,000 pounds of the chemical used to manufacture Teflon products was put into the Ohio River in the

1980s and an additional 350,000 pounds was discharged into the river in the 1990s. The complaint alleges that DuPont negligently caused environment contamination and created a public nuisance through its release of PFOA in the air, soil, and water.

The state is asking for (1) a declaration of DuPont's duty to compensate the state for expenses related to the contamination from the chemical; (2) damages for injury to the state's natural resources; (3) an award of present and future costs to clean up the contamination; and (4) restitution damages for profits DuPont obtained through the conduct alleged in the complaint.

On April 12, 2018, Defendants each filed a motion to dismiss. DuPont argues that the court lacks jurisdiction because the US EPA consent orders preempt such claims and that the state lacks standing. Defendant Chemours Company's motion to dismiss argues that the state failed to state a claim upon which relief can be granted against Chemours. On May 14, 2018, the state filed its memoranda in opposition to Defendants' motions to dismiss. The motions to dismiss have been fully-briefed and argument was held on July 20, 2018, but the Court has not yet decided any of them.

On October 12, 2018, the Little Hocking Water Association ("Little Hocking") filed a motion to intervene as a plaintiff. The State opposed the motion. This motion has been fully-briefed and the parties are awaiting the Court's decision.

In January 2019, this case was assigned to Judge Timothy Hogan, a retired judge from Hamilton County, Ohio. In late February, Plaintiff requested a status conference with the Court in late March to address the pending motion to dismiss, the pending motion to intervene, and to discuss a scheduling order.

On June 4, 2019, the court denied the Defendants' motions to dismiss and also denied Little Hocking's motion to intervene. Little Hocking filed a motion for reconsideration, which awaits the court's decision.

On July 5, 2019, Little Hocking also appealed from the June 4 decision denying its motion to intervene. This appeal is pending in the Fourth District Court of Appeals, designated as Case No. 19CA000015. On July 25, the Court of Appeals ordered Appellant to file a memorandum addressing the issue of jurisdiction. Ultimately, the appeal was dismissed for lack of a final appealable order.

On July 29, 2019, Plaintiff filed an amended complaint to add claims for actual and constructive fraudulent transfer under the Uniform Fraudulent Transfer Act, R.C. 1336.01, *et seq.* On August 28, 2019, Defendant filed a motion to separate and stay Plaintiff's claims for actual and constructive fraudulent transfer. The State opposed this motion. On December 26, 2019, the Court denied this motion. On January 15, 2020, Defendants filed their answers to the amended complaint.

On March 12, 2020, the court granted Plaintiff's motion to compel discovery. The court indicated that it was not impressed with some of the Defendants' objections to discovery and stated that, "discovery, if obstructed, shall be met with punishing sanctions."

In the past few months, several subpoenas for records have been served and objections to some of them have been filed.

A new case scheduling order was issued on October 16, 2020, which sets the following deadlines: (1) fact discovery – February 26, 2021; (2) expert discovery – November 30, 2021; and (3) dispositive motions – January 15, 2022. The trial is scheduled to begin on April 4, 2022.

Also, on October 16, 2020, the Court found Defendants to be in noncompliance with some of its previous orders. It ordered Defendants to produce all documents responsive to Plaintiff's First Request for Production of Documents without regard to privilege. If the State intends to use a document, then Defendants may assert a privilege and seek an in camera review.

On October 23, 2020, DuPont appealed from the October 16 order to the extent it requires the production of privileged information. It also filed an emergency motion for stay pending the outcome of the appeal. Plaintiff opposed the motion to stay. To date there has been no ruling on the motion to stay.

On November 2, 2020, Plaintiff filed a motion for leave to file its second amended complaint due to DuPont's corporate reorganization and alleged attempt to transfer its assets. DuPont opposed this motion. To date there has been no ruling on the motion for leave to file a second amended complaint.

On December 22, 2020, the Court ordered Defendants to produce the Corporate Environmental Database and other items listed in Plaintiff's December 2, 2020 letter. The court further indicated that failure to comply by December 15, 2020 "will result in an evidentiary sanction."

Judge Hogan retired, effective December 31, 2020 and withdrew from the case. Retired Judge Richard McMonagle was assigned as the presiding judge for this cases effective February 1, 2021.

b. *State of Ohio v. Purdue Pharma L.P., et al.*, Ross County Common Pleas Court, No. 17CI000261

On May 31, 2017, Ohio Attorney General Mike DeWine filed an action in Ross County Common Pleas Court against several manufacturers of opioids, including Purdue Pharma (which sold OxyContin) and Endo Health Solutions (which sold Percocet). The lawsuit alleges that the defendant drug companies violated the Ohio Consumer Sales Practices Act and created a public nuisance by disseminating false and misleading statements about the benefits and risks of

opioids. The suit alleges that the defendant drug companies' conduct increased the prescription of opioids and fueled Ohio's opioid crisis. Among other remedies, the State seeks an injunction to stop continued misrepresentations and damages for the money the State spent on opioids.

The drug company Defendants moved to dismiss the complaint and sought a stay of discovery. The motions to dismiss are fully-briefed. On March 28, 2018, the trial court denied Defendants' motion to stay discovery pending the results of the multi-district litigation, but granted their motion to stay discovery pending the trial court's ruling on the motions to dismiss. On April 30, 2018, the trial court held oral argument on Defendants' motions to dismiss (and other pending motions).

On August 22, 2018, the trial court denied all motions to dismiss. It also vacated the stay on discovery, allowing discovery to proceed. Defendants have filed answers. The Court held a status conference on April 5, 2019. In early May, the Defendants filed a motion to compel discovery from the State. The State opposed this motion and it is fully briefed.

The case was scheduled for a multi-week trial, beginning on August 10, 2019, but no trial commenced on that date. Since May 2019, there have been numerous filings to compel the State, its agencies, and the governor's office to provide discovery. As of November 8, 2019, the court had not decided these discovery disputes. Several subpoenas *duces tecum* have been served on third parties.

On September 12, 2019, the State moved for leave to file an Amended Complaint, which was granted. On September 16, 2019, Purdue Pharma filed a notice of suggestion of bankruptcy and automatic stay of proceedings. The State moved to sever the claims against Purdue Pharma. The case is proceeding against the remaining Defendants. Defendants filed answers to the amended complaint on November 1, 2019. Several subpoenas have been served on third-parties and third-party discovery is ongoing. On February 25, 2020, the State filed its First Amended Complaint.

On April 3, 2020, a motion to compel the State to comply with agreed procedures for the production of documents was filed. This motion has been fully-briefed, but has not yet been decided.

On August 28, 2020, Defendant Mallinckrodt filed a Motion to Dismiss the First Amended Complaint. The motion has not yet been decided.

On October 13, 2020, Mallinckrodt filed a Notice of Suggestion of Pendency of Bankruptcy and Automatic Stay of Proceedings. On October 15, 2020, the State moved for an order severing the claims against Mallinckrodt. The parties continue to engage in third-party discovery; several subpoenas for records and motions to have been filed.

On February 26, 2021, the State, Janssen Pharmaceuticals, Inc., and Johnson & Johnson entered into a 60-day stipulated stay of discovery in contemplation of settlement. This stipulated agreement does not affect proceedings against any other Defendant.

c. *State of Ohio v. McKesson Corporation, et al.*, Madison County Common Pleas Court, No. CVH20180055

On February 26, 2018, Ohio Attorney General Mike DeWine filed an action in Madison County Common Pleas Court against the following distributors of opioids: McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Drug Corporation, and Miami-Luken, Inc. The lawsuit alleges, among other things, that these distributors acted irresponsibly in oversupplying the market in and around Ohio with opioids and failed to report suspicious orders to the U.S. Drug Enforcement Agency and the Ohio Board of Pharmacy. The suit alleges that these companies should have known that the volume of opioids supplied far exceeded what could responsibly be used in Ohio, thereby fueling Ohio's opioid epidemic.

The State seeks a number of remedies, including punitive damages and compensatory damages for increased costs Ohio incurred for criminal justice, healthcare, social services, and education related to the opioid epidemic.

On May 30, 2018, Amerisource Bergen Drug Corp., Cardinal Health, Inc. and McKesson Corp. filed a joint Civ.R. 12(B)(6) motion to dismiss the complaint. On June 1, 2018, Miami-Luken, Inc. filed a Civ.R. 12(B)(6) motion to dismiss the complaint. The motions to dismiss are fully-briefed and awaiting a decision.

In January and February 2019, two Defendants filed motions to compel the State to provide discovery responses. These Defendants assert that the State's objections to the discovery responses are baseless. The State opposed the motions to compel. The Court denied the motions to compel.

On May 20, 2019, the Court denied the Defendants' motions to dismiss. Answers were filed on July 3, 2019. Also on July 3, 2019, the State filed a motion seeking an order to prohibit speaking objections during depositions. On July 15, 2019, the Court granted this motion. Defendants have filed several pro hac vice motions to admit out-of-state counsel to participate in this case. On July 25, 2019, the Court entered a stipulated protective order.

Several non-party Defendants that have been served with subpoenas (such as the Office of Budget and Department of Public Safety) have moved to quash them and for protective orders. Discovery disputes have resulted in multiple motions to compel and motions for protective orders. Notably, the Court denied McKesson's third motion for a protective order and ordered it to present a corporate representative for a Rule 30(B)(5) deposition. The Court granted the Defendants': (1) motions to compel the State to respond to discovery requests relating to damages, fact witnesses,

and expenditures; and (2) motions to compel the production of documents from several state agencies. Some briefing has been held in abeyance due to COVID-19.

On May 29, 2020, McKesson moved for leave to file under seal its motion to preclude evidence of certain damages. On June 1, 2020, McKesson moved to reopen discovery. On June 1, 2020, the Court reset some discovery deadlines, but kept the trial date of October 19, 2020.

On June 29, 2020, the Court granted the motion to preclude certain damages. As a result of this ruling, the State may not offer evidence or argument concerning any damages incurred before 2006.

On July 31, 2020, Defendants filed their motions for summary judgment under seal. The motions assert that summary judgment in favor of Defendants is appropriate on the following grounds: (1) failure to prove an element of the public nuisance and negligence claims; (2) failure to establish proximate cause; (3) Plaintiff's claims are abrogated by the Ohio Product Liability Act; and (4) Plaintiff cannot establish damages. On August 31, 2020, Plaintiff filed a motion for leave under seal its memorandum opposing Defendants' motion for summary judgment, which was granted. The trial is scheduled to begin on March 8, 2021.

Plaintiff opposed Defendant's summary judgment motions on September 9, 2020. On September 18, 2020, Defendants filed their reply memoranda in support of summary judgment. On August 10, 2020, the Court denied McKesson's motion to reopen fact discovery.

On August 24, 2020, Defendants filed a motion to defer the trial date due to the ongoing COVID-19 pandemic. On August 28, 2020, the Court filed an entry designating the Madison County Fairgrounds as the venue for trial, due to the size of the Madison County Courthouse and COVID-19 considerations. The March 8, 2021 trial was continued and is now scheduled for September 7, 2021.

Plaintiffs opposed Defendants' summary judgment motions on September 9, 2020. On September 18, 2020, Defendants filed their reply memoranda in support of summary judgment.

d. Global Opioid Settlement

On October 21, 2019, Distribution companies AmerisourceBergen, McKesson, Cardinal Health and drug manufacturer Teva Pharmaceuticals reached a \$260 million settlement with the adverse parties in the combined cases to be heard in Cleveland, Ohio. The distribution companies will pay the counties \$215 million, while Teva will pay \$20 million and donate \$25 million to Suboxone. After the settlement amounts were announced, Governor DeWine and Attorney General Yost conducted an informal meeting with local and county leaders to discuss the settlement funds being spread across the counties. Attorney General Yost had previously pressed the Legislature for a statutory change to allow the Attorney General's office to control cases that affect the public of Ohio. Even those efforts failed, Attorney General Yost still pressed for the

state's involvement to allow all counties to receive sufficient funds and avoid disparity among separate county suits. After several months of these negotiations, Governor DeWine announced a framework for how the dollars may be distributed. On February 13, 2020, Governor DeWine stated the preliminary proposal will give 30% to local governments upfront and 15% to the state. The remaining 55% will go into a trust controlled largely by local entities, with the proceeds of the trust supporting ongoing efforts to battle addiction. Governor DeWine also stated more of the state's portion may be allocated to the trust to help battle addiction issues in Ohio in the future. The counties and municipalities involved have until March 6th to agree to the "One Ohio" plan. Attorney General Yost and Governor DeWine have publicly stated their optimism for the plan to be adopted. As of March 12, 2020, 73 of the state's 88 county governments agreed to the One Ohio plan. Attorney General Yost stressed that other entities may join even though it is beyond the original deadline to agree of March 6th.

The State of Ohio is still pursuing separate lawsuits against drug makers and distributors, including Cardinal Health in Ross and Madison counties. Both suits were scheduled to begin in October; however, they were delayed until March. Another separate lawsuit against pharmacies was set to go to trial in November, but Judge Polster cancelled the trial due the pandemic and rescheduled the trial to May of 2021. In December of 2020, Judge Polster notified parties in the case that the trial delayed again due to concerns with safety and the pandemic. The new trial date is October 4, 2021.

- e. *Hardwick v. 3M Company*, U.S. District Court, Southern District of Ohio, Eastern Division, Case No. 2:18-cv-1185

Fifteen years ago, the Supreme Court of Ohio was asked to consider whether class certification under Civ.R. 23 (B)(2) (which applies to injunctive relief) is proper in an action seeking to establish a medical-monitoring fund for employees who alleged they had been exposed to beryllium dust and fumes. *See Wilson v. Brush Wellman, Inc.*, 103 Ohio St.3d 538 (2004). The Court's analysis focused on whether the relief requested, medical monitoring, was primarily compensatory or injunctive. The Court noted that, "depending on the nature of the precise relief sought and the circumstances of the particular case, many courts have declined to certify medical monitoring classes when joined with requests for funding and compensation." *Id.* at 542. And, that is what the *Wilson* plaintiffs sought both compensation and funding for medical-monitoring relief. After carefully analyzing the criteria for class certification, the Court concluded that plaintiffs did not meet the standard for class certification under Civ.R. 23 (B)(2).

Brush-Wellman is still the last word from the Supreme Court of Ohio on the issue of medical-monitoring relief in a class action.

But, on September 30, 2019, an Ohio federal court may have opened the door to such relief in the future. In *Hardwick v. 3M Company*, Case No. 2:18-cv-1185, the Court denied the Defendants' motion to dismiss a class action complaint focused on PFAS (per- and polyfluoroalkyl substances). According to the U.S. EPA, PFAS are a group of man-made chemicals that have been

manufactured and used in a variety of industries around the world since the 1940s. The two most extensively produced PFAS (PFOA and PFOS) are persistent in the environment and in the human body. The named Plaintiff in the *Hardwick* case, a firefighter for more than 40 years, alleges that he used firefighting foams that contained PFAS. Because PFAS are so prevalent, if this class is certified, it may be only the tip of the iceberg on PFAS class actions seeking damages and medical-monitoring relief, which likely would need to be funded for decades.

After the Court denied the motions to dismiss, some of the Defendants filed answers and some filed a motion for reconsideration. The Court denied the motion for reconsideration on the issue of personal jurisdiction. On September 1, 2020, Defendant Daikin Industries filed a petition for permission to appeal the personal jurisdiction issue under 28 U.S.C. §1292(b). The Court denied permission to appeal this issue on February 17, 2021.

On April 30 2020, the District Court entered a preliminary pretrial order based on the parties Rule 26(f) report, which required the parties to (1) submit letters by May 20, 2020, regarding the timing of Plaintiff's motion for class certification, and (2) serve initial disclosures by May 30, 2020. The pretrial order indicated that a discovery schedule will not be issued until the yet-to-be-filed motion for class certification is determined.

On July 31, 2020, Plaintiffs moved for class certification. Defendants filed their response opposing class certification on December 14, 2020. Plaintiff's reply is due on March 12, 2021.

Subpoenas for documents have been served upon third-parties.

- f. PFAS cases against DuPont de Nemours Inc., *U.S. District Court, Southern District of Ohio, Eastern Division, Case No. 2:17-cv-00998*

Thousands of cases were filed against DuPont alleging that the company contaminated drinking water for years by discharging toxic chemicals known as PFAS into the water from one of its plants along the Ohio River. Plaintiffs allege that the exposure from the chemicals lead to a greater risk of developing six types of illnesses: testicular cancer, kidney cancer, thyroid disease, ulcerative colitis, high cholesterol, and preeclampsia. Shortly after some of cases went to trial a few years ago, DuPont settled cases involving more than 3,500 victims for \$670.7 million.

There is a 60-person group of Plaintiffs suffering from testicular and kidney cancer whose claims have not been settled. Two of these cases went to trial in 2020 (involving a woman with kidney cancer and a man with testicular cancer) and found no basis for punitive damages to be awarded. The jury deadlocked in the kidney cancer case. DuPont filed a motion for new trial on April 24, 2020 and filed a motion to clarify the record on appeal on June 9, 2020. The motion for new trial has not yet been addressed, nor has DuPont filed an appeal. Therefore, this case is ongoing.

On February 24, 2020, the Plaintiffs filed a motion for judgment as a matter of law and Defendants filed a motion for judgment as a matter of law. On September 8, 2020, the court granted Plaintiffs' motion and denied Defendants' motion.

On December 31, 2020, the court denied DuPont's motion for mistrial (filed on March 3, 2020) and renewed motion for a mistrial as to Travis and Julie Abbott (also filed on March 3, 2020).

2. Amicus Cases

a. *Thompson, et al. v. Governor DeWine, et al.*, Sixth Circuit Court of Appeals, Case No. 20-3526

On May 19, 2020, Judge Sargus, a federal district judge in the Southern District of Ohio, issued a decision in a case involving three sets of petitioners attempting to get measures on the November 2020 ballot. The petitioners are obtaining signatures in support of two statewide initiative petitions to change the Ohio Constitution (the Safe and Secure Election Amendment and the Raising the Wage Amendment). The third group of petitioners is seeking to change local laws to decriminalize marijuana possession in several southeastern Ohio cities.

The petitioners sued Governor DeWine, Director of Health Acton, and Secretary of State LaRose alleging that the state requirements to get their petitions to the ballot coupled with the "stay at home order" violate their First Amendment rights under the U.S. Constitution. Judge Sargus granted a preliminary injunction in favor of the petitioners, enjoining the enforcement of Ohio's requirements that all petitions be signed in ink and witnessed by the petition circulator, and extended the deadline (set forth in the Ohio Constitution) for filing signatures in support of the statewide initiative petitions from July 1, 2020 to July 31, 2020. The District Court's order also required the State to accept electronically-signed and witnessed signatures (even though this has never been done before in Ohio) and to meet and confer with petitioners to work out any technical or security issues related to the on-line collection of signatures.

The State appealed the decision to the Sixth Circuit Court of Appeals the next day and moved to stay the District Court's order. The State also moved to have the appeal heard en banc (i.e., by the full court).

The Ohio Manufacturers' Association (along with other statewide business organizations) filed a motion for leave to support the State's motion to stay as amicus curiae. Among other things, the OMA argued that requirements at issue – signing in ink and having signatures witnessed by the circulator – prevent fraud and should be strictly complied with. The OMA also argued that the District Court's decision extending the deadline for filing the signatures to July 31, 2020 eliminated the constitutional right to challenge signatures/the petition because objections are required to be filed on July 31, 2020 under the Ohio Constitution.

On May 26, 2020, the Sixth Circuit granted the motion to stay the District Court's decision. As a result, petitioners are not able to gather signatures electronically and the deadline for gathering signatures and submitting them to the Secretary of State is July 1, 2020 again.

The motion for en banc consideration was denied on June 16, 2020. The next day, the Court set a briefing schedule requiring the State's brief to be filed no later than July 27, 2020 and the Appellees' briefs to be filed no later than August 26, 2020. The State filed its brief on July 17 and the OMA and other amici filed their motion for leave to file their brief (with the brief attached) on July 2, 2020.

On August 20, 2020, the statewide petitioners (supporting ballot issues for raising the minimum wage and amending the Ohio Constitution's election provisions) moved to withdraw from the appeal. The State agreed not to object to the motion on the condition that the statewide petitioners dismiss the underlying lawsuit and they agreed to do so. The appeal is still being pursued by the local initiative petitioners who are seeking to enact ordinances in Akron and other political subdivisions to decriminalize marijuana possession.

When the local initiative petitioners filed their brief, they added counsel from the Sidley Austin law firm and added Oliver B. Hall from the Center for Competitive Democracy. The State filed its reply brief on September 3, 2020.

On September 16, 2020, the Sixth Circuit Court of Appeals issued a per curiam opinion reversing the District Court's decision granting a preliminary injunction. As a result, the local initiative petitioners were not able to present the initiative to voters on the November 2020 ballot. The Court's issued a mandate on October 8, 2020.

On February 9, 2021, the local initiative petitioners filed a petition for a writ of certiorari to the U.S. Supreme Court. (A late filing was permitted under the U.S. Supreme Court's interim rules in effect during the coronavirus pandemic.) The State's response is due on April 7, 2021.

VIII. Update to the Tax Counsel's Report.

Tax Counsel Justin Cook provided an update from the March Tax Counsel's Report.

1. Selected Legislation:

S.B. 276. S.B. 276 replaces Ohio's Limited Liability Company Act with the Revised Limited Liability Company Act codified as R.C. Chapter 1705. The biggest change to the LLC statutes is that Ohio now permits series limited liability companies. To address potential tax abuses by series LLCs, S.B. 276 amends R.C. 5751.012, the commercial activity tax ("CAT") provisions on combined filing. R.C. 5751.012 now provides that a "limited liability company and *any series thereof* shall file as a combined taxpayer for the calendar year *if it is determined, by a preponderance of the evidence*, that such series of the limited liability company was created, in whole or in part, to *avoid* paying [the CAT]." (emphasis added).

An LLC or series of an LLC will be considered formed for the purpose of avoiding tax if “a limited liability company or series thereof that would otherwise be subject to the tax imposed under this chapter, the creation of the series results in either the *reduction of taxable gross receipts below one hundred fifty thousand dollars* or *evasion of the bright-line presence standard* under division (I) of section 5751.01 of the Revised Code.” (emphasis added).

H.B. 150. H.B. 150 enacted changes to the CAT and Ohio’s Financial Institutions Tax (the “FIT”). Prior to H.B. 150, mortgage brokers originating a loan could generally assign the loan to a bank that advanced closing funds without paying CAT on the money used to finance the transaction; a broker only paid CAT on the fees and other consideration received for origination. H.B. 150 provides a similar exclusion for mortgage lenders, allowing a mortgage lender to sell a mortgage or mortgage-backed security without paying CAT on the portion of consideration that corresponds to loan principal.

Additionally, separate from the changes to CAT, H.B. 150 reduces the FIT by up to \$1,000,000 for what is defined as “de novo” banks, i.e. banks that have operated for less than three years. Under the FIT, de novo banks calculate the amount of FIT otherwise due and subtract the \$1,000,000 reduction from their tax liability. If the resulting total is \$0 or less, no tax is due.

2. Selected Proposed Legislation:

H.B. 110. Ohio’s budget bill for FY 2022-2023 includes a number of proposed changes to the tax laws. The most significant include the following:

- The bill would amend R.C. 5747.08 and remove the requirement for taxpayers claiming the business income tax deduction to separately report income for each type of business activity he or she conducted during the year.
- The bill would amend R.C. 5751.03 to require the minimum CAT be calculated based on the prior year’s gross receipts.
- The bill would add a new section to the CAT, R.C. 5751.015. This section provides statutory rules for determining common ownership for purposes of consolidated and combined filing. Currently, rules for identifying common ownership are contained in the Tax Commissioner’s regulations.

S.B. 18. S.B. 18 would amend R.C. 5751.01(F)(2) to exclude BWC “dividends” from the definition of a taxable gross receipt.

3. Administrative Actions:

O.A.C. § 5703-29-02. The Department of Taxation's (the "Department's") proposed changes to O.A.C. § 5703-29-02 were finalized on January 11th and became effective on January 21st. The final regulation relates to CAT for entities under common ownership. Specifically, the regulation narrows the circumstances when the Tax Commissioner will grant a retroactive election for consolidated (rather than a combined) group status. This important final regulation is ultimately a reaction to a BTA decision from October of 2019.

The CAT is a gross receipts tax imposed without a deduction for the cost of goods sold. As a result, when taxed under the default classification of a combined group, entities under common ownership will realize taxable gross receipts on transactions with other related members of their group.

To avoid what amounts to essentially phantom gross receipts between related parties, the Revised Code allows taxpayers to file an election to be taxed as a *consolidated* group (as opposed to a *combined* group). Electing consolidated status waives a challenge to nexus, but allows exclusion of intercompany transactions from the scope of taxable gross receipts.

The idea that inter-company transactions between related parties could generate taxable gross receipts is not intuitive for many unsuspecting taxpayers. As a result, taxpayers often overlook filing a consolidated election. This can result in significant and unexpected tax liability.

Under the former version of O.A.C. § 5703-29-02, the Tax Commissioner could grant a consolidated election retroactively upon request. Retroactive relief would mitigate the negative tax consequences of simply overlooking the need to file a consolidated election. The regulations, however, were silent on when such relief was appropriate or what standards a taxpayer had to satisfy.

In *Nissan North America, Inc. v. McClain*, BTA No. 2016-1076 (October 9, 2019), the BTA held that under the former regulations a taxpayer could appeal the Tax Commissioner's denial of a retroactive election made *after* commencement of a CAT audit. Additionally, based on the circumstances at issue in *Nissan*, the BTA also found that the Tax Commissioner *abused his discretion* in denying the taxpayer's request for retroactive relief.

The amended version of O.A.C. § 5703-29-02 attempts to minimize the *Nissan* decision and significantly curtail when retroactive relief may be provided. In fact, relief may only be provided now in two instances. First, relief may be granted if due to clerical error the taxpayer failed to file a timely consolidated election. Clerical error under the regulations means a taxpayer filed otherwise correct returns under the belief that a consolidated election was in place (i.e., all related members were registered for tax and excluded intercompany transactions as if a consolidated election was in place). Second, relief may also be granted if the taxpayer comes forward through participation in a voluntary disclosure program, meaning a request for retroactive relief must be made prior to being contacted by the Department for audit.

Going forward, O.A.C. § 5703-29-02 also appears to keep retroactive relief discretionary; the regulation maintains the Tax Commissioner “may,” as opposed to “shall,” grant retroactive relief to Taxpayers claiming clerical error or making voluntary disclosure.

4. Judicial Actions:

a. Ohio Board of Tax Appeals

Cincinnati Federal Savings & Loan v. McClain, BTA No. 2018-2247 (Dec. 22, 2020), 2020 WL 7711533. Taxpayer in this case was a bank that purchased software from Vendor (Fiserv) to operate its online banking platform, which included a variety of features (e.g., online bill-pay) and many separate software programs. The BTA’s decision in *Cincinnati Federal* is important for manufacturers due to the volume of software they purchase, both to support business functions and operate manufacturing processes.

In Ohio, off-the-shelf software is taxable, but sales of “custom software” are considered non-taxable professional services. Taxpayer claimed it purchased non-taxable “custom software” because Vendor worked with Taxpayer to identify the specific mix of software programs necessary to meet Taxpayer’s needs and which, collectively, became Taxpayer’s unique online banking platform.

The BTA, noting the lack of precedent on this issue, rejected Taxpayer’s argument. The BTA explained the following:

The record in this case indicates software customization is a spectrum. On one end, vendors sell prewritten software with no modifications specific to the purchaser. Such software is taxable. . . On the other end, a vendor creates an entirely new software system from scratch, which would likely be exempt. The services Fiserv provides are in the middle. While *Cincinnati Federal* focuses on the system specific to it, the record is clear Fiserv is a major player in banking software and services with a significant number of clients who use Fiserv's software. Fiserv did not start from scratch. But we also recognize Fiserv made some modifications to account for *Cincinnati Federal's* needs. We need not draw the line on that spectrum in this case because that is the responsibility of the General Assembly. Because the exemption is “doubtful” we reject the argument.

Ultimately, taxpayers looking to claim the customer software exemption should consider the holding and language of *Cincinnati Federal* when drafting a description of software deliverables and a project’s scope in developer agreements.

Leadership

Statute of Limitations Reform Bill Sent to Governor February 26, 2021

This week, the Ohio House unanimously passed **Senate Bill 13**. This **OMA-supported** legislation would reduce the statute of limitations for oral and written contracts. Under SB 13, the statute of limitations for written contracts would be reduced from the current eight years to six; for oral contracts, it would be reduced from six years to four. SB 13 now heads to the governor's desk for his signature or veto. *2/25/2021*

Senate President Seeks to Fix Ohio's Unemployment Insurance System February 26, 2021

As state lawmakers work on the new biennial budget, Senate President **Matt Huffman** (R-Lima) wants a fix by June 30 for Ohio's unemployment compensation system. According to **Gongwer News Service**, the state's Unemployment Trust Fund — which **at last check** was borrowing an average of nearly \$7 million a day to pay benefits — owes the federal government more than \$1.4 billion, due in large part to government restrictions imposed during the pandemic.

To address the insolvency of the trust fund, lawmakers must conduct “a serious examination of the premiums that employers pay into the fund and the benefits unemployed workers receive,” Huffman said. *2/25/2021*

U.S. Government to Review Nation's Supply Chains February 26, 2021

President Biden this week **signed an executive order calling for a 100-day review** of U.S. supply chains for large-capacity batteries, pharmaceuticals, critical minerals, and semiconductors to identify vulnerabilities that might impact key sectors of the economy. The new order will include reviews for defense, public health, IT, energy, transportation, and food production — and is intended to lead to policy ideas that will both increase domestic production for critical inputs and stabilize

relationships with international partners to ensure reliable trade.

The National Association of Manufacturers **said** it shared the administration's goal of increasing manufacturing investment in the U.S. *2/25/2021*

Report: China May Curb Rare Earth Exports to Hinder U.S. Defense Industry February 26, 2021

A **report** in the *Financial Times* (subscription) says China could cripple America's defense industry by limiting the export of rare earth minerals needed to manufacture F-35 fighter jets and other vital weaponry.

According to the publication, China's Ministry of Industry and Information Technology has proposed controls on the production and export of 17 rare earth minerals, of which China controls about 80% of global supply. **Another report** says China is considering a ban on the export of rare earth minerals as part of its sanctions on individual companies due to arms sales to Taiwan. *2/22/2021*

Ohio Receives Poor Grades for Roads, Bridges February 26, 2021

Despite spending more than \$3.5 billion last fiscal year on transportation infrastructure, Ohio gets poor grades for its roads (D grade) and bridges (C+) in the Ohio Council of the American Society of Civil Engineers' 2021 **report card for infrastructure**. The report says that 6% of the state's 44,736 bridges and 17% of its nearly 123,000 miles of public roads are in poor condition.

For an overview of the state's transportation infrastructure funding, Ohio's non-partisan Legislative Service Commission has produced **this infographic**. *2/22/2021*

RSM: Conditions Ripe for Manufacturers to Make Investments February 26, 2021

OMA Connections Partner RSM has produced **this article** to explain why historically low interest rates are providing a rare

opportunity for many manufacturing businesses to make long-term strategic investments in technology and other improvements, such as facility upgrades. The firm's recent survey of middle-market businesses showed that more than half of respondents (52%) expect to boost investment in productivity-enhancing capital expenditures such as software, equipment, and intellectual property over the next six months. *2/24/2021*

Dan French Celebrates 50 Years at French Oil February 19, 2021

Longtime OMA board member Daniel P. French, the chairman and CEO of Piqua-based French Oil Mill Machinery Company, is celebrating 50 years of service with the family-owned business. **Read the company's announcement** regarding Dan's milestone.

Last week, U.S. Rep. Warren Davidson (R-Ohio) surprised Dan with an on-site visit to present him with a framed copy of the remarks printed in the Congressional Record honoring Dan's career and service. *2/16/2021*



Addressing Ohio's Truck Parking Shortage February 19, 2021

This week, the OMA participated in the second meeting of the Ohio Freight Advisory Committee, convened by the Ohio Department of Transportation (ODOT). The meeting

highlighted the statewide shortage of commercial truck parking. (**View the meeting materials.**)

Next month, the Federal Highway Administration and ODOT will host a truck parking workshop (online) over the course of three days on March 15, 17 and 19. Space is limited. If you have transportation and logistics directors who would be interested in attending the workshops as part of the OMA delegation, **please contact staff** soon. *2/18/2021*

U.S. Manufacturing Shows Resilience During COVID-19 February 19, 2021

U.S. manufacturing output plummeted more than 20% between February and April 2020, but it has definitely recovered since then. National Association of Manufacturers Chief Economist Chad Moutray **reported** this week that production output in January was down only 1% from its pre-pandemic pace. January's 1% gain in output marked the eighth increase over the past nine months.

Five manufacturing sub-sectors have experienced increased production since January 2020: aerospace and miscellaneous transportation equipment (3.5% growth); food, beverage and tobacco products (3.5%); motor vehicles and parts (1.7%); chemicals (1.4%); and computer and electronics products (0.6%).

It was also announced this week that U.S. producer prices in January increased 1.3% — **the most since 2009** — suggesting rising inflation. *2/17/2021*

Manufacturing Industry Trends to Watch February 19, 2021

OMA Connections Partner RSM has assembled its list of the **top seven trends impacting the manufacturing industry**.

The firm says that going forward, manufacturers need to be pro-active about adapting their operations by embracing changes associated with the Fourth Industrial Revolution, or Industry 4.0. *2/16/2021*

New \$1 Billion-plus Columbus Innovation District Will Boost Ohio's STEM Talent Pool February 19, 2021

Gov. Mike DeWine **announced this week** that Ohio State University, Nationwide Children's Hospital, and JobsOhio are collaborating on a \$1.1 billion Columbus Innovation District. The project, which will focus on developing new gene and cell therapies to treat genetic disorders, is expected to create 20,000 jobs over the next decade — most of which will be in the STEM field. (**Just last month**, Ohio officials announced the new Cleveland Innovation District; the Cincinnati Innovation District was announced in March 2020.) OMA President Ryan Augsburger **said** the OMA is optimistic the project will enhance opportunities for Ohio's health care manufacturers and technology supply chain, while improving the state's already high quality of life. *2/17/2021*

OMA Grows Its Social Media Followers February 19, 2021

Approximately 7,500 individuals follow the OMA on one of three social media platforms — **LinkedIn, Twitter** or **Facebook**. If you're not already doing so, consider following us to monitor announcements regarding Ohio manufacturing job creation and investment, as well as helpful insight from OMA Connections Partners.

Also, the "**Making Ohio**" initiative — established by the OMA and its partners to spotlight career opportunities in modern manufacturing — has **its own Facebook page**. With more than 1,100 "likes" and followers, this page seeks to engage young people, educators, and community leaders as part of the OMA's broader workforce strategy. *2/15/2021*

Rachael Carl Joins OMA's Public Policy Team February 12, 2021

This week, the OMA **announced** that Rachael Carl has been named director of public policy services. Rachael will help oversee the **OMA's advocacy services** and lobbying efforts at the Ohio Statehouse and within the executive branch and state agencies. A native of Grove City and graduate of The Ohio State University, Rachael most recently served as a legislative liaison for the office of Gov. Mike DeWine. Prior to her role in the governor's office, she was legislative director for the Ohio

Department of Commerce and a legislative aide in the Ohio House of Representatives.

You can email Rachael here. 2/8/2021 Broadband Funding Bill Approved by Ohio Senate February 12, 2021

The Senate this week unanimously approved **Senate Bill 8**, legislation to appropriate \$20 million to distribute via a competitive grant pool to broadband providers that otherwise would not pursue expansion in an underserved area. The OMA supports SB 8 and the creation of the Ohio Residential Broadband Expansion Grant Program. *2/11/2021*

A Look at New Members of the Ohio General Assembly February 12, 2021

There are several first-time lawmakers in Ohio's 134th General Assembly. The Senate has six freshmen — all Republicans — while the House has 24 new representatives — 19 Republicans and four Democrats.

Impact Ohio has compiled lists of the General Assembly's **new representatives** and **new senators**, complete with a short bio for each member. *2/10/2021*

Report: Can the Heartland Lead America's Reshoring? February 12, 2021

Heartland Forward — an Arkansas-based think tank — has released a new research paper titled, "**Reshoring America: Can the Heartland Lead the Way?**" The study examines the advantages of the U.S. Heartland and the role these interior states can play in revitalizing American manufacturing. JobsOhio helped commission the report.

The study references a 2020 survey that found 70% of manufacturing firms said they would likely reshore in the coming years. Ohio is spotlighted in the study several times, including for its business friendliness. The study also quotes Karen Wright, president of OMA member Ariel Corporation, who points out Ohio's energy cost advantages. *2/9/2021*

Leading Indicators Show Ohio Manufacturing Hours Back to 2018 Levels **February 12, 2021**

The latest Ohio Leading Indicators report, published by the Ohio Department of Job and Family Services, shows seasonally adjusted total non-farm employment was 5,236,200 in December — up 0.2% over the previous month, but down 6.3% over the year. Ohio's average weekly manufacturing hours increased to 42.5 in December, a level not seen since 2018.

See the full report for the job-growth outlook for all of Ohio's metropolitan statistical areas. *2/8/2021*

DeWine-Husted Budget Includes \$460M for Businesses **February 5, 2021**

This week, Gov. Mike DeWine and Lt. Jon Husted unveiled the administration's two-year state budget, with the centerpiece being an approximately \$1 billion "Investing In Ohio Initiative" to help businesses and communities recover from the pandemic. (See the **governor's press release** or **watch his press conference**. Also, check out the administration's "**Blue Book**.")

The one-time spending proposal would distribute \$460 million to support Ohio's small businesses in the following manner:

- \$200 million for bars and restaurants;
- \$150 million for Small Business Relief Grant applicants that previously applied and are qualified;
- \$50 million for lodging industry businesses;
- \$40 million for indoor entertainment venues; and
- \$20 million for new businesses, many of which were unqualified to receive previous funding.

The budget also includes \$70 million for workforce development efforts. (See our story in the *Workforce* section of this *Leadership Briefing*.) Another \$250 million would be used to expand broadband internet service to underserved areas and \$200 million for local government infrastructure projects to help attract jobs. Around \$50 million would be used in a national marketing campaign to promote Ohio as a great place to live, work and attend school. General Revenue Fund spending would grow to \$75 billion over the two years beginning July 1 — an increase of 3.4% the first year and 11% the second year — largely due to soaring Medicaid expenses. The plan contains no tax increases, but seeks a \$10 increase in motor vehicle registration fees and a \$2 increase to the title fee to help fund the State Highway Patrol. The state's \$2.7 billion rainy day fund would not be touched.

The Ohio House will hold budget hearings during the coming weeks. Lawmakers also will act on separate budgets for the Ohio Department of Transportation and the Ohio Bureau of Workers' Compensation and Industrial Commission. *2/1/2021*

Manufacturing Indexes Show Continued Growth; Higher Input Costs Could Present Speedbumps **February 5, 2021**

The Institute for Supply Management (ISM) manufacturing index for January, **released this week**, showed that U.S. manufacturing continued its recovery last month. Meanwhile, the final January IHS Markit manufacturing survey recorded its **highest reading** since 2007. And the U.S. Commerce Department **said this week** new orders for U.S.-made goods rose more than expected in December and business spending on equipment was solid, indicating near-term strength in the manufacturing sector. For a quick overview of key economic indicators in the U.S. manufacturing sector, check out graphs published by the Federal Reserve Bank of St. Louis to examine **manufacturing unemployment; average hourly earnings; average weekly hours; and real output**.

It should be noted the ISM index showed that prices for raw materials and other inputs jumped to their highest levels in nearly 10 years, "strengthening expectations inflation will perk up this year," **according to Reuters**. Record price increases were seen in aluminum, brass,

copper, chemicals, steel, soy and corn products, petroleum-based products including plastics, transportation costs, electrical and electronic components, corrugate, wood and lumber products. 2/1/2021

House Announces Committee Assignments February 5, 2021

Late Friday, Jan. 29, the Ohio House announced its list of committees and committee chairman for the 134th General Assembly. *Hannah News Service* has published **this list** of House committees, meeting times, and locations. In the current session, there are 23 House committees and five House Finance subcommittees. The 134th General Assembly features a few new House committees, including Behavioral Health and Recovery Supports; Families, Aging and Human Services; Government Oversight; Infrastructure and Rural Development; and Technology and Innovation. 2/4/2021

Statute of Limitations Bill Zooms Through the Senate February 5, 2021

This week, on a 32-0 vote, the Ohio Senate passed **Senate Bill 13**, legislation to reduce the statute of limitations for oral and written contracts. Under the bill, the statute of limitations for written contracts would be reduced from the current eight years to six; for oral contracts, it would be reduced from six years to four. The OMA is **supportive** of the proposed changes. The bill now awaits action from the Ohio House. 2/4/2021

Ohio's Vaccination Plan: What We Know So Far January 29, 2021

Ohio continues to distribute a limited supply of COVID-19 vaccines to at-risk individuals — and manufacturers continue to ask when their employees will be eligible for vaccination shots. The short answer: Most of us will be forced to wait until at least early spring.

Here's what we know right now:

- Ohio is currently in **Phase 1B** of the state's vaccine distribution plan. This phase is focused on

Ohioans ages 65 and older, those with severe medical and developmental concerns, and K-12 school personnel. With more than two million people in this group, Phase 1B will take several months to complete. (**Here are more details on Phase 1B**, as well as **locations of vaccine providers**.)

- The Ohio Department of Health says the vaccine distribution plan for future priority populations is still under development and will be shared publicly once finalized.
- Based on Ohio's draft plan, Phase 2 — as currently outlined — will include employees for essential businesses. It's believed this group will contain most manufacturing employees. The OMA continues to advocate that the Phase 2 definition of "essential businesses" should be the same as the definition used last spring to keep the vast majority of manufacturers and their suppliers operating. It's unclear when Phase 2 will begin due to the limited vaccine supplies.

- OMA members are advised to keep in close contact with their **local health district** since these districts will play a key role in the vaccine distribution. Read the OMA's regularly published **COVID-19 updates** (emailed to members) and visit the **Ohio Department of Health's vaccination program page**, which includes an updated FAQ section. 1/28/2021

Portman Won't Seek Re-Election; Husted Says He'll Eventually Run for Governor January 29, 2021

On Jan. 25, Ohio's U.S. Senator Rob Portman (R) **announced** he will not seek re-election when his term expires in 2022. Increasing partisanship in D.C. and his desire to spend more time in Ohio were key factors in his decision.

While there has been **much speculation** regarding who may seek the open seat next year, one high ranking state official has already ruled it out. Lt. Gov. Jon Husted **said** he plans to "keep doing this job, run for re-election, and one day in the future ... run for governor." 1/25/2021

\$565M Investment Will Spur Cleveland Innovation District, Opportunity for Health Care Manufacturers January 29, 2021

This week, Ohio officials **announced** a public-private investment of \$565 million to create the Cleveland Innovation District. The project aims to make the Buckeye State a global leader in health care — including in pathogen and virus research — while creating 20,000 jobs over the next decade and adding \$3 billion to the economy. The news is not only positive for Northeast Ohio, it's also promising for Ohio's health care manufacturers and technology supply chain. 1/25/2021

Biden Signs 'Buy American' Order for Government Purchases January 29, 2021

This week, President Joe Biden signed an **executive order** to boost "Buy American" provisions that the White House says will encourage the federal government to purchase more goods and services from U.S. companies. **Here are the president's remarks.**

According to reports, the new order will make it harder for federal agencies to purchase imported products by revising the definition of American-made products and raising local-content requirements, while ensuring that small and mid-size businesses have better information to bid on government contracts. Federal agencies are encouraged to partner with

Manufacturing Extension Partnerships (MEPs) "to conduct supplier scouting in order to identify American companies ... that are able to produce goods, products, and materials in the U.S. that meet federal procurement needs."

Meanwhile, *IndustryWeek* has published **this summary** of five of President Biden's early orders that have implications for U.S. manufacturers. 1/26/2021

Ohio Manufacturers Share Their Pandemic Responses During MEP Roundtable January 29, 2021

The **Ohio Manufacturing Extension Partnership** (MEP) this week conducted its latest installment in a series of virtual roundtable discussions featuring manufacturers from around the state. Moderated by OMA President Ryan Augsburger, manufacturing leaders shared the steps they have taken over the past year to respond to challenges posed by COVID-19. **Watch the recorded roundtable discussion.** 1/28/2021

New Regulatory Reform Bill Receives First Hearing January 29, 2021

This week in the Ohio Senate, the Government Oversight and Reform Committee heard **sponsor testimony** on **Senate Bill 9**. The bill contains several provisions aimed at reducing the number of regulations in the Ohio Administrative Code.

The bill would require state agencies to reduce regulatory restrictions by 30% by June 2025, while prohibiting agencies from increasing the percentage of restrictions within their rules. It would allow agencies to come before the Joint Committee on Agency Rule Review (JCARR) to lessen the required reduction if they could demonstrate why they cannot meet the threshold within SB 9.

The OMA will be closely monitoring this bill. Contact **Rob Brundrett** with questions. 1/28/2021

New Statute of Limitations Bill Begins Its Legislative Journey January 29, 2021

This week, the Senate Judiciary Committee **received testimony** on **Senate Bill 13**, introduced by Sen. **George Lang** (R-West Chester). A re-introduction of legislation that stalled at the end of the last General Assembly, SB 13 would reduce the statute of limitations for oral and written contracts. Under the bill, the statute of limitations for written contracts would be reduced from the current eight years to six; for oral contracts, it would be reduced from six years to four.

In its **proponent testimony**, the OMA wrote: "The bill provides greater predictability and certainty for businesses and would benefit Ohio's business climate for manufacturing."

The OMA also provided proponent testimony through the **Ohio Alliance for Civil Justice**, of which the OMA is a member. The committee is expected to quickly advance the measure to the full Senate. *1/28/2021*

Broadband Expansion is a Top Senate Priority January 29, 2021

Sen. **Rob McColley** (R-Napoleon) this week **presented testimony** in support of his **Senate Bill 8**, which would utilize a competitive grant pool to fund the last mile of broadband infrastructure in rural regions of the state. The OMA supports the creation of the Ohio Residential Broadband Expansion Grant Program, which **SB 8 would establish** via a public-private partnership. Grants would be available to private internet service providers to expand service to Ohioans living in traditionally underserved areas. *1/28/2021*

Estimating the Economic Costs of COVID-19 January 29, 2021

While the true cost of COVID-19 is difficult to quantify, Visual Capitalist has created **this infographic** to help visualize the country's pandemic-related economic losses as estimated by a Harvard University study. The study says the U.S. has lost more than \$16 trillion due to lost GDP, premature death, long-term health impairment, and mental health damage. *1/25/2021*

Ohio Senate Names Committee Chairs January 22, 2021

Hannah News Service has published **this list** of the Ohio Senate's committees and committee chairs for the 134th General Assembly. While there are still 16 committees, three from the 133rd General Assembly have been dropped: the General Government and Agency Review Committee and the two finance subcommittees.

Three new committees have been added: the Small Business and Economic Opportunity Committee, the Veterans and Public Safety Committee, and the Financial Institutions and Technology Committee.

Other committees have been reconfigured: Local Government is now paired with Elections; Transportation is now its own committee, as is Health; Education is now Primary and Secondary Education; and Higher Education is now paired with Workforce. *1/19/2021*

Pandemic May Put Brakes on Major Road Projects January 22, 2021

Lower state gas tax collections due to COVID-19 will likely mean a significant pause for major new road projects in Ohio. This as the state was recently **ranked No. 32** for traffic and infrastructure by Wallethub.

The Columbus

Dispatch (subscription) **reported** this week that the Ohio Department of Transportation projects revenue reductions of about \$174 million in the 2022 fiscal year and \$159 million in the 2023 fiscal year. This could significantly impact Gov. Mike DeWine's two-year spending plan, which must be presented to the General Assembly by Feb. 1. *1/20/2021*

Study: Ohio a Leader in In-Bound Migration January 22, 2021

Some good news: When it comes to attracting new residents, Ohio was No. 4 in 2020, according to data from a **U-Haul study**. This as work from home orders and job losses caused by the pandemic prompted many Americans to pack up and head to other states, **according to CNBC**.

U-Haul's study contradicts the findings of a similar report from Atlas Van Lines that said Ohio suffered a net population loss last year based on its own migration patterns. *1/20/2021*

What's Ahead for Manufacturing in 2021? January 22, 2021

OMA Connections Partner Plante Moran has published **this summary** of trends likely to impact middle-market manufacturers in 2021 and beyond. The firm writes: "We're starting off the new year with a sense of tempered optimism."

Meanwhile, Chad Moutray, the chief economist for the National Association of Manufacturers, **reported** this week that U.S. manufacturing production increased 0.9% in December, rising for the eighth straight month. He said manufacturing production fell 6.5% on average in 2020, but "output should rise by the same percentage in 2021."

In Ohio, manufacturers employed **approximately 668,500** individuals as of November, according to the U.S. Bureau of Labor Statistics — a decline of roughly 30,000 jobs from a year earlier. *1/19/2021*

OMA Continues to Push for Vaccination Prioritization for Manufacturers January 15, 2021

This week, the OMA urged Gov. Mike DeWine and Lt. Gov. Jon Husted to prioritize manufacturers in the next phase of the state's distribution of COVID-19 vaccines.

In a **letter to the administration**, OMA President Ryan Augsburger outlined how manufacturers have led the fight in both safety protocols and productivity during the COVID-19 pandemic. Augsburger urged the administration to include all manufacturers and their suppliers in Phase 2 of the **state's vaccination program**.

Ohio continues to modify its rollout of the vaccines and has prioritized the state's most vulnerable populations during the first phase (**Phase 1A** and **Phase 1B**). Phase 2 is tentatively expected to start sometime in the late winter or early spring.

For the latest information on Ohio's vaccination plan, manufacturers should stay in touch with their **local health departments** and monitor the **OMA's COVID-19 updates**. *1/14/2021*

Ohio Senate Releases Schedule; State Office Buildings in Columbus Closed Until Thursday January 15, 2021

The Ohio Senate has released its schedule for calendar year 2021. A summary of the Senate's calendar, provided by *Hannah News Service*, is **available here**. The first session date is scheduled for Feb. 3.

The House continues to work on its schedule, expected to be released soon.

Meanwhile, Gov. Mike DeWine has announced that the Statehouse and other downtown state office buildings **will be closed** from Sunday, Jan. 17 through Wednesday, Jan. 20 due to planned pre-inauguration protests. The governor said he made the decision with the support of Speaker **Bob Cupp** (R-Lima) and Senate President **Matt Huffman** (R-Lima). *1/14/2021*

Get Your Ohio Facts Straight January 15, 2021

Every two years, the Ohio Legislative Service Commission releases its *Ohio Facts* publication to give lawmakers a broad overview of the state and its economy. The 2020 edition was recently made available online. Some of the more interesting facts in the new edition include:

- Ohio's economy remains more concentrated in manufacturing than the U.S. as a whole. Production of goods accounted for 22% of Ohio's GDP in 2019, higher than the comparable figure for the U.S. (17%).
- Of Ohio's 88 counties, 29 gained population between 2010 and 2019. Of the 14 counties with population growth of 3% or higher, six counties are in Central Ohio and four counties are in Southwestern Ohio.
- In 2019, Ohio's per-capita income of \$50,546 ranked 31st among all

states, but was higher than that of all neighboring states except Pennsylvania.

Read the entire document here. *1/11/2021*

Allen County's Bob Cupp, Matt Huffman Set to Lead 134th General Assembly January 8, 2021

This week marked the opening of Ohio's 134th General Assembly.

Newly elected Senate President **Matt Huffman** (R-Lima) was unable to attend his own swearing-in after he was **diagnosed with COVID-19**. Huffman was elected president 31-0. In comments to Statehouse news media, he said that much of the Senate's early agenda will address unresolved issues from the 133rd General Assembly, particularly House Bill 6.

Huffman **has noted** his good relationship with House Speaker **Bob Cupp**, a fellow Lima resident. The two have known one another for 35 years. Cupp was **re-elected** 91-0 to the House's top leadership position.

Here's a look at the **freshmen lawmakers** in both chambers. *1/5/2021*

Brunner Sworn In as Ohio Supreme Court Justice; Republicans Hold 4-3 Majority January 8, 2021

The Supreme Court of Ohio now has three Democratic justices for the first time since 1994. Justice Jennifer Brunner was **officially sworn in this week** as the 162nd member of the Court, creating a ratio of four Republicans and three Democrats.

Brunner defeated Judi French, who'd been on the Court since 2013 and was a reliable vote in key cases involving employment law and business regulations. *1/5/2021*

Brundrett to Oversee OMA's Advocacy Operations January 8, 2021



Rob Brundrett has been promoted as the OMA's managing director of public policy services. An eight-year veteran of the association, Brundrett succeeds Ryan Augsburger, who was named OMA president in December 2020.

In his new role, Brundrett will lead the OMA's advocacy program and member engagement via the OMA's policy committees. He will also continue to serve as secretary of the corporation.

Brundrett is a native of Troy, Ohio. He earned his law degree from Cleveland State University and his undergraduate degree from Xavier University. Prior to joining the OMA staff, Brundrett worked in both the Ohio House of Representatives and the Ohio Senate, and also served as legislative director for the Ohio State Auditor. *1/5/2021*

Ohio's Unemployment Insurance Hole Keeps Growing January 8, 2021

The new year has brought a greater sense of urgency to address Ohio's Unemployment Insurance (UI) Trust Fund. Employers may be surprised to see their state unemployment tax obligations increase by 0.5%. This increase is part of the state Mutualized Tax that is automatically triggered when the UI mutual account has a negative balance.

After borrowing nearly \$1.3 billion from the federal government last year to pay unemployment benefits, Ohio will now be

charged interest if no new interest waivers are granted by the federal government starting in March 2021. Ohio manufacturers may ultimately be subject to an increase in Federal Unemployment Tax for 2022 if Ohio's loan amount remains outstanding as of Jan. 1, 2022 and is not repaid in full by November 2022. (Ohio's UI fund was **last deemed solvent in 1974.**)

The Tax Foundation has published **this comparison of all 50 states' UI trust fund balances**, as well as each state's number of current beneficiaries and average weekly benefit. At last check, Ohio was borrowing an average of nearly \$7 million a day to pay its UI benefits, according to a **report** by Fox19 in Cincinnati.

An OMA-supported and Senate-approved measure — **Senate Joint Resolution 4** — to allow Ohio to issue bonds to offset the federal loan died in the House at the conclusion of the 133rd General Assembly last month. *1/4/2021*

Study: Ohio Suffered Net Population Loss in 2020 **January 8, 2021**

Ohio continues to lose more people than its attracting, according to the **latest migration study** by Atlas Van Lines. The Buckeye State was one of 15 that lost more people than it gained last year, with 1,415 inbound moves and 1,796 outbound moves, according to the company. Overall, **Midwestern states** registered the most outbound moves. *1/5/2021*

Survey: U.S. Manufacturers See Solid Growth in December **January 8, 2021**

The Institute for Supply Management **reported** this week that U.S. manufacturing activity continued to expand in December, ending the year at the fastest pace of growth since August 2018. Of the 18 manufacturing industries, 16 reported growth last month. Manufacturing employment rebounded in December, expanding for just the second time since July 2019.

The **U.S. Manufacturing Outlook Index**, published by OMA Connections Partner RSM, has been positive for the five months since August, but the firm notes that "it may be some

time before we observe robust readings in manufacturing sentiment." *1/5/2021*

Leading Indicators Project Modest Statewide Jobs Growth Through June **January 8, 2021**

The latest **leading indicators report** by the Department of Job and Family Services shows total employment in Ohio is expected to grow at a modest annual rate of 1.16% for the next six months if the November employment rebound continues. Ohio's average weekly manufacturing hours increased to 41.8 in November.

Among metropolitan statistical areas (MSAs), Columbus is expected to have the highest growth at 1.67%, followed by Cleveland-Elyria at 1.51%, Cincinnati at 0.75% and Canton-Massillon at 0.7%. The MSAs projected to lose jobs include Youngstown-Warren-Boardman (-1.06%), Dayton (-0.45%), Akron (-0.06%), and Toledo (-0.02%). *1/5/2021*

Miscellaneous Legislation of Interest to Manufacturers

Prepared by: The Ohio Manufacturers' Association

Report created on March 2, 2021

- HB2** **REGARDS BROADBAND EXPANSION** (CARFAGNA R, STEWART B) Regarding broadband expansion, including access to electric cooperative easements and facilities, to make an appropriation, and to declare an emergency.
Current Status: 3/3/2021 - Senate Financial Institutions and Technology, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-2>
- HB13** **MODIFY THE CAMPAIGN FINANCE LAW** (GRENDALL D, FRAIZER M) To modify the campaign finance law and to declare an emergency.
Current Status: 2/4/2021 - Referred to Committee House Government Oversight
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-13>
- HB68** **PRIVATE CONTRACTOR PAYMENT** (CROSS J, SWEENEY B) To require owners of private construction projects to timely pay a contractor.
Current Status: 3/3/2021 - House Commerce and Labor, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-68>
- HB69** **INCREASE STATE MINIMUM WAGE** (KELLY B, JARRELLS D) To increase the state minimum wage.
Current Status: 2/10/2021 - Referred to Committee House Commerce and Labor
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-69>
- HB74** **ENACT FY22-23 TRANSPORTATION BUDGET** (OELSLAGER S) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2021, and ending June 30, 2023, and to provide authorization and conditions for the operation of those programs.
Current Status: 3/10/2021 - Senate Transportation, (Fifth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-74>
- HB90** **OVERSIGHT OF GOVERNOR'S AND HEALTH ORDERS** (WIGGAM S, EDWARDS J) To establish legislative oversight of the Governor's executive orders, certain public health orders, and emergency rules, including by establishing the Ohio Health Oversight and Advisory Committee.
Current Status: 2/24/2021 - **SUBSTITUTE BILL ACCEPTED**, House State and Local Government, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-90>
- HB110** **OPERATING BUDGET** (OELSLAGER S) To make operating appropriations for the biennium beginning July 1, 2021, and ending June 30, 2023, to levy taxes, and to provide authorization and conditions for the operation of state programs.
Current Status: 3/4/2021 - House Finance Higher Education Subcommittee, (Eighth Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-110>

- HB111** **ALTER USE OF CELLPHONES WHILE DRIVING LAWS** (LIGHTBODY M) To alter the law governing the use of a handheld electronic wireless communications device while driving.
Current Status: 2/17/2021 - Referred to Committee House Transportation and Public Safety
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-111>
- HB149** **JUDICIAL CANDIDATES-PARTY BALLOT DESIGNATION** (SWEARINGEN D, STEWART B) To require certain judicial candidates to appear on the ballot with a party designation.
Current Status: 3/4/2021 - House Government Oversight, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-149>
- HB153** **PRESCRIPTION DRUGS, MEDICATION SWITCHING** (LISTON B, CARRUTHERS S) Regarding prescription drugs and medication switching.
Current Status: 2/25/2021 - Referred to Committee House Insurance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-153>
- SB8** **BROADBAND-ELECTRIC COOPERATIVE EASEMENTS** (MCCOLLEY R) Regarding broadband expansion, including access to electric cooperative easements and facilities, and to make an appropriation.
Current Status: 2/17/2021 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-8>
- SB9** **REDUCE REGULATIONS** (MCCOLLEY R, ROEGNER K) To require certain agencies to reduce the number of regulatory restrictions in their administrative rules.
Current Status: 2/24/2021 - **REPORTED OUT**, Senate Government Oversight and Reform, (Fourth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-9>
- SB13** **SHORTEN PERIOD OF LIMITATIONS-CONTRACTS** (LANG G) To shorten the period of limitations for actions upon a contract; to make changes to the borrowing statute pertaining to applicable periods of limitations; and to establish a statute of repose for a legal malpractice action.
Current Status: 2/25/2021 - **PASSED BY HOUSE**; Vote 95-0
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-13>
- SB22** **LEGISLATIVE OVERSIGHT-PUBLIC HEALTH ORDERS** (JOHNSON T, MCCOLLEY R) To establish legislative oversight of the Governor's executive orders and certain public health orders, including by establishing the Ohio Health Oversight and Advisory Committee.
Current Status: 3/3/2021 - House State and Local Government, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-22>

SB80 **JUDGES-PARTY DESIGNATION ON BALLOT** (GAVARONE T, CIRINO J) To require certain judicial candidates to appear on the ballot with a party designation.

Current Status: 3/2/2021 - Senate Local Government and Elections, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-80>

SB94 **NON-RECOURSE CIVIL LITIGATION** (WILSON S) To amend the law regarding the non-recourse civil litigation advance business.

Current Status: 2/24/2021 - Introduced

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-94>

To: OMA Government Affairs Committee
From: Rob Brundrett / Rachael Carl
Re: Energy Public Policy Report
Date: March 3, 2021

Overview

January saw the beginning of a new General Assembly. The 134th rendition features Bob Cupp back as the Speaker of the House and Matt Huffman the new Senate President.

When we last saw the legislature, they were scrambling during lame duck to pass legislation in response to the House Bill 6 bribery scandal that has left a path of destruction including the arrest of then Speaker of the House Larry Householder.

In December the legislature chose to sit back and not pass any type of repeal legislation. The OMA supported House Bill 772 as the most comprehensive of the repeal bills. The bill sponsored by then Representative Romanchuk would have repealed the Clean Air Fund, OVEC, decoupling, and SEET.

The new General Assembly has seen numerous bills introduced to address the scandal. The Senate has taken a piecemeal approach, breaking up the scandal ridden provisions of House Bill 6 and repealing several in multiple bills. The House has chunked up larger portions of the bill for repeal. Neither approach is as comprehensive as House Bill 772.

General Assembly News and Legislation

Bribery and Corruption at the Statehouse Update

The legal fallout of House Bill 6 continues. Since the press conference on July 21, and the initial five arrests including then Speaker Larry Householder, Ohio has seen guilty pleas from two individuals and one guilty plea from Generation Now a dark money group funded by the Ohio utilities.

Leadership at FirstEnergy has been terminated, the Ohio PUCO Chairman Sam Randazzo resigned his position when he was tied to the investigation and the Ohio Attorney General Dave Yost has aggressively pursued litigation against FirstEnergy to stop portions of House Bill 6.

With the change in federal administrations U.S. Prosecutor David DeVillers has submitted his resignation and there is some concern without his leadership the case will not be pursued as aggressively. He has promised to support his successor and the case in any way possible moving forward.

House Bill 10 – Repeal House Bill 6

The bill sponsored by Democrat David Leland is loosely modeled on House Bill 772 from the previous General Assembly. The bill would repeal the majority of provisions from House Bill 6 including, the nuclear subsidies, decoupling, and OVEC. It would replace the efficiency rider programs with optional market-based approaches details to be determined. The bill has had one hearing but did generate some buzz when it was first introduced.

Senate Bill 10 – Repeal Decoupling and SEET

The Ohio Senate unanimously passed Senate Bill 10 — the OMA-supported bill introduced by Sen. Mark Romanchuk (R-Mansfield) to repeal House Bill 6's decoupling provision, which allowed FirstEnergy to lock in annual guaranteed revenue at record-setting 2018 levels (\$978 million).

SB 10 would also repeal the “significantly excessive earnings” provision authorized in the last state budget (HB 166). That change to the so-called SEET test had allowed FirstEnergy to combine profits across its three companies, offsetting “significantly excessive” Ohio Edison gains with those from less profitable companies, thereby avoiding related customer refunds.

Under SB 10, revenue collected under these provisions would be refunded. Anticipated decoupling costs for customers were estimated at \$17 million for 2020 and more than \$101 million for 2021 for all customer classes. SEET refund amounts are yet to be determined. The House heard its first hearing on the bill this week.

House Bill 18 – Straight Repeal of House Bill 6

Rep. Lanese reintroduced her straight repeal bill she also sponsored in the fall of 2020. The straightforward bill repeals all of House Bill 6 in its entirety. It would have the effect of setting Ohio’s energy law landscape back to how it was prior to House Bill 6. The bill has had sponsor testimony in the House.

Senate Bill 32 – Electric Car Charging Station Grant Rebate

The bill sponsored by Senator Rulli requires that the Ohio Department of Transportation creates an electric car charging station grant and rebate. The bill has had one hearing in the Senate.

Senate Bill 44 – Repeal Portions of House Bill 6

Senate Bill 44 is the vehicle the Senate choose to repeal the nuclear credit portions of House Bill 6. While a good first step in righting some of the wrongs over the past two years the bill still falls woefully short of providing comprehensive protections for customers. The OMA provided interested party testimony and pointed out the shortcomings of the bill and encouraged the Ohio Senate to push harder to repeal OVEC and the entire Clean Air Fund. The bill passed out of Senate committee this week.

House Bill 47 – Electric Car Charging Station Grant Rebate

House Bill 47 requires the Ohio Department of Transportation to create an electric car charging station grant and rebate. It is a companion bill to Senate Bill 32.

Senate Bill 52 – Wind and Solar Referendum

This controversial bill and its House companion would allow local referendums on wind and solar projects at the local level. It would allow the local populations to override Ohio’s Power Siting Board which right now has the authority of siting energy generation projects. The bill has had its first hearing in the Senate as has its House companion.

Senate Bill 89 – Renewable Energy

The bill sponsored by Senator Dolan would extend the renewable portfolio standard, increase solar energy benchmarks, and extend the property tax exemption for qualified energy projects that use renewable energy resources. The bill has an uphill battle with his fellow Republicans but portions may find a way through the legislature.

House Bill 118 – Wind and Solar Referendum

This is the House companion to Senate Bill 52. It has had one hearing in the House.

House Bill 128 – Repeal Portions of House Bill 6

House Bill 128 was recently introduced at the Statehouse to repeal the nuclear subsidies authorized by the scandal-plagued House Bill 6. Remarkably, the new legislation is sponsored by one of HB 6's strongest supporters in 2019.

House Bill 128 was introduced by Rep. James Hoops (R-Napoleon) — chair of the House Public Utilities Committee — and Rep. Dick Stein (R-Norwalk), a vocal proponent of nuclear energy. The bill would rescind HB 6's \$150 million a year in subsidies provided to Energy Harbor, owner of Ohio's two nuclear power plants.

In short, HB 128 would:

- Repeal \$170 million in HB 6 generation subsidies, including \$20 million a year for a handful of solar plants;
- Eliminate the decoupling provision that locked in FirstEnergy revenue at record-setting 2018 levels (\$978 million); and
- End the change that reworked the “significantly excessive earnings” test to benefit FirstEnergy.

The sponsors of HB 128 say repeal of the subsidies is now necessary so the plants may continue to sell electricity into the PJM capacity market. (The OMA spotlighted this issue more than a year ago.) The bill has had two hearings. The OMA provided proponent testimony and offered the sponsors suggestions on how to improve the bill by removing the HB 6 OVEC subsidies.

PUCO News

PUCO Vacancies

With the resignation of Sam Randazzo, the PUCO nominating council submitted four candidates to Governor DeWine to replace the former Chairman. The governor rejected all four candidates. The PUCO nominating council last week sent four new names to the governor to choose. The four candidates are:

- Daniel Shields
- Jenifer French
- Melissa Shilling
- Virginia King

Last week Dennis Deters was reappointed to the PUCO. Deters is a former state appeals court judge was first appointed in 2019 and was now recommended for a full five-year term by the nominating council last month.

News and Notes

AG Yost Announces Decoupling Deal With FirstEnergy

On Feb. 1, Attorney General Dave Yost announced a “long-term settlement” with FirstEnergy, which has agreed to stop using a House Bill 6-authorized decoupling rider that would cost customers an extra \$102 million this year.

In a recent radio interview, Yost said FirstEnergy would ask the Public Utilities Commission of Ohio (PUCO) to zero out the decoupling rider. Shortly after, the PUCO announced that the decoupling rates for FirstEnergy's Ohio distribution utilities had indeed been set to zero. (This tracker shows FirstEnergy has already collected \$27 million from the rider over the past year.)

This legal development comes after the OMA for nearly two years led efforts to oppose HB 6 — including its decoupling mechanism, which had guaranteed FirstEnergy and its subsidiary, Energy Harbor, profits of at least \$978 million in gross annual revenues.

It's also the second recent HB 6-related setback for FirstEnergy. In late December, a Franklin County judge ordered that \$170 million per year in HB 6's customer-funded subsidies could not be collected from customer bills. The OMA helped lead legal efforts to stop the collection of the new subsidies.

Cold Messes with Texas (and Its Electric Reliability)

Last week's massive winter storms and frigid temperatures wreaked havoc over much of the U.S. Texas has seen the most outages, with businesses and residences left in the dark and sending spot electric prices through the roof. Observers and pundits have been quick to point fingers at different electric generation technologies, regulatory constructs, energy policies, and even Texas' go-it-alone electrical grid. Could this happen in Ohio?

The 2014 polar vortex knocked out 40,200 megawatts (MW) of power generation in Ohio and the region. Nothing was spared. Natural gas, nuclear, and renewables all had failures. Coal was impacted heavily, with 13,700 MW of outages. However, Ohio's power stayed on because the Buckeye State is part of a 13-state power grid market called PJM Interconnection. (PJM is widely considered one of the premier grid and wholesale market structures in the world.)

Like other multi-state grids, PJM allows diverse generators from a multi-state region to bid into the capacity market, resulting in a significant reserve capacity (over 20% more power than needed). There were only sporadic outages in Ohio and other PJM states this week.

In contrast, Texas resisted joining a multi-state grid in favor of a walled-off or island approach so that only Texas generation can supply Texas markets. The Texas grid, operated by the Electric Reliability Council of Texas (ERCOT), is not subject to federal transmission regulations and does not have a capacity market that functions to assure adequate electricity supply, especially during peak events.

During Ohio's House Bill 6 debate, some state lawmakers expressed condemnation of PJM in favor of a Texas-like model in which utilities and generators win and customers are exposed to considerable risk. But this week has served as another reminder that in times of extreme weather, PJM's multi-state regional market has kept the power on.

Natural Gas Cost Hikes at FERC

The OMA Energy Group has joined an industrial coalition to pushback on proposals to hike natural gas shipping costs.



**BEFORE THE SENATE ENERGY & PUBLIC UTILITIES COMMITTEE
SENATOR BOB PETERSON, CHAIRMAN**

**TESTIMONY
OF
KIM BOJKO
PARTNER, CARPENTER LIPPS & LELAND
OMA ENERGY COUNSEL**

FEBRUARY 2, 2021

Mr. Chairman and members of the Senate Energy and Public Utilities Committee, my name is Kim Bojko. I am a partner with the law firm Carpenter, Lipps, and Leland, where I specialize in public utility law. I also serve as energy counsel to both The Ohio Manufacturers' Association (OMA) and the OMA Energy Group. I appreciate the opportunity to present proponent testimony on Senate Bill 10 (SB 10).

The OMA represents the manufacturing sector of Ohio. We boast approximately 1,300 members – of all sizes. It is impossible to competitively operate a modern manufacturing facility without affordable and reliable power. Our membership includes many of the largest, most sophisticated energy users in the state. Some of our members consume the same amount of electricity as a medium-sized city. In short, energy is very important to Ohio's manufacturing competitiveness.

The OMA was an opponent of House Bill 6 (HB 6). OMA and its members testified numerous times in opposition to the anti-consumer and anti-competitive provisions of the bill now tied to the pending bribery investigation by the Southern District of Ohio's U.S. Prosecutor's Office.

During the waning days of the 133rd General Assembly, the OMA testified on several different pieces of legislation that addressed the repeal of HB 6. Last year, the OMA supported then Representative Romanchuk's House Bill 772 as the most comprehensive approach to address the problems presented by HB 6.

Today, the OMA continues to push for a legislative package that would repeal HB 6 in a manner that protects customers and markets. Then and now we suggest a repeal bill that contains the following elements:

- Repeal the Clean Air Program and rider created by HB 6 to subsidize the nuclear power plants and select renewable energy projects, which publicly available data, including from Energy Harbor itself, proves are not needed.
- Repeal the OVEC rider created by HB 6 that continues to subsidize the two old coal plants, including one in Indiana, owned by a consortium of energy companies known as the Ohio Valley Electric Corporation and prevent the PUCO from enacting a new OVEC rider without explicit approval from the General Assembly.
- Repeal the decoupling mechanism in HB 6 that benefits FirstEnergy by rewarding it with unearned income at the expense of customers. A repeal package should also require FirstEnergy to immediately refund the full amount of those ill-gotten gains to customers.

- Require the PUCO and the Ohio Air Quality Development Authority to eliminate or rescind any mechanism, charge, rule, or order enacted, authorized, or issued to implement an anti-market provision of HB 6.

The OMA also presented opponent testimony to the Significantly Excessive Earnings Test (SEET) that was included in the last General Assembly's operating budget bill, House Bill 166 (HB 166).

We are pleased SB 10 repeals both the SEET revision and the decoupling provisions and requires utilities to refund these ill-gotten gains to customers, the victims of these provisions. We think SB 10 is a good start to rebalance the relationship between customers and utilities. However, we would urge the Senate to push harder to protect customers and markets by including all the above-mentioned recommendations now in SB 10, and not wait for subsequent legislation.

Decoupling

In general, a decoupling mechanism separates a utility's revenue from the volume of electricity that it delivers. Consequently, a decoupling mechanism ensures that a utility's revenue target is reached, regardless of how much electricity is sold.

Traditional decoupling mechanisms were included in Senate Bill 221 (SB 221) as a tool to help make the utilities whole from reduced sales resulting from state-mandated energy efficiency programs. Decoupling is used to remove the disincentive in order to promote energy efficiency. While legislative proponents touted HB 6 as the law that would lower customers' bills by eliminating energy efficiency mandates and the costs associated therewith, decoupling mechanisms enable the utilities to charge customers for lost distribution revenue associated with energy efficiency programs that no longer exist. Since these mandated utility-administered energy efficiency programs were repealed in HB 6 without repealing corresponding decoupling riders, customers were left taxed without any benefit. We applaud SB 10's inclusion of a repeal of the decoupling mechanisms associated with non-existent energy efficiency programs.

The HB 6 created decoupling mechanism goes far beyond traditional decoupling, benefitting only the FirstEnergy utilities to the tune of \$102 million in 2021 alone (an increase from \$17 million in 2020). The HB 6 decoupling mechanism has zero correlation with energy efficiency, demand reduction, or anything else of value to customers or a legitimate policy goal. It was devised pure and simple to provide a windfall to the FirstEnergy utilities' regulated monopolies.

Then CEO Chuck Jones famously told investors months after passage of HB 6 that the decoupling mechanism made FirstEnergy "somewhat recession proof." As Senator Romanchuk pointed out in his testimony, FirstEnergy is guaranteed to receive its 2018

distribution revenue, which is \$978 million annually, regardless of consumer usage for the foreseeable future. FirstEnergy will also receive an additional \$66.5 million per year in “lost distribution” revenue, above and beyond the \$978 million in base distribution revenue. By making this change, FirstEnergy successfully transfers risk to its customers.

Characteristic	Typical Decoupling Mechanism	HB 6 Decoupling Mechanism
Utility revenue recovered from ratepayers	Average sales year	Very high sales year
Overcharges	Credited to customers	Unlikely to be credited to customers
Revenue requirement reevaluation	Next scheduled distribution rate case	No scheduled distribution rate case (could be in perpetuity)
Joint policy initiatives	Energy efficiency programs, distributed generation programs	None
Effected utilities	Available to all state-regulated electric distribution utilities	Just FirstEnergy utilities
Regulatory process allowing customer engagement	Yes	No

Table 1. Typical Decoupling vs H.B. 6 Decoupling Design Features

I’ve incorporated a table in my testimony contrasting the HB 6 created decoupling mechanism from traditional or typical decoupling mechanisms. Additionally, I have attached an OMA commissioned analysis by energy consultant RunnerStone that outlines in depth decoupling and the provisions in HB 6.

Significantly Excessive Earnings Test

The original SEET was contained in comprehensive energy reform legislation (SB 221) more than a decade ago. The SEET is the lynchpin of SB 221’s consumer rate protections, prohibiting utilities from charging rates that generate “significantly excessive earnings.” Profits earned by a utility above the “significantly excessive” threshold must be refunded to customers.

In the years since enactment, the PUCO has twice defined greater than 17% return on equity as the threshold to trigger SEET customer refunds (OMA and numerous other parties contested that level as overly generous). Regrettably for customers, the Ohio SEET profit threshold is greater than in many competitor states and has allowed Ohio’s electric utilities to reap greater profits from captive customers than in other states where return on equity is typically much lower.

The SEET applies to utility profits stemming from Electric Security Plan (ESP) cases (EPSs were also a mechanism created in SB 221). ESPs are filed by electric distribution utilities to provide a variety of services in exchange for distribution charges on customer bills.

Customers are increasingly unified that these two ratemaking provisions are anti-competitive and unfair and bad for consumers and Ohio's economy.

Prior to HB 166 of the 133rd General Assembly, the PUCO was required to perform SEET on a utility-by-utility basis to determine if individual utilities over earned. Under the test, if a utility over earned, the utility refunded the excess earnings to its customers.

But HB 166 changed the SEET and required the PUCO to consider the total earned return on equity of all three distribution utilities of FirstEnergy collectively when applying the SEET.

With the HB 166 change, if one distribution utility in a family of distribution utilities is over earning, it will offset an affiliated distribution utility that is not as profitable. The bill allowed FirstEnergy to shield a utility that is excessively earning by offsetting those excessive profits with an affiliated utility that is not as profitable, allowing the parent company to retain profits that are otherwise required to be given back to customers. This eliminated a customer protection that was enacted as part of Ohio's ESP ratemaking statutes.

The ramification is that FirstEnergy does not have to refund monies to customers for one of its utilities if that utility is over earning.

This provision did nothing to protect customers. Instead, it protected only the FirstEnergy utilities at the expense of their customers. We fully support its inclusion in SB 10.

Conclusion

While SB 10 is a good first step in the right direction, the Senate would do well to consider including the additional enumerated provisions to help protect customers and markets from the indefensible policies enshrined in HB 6.

We thank Senator Romanchuk for sponsoring this important legislation to protect and grow Ohio manufacturing.

Thank you. I would be happy to answer any questions.



MEMORANDUM

Date: September 17, 2020
To: The Ohio Manufacturers' Association
From: John Seryak, PE and Peter Worley (RunnerStone, LLC)
RE: H.B. 6's Decoupling Provision – A Primer on Decoupling and How H.B. 6 Decoupling Benefits FirstEnergy by Deviating from Best Practices

H.B. 6 has well-known provisions that affect Ohio's nuclear power plants, coal power plants, select solar power plants, and energy efficiency. Less well-known is a confusing decoupling provision. Fortunately, FirstEnergy's CEO put the effect of the provision in plain language for its investors:

“essentially it takes about one-third of our company and I think makes it somewhat recession-proof”¹

As a result of this decoupling provision, FirstEnergy could collect about \$355 million in unearned revenue through 2024. Ratepayers will incur higher electricity costs with no associated benefits. Moreover, a unilateral ruling from the PUCO could extend FirstEnergy's decoupling at the utility's discretion. This could, for example, cost FirstEnergy customers an additional \$400 million if extended from 2025 through 2030.²

Decoupling can be a legitimate policy when carefully implemented with best practices and coupled to other state policy objectives. However, H.B. 6's decoupling provision does not follow best practices, nor does it advance any state policy goal. The table below shows a comparison of the design features of a typical decoupling mechanism and those of FirstEnergy's HB6-enabled decoupling mechanism.

¹ <https://www.utilitydive.com/news/firstenergy-nears-proposal-to-decouple-ohio-utility-revenues-electricity-c/566610/>

² Memorandum to The Ohio Manufacturers' Association, “H.B. 6 Decoupling Provision - \$355 Million for FirstEnergy through 2024, Possibly Millions More”, [https://ohiomfg.informz.net/ohiomfg/data/images/-%20OMA%20MEMO%20-%20HB%206%20Decoupling%20-%20FINAL%20\(Aug.%2014,%202020\).pdf](https://ohiomfg.informz.net/ohiomfg/data/images/-%20OMA%20MEMO%20-%20HB%206%20Decoupling%20-%20FINAL%20(Aug.%2014,%202020).pdf).

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Effected utilities	Available to all state-regulated electric distribution utilities	Just FirstEnergy utilities
Regulatory process allowing customer engagement	Yes	No

Table 1. Typical Decoupling vs H.B. 6 Decoupling Design Features

In the remainder of this memo we review the policy behind decoupling and further describe differences between H.B. 6’s decoupling provision and typical decoupling provisions.

Decoupling Basics

Electric utility monopolies are motivated to increase their profits, like any business. However, electric utility monopolies do not compete for new customers or with new products to increase profits. Instead, monopoly electric utilities receive a government-administered return on and of its investments. Overtime, this traditional model has incited utilities to overbuild to increase its financial return. The more a utility builds, the greater its total return.

The utility recovers its costs and return - the sum of which is called the revenue requirement - through charges on electricity sold (kWh), charges on customer peak power needs (kW), and customer service charges set in rate cases which have been historically held every 3 to 10 years. However, because customer kWh and kW are not constant in any given year, a utility will collect more or less than its revenue requirement in years between rate cases. A utility would prefer to over-collect between rate cases. This dynamic incites utilities to actively discourage customer energy-efficiency and on-site generation. By driving up customer consumption between rate cases, utilities can increase their profits. As a result, utility cultures and practices can form that actively discourage customer energy-efficiency and on-site generation adoption. Utilities can actively discourage customer energy management through their electric tariff designs, interconnection policies, and account management culture.

Simply put, traditional electric utility monopolies are incited to overbuild, oversell, and discourage customer energy management and choice.

Importantly, competitive markets have been an effective policy antidote for the distorted economic incentives of monopolies. Competitive markets have been employed for power generation. However, they have not been employed for electric distribution companies (the “wires” companies).



While electric distribution utilities were originally competitive during the very early years of the industry, today, it is typical for distribution companies to be government-granted monopolies.

Absent readily competitive markets for “wires” companies, some states have implemented decoupling to combat utility overbuilding and overselling. Traditional decoupling requires a utility to true-up its collected revenue between rate cases to its revenue requirement. As a result, where true decoupling is in place, the utility is not incented to over-sell electricity between rate cases, because it would have to refund customers for over-collection. Constraining energy sales thus also limits overbuilding, which is driven by sales forecasts. And, if sales for some reason are too low, the utility is also protected. Subsequently, decoupling has several goals:

1. Protects customers and automatically issues customer rate decreases or credits between rate cases in case of over-collection;
2. Allows distribution utilities to recover prudent costs to provide distribution service;
3. Encourages the distribution utility to be more cost-efficient with their operational costs and capital costs; and
4. Reduces the distribution utility’s opposition to customer choice around energy efficiency and on-site generation.

Decoupling policies are often jointly implemented with state policies to encourage energy efficiency and on-site generation. Sometimes these proactive policies are desired, especially where local utilities have strong anti-efficiency and anti-customer choice cultures. Common sense and recent experience tell us that an anti-customer choice culture persists within Ohio’s utilities.

H.B. 6’s Decoupling Provision Design Features

H.B. 6’s decoupling provision is missing or distorts important design features of a typical decoupling mechanism and will not have the intended effect of a true decoupling policy. In this sense, it is decoupling in name only. In effect, it is a semi-permanent over-charge policy that allows FirstEnergy’s utilities to profit. And, currently, it is only FirstEnergy’s utilities that profit.

There are best practices when designing decoupling. FirstEnergy’s decoupling does not follow those best practices.

Very High Utility Sales and Customer Overcharges

A typical decoupling mechanism pegs a utilities revenue requirement to a typical year of capital and operational expenses. H.B. 6 severely distorted this approach by instead prescribing FirstEnergy’s revenue requirement to the revenue it received in a peak sales year, 2018. Note, it was not based on the revenue requirement for 2018, which is based on expected costs, but, instead, it was based on the actual revenue FirstEnergy received. FirstEnergy had higher sales in 2018 as compared to other years, partially due to abnormally high temperatures which increased customer consumption. By prescribing 2018 as a representative year, this inflates the revenue requirement, which increases customer bills with no associated benefits.



Moreover, FirstEnergy's decoupling mechanism includes no revenue adjustments, and its resulting significantly excessive profits are unlikely to be capped. Typically, there are adjustments required for situations such as unseasonable weather, major changes in number of customers, or economic recession. Such adjustments are to mitigate the risk to customers of the distribution utility receiving windfall profits from circumstances that make an actual year much different than the representative or "test" year. These adjustments are in place to handle the very circumstance we are facing in 2020. COVID-19 has significantly reduced customer consumption and peak usage than a typical year, causing the distribution utility to receive less revenue. Yet, since FirstEnergy's decoupling plan includes no adjustments, FirstEnergy can receive greater profit due to the economic downturn, which increases customer bills with no associated benefits. Despite the economic downturn, the H.B. 6 decoupling mechanism will allow FirstEnergy to receive the same record revenue that it received in 2018.

Additionally, unusual revenue was also included in the H.B. 6 decoupling provision. Typically, decoupling establishes the revenue requirement based on typical operational and capital costs. FirstEnergy's decoupling provision also included so-called "lost revenue" from energy efficiency programs from the past as revenue they also need in the future. This so-called lost revenue equals approximately \$66 million per year, potentially in perpetuity. Put proverbially, FirstEnergy is having its cake and eating it too.

Moreover, a near simultaneous law change governing FirstEnergy's significantly excessive profits will allow FirstEnergy utilities to keep profits that previously may have been refunded to customers.³

Joint Policy Initiatives

As discussed, decoupling is often paired by lawmakers with policies that advance customer energy-efficiency or customer-sited distributed generation. FirstEnergy CEO Chuck Jones even referenced energy efficiency to justify this decoupling provision, saying it "Allows us to continue to promote energy efficiency with our customers so that they can get the benefit of that without impacting our base revenues."⁴ This is a curious statement as H.B. 6 simultaneously ended the requirement for Ohio's distribution utilities to achieve energy efficiency savings. And, FirstEnergy proactively suspended the bulk of their energy-efficiency programs early, in January 2020, even though they were under no requirement to do so. The other Ohio utilities, which have not implemented the H.B. 6 decoupling mechanism, offered efficiency programs through 2020. Furthermore, FirstEnergy also has taken no steps to offer non-mandated efficiency programs in 2020 as Jones' statement may suggest.

The H.B. 6 decoupling provision furthers none of Ohio's policy goals.

³ Memorandum to the Ohio Manufacturers' Association Energy Group, "Impact of the 2019 FirstEnergy SEET Amendment", <https://www.ohiomfg.com/wp-content/uploads/OMA-Memos-SEET-Combined-CLL-and-RS-Aug-20-2020.pdf>.

⁴ <https://www.utilitydive.com/news/firstenergy-nears-proposal-to-decouple-ohio-utility-revenues-electricity-c/566610/>



Effectuated Utilities

H.B. 6's decoupling provision does not apply statewide. H.B. 6 included some eligibility limitations to the decoupling provision that have constrained its application to other utilities. For example, the provision states that revenue recovery be "recovered pursuant to an approved electric security plan under section 4928.143 of the Revised Code, as of the twelve-month period ending on December 31, 2018." As it happens, only FirstEnergy has implemented a decoupling mechanism and is receiving decoupling revenues based on the H.B. 6 provision. Duke is not eligible for the decoupling mechanism and AEP Ohio and DP&L have not yet implemented an H.B. 6 decoupling mechanism (although AEP Ohio has tried).

Regulatory Process with Customer Engagement

Typically, the details of a decoupling mechanism will be determined within a regulatory process that allows customer intervention. H.B. 6's decoupling provision prescribed considerable detail without customer input. The design process was non-transparent and non-representative.

Finally, the PUCO issued a ruling on its own accord after the passage of H.B. 6, which gives FirstEnergy discretion on when it next files a distribution rate case. H.B. 6's decoupling provision's term is limited to its current distribution rate case. Thus, the PUCO's ruling could allow the H.B. 6 decoupling provision to extend in perpetuity. We expect that FirstEnergy will do so, so long as decoupling is more financially beneficial to it than what could be achieved with a new rate case.



**BEFORE THE SENATE ENERGY & PUBLIC UTILITIES COMMITTEE
SENATOR BOB PETERSON, CHAIRMAN**

**TESTIMONY
OF
KIM BOJKO
PARTNER, CARPENTER LIPPS & LELAND
OMA ENERGY COUNSEL**

FEBRUARY 23, 2021

Mr. Chairman and members of the Senate Energy and Public Utilities Committee, my name is Kim Bojko. I am a partner with the law firm Carpenter, Lipps, and Leland, where I specialize in energy and public utility law. I also serve as energy counsel to both The Ohio Manufacturers' Association (OMA) and the OMA Energy Group. I appreciate the opportunity to present interested party testimony on Senate Bill 44 (SB 44).

The OMA represents the manufacturing sector of Ohio. We boast approximately 1,300 members – of all sizes. It is impossible to competitively operate a modern manufacturing facility without affordable and reliable power. Our membership includes many of the largest, most sophisticated energy users in the state. Some of our members consume the same amount of electricity as a medium-sized city. In short, energy is very important to Ohio's manufacturing competitiveness.

The OMA was an opponent of House Bill 6 (HB 6). OMA and its members testified numerous times in opposition to the anti-consumer and anti-competitive provisions of the bill now tied to the pending bribery investigation by the Southern District of Ohio's U.S. Prosecutor's Office.

Harmful provisions of HB 6 included the following:

- A. Clean Air Fund/Subsidies for Nuclear Plants: HB 6's "crown jewel" was a \$150 million-a-year subsidy for the owner of Ohio's two nuclear power plants. This subsidy, financed by Ohio's electric consumers, cannot be justified – especially since publicly available financial data and the owner's proposed \$800 million stock buyback have demonstrated that the subsidy was and is not needed. An additional \$20 million subsidy for select solar plants brings this subsidy total to \$170 million annually.
- B. Decoupling (Profit Guarantees): The bill's decoupling mechanism provided FirstEnergy utilities with 2018 revenue levels (plus at least an additional \$66 million each year), regardless of the amount of electricity sold. The data and analyses demonstrate how HB 6 authorized the FirstEnergy utilities to collect \$355 million through 2024 – and hundreds of millions more in later years – from Ohio's electric customers. (FirstEnergy CEO told investors this provision would make the company "somewhat recession proof.")
- C. OVEC Subsidies: HB 6 provided additional subsidies for the utility owners of the Ohio Valley Electric Corporation (OVEC) coal plants – subsidies estimated to be worth \$700 million through 2030. One of the two plants is in Indiana.

Senate Bill 10 was recently unanimously passed by the Ohio Senate and removed the decoupling provisions of HB 6 along with the modified Significantly Excessive Earnings Test (SEET) passed in House Bill 166 that specifically benefits the FirstEnergy utilities at the detriment of ratepayers.

SB 44 takes the next step. The bill removes all the provisions regarding the nuclear resource credit program. Since mid-2019 the OMA has provided information regarding the Federal Energy Regulatory Commission's long awaited Minimum Offer Price Rule (MOPR). We cautioned this committee of the obstacle posed by MOPR. In June of 2019, OMA stated: "This is a real, probable, and possibly unintended consequence of H.B. 6 – that Ohio's nuclear power plants will be ineligible to compete in wholesale capacity auctions and will likely be further impaired financially by this loss in revenue."¹ Regrettably, those cautions were not heeded. Now, as we predicted, Energy Harbor is requesting a repeal of these unneeded provisions less than two years after an acrimonious fight in the General Assembly that left a trail of destruction including the arrests of five individuals.

During the waning days of the 133rd General Assembly, the OMA testified on several different pieces of legislation that addressed the repeal of HB 6. Last year, the OMA supported then Representative Romanchuk's House Bill 772 as the most comprehensive approach to address the problems presented by HB 6. We still believe that would be the best approach to protect Ohio's business and residential customers.

While SB 44 and SB 10 are good first steps to repealing portions of HB 6, which were established under questionable circumstances and continue to be under federal and state investigations, OMA encourages the Senate to go further and repeal the entirety of the expensive and unneeded Clean Air Fund and the OVEC rider that continues to subsidize two old coal plants, including one in Indiana, and prevent the PUCO from enacting a new OVEC rider without explicit approval from the General Assembly.

Conclusion

SB 44 takes the next step following SB 10's good first step. We would encourage the committee to go further by eliminating other subsidies from HB 6. This body has a great opportunity to finish the job and help protect customers and competitive markets from some of the indefensible policies enshrined in HB 6.

Thank you. I would be happy to answer any questions.

¹ See <https://www.ohiomfg.com/wp-content/uploads/HB-6-Memo-on-Nuclear-Plant-Revenue-7.16.19-JS-rev.pdf>



**BEFORE THE HOUSE PUBLIC UTILITIES COMMITTEE
REPRESENTATIVE JIM HOOPS, CHAIRMAN**

**TESTIMONY
OF
KIM BOJKO
PARTNER, CARPENTER LIPPS & LELAND
OMA ENERGY COUNSEL**

FEBRUARY 23, 2021

Mr. Chairman and members of the House Public Utilities Committee, my name is Kim Bojko. I am a partner with the law firm Carpenter, Lipps, and Leland, where I specialize in energy and public utility law. I also serve as energy counsel to both The Ohio Manufacturers' Association (OMA) and the OMA Energy Group. I appreciate the opportunity to present proponent testimony on House Bill 128 (HB 128).

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supported then Representative Romanchuk's House Bill 772 as the most comprehensive approach to address the problems presented by HB 6. We still believe that would be the best approach to protect Ohio's business and residential customers.

Nonetheless, while not addressing all of the issues that we raised about HB 6 over the past two years, HB 128 begins the process of rebalancing Ohio's utility laws between customers and utilities.

HB 128 eliminates the Clean Air Fund subsidies for Ohio's two nuclear plants and select solar projects in the state. Since mid-2019, the OMA has provided members of the General Assembly information regarding the Federal Energy Regulatory Commission's long awaited Minimum Offer Price Rule (MOPR). At that time, we cautioned of the obstacle posed by MOPR, stating that the nuclear plants would not be able to participate in the capacity auctions with a state subsidy in the law. More specifically, in June of 2019, OMA explained: "This is a real, probable, and possibly unintended consequence of H.B. 6 – that Ohio's nuclear power plants will be ineligible to compete in wholesale capacity auctions and will likely be further impaired financially by this loss in revenue."¹ We are pleased to see that others now agree with our initial analysis regarding the rule.

The bill also repeals the FirstEnergy utilities' decoupling provisions and removes the modification to the Significantly Excessive Earnings Test included in House Bill 166, last General Assembly's operating budget bill. Finally, the bill also provides for a transmission study.

While these are necessary provisions, we would urge this committee to continue the repeal of other utility friendly provisions contained in HB 6, most notably the subsidies for OVEC. HB 6 codified and extended the subsidy for OVEC through 2030. OVEC owns two legacy, uneconomical power plants, Clifty Creek in Indiana and Kyger Creek in Ohio. The OVEC subsidy currently collects tens of millions of dollars each year from customers of AEP Ohio, Duke, and DP&L. FirstEnergy customers are now receiving new charges for the first time to subsidize OVEC, due to provisions in HB 6.

HB 128 is a positive step in the right direction, repealing many of the bad provisions of HB 6. OMA supports the bill, however, as stated above, we would highly encourage this body to take the next step and repeal the OVEC subsidies in HB 6 as well.

Thank you. I would be happy to answer any questions.

¹ See <https://www.ohiomfg.com/wp-content/uploads/HB-6-Memo-on-Nuclear-Plant-Revenue-7.16.19-JS-rev.pdf>



An Analysis of Ohio Nuclear Plant Profitability Under House Bill 6

The Ohio House of Representatives recently passed House Bill 6 (H.B. 6), a major rework of Ohio's electricity policy. H.B. 6 would significantly affect customer costs and how electricity markets function in Ohio. Energy counsel for The Ohio Manufacturers' Association (OMA), Kim Bojko of Carpenter Lipps & Leland, has separately provided a [legal analysis](#) on what H.B. 6 does and how it works.

In summary, H.B. 6 creates excessive profit for Ohio's nuclear plants of up to \$330 million per year over the six-year term of the Clean Air Program. In this memo we examine the nuclear plants' profitability, multiple compensation mechanisms for nuclear power plants in H.B. 6, how the bill would trigger special treatment of the nuclear plants' capacity revenue, and forthcoming changes in wholesale electricity markets that create additional revenue for nuclear plants.

Nuclear Plant Profitability

H.B. 6 was passed with the purported intent to keep Ohio's two nuclear power plants, Davis-Besse and Perry, up and running. The owner of these two nuclear plants, FirstEnergy Solutions (FES), is currently going through bankruptcy proceedings. However, FES is expected to emerge from bankruptcy financially solvent. And the financial well-being of FES is not necessarily reflective of the financial viability of its nuclear power plants. Thus, questions remain:

- How financially viable are the nuclear power plants presently?
- And will the nuclear power plants emerge from bankruptcy in a better financial position?

Ohio's Nuclear Plants' Excessive Profit Under House Bill 6

- Currently plants may not need financial support.
 - Dr. Paul Sotkiewicz estimates \$72 million annual profit presently.
- H.B. 6 may contribute to excessive profits of an estimated \$330 million a year.
 - Of that, \$150 million a year from Clean Air Credits.
- H.B.6 triggers changes in capacity auctions.
 - Plants removed from capacity auction - \$82 million a year.
 - Possible \$157 million a year in State of Ohio capacity revenue envisioned by FES.
- Other changes to PJM electricity market include energy market rule changes - \$33 million a year.

Two authoritative sources have addressed the nuclear power plants' profitability. PJM's Independent Market Monitor releases an annual "State of the Market" report, which includes financial surplus or shortfall of PJM's 18 nuclear power plants.

We have reproduced the Independent Market Monitor's estimates in the table below. The Monitor estimates that three of PJM's 18 nuclear plants are losing money, while the other 15 are profitable.

Table 7-42 Nuclear unit forward annual surplus (shortfall) (\$ in millions)⁵⁶

	Surplus (Shortfall) (\$ in millions)		
	2019	2020	2021
Beaver Valley	\$134.3	\$93.5	\$84.7
Braidwood	\$106.4	\$80.3	\$51.7
Byron	\$104.3	\$78.6	\$50.6
Calvert Cliffs	\$131.0	\$99.0	\$89.3
Cook	\$95.8	\$48.4	\$41.9
Davis Besse	(\$26.9)	(\$47.8)	(\$45.6)
Dresden	\$97.3	\$76.4	\$53.8
Hope Creek	\$57.9	\$52.0	\$43.3
LaSalle	\$103.5	\$78.0	\$50.2
Limerick	\$112.2	\$100.5	\$83.8
North Anna	\$138.6	\$99.3	\$90.0
Peach Bottom	\$113.4	\$101.5	\$84.1
Perry	(\$22.6)	(\$49.6)	(\$47.8)
Quad Cities	\$61.3	\$42.2	\$20.9
Salem	\$114.6	\$102.8	\$85.5
Surry	\$120.5	\$85.6	\$77.6
Susquehanna	\$77.7	\$37.4	\$28.2
Three Mile Island	(\$56.9)	(\$69.6)	(\$72.3)

Table 1: Independent Market Monitor Estimates of Nuclear Power Plant Annual Financial Surplus or Shortfall.

There are several insights to glean from this analysis. First, Ohio participates in the regional PJM electricity market, and most nuclear power resources in this market will continue to operate and be profitable. In other words, Ohio's access to low-carbon nuclear power is not significantly at risk.

Another insight is that FES's two Ohio nuclear plants are estimated to lose \$93 million in 2021. While this is a significant loss, it is substantially less than the \$165 million annual payment expected from the Clean Air Program created under H.B. 6.

Estimates of Nuclear Power Plant Annual Financial Surplus or Shortfall

The Independent Market Monitor cannot disclose specific power plant financial data, and so Table 1 presents estimates. Thus, the Monitor relies on average operating costs data from the Nuclear Energy Institute to estimate operating costs, as well as public data on

energy production and wholesale electricity market prices to estimate revenue. The estimated operating costs reflect typical single unit nuclear plant costs. If FES's nuclear plants are losing more money than this estimate, it would demonstrate that they are not operating their plants as efficiently as the industry average. This means the Clean Air Program would be compensating for below-average operating performance, not just the benefits of nuclear power.

Another separate financial analysis was completed by Dr. Paul Sotkiewicz, former chief economist for PJM. Dr. Sotkiewicz's financial analysis shows that post-bankruptcy, the Davis-Besse and Perry nuclear plants will likely turn an annual profit. Dr. Sotkiewicz estimates the annual profit to be \$28 million for Davis Besse and \$44 million for Perry, for a combined profit of \$72 million annually¹.

Dr. Sotkiewicz's estimates differ from the Independent Market Monitor's for two main reasons. First, Dr. Sotkiewicz accounts for the nuclear plants' financial situation post-bankruptcy. Second, Dr. Sotkiewicz relies on specific financial filings of these nuclear power plants.

These financial estimates call into question the following:

- Do the Davis-Besse and Perry nuclear power plants need financial assistance?
- Does the Clean Air Program over-compensate the nuclear power plants?
- Is the Clean Air Program compensating poor business decisions, in addition to the environmental benefits of nuclear power?

H.B. 6 Revenue Streams for Nuclear Plants

H.B. 6 creates a Clean Air Program, financed by charges applied to each customer of an Ohio investor-owned utility (AEP Ohio, DP&L, Duke, and the FirstEnergy companies). Each year the Clean Air Program will pay \$9 for each MWh of electricity produced by nuclear power plants. According to the U.S. Energy Information Administration (EIA), over the past three years, Davis-Besse produced 7,216,607 MWh on average, and Perry generated 10,390,121 MWh on average. However, HB 6 provides for total compensation to the nuclear plants at \$150 million per year.

Therefore, it is estimated that under the Clean Air Program, the nuclear plants would be compensated as follows:

7,216,607 MWh (Davis-Besse) + 10,390,121 MWh (Perry) = 17,606,728 MWh

17,606,728 MWh x \$9 /MWh (Clean Air Credit) = \$158,460,552/year

Annual compensation = \$150,000,000 /year

Nuclear power plant output will vary from year to year, depending on the plants' refueling schedule and up-time.

¹ "The Market and Financial Position of Nuclear Resources in Ohio", Dr. Paul Sotkiewicz, E-Cubed Policy Associations, LLC. Table 12

H.B. 6 Triggered Capacity Auction Changes

H.B. 6 not only sets into sequence a series of reactions in the wholesale electricity market, which will affect Ohio's electricity prices, but also how the nuclear power plants are compensated for electricity, and the level of that compensation. At the heart of this set of reactions are forthcoming changes to PJM's electric capacity auction. The capacity auction is the mechanism by which PJM assures enough electricity resources are available for the grid system at times of peak demand. Please note that capacity payments are an important part of overall economic viability for a power plant.

However, PJM is also charged with ensuring a fair and level playing field for power plants competing for capacity payments. This is especially true now, as PJM is consistently exceeding its reliability goal and there is an abundance of power plants on the grid, with even more new entrants waiting.

With this abundance of generation, uneconomic power plants may be unable to compete and receive a capacity payment. As a result, some uneconomic power plants are seeking subsidies from their respective states to remain viable. This undermines the integrity of the market. And the Federal Energy Regulatory Commission (FERC) has thus deemed PJM's capacity auction as unjust and unreasonable. FERC has issued guidelines, with time for comment, that essentially will wall-off generating plants that receive materially significant state subsidies from participating the PJM's capacity auction.

In simple terms, if H.B. 6 passes, Ohio's nuclear power plants would be removed from PJM's capacity auction, and they would lose the ability to earn this revenue. We estimate this lost revenue potential at around \$82 million a year, as shown in the calculation below:

894 MW (Davis-Besse) + 1,256 MW (Perry) = 2,150 MW (combined capacity)
2,150 MW x \$105 /MW-day (3-year average capacity price) x 365 days/year = \$82 million/year

This is a real, probable, and possibly unintended consequence of H.B. 6 – that Ohio's nuclear power plants will be ineligible to compete in wholesale capacity auctions and will likely be further impaired financially by this loss in revenue. This is probably an untenable financial position for the nuclear plants.

Fortunately, there is no need for speculation. FirstEnergy Solutions has already provided comment on these rules, including advice on how Ohio can make up for this unexpected loss of revenue. Specifically, FES states that credits for zero emissions for nuclear plants are “not intended to provide resources with sufficient revenue, in the absence of a capacity payment, to make continued operation viable”².

This is to say, FES intends to ask for capacity payments in addition to Clean Air Credit payments. Because PJM will not provide these capacity payments, the state of Ohio would need to do so, and Ohio ratepayers would need to cover this cost. FES has provided an example of around \$200 /MW-day compensation for capacity. At this rate, Ohio would need to create the following additional revenue for the nuclear power plants:

² FERC Docket EL18-178, Initial Comments of FirstEnergy Solutions Corp., Page 10

2,150 MW x \$200 /MW-day (3-year average capacity price) x 365 days/year = \$157 million/year

Note: H.B. 6 does not create a mechanism for Ohio to set capacity prices, collect the costs from ratepayers, or pay the payment to generators.

Other Changes in PJM's Electricity Market

While the nuclear plants will not be eligible for capacity payments from PJM, they will still participate in PJM's energy markets, which compensate generators for the electricity they produce, as opposed to the peak capacity. The energy markets, too, are undergoing rule changes that are expected to create increased revenue for nuclear power plants – specifically, changes to the Operating Reserve Demand Curve included in PJM's Price Formation Filing.

According to the Independent Market Monitor, nuclear power plants will receive an additional \$15,344 /MW-year³ due to changes in the Operating Reserve Demand Curve. This would create an additional \$33 million/year for Ohio's nuclear power plants:

2,150 MW x \$15,344 /MW-year = \$33 million/year

PJM is also investigating carbon pricing for its market. While it is too early to say if a rule would pass, how it would work, and what revenue it would create for Ohio's nuclear plants, one can assume there is the possibility of future payments for carbon-free generation.

Excessive Profits Potential

H.B. 6 thus sets up significant excessive profit potential for Ohio's nuclear plants. For example, should the nuclear power plants be profitable post-bankruptcy, and should Ohio create a capacity payment to replace PJM's for the nuclear plant, Ohio's nuclear plants would have the following annual profits:

\$72 million/year (post-bankruptcy profit) + \$150 million/year (Clean Air Program revenue) - \$82 million/year (capacity auction lost revenue) + \$157 million/year (Ohio set capacity revenue) + \$33 million/year (PJM price formation changes) = \$330 million/year

If we use the Independent Market Monitor's estimates of the two nuclear plants' financial losses – and we assume that Ohio does not create a capacity price and payment mechanism for the plants – the net annual profits of the nuclear plants under H.B. 6 are still \$16.5 million.

Conclusions and Findings

Based on the above data, Ohio policymakers should take into consideration the following questions:

- Do the nuclear plants truly need financial support, post-bankruptcy?

³ Monitoring Analytics, "ORDC Simulation Results: Version 2", Table 20.

- Does H.B. 6 create excessive profits for the nuclear power plants?
- Can Ohio's payments to the nuclear power plants be lowered if the plants start receiving additional revenue from energy markets?
- Will Ohio be asked, or required, to create a capacity payment mechanism for the nuclear power plants to replace the probable loss of PJM capacity payments to the nuclear power plants?



MEMORANDUM

Date: December 21, 2020

To: The Ohio Manufacturers' Association

From: John Seryak, PE, Peter Worley, and Ryan Schuessler (RunnerStone, LLC)

RE: Ohio's Nuclear Generation Fund and the Minimum Offer Price Rule (MOPR)

It has been reported in the news media that certain legislators in Ohio's General Assembly are claiming that Energy Harbor, the owner of two nuclear power plants in Ohio, is lobbying lawmakers to be given the option to accept or deny nuclear resource credits from the state¹. The nuclear resource credits were created for Energy Harbor's nuclear plants in 2019's controversial H.B. 6, the law that is at the center of a federal racketeering case.

The Nuclear Generation Fund and its credits would be continued in the proposed H.B. 798, which recently passed the House Select Committee on Energy Policy and Oversight. According to the media, Energy Harbor is concerned that nuclear resource credits would trigger the Minimum Offer Price Rule (MOPR) in PJM's wholesale electricity markets for its nuclear plants. Being subject to the MOPR would make it more difficult for the nuclear plants to bid into the market, potentially depriving the power plants of earned revenue.

The OMA communicated this issue in its January 2020 communication "FERC's December 2019 Order on State Subsidies"². The MOPR order was issued over a year ago.

Ohio's General Assembly is at this date still debating a replacement for H.B. 6, and thus information on the dynamic between the nuclear resource credits and the MOPR is timely and critical. Below we present key considerations for manufacturers and policymakers:

- The nuclear plants do not need subsidies - If the reporting is true, Energy Harbor's request of a choice on whether to receive nuclear resource credits implies that the nuclear plants do not actually need the credits. This undermines the core premise of H.B. 6 and H.B. 798, which was that the nuclear resource credits were needed to keep the nuclear plants operating. Significant evidence is available that the nuclear plants do not need subsidies, including Energy Harbor's statements to its own investors and the Nuclear Regulatory Commission³.

¹ <https://www.cleveland.com/open/2020/12/energy-harbor-seeks-option-of-turning-down-hb6-nuclear-bailout-money.html>

² <https://www.ohiomfg.com/wp-content/uploads/FERC-Order-on-State-Subsidies-Impact-to-Manufacturers-January-2020.pdf>

³ <https://ohiomfg.informz.net/ohiomfg/data/images/-/%20OMA%20MEMO%20->



- Proposed changes to H.B. 798 would allow Energy Harbor to choose profit through government subsidies, rather than competition – Without the justification that subsidies are needed to keep the plants operating, H.B. 798 becomes a vehicle for Energy Harbor to choose profiting from government subsidies instead of earning profit in competitive markets. A reported legislative change by Rep. Bill Seitz would allow the company to decide “...whether it is better to go for the subsidy, then the audit, or to go for their chances in the capacity market.”⁴ Allowing Energy Harbor this choice at its discretion deprives Ohio’s electricity customers of regulatory protection and oversight of that important decision.
- Legislative changes allowing Energy Harbor a choice to receive nuclear resource credits may not exempt the nuclear plants from the MOPR – Allowing Energy Harbor the choice of whether to receive nuclear resource credits for its nuclear plants appears to be designed to exempt the nuclear plants from the MOPR. Indeed, the MOPR has a “competitive exemption”, wherein a power resource could certify that it will not accept state subsidies it is eligible to receive, and in doing so, would be exempt from the MOPR. However, Ohio’s nuclear plants are in a precarious situation due to H.B. 6 in that they may be ineligible for this “competitive exemption”, no matter if they are given a choice on whether to receive the subsidies. According to PJM:

“Resources that are no longer entitled to a State Subsidy that nonetheless are deemed to be Capacity Resources with State Subsidy because they have not cleared an RPM Auction since they last received a State Subsidy also are not eligible for the competitive exemption and would be required to submit a Sell Offer in accordance with the MOPR.”⁵

Energy Harbor’s Ohio nuclear units fit the description of a resource ineligible for a competitive exemption.

This is because the plants have already earned a “state subsidy” and have not since cleared a capacity auction. This may be surprising to Ohio’s policymakers and followers of energy policy, as H.B. 6’s Nuclear Generation Fund charges to customers and dispersal of funds to the nuclear plant owners are set to begin in 2021.

[%20Three%20Reasons%20Why%20-%20Repeal%20and%20Reform%20of%20HB%206%20Before%202021%20\(Dec.%202020\)%20\(FINAL\)%20-%20last%20edit%20JS.pdf](#)

⁴ <https://www.cleveland.com/open/2020/12/energy-harbor-seeks-option-of-turning-down-hb6-nuclear-bailout-money.html>

⁵ “Compliance Filing Concerning the Minimum Offer Price Rule, Request for Waiver of RPM Auction Deadlines, and Request for an Extended Comment Period of at Least 35 Days”, <https://pjm.com/directory/etariff/FercDockets/4443/20200318-er18-1314-003.pdf>, Page 44.



However, the nuclear resource credits are legislated to be earned in 2020. A corporation that uses accrual accounting would account for revenue when it is earned, not when it is received. Thus, Energy Harbor could have booked the nuclear resource credits as revenue in 2020.

Further, no RPM Auction occurred in 2020. This makes Ohio's nuclear plants a resource "not cleared an RPM Auction since they last received a State Subsidy." As such they are may be ineligible to receive a competitive exemption, and thus this proposed change to H.B. 798 would not remedy the issue.

- H.B. 6 and H.B. 798 are a threat to the ongoing ability of the nuclear plants to earn revenue – H.B. 6 and H.B. 798's Nuclear Generation Fund are a liability to the nuclear plant owners, as they are now subject to the MOPR and may be challenged to compete for capacity revenue in PJM. It is important for policymakers to know that once a power plant is subject to the MOPR, it cannot just "un MOPR" itself. It will continue to be subject to the MOPR even if its state subsidy is eliminated or sunsets, until that power resource clears a capacity auction at MOPR set prices. The MOPR set prices are relatively high for single-unit nuclear plants, and thus these nuclear plants may struggle to clear auctions and receive capacity revenue if they are subjected to the MOPR.
- The General Assembly has limited time to prevent the nuclear plants from being subject to the MOPR – PJM has scheduled its next capacity auction for May 2021. The MOPR order will apply to this capacity auction. Power resources will need to provide PJM bidding information prior to the auction date. The nuclear resource credits may have been accrued by Energy Harbor as revenue in 2020. For the nuclear plants to not be subject to the MOPR in May 2021, they will need to have demonstrate that they are not in receipt of a state subsidy by that time, and that they will not receive a state subsidy going forward.
- H.B. 772 would remedy the issue for the nuclear plant owners – H.B. 772 eliminates the Nuclear Generation Fund created by H.B. 6 in total. The elimination of the Nuclear Generation Fund would remove the state subsidy accrued to Energy Harbor, which in turn should allow the nuclear plants to compete in the forthcoming May 2021 PJM capacity auction. This would provide the nuclear plant the opportunity to earn revenue in the PJM capacity market and relieve Ohio ratepayers from financing the unnecessary subsidy during this economically challenging time.



VIA EMAIL

December 22, 2020

Ryan Augsburger
Ohio Manufacturers' Association
33 N. High Street, 6th floor
Columbus, Ohio 43215-3005

Re: Subsidies to First Energy nuclear plants

Dear Mr. Augsburger:

I have included your questions and the Independent Market Monitor's (IMM) answers. Please let me know if you have any follow up questions.

1. It is our understanding that a state-sponsored financial audit of a state-subsidized power plant would not in and of itself create a MOPR exemption for the power plant. Is this correct?

Answer: Correct. A state sponsored financial audit would not alone or in conjunction with anything else create a MOPR exemption.

2. It is our understanding that if state subsidies are reduced by the state as a result of a financial needs assessment based on audit results, this would not create a MOPR exemption for the power plant. Is this correct?

Answer: Correct. There is no threshold defined for state subsidies in the MOPR provisions.

3. It is our understanding that if a power plant or capacity resource can choose whether or not to receive the state subsidies which they are eligible to receive, this resource may receive a Competitive Exemption from the MOPR, so long as it elects to forego all state subsidies. Is this correct?

Answer: Correct. A competitive exemption may be requested no later than 30 days prior to the auction.

4. It is our understanding that some resources, though, cannot receive a Competitive Exemption. These are resources that PJM describes as "Resources that are no longer entitled to a State Subsidy that nonetheless are deemed to be Capacity Resources with State Subsidy because they have not cleared an RPM Auction since they last received a State Subsidy also are not eligible for the competitive exemption and would be required to submit a Sell Offer in accordance with the MOPR." Is this correct?

Answer: Correct. See OATT Attachment DD Section 5.4(h-1)(4)(A).

5. Ohio's nuclear power plants began earning state subsidies based on the plant's generation output in 2020. The subsidy cash payments are not to begin until 2021. The cash payments could be further delayed by a law modification until 2022, though the year in which the payments are earned - 2020 - is not changed. However, our understanding is that timing of the cash payment is not relevant, and that based on accrual accounting, the plants would have already booked the state subsidies as revenue beginning in 2020, as revenue is booked in the year in which it was earned. We thus interpret that the nuclear plants have already received a state subsidy beginning in 2020. Is this a fair interpretation?

Answer: If the subsidies were earned in 2020 and obligated to be paid under the law then it is the IMM's view that the subsidies were received. There are no provisions in the tariff for returning previously received subsidies.

6. Based on this understanding, we would conclude that Ohio's nuclear power plants have received a state subsidy but have not cleared a capacity auction since they last received a State Subsidy, and are thus not eligible for the competitive exemption per PJM's description above, and will be subject to the MOPR. Is this a fair interpretation?

Answer: Per the response to question 5, if the subsidy was received in 2020 and if the units have not subsequently cleared in an RPM Auction, the competitive exemption is not available.

The relevant tariff provision says:

Notwithstanding the foregoing, the competitive exemption is not available to Capacity Resources with State Subsidy that (A) are owned or offered by Self-Supply Entities unless the Self-Supply Entity certifies, subject to PJM and Market Monitor review, that the Capacity Resource will not accept a State Subsidy, including any financial benefit that is the result of being owned by a regulated utility, such that retail ratepayers are held harmless, (B) are no longer entitled to receive a State Subsidy but are still considered a Capacity Resource with State Subsidy solely because they have not cleared an RPM Auction since last receiving a State Subsidy, or (C)...

7. If so, we also conclude that providing the nuclear plant owners a delayed choice on whether to receive the cash payment of the state subsidies would not in itself create eligibility for a Competitive Exemption. We surmise that the state subsidy must be eliminated, or forgone, in such a manner as that the nuclear plant owners can demonstrate they have removed the subsidy value from their 2020 books, prior to the next capacity auction in May 2021. Is this a fair interpretation?

Answer: If the subsidies were earned and owed under the law then it is the IMM's view that the subsidies were received, regardless of the timing of the cash payment. There are no

Ryan Augsburger
December 22, 2020
Page 3 of 3

provisions in the tariff for returning previously received subsidies. The tariff does not explicitly address accrual versus cash accounting for state subsidies.

Sincerely,

A handwritten signature in black ink that reads "Joseph Bowring". The signature is written in a cursive style with a large, prominent initial "J".

Joseph Bowring
Independent Market Monitor for PJM

Energy

AG Dave Yost Visits OMA Energy Committee

February 26, 2021

During this week's meeting of the OMA Energy Committee, Ohio Attorney General **Dave Yost** briefed members on his **recent legal actions** to halt implementation of key provisions of House Bill 6, the anti-market, scandal-ridden energy law that was opposed early by the OMA. Yost thanked the OMA for "stepping up" to oppose HB 6 and for the organization's willingness to put its "reputation and resources on the line" through advocacy and legal opposition.

Other guests included Sen. **Mark Romanchuk** (R-Ontario), who briefed members on the progress of his **Senate Bill 10** — the OMA-supported legislation to repeal HB 6's decoupling provision, as well as the "significantly excessive earnings" language authorized in the last state budget (HB 166).

The committee was provided an in-depth look at what went wrong in Texas leading up to that state's recent weather-related power failures. Susanne Buckley of Scioto Energy reviewed **electricity market trends**, while Darin King of NiSource/Columbia Gas of Ohio reviewed **natural gas market trends**. 2/25/2021

Senate to Vote on Repeal of HB 6 Nuclear Subsidies

February 26, 2021

On Feb. 23, the Ohio Senate Energy and Public Utilities Committee unanimously advanced **Senate Bill 44** to repeal the nuclear generation subsidies authorized under House Bill 6. The full Senate is expected to consider SB 44 next week. The bill leaves intact HB 6's \$20 million in annual subsidies for select solar projects, but the repeal of the nuclear power subsidy would reduce customer charges by as much as **\$150 million a year**.

Appearing before the Senate panel this week, OMA energy counsel Kim Bojko **presented mostly supportive testimony** of SB 44, but also urged senators to "finish the job" and repeal costly customer-paid subsidies for two aging coal power plants known as **OVEC**. (**Watch this video** of her testimony starting at the 6:00 mark.)

Meanwhile in the House, a similar variation of SB 44 received a second hearing this week. **OMA testimony** in support of **House Bill 128** called on representatives to expand the legislation to repeal OVEC subsidies. 2/25/2021

Bill Takes Aim at New Wind, Solar Energy

February 26, 2021

A **pair of state senators** from Northwest Ohio have introduced legislation to empower local governments to reject the siting of new wind or solar generation. According to **analysis** from the non-partisan Legislative Services Commission, **Senate Bill 52** would allow township voters to hold a referendum to approve or reject new generation projects that have been approved by the Ohio Power Siting Board — the agency that has supervised the siting of power generation for decades. (An identical version of the bill **has been offered** in the House with **House Bill 118**.)

Supported by **groups** opposing renewable energy development, SB 52 and HB 118 would deter development of new wind farms or solar arrays, which already faces heavy restrictions in Ohio. OMA Managing Director of Public Policy Services **Rob Brundrett** reported on the legislation at this week's OMA Energy Committee meeting, saying the bills may have a tough road ahead.

The OMA is monitoring the legislation with interest and will be advocating for professional siting policies that allow markets to work, including markets for renewable energy and other energy innovations. Read more about the **OMA's energy policy goals**. 2/25/2021

First Step to HB 6 Repeal: Senate Passes Romanchuk Bill

February 19, 2021

The Ohio Senate this week unanimously passed **Senate Bill 10** — the OMA-supported bill introduced by Sen. **Mark Romanchuk** (R-Mansfield) to repeal House Bill 6's decoupling provision, which allowed FirstEnergy to lock in annual guaranteed revenue at record-setting 2018 levels (\$978 million).

SB 10 would also repeal the "**significantly excessive earnings**" provision authorized in the last state budget (HB 166). That change to the

so-called SEET test had allowed FirstEnergy to combine profits across its three companies, offsetting “significantly excessive” Ohio Edison gains with those from less profitable companies, thereby avoiding related customer refunds.

Under SB 10, revenue collected under these provisions would be refunded. Anticipated decoupling costs for customers were **estimated** at \$17 million for 2020 and more than \$101 million for 2021 for all customer classes. SEET refund amounts are yet to be determined.

SB 10 now goes to the House for consideration. Meanwhile, Senate President **Matt Huffman** (R-Lima) has said he hopes to bring a nuclear subsidies repeal plan (**Senate Bill 44**) to the floor in about two weeks and that he **expects the repeal legislation to become law**.

These developments and more will be covered at the Feb. 25 OMA Energy Committee meeting. Guest speakers will be Sen. Romanchuk and Attorney General Dave Yost. **Register here.** 2/18/2020

Another Bill to Repeal HB 6 Nuclear Subsidies

February 19, 2021

Another bill has been introduced at the Statehouse to repeal the nuclear subsidies authorized by the scandal-plagued House Bill 6. Remarkably, the new legislation is sponsored by two of HB 6’s strongest supporters in 2019.

House Bill 128 was introduced by Rep. **James Hoops** (R-Napoleon) — chair of the House Public Utilities Committee — and Rep. **Dick Stein** (R-Norwalk), a vocal proponent of nuclear energy. The bill, which received its first hearing this week, would rescind HB 6’s \$150 million a year in subsidies provided to Energy Harbor, owner of Ohio’s two nuclear power plants. In short, HB 128 would:

- Repeal \$170 million in HB 6 generation subsidies, including \$20 million a year for a handful of solar plants;

- Eliminate the decoupling provision that locked in FirstEnergy revenue at record-setting 2018 levels (\$978 million); and
- End the change that reworked the “significantly excessive earnings” test to benefit FirstEnergy.

The sponsors of HB 128 say repeal of the subsidies is now necessary so the plants may continue to sell electricity into the PJM capacity market. (The OMA **spotlighted this issue** more than a year ago.)

The Senate, meanwhile, has its own subsidy-repeal plan in **Senate Bill 44**. 2/17/2021

FirstEnergy Ends Another Consumer Fee; More Questions Raised About \$4M Payment to Randazzo

February 19, 2021

FirstEnergy **announced** this week it was ending a “lost distribution revenue” fee the utility has collected since 2011. In addition, the utility said it was taking other “proactive steps” in an attempt to repair its reputation amid the House Bill 6/Larry Householder bribery and racketeering scandal. This comes **just two weeks** after FirstEnergy announced it would forego the decoupling fee authorized by HB 6.

Meanwhile, Cleveland.com reporter Andrew Tobias **reports** that in a new disclosure to federal regulators, FirstEnergy is bringing renewed attention to a questionable \$4 million payment the company made to former Public Utilities Commission of Ohio (PUCO) Chairman Sam Randazzo. The company now believes the payments “may have been for purposes other than those represented within the consulting agreement” that FirstEnergy had with Randazzo. The discovery of the payment prompted FirstEnergy to fire its then-CEO and other top executives last fall. 2/18/2021

PUCO Nominating Council Selects Six for Interviews

February 19, 2021

Six individuals will be interviewed later today (Friday, Feb. 19) in round two of the search to

find the next Public Utilities Commission of Ohio commissioner for a seat that opens in April. Last month, Gov. Mike DeWine **rejected the initial list** of four finalists submitted by the PUCO Nominating Council.

Those selected for interviews are:

- Daniel Shields, director of the Ohio Consumers' Counsel's analytical department (Independent);
- Jade Davis, vice president of external affairs for Cleveland-Cuyahoga County Port Authority (Democrat);
- Jenifer French, former Franklin County Common Pleas Court judge (Republican);
- Melissa Shilling, chair of the Environmental Review Appeals Commission (Republican);
- Nancy Hammond, former Fayette County Common Pleas Court judge (Republican); and
- Virginia King, Refining Sustainability Manager for Marathon Petroleum LP (Republican).

After conducting private interviews, the council will advance four finalists to the governor. The appointment is subject to Senate approval. *2/19/2021*

Cold Messes With Texas (and Its Electric Reliability)

February 19, 2021

This week's massive winter storms and frigid temperatures wreaked havoc over much of the U.S. Texas has seen the most outages, with businesses and residences left in the dark and sending spot electric prices through the roof. Observers and pundits have been quick to point fingers at different electric generation

technologies, regulatory constructs, energy policies, and even Texas' go-it-alone electrical grid. Could this happen in Ohio?

The 2014 polar vortex knocked out 40,200 megawatts (MW) of power generation in Ohio and the region. Nothing was spared. Natural gas, nuclear, and renewables all had failures. Coal was impacted heavily, with 13,700 MW of outages. However, Ohio's power stayed on because the Buckeye State is part of a 13-state power grid market called **PJM Interconnection**. (PJM is widely considered one of the premier grid and wholesale market structures in the world.)

Like other multi-state grids, PJM allows diverse generators from a multi-state region to bid into the capacity market, resulting in a significant reserve capacity (over 20% more power than needed). There were only sporadic outages in Ohio and other PJM states this week.

In contrast, Texas resisted joining a multi-state grid in favor of a **walled-off or island approach** so that only Texas generation can supply Texas markets. The Texas grid, operated by the Electric Reliability Council of Texas (ERCOT), is not subject to federal transmission regulations and does not have a capacity market that functions to assure adequate electricity supply, especially during peak events. During Ohio's House Bill 6 debate, some state lawmakers expressed condemnation of PJM in favor of a Texas-like model in which utilities and generators win and customers are exposed to considerable risk. But this week has served as another reminder that in times of extreme weather, PJM's multi-state regional market has kept the power on. *2/18/2021*

EIA: Renewables Expected to Be Predominant Source of Electrical Generation by 2030

February 19, 2021

The U.S. Energy Information Administration (EIA) projects that the share of renewables in the U.S. electricity generation mix will increase from 21% in 2020 to 42% in 2050. According to the **EIA estimates**, renewables will collectively surpass natural gas by 2030 to be the predominant source of generation. Solar is expected to surpass wind by 2040 as the largest source of renewable generation. *2/15/2021*

Senate Committee Takes First Step to Repeal HB 6's Decoupling Mechanism

February 12, 2021

This week, the Senate Energy and Public Utilities Committee voted 11-0 to approve OMA-supported **Senate Bill 10**, which would repeal an anti-consumer, anti-market provision of House Bill 6.

If enacted, SB 10 would rescind HB 6's decoupling provision, which FirstEnergy's former CEO in 2019 said **would make the company "somewhat recession proof"** by guaranteeing the company's revenue at 2018's record-setting levels (\$978 million a year).

The bill would also repeal the **"significantly excessive earnings"** provision authorized in the last state budget (HB 166) to allow FirstEnergy to avoid consumer-protecting profitability limits and related customer refunds.

The sponsor of SB 10, Sen. **Mark Romanchuk** (R-Mansfield) — who is a manufacturer — told *Hannah News Service* that other provisions of HB 6, including its nuclear and coal price supports, are still on the table and could appear in separate repeal legislation. *2/10/2021*

Senate Bill 44 Would Kill HB 6's Nuclear Subsidies

February 12, 2021

There is other recently introduced legislation besides Senate Bill 10 (see separate story) that unwind House Bill 6. One such measure is **Senate Bill 44**, sponsored by Sens. **Jerry Cirino** (R-Kirtland) and **Michael Rulli** (R-Salem) to repeal HB 6's \$150 million annual nuclear generation subsidies. The bill, which received its first hearing this week, would leave intact HB 6's \$20 million in annual subsidies for select solar projects.

Gongwer News Service reported that the sponsors of SB 44 said HB 6's subsidy payments "may be more of a liability to beneficiary Energy Harbor under ongoing and expected changes at the federal level — and that the company's fiscal footing should be healthier given its emergence from bankruptcy a year after HB 6's passage." *2/10/2021*

Still More Developments in the HB 6 Drama

February 12, 2021

On Feb. 5, Generation Now — a dark money group that prosecutors allege was controlled by former Ohio House Speaker Larry Householder — **admitted guilt** in helping orchestrate the \$60 million racketeering scandal tied to the enactment of House Bill 6.

Meanwhile, there was further confirmation this week that the owner of Ohio's two nuclear power plants — Energy Harbor, a subsidiary of FirstEnergy — is **no longer interested** in receiving as much as \$1 billion in generation subsidies provided by the tainted energy law. The company is concerned that accepting subsidies would put it at a disadvantage when competing with non-subsidized electricity suppliers in the 13-state PJM energy market.

A federal rule blocks companies that receive state subsidies from being able to sell electricity in a market designed to provide extra energy capacity, if needed. The OMA **spotlighted this issue** more than a year ago. *2/9/2021*

AG Yost Announces Decoupling Deal With FirstEnergy

February 5, 2021

On Feb. 1, Attorney General Dave Yost **announced** a "long-term settlement" with FirstEnergy, which has agreed to stop using a House Bill 6-authorized decoupling rider that would cost customers an extra \$102 million this year.

In a **radio interview this week**, Yost said FirstEnergy would ask the Public Utilities Commission of Ohio (PUCO) to zero out the decoupling rider. Shortly after, the PUCO **announced** that the decoupling rates for FirstEnergy's Ohio distribution utilities had indeed been set to zero. (**This tracker** shows FirstEnergy has already collected \$27 million from the rider over the past year.)

This week's legal development comes after the OMA **for nearly two years** led efforts to oppose HB 6 — including its decoupling mechanism, which had guaranteed FirstEnergy and its subsidiary, Energy Harbor, profits of at least \$978 million in gross annual revenues.

It's also the second recent HB 6-related setback for FirstEnergy. In late December, a **Franklin County judge ordered** that \$170 million per year in HB 6's customer-funded subsidies could not be collected from customer bills. The OMA helped lead legal efforts to stop the collection of the new subsidies. *2/1/2021*

What's Next in Push to Repeal HB 6?

February 5, 2021

After **this week's legal developments** involving House Bill 6, many Ohioans are wondering what's next for the state's scandal-tainted energy law?

For now, the OMA's focus remains on enactment of **Senate Bill 10**, introduced by Sen. **Mark Romanchuk** (R-Ontario) to repeal anti-market, anti-consumer provisions of HB 6. The need for SB 10 to become law was highlighted in a *Gongwer News Service* article, in which OMA Energy Group counsel Kim Bojko is quoted as saying lawmakers should pass SB 10 to repeal HB 6's decoupling provision, despite the recent deal brokered by Attorney General Dave Yost (see separate story).

Bojko said: "FirstEnergy didn't apply to withdraw the rider. They didn't remove the rider. They just set it to zero. ... If it's set to zero it can be easily repopulated." She added that she had yet to see in writing where the company had agreed to not implement the rider in the future.

Meanwhile, Sens. **Michael Rulli** (R-Salem) and **Jerry Cirino** (R-Kirtland) have introduced **Senate Bill 44** to repeal the nuclear subsidies in HB 6. The OMA will offer analysis on this bill as well as SB 10 during its Feb. 25 Energy Committee meeting, which will be held via Zoom. Members are **invited to register** now. *2/4/2021*

EIA: Gasoline, Diesel Prices to Increase Through 2022

February 5, 2021

Last year, U.S. average gasoline and diesel prices were the lowest they had been since 2016: \$2.17/gallon for gasoline and \$2.55/gallon for diesel. But the Energy Information Administration (EIA) expects that greater demand for transportation fuels **will lead to higher prices** during the next two years —

including to an average \$2.74/gallon for on-highway diesel in 2022. *2/1/2021*

HB 6 Repeal Starts Anew in Ohio Senate

January 29, 2021

Sen. **Mark Romanchuk** (R-Ontario) on Jan. 27 **presented testimony** in support of his **Senate Bill 10** to repeal provisions of House Bill 6, the tainted nuclear subsidy law passed in 2019. Specifically, SB 10 repeals the decoupling and significantly excessive earnings test (SEET) provisions that were intended to benefit FirstEnergy, while closing the door on decoupling riders for other utilities.

"SB 10 is an important step forward to protect customers," said OMA president Ryan Augsburger. "We urge the Senate to strengthen the bill by repealing the Ohio Valley Electric Corporation (OVEC) subsidies that were also embedded in HB 6." Prompt passage of SB 10 is expected. *1/28/2021*

U.S. Attorney Leading HB 6 Investigation to Be Replaced

January 29, 2021

Political appointees who serve at the pleasure of the president customarily move on when there's a new occupant of the White House. This will be the case for **David DeVillers**, U.S. Attorney for the Southern District of Ohio, who has **conducted the investigation** into Ohio's largest bribery and racketeering scheme, while exposing its ties to House Bill 6. DeVillers charged former Speaker Larry Householder and others with serious crimes for their roles in the scandal.

The news of **DeVillers being replaced** was confirmed by Ohio's U.S. Senator Sherrod Brown (D). *The Columbus Dispatch* (subscription) reports that the prosecution of Householder and others will proceed after DeVillers has been replaced. *1/28/2021*

Don't Be Misled by This Energy Conference

January 29, 2021

Manufacturers may have seen promotional materials for an energy conference that will be held virtually in mid-February. The promotional

materials display the OMA logo. Please note that the OMA has not endorsed or authorized the use of our logo for this event.

Here's a better option: **Register now** for the OMA Energy Committee's Feb. 25 meeting via Zoom. You will learn accurate and valuable information to help you manage energy costs, while also being afforded the opportunity to contribute to the OMA's efforts to improve Ohio's energy policy. The OMA Energy Committee meets quarterly and is open to all members. Energy intensive manufacturers will want to consider membership in the **OMA Energy Group**. 1/28/2021

EIA Predicts Less Power Generation From Natural Gas

January 22, 2021

In its latest short-term projections, the U.S. Energy Information Administration (EIA) **forecasts** that generation from natural gas-fired power plants will decline by about 8% this year. If true, it would mark the first annual decline in natural gas-fired generation in four years. Generation from coal-fired plants is expected to increase by 14%, while generation from non-hydropower renewable energy sources is forecast to grow 18%. 1/21/2021

Governor Wants Another List of Finalists for PUCO Chair

January 22, 2021

In a rare move, Gov. Mike DeWine **this week rejected** the first round of nominees to replace former Public Utilities Commission of Ohio (PUCO) Chairman Sam Randazzo. As permitted by law, Gov. DeWine requested a second and final list from the **PUCO Nominating Council**. *Hannah News Service* reported that the governor "said he will consider previous applicants as well as new ones," leaving the door open to further consideration of DeWine policy adviser Anne Vogel, consumer advocate Greg Poulos, and federal energy adviser Angela Amos. The list of applicants is now shorter since former Supreme Court of Ohio Justice Judith French was recently appointed director of the Ohio Department of Insurance.

The nominating council is scheduled to meet today (Friday, Jan. 22) to conduct interviews for a separate PUCO appointment as

Commissioner Dennis Deters' term expires in April. 1/22/2021

Biden Cancels Permit for Keystone XL Pipeline

January 22, 2021

In one of his first actions from the Oval Office, President Joe Biden this week rescinded the federal permit for the Keystone XL pipeline, at least temporarily erecting a barrier to its progress.

In a **press release**, National Association of Manufacturers President and CEO Jay Timmons said: "Manufacturers are disappointed with the administration's decision to block this sustainable project, which can serve as a model for infrastructure of the future, and if not reconsidered, represents a missed opportunity for manufacturing workers in America." 1/20/2021

Air Authority Complies With Courts, Blocking Collection of HB 6 Subsidy Charges

January 15, 2021

The Ohio Air Quality Development Authority (OAQD), which oversees House Bill 6's nuclear subsidy program, this week complied with recent court orders to block the collection of the law's subsidies paid by consumers. A resolution adopted by the OAQD temporarily revokes and suspends the approval of Energy Harbor's application for subsidy payments under HB 6.

The OAQD's move follows last month's preliminary injunction granted by a Franklin County Common Pleas Court judge who blocked the Jan. 1 start of the law's subsidy charges. The Ohio Supreme Court also **issued its own order** to prevent the commencement of the subsidy charges. The OMA was heavily involved in both legal proceedings. 1/13/2021

AG Yost Seeks to Block HB 6 Decoupling Charges

January 15, 2021

Consistent with the OMA's objections raised in 2019 and 2020, Ohio Attorney General Dave Yost this week **took legal action** to freeze another key provision of House Bill 6. **Gongwer News Service** (subscription) reports that Yost

asked a Franklin County Common Pleas Court judge to block HB 6's decoupling mechanism, calling it "perverse" and "designed to allow FirstEnergy to overcharge its customers."

The decoupling provision was one of many reasons the OMA opposed HB 6 during its consideration in 2019. The law's language assures FirstEnergy utilities will be **made whole to revenue levels of 2018** — a peak year for the utility. "This guarantees FirstEnergy will receive its high-water-mark profits regardless of service levels, providing no accountability," Yost said.

In its comments supporting Yost's actions this week, the Office of Ohio Consumers' Counsel said that "two million consumers will be paying FirstEnergy about \$310,722 per day in 2021, compared to about \$51,259 per day in 2020. In other words, every day the legislature delays repealing HB 6, FirstEnergy gets another \$310,722 from consumers. What a deal!" *1/13/2021*

EIA Expects Higher Natural Gas Prices January 15, 2021

In its latest **Short-Term Energy Outlook**, the U.S. Energy Information Administration forecasts that the annual natural gas spot price

at the Henry Hub will rise 0.98¢ per million British thermal units (MMBtu) to average \$3.01/MMBtu in 2021. The agency notes that natural gas hit its **lowest average price in decades** last year, but production has fallen amid those low prices. *1/13/2021*

PUCO, Supreme Court Act to Address HB 6 Concerns

January 8, 2021

Last week, regulators at the Public Utilities Commission of Ohio (PUCO) **announced** a new audit of FirstEnergy. This was done in response to the criminal and civil cases tied to the state's nuclear subsidy law (House Bill 6). The PUCO granted a request by the Office of the Ohio Consumers' Counsel to reopen a case tied to FirstEnergy utilities' distribution modernization rider and to launch an independent third-party audit to ensure revenue from ratepayers was not improperly used to support HB 6.

The PUCO's action came just days after the Supreme Court of Ohio postponed the collection of \$170 million in fees authorized by HB 6 — a **direct result** of the legal challenge mounted by the **OMA Energy Group**. The stay provides another backstop of protection for consumers who, on Jan. 1, were supposed to start paying the subsidies authorized by HB 6. *1/4/2021*

Energy Legislation

Prepared by: The Ohio Manufacturers' Association
Report created on March 2, 2021

- HB10** **REPEAL HB6 - REVISE ELECTRIC UTILITY SERVICE LAW (LELAND D)** To repeal Section 5 of H.B. 6 of the 133rd General Assembly to make changes regarding electric utility service law, to allow the implementation of energy waste reduction programs, and to repeal certain provisions of H.B. 6 of the 133rd General Assembly.
Current Status: 2/17/2021 - House Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-10>
- HB18** **REPEAL HB6 (LANESE L)** Repeal HB 6 of the 133rd GA
Current Status: 2/17/2021 - House Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-18>
- HB47** **ELECTRIC CAR CHARGING STATION GRANT REBATE (LOYCHIK M)** To require the Director of Transportation to establish an electric vehicle charging station grant rebate program and to make an appropriation.
Current Status: 3/2/2021 - House Transportation and Public Safety, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-47>
- HB87** **EXEMPT UTILITY SUPPLY CONTRACTS FROM 10-YEAR MAXIMUM (STEPHENS J, JOHN M)** To exempt county utility supply contracts entered into under a joint purchasing program from the 10-year maximum period for such contracts.
Current Status: 3/3/2021 - House State and Local Government, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-87>
- HB118** **REVISE CERTAIN WIND FARM/SOLAR FACILITY LAWS (RIEDEL C, STEIN D)** To require inclusion of safety specifications in wind farm certificate applications, to modify wind turbine setbacks, and to permit a township referendum vote on certain wind farm and solar facility certificates.
Current Status: 2/23/2021 - House Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-118>
- HB128** **REPEAL HB6 (HOOPS J, STEIN D)** To make changes regarding electric utility service law, to repeal certain provisions of H.B. 6 of the 133rd General Assembly, and to provide refunds to retail electric customers in the state.
Current Status: 3/2/2021 - House Public Utilities, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-128>
- HB152** **REVISE LAW GOVERNING UNIT OPERATION (STEWART B, GINTER T)** To revise the law governing unit operation.
Current Status: 2/24/2021 - Referred to Committee House Energy and Natural Resources

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-152>

- SB8 BROADBAND-ELECTRIC COOPERATIVE EASEMENTS (MCCOLLEY R)** Regarding broadband expansion, including access to electric cooperative easements and facilities, and to make an appropriation.
Current Status: 2/17/2021 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-8>
- SB10 REFUNDS TO ELECTRIC CUSTOMERS (ROMANCHUK M)** To terminate any approved decoupling mechanism, to modify the significantly excessive earnings determination for an electric security plan, and to provide refunds to retail electric customers in the state.
Current Status: 2/24/2021 - Referred to Committee House Public Utilities
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-10>
- SB20 COUNTY UTILITY SUPPLY CONTRACTS (HACKETT R)** To exempt county utility supply contracts entered into under a joint purchasing program from the 10-year maximum period for such contracts and to declare an emergency.
Current Status: 3/2/2021 - Senate Local Government and Elections, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-20>
- SB29 ELIMINATE AUTO ENROLLMENT-UTILITY AGGREGATION (HOAGLAND F)** To eliminate automatic enrollment in governmental electric and natural gas aggregation programs.
Current Status: 2/23/2021 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-29>
- SB32 ELECTRIC VEHICLE CHARGING STATION (RULLI M)** To require the Director of Transportation to establish an electric vehicle charging station grant rebate program and to make an appropriation.
Current Status: 2/17/2021 - Senate Transportation, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-32>
- SB44 REVISE HB6 FROM 133RD G.A. (RULLI M, CIRINO J)** To repeal the nuclear resource credit payment provisions, and amend, and rename as solar resource, the renewable resource credit payment provisions of H.B. 6 of the 133rd General Assembly.
Current Status: 2/23/2021 - Senate Energy and Public Utilities, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-44>
- SB52 WIND TURBINE SETBACKS (REINEKE W, MCCOLLEY R)** To require inclusion of safety specifications in wind farm certificate applications, to modify wind turbine setbacks, and to permit a township referendum vote on certain wind farm and solar facility certificates.
Current Status: 2/17/2021 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-52>

SB89 **RENEWABLE ENERGY** (DOLAN M) To extend the renewable portfolio standard, increase solar energy benchmarks, and extend the property tax exemption for qualified energy projects that use renewable energy resources.

Current Status: 2/24/2021 - Introduced

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-89>

SB95 **REGULATE UTILITY RESELLERS** (MAHARATH T) To require refunds to utility customers who have been improperly charged and to regulate certain resellers of utility service.

Current Status: 2/24/2021 - Introduced

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-95>

TO: OMA Government Affairs Committee
FROM: Rob Brundrett / Rachael Carl
RE: Environment Public Policy Report
DATE: March 3, 2021

Overview

January saw the beginning of the new 134th Ohio General Assembly. The legislature is looking to move away from the scandals of the previous two-years. Unfortunately, the clouds of House Bill 6 and former Speaker Larry Householder's reign continue to hang over head.

Senator Matt Huffman takes over as the Speaker of the Ohio Senate and Representative Bob Cupp was reelected by his peers to retain the Speaker's gavel for another two-year term. Speaker Cupp took over last summer after Larry Householder was removed from his Speaker position.

In the House Rep. Kyle Koehler sits in the Agriculture and Conservation Committee Chair seat, while Rep. Jason Stephens will Chair the Energy and Natural Resources Committee.

In the Senate, Senator Tim Schaffer will Chair the Agriculture and Natural Resources Committee, and former President Pro Tem Bob Peterson Chairs the Energy and Public Utilities Committee.

H2Ohio remains the number one environmental priority for the DeWine Administration. It was announced prior to the recent budget unveiling that the administration was going to once again fully fund the program for another two years.

Ohio EPA and the legislature have been quiet for the past several years regarding major environmental legislation. The regulatory side continues to be where the biggest impact is made for Ohio environmental policy.

2021 is expected to be a big year for the state. Both Cleveland and Cincinnati will be in nonattainment for the 2015 ozone standard and will be dealing with the escalated restrictions that come with the designation and Ohio will be working on the Lake Erie TMDL.

Regulatory reform will continue to be a major issue. Ohio EPA will be subject to much more scrutiny regarding its rule written if the legislature has its way.

General Assembly News and Legislation

State Operating Budget

The centerpiece of the legislative session will be the state operating budget. The bill has yet to be introduced formally, but the DeWine Administration outlined their goals in a press conference last week.

H2Ohio remains a major policy goal for the administration. Ohio EPA has spent over \$17 million towards the goal of reducing nutrients in Ohio's lakes and waterways. Ohio EPA has remained focused on updating municipal water systems. The Governor has stated that H2Ohio water quality initiative would receive \$240 million over the next budget. That is a significant increase from the \$180 million that was allocated to the initiative over the past two years.

One of the goals outlined in the Ohio EPA budget recommendation is to continue its PFAS initiative. Last year the agency finished testing 1,500 public water drinking systems. The administration remains focused on the issue.

Regulations

U.S. EPA Rule Change Will Help Shed Light on Costs, Benefits of Clean Air Regulations

On Dec. 9, the Trump administration finalized a rule changing how incoming administrations evaluate their air regulations by improving how the U.S. EPA conducts its cost-benefit analysis. According to reports from D.C. media, the rule will apply to new regulations proposed under the Clean Air Act, which President-elect Joe Biden is expected to utilize frequently to meet his climate change goals.

The National Association of Manufacturers (NAM) applauded the rule, saying it “will have an immediate positive impact on our country.” NAM has previously stated that “reforming the way the EPA performs cost-benefit analysis is likely to have a greater positive impact on the future of manufacturing than any single EPA regulatory action.”

EPA Administrator Andrew Wheeler, an Ohio native, announced the rule by saying the public “deserves to know the benefits and costs of federal regulations.” (It’s estimated that EPA regulations make up almost 70% of the costs of federal rules, with the Clean Air Act being the costliest.)

Cincinnati and Cleveland in Non- Attainment for Ozone and Ohio EPA Looks to Make Changes to Nitrogen Oxide Emission Rules as a Result

As expected, the Cincinnati and Cleveland non-attainment areas did not meet the ozone standard by the end of the 2020 ozone season. In addition, neither area qualified for the one-year extension. In anticipation of a “bump-up” to moderate non-attainment, Ohio EPA has issued an “Early Stakeholder Outreach” regarding emissions of nitrogen oxides.

The Cleveland and Cincinnati areas are currently classified as marginal non-attainment areas under the 2015 ozone standard. The areas are required to meet the ozone standard by Aug. 3, 2021 based on monitoring data collected during the 2018-2020 ozone monitoring seasons, which extend from March 1 to Oct. 31 each year. Based on ozone monitoring data through Oct. 31, 2020, Ohio EPA anticipates that the Cleveland and Cincinnati areas will fail to meet the ozone standard by Aug. 3, 2021, as required.

OMA Intervenes in Appeal of U.S. EPA’s Removal of Air Nuisance Rule

On Jan. 19, 2021, the Sierra Club, the Ohio Environmental Council, and two individuals filed a petition for review with the Sixth Circuit Court of Appeals, seeking review of U.S. EPA’s final rule removing the air pollution nuisance rule from Ohio’s State Implementation Plan (SIP).

The removal of the air pollution nuisance rule from Ohio’s SIP allows Ohio EPA to discontinue its practice of including a nuisance provision as a standard term and condition within each air permit it issues. In practice, the inclusion of the nuisance provision within Ohio EPA’s air permits allows for the filing of a citizen suit alleging that a facility is in violation of the nuisance provision, even if Ohio EPA determines the facility does not operate as a nuisance.

On Feb. 18, the OMA moved to intervene in the Sixth Circuit appeal in support of the EPA’s removal of the nuisance rule from Ohio’s SIP. The State of Ohio has also moved to intervene in support of the agency’s action.

OMA Submits Comments Opposing Portions of Ohio EPA's Credible Data Rule

The OMA this week submitted comments opposing portions of Ohio EPA's Proposed Credible Data Program. The OMA specifically opposed the addition of "state universities" to the definition of "state environmental agency" found within the Ohio Administrative Code 3745-4-02(Q). See more in OMA counsel's report.

Ohio EPA / U.S. EPA Agency News

Biden to Pick North Carolina Environment Official as EPA Chief

With promises of an ambitious climate agenda, President-elect Joe Biden selected North Carolina's top environment official Michael Regan to lead the EPA. Regan served as secretary of North Carolina's Department of Environmental Quality for four years. Previously, he worked at the Environmental Defense Fund. Regan had his confirmation hearing last week and is expected to be easily confirmed.

Biden also confirmed he will nominate former Michigan Gov. Jennifer Granholm for Energy secretary; Brenda Mallory for chair of the Council on Environmental Quality; former EPA chief Gina McCarthy as national climate adviser; and Ali Zaidi, as deputy national climate adviser. According to Politico, "the roster has environmentalists and climate change activists feeling optimistic," with one environmental leader calling it "the climate and overall environmental dream team."

Ohio EPA Completes PFAS Testing and New Federal Actions

At the end of last year Ohio EPA announced it had received the final test results for the presence of certain per- and polyfluoroalkyl substances (PFAS) in drinking water from public water systems, bringing to a close the agency's statewide sampling initiative under Ohio's PFAS Action Plan.

Ohio EPA Director Laurie Stevenson noted that roughly 94% of the nearly 1,550 public drinking water systems tested "revealed no detection of PFAS compounds," while "low levels of PFAS compounds, well below the health advisory level, were detected in 6% of systems." The testing found only two public water systems exceeding the state's action level; those systems are being remedied by Ohio EPA.

At the federal level the outgoing Trump administration announced new steps to address per- and polyfluoroalkyl substances (PFAS). The agency released a final regulatory determination finding that the two best-studied chemicals in the family, PFOA and PFOS, should be regulated in drinking water, launching the years-long process of developing a Safe Drinking Water Act limit.

The EPA also proposed requiring drinking water utilities to test for 29 types of PFAS as part of the next round of mandatory, nationwide sampling that will occur between 2023 and 2025.

The U.S. EPA also recommended requiring many manufacturing sites, wastewater plants, and other facilities to monitor wastewater for PFAS, used by various industrial sectors to manufacture numerous products.

The OMA has created a working group to address PFAS-related issues and possible impacts to manufacturers. If you would like to learn more or participate, contact the OMA's Rob Brundrett.

12/22/20

PUBLIC INTEREST CENTER, (614) 644-2160

MEDIA CONTACT: [Heidi Griesmer](#)

Ohio EPA Announces First-Year H2Ohio Accomplishments to Improve Water Quality in Ohio

This week, Ohio EPA Director Laurie A. Stevenson outlined the progress the Agency has made in the first year of Governor Mike DeWine's H2Ohio initiative, which has a goal to provide safe and clean water for Ohioans while ensuring the long-term health of our lakes and waterways.

Ohio EPA's H2Ohio approach has been to concentrate on five focus areas which will improve water quality, protect public health, and provide positive change to the lives of Ohioans. These five focus areas are: improving Ohio's water and wastewater infrastructure, replacing failed home sewage treatment systems, reducing lead exposure in daycare centers, building a stronger stream monitoring network, and researching promising technologies for water quality improvements.

"Governor DeWine's H2Ohio plan enabled Ohio EPA to extend available funding to help communities across the state address their water and wastewater needs, home sewage treatment systems, and lead service lines," said Ohio EPA Director Laurie A. Stevenson. "We have used H2Ohio funding to make a difference in the lives of Ohioans."

To help with infrastructure, Ohio EPA awarded a total of \$2 million in funding for drinking water infrastructure projects in Pike County, Coshocton, and New Waterford. An additional \$1.5 million in H2Ohio funding was awarded for wastewater projects in Pomeroy, West Milton, and Williams County. More than \$1.7 million was awarded to health departments in seven Northwest Ohio counties to address failing household sewage systems.

A total of \$1.225 million in H2Ohio funds are addressing removing and replacing lead service lines and lead-containing fixtures at childcare facilities in Cincinnati. Federal grant funds are used to conduct the testing, and H2Ohio funds are used to replace lead service lines and fixtures at childcare facilities.

Ohio EPA used its H2Ohio funds to leverage more than \$20 million in federal, state, and local funds.

In addition, Ohio EPA issued a request for technologies for the H2Ohio Technology Assessment Program (TAP) to identify technologies that may help address harmful algal blooms (HABs) in Lake Erie. Proposals will be accepted until Jan. 15, 2021.

In the future, Ohio EPA plans to continue to focus on improving Ohio's water and wastewater infrastructure, replacing failed home sewage treatment systems, reducing lead exposure, and building a stronger stream monitoring network.

H2Ohio is a collaborative water quality effort to provide clean and safe water to Ohio. The Ohio Department of Natural Resources, Ohio Department of Agriculture, Ohio Environmental Protection Agency, and Ohio Lake Erie Commission each have a significant role in H2Ohio through the natural infrastructure of wetlands, the reduction in nutrient runoff, and increasing access to clean drinking water and quality sewer systems. To learn more, go to h2.ohio.gov.

The H2Ohio Year One Annual Report is available online at: <http://h2.ohio.gov/h2ohio-annual-report/>.

12/29/20

PUBLIC INTEREST CENTER, (614) 644-2160

MEDIA CONTACT: [Heidi Griesmer](#)

Ohio EPA Completes Testing Drinking Water Under Ohio PFAS Action Plan

Today, Ohio EPA announced that it has received the final testing results for the presence of certain per- and polyfluoroalkyl substances (PFAS) in drinking water from Ohio's public water systems, bringing to a close the Agency's statewide sampling initiative of almost 1,550 public water systems under Ohio's PFAS Action Plan.

Although there are currently no national drinking water standards for PFAS nor mandates for its testing, Governor Mike DeWine [called for the development of the PFAS Action Plan](#) last year to identify the extent of PFAS chemicals in Ohio's public drinking water systems. The testing found only two public water systems in the state with PFAS levels above the state's action level.

"There is still a lot that experts don't yet know about the dangers of PFAS compounds in drinking water, but as a result of this work, we can say with certainty that these chemicals are not widely contaminating Ohio's public water systems," said Governor DeWine. "We want Ohioans to feel confident that their water is safe, and I'm pleased that these testing results can provide some peace of mind."

"We greatly appreciate Governor DeWine's leadership in this area," said Ohio EPA Director Laurie Stevenson. "Ohio now joins the ranks of only a handful of other states that have taken on such a comprehensive sampling initiative. We now have very important data that can help us as we work with our public water systems to ensure they can continue to provide safe drinking water to their customers." The water sampling began in February 2020 with the goal to test Ohio's public water systems serving communities, schools, child care facilities, and mobile home parks by the end of the year. Through this initiative, nearly 94 percent of the nearly 1,550 public drinking water systems tested revealed no detection of PFAS compounds. Low levels of PFAS compounds, well below the health advisory level, were detected in six percent of systems.

In the two water systems found with elevated PFAS levels, immediate steps were taken to identify alternatives to ensure safe drinking water. Ohio EPA will continue to work with these systems on regular testing to monitor PFAS levels and to identify options to address any potential public health risks. Ohio EPA is also continuing to monitor the water systems with low PFAS levels to ensure levels don't begin to rise.

PFAS are manmade chemicals used in products such as carpeting, upholstery, cookware, food packaging, and firefighting foam. PFAS can be transported through rainwater run-off or migrate through soil, posing potential contamination threats to surface and ground waters. Ohio EPA provided the test results to each public water system and published the data publicly on Ohio's interactive PFAS website, pfas.ohio.gov. For more information on PFAS and Ohio's PFAS Action Plan, visit pfas.ohio.gov.

-30-



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U.S. EPA removes Ohio's air pollution nuisance rule from Ohio's SIP

November 19, 2020

UPDATE (January 22, 2021): On January 19, 2021, the Sierra Club, the Ohio Environmental Council, and two individuals filed a [petition](#) with the Sixth Circuit Court of Appeals requesting review of US EPA's November 19, 2020, final rule removing Ohio's air pollution nuisance rule from Ohio's SIP, which became effective on December 21, 2020. Bricker will continue to closely monitor this rulemaking and the Sixth Circuit petition as the case progresses.

In accordance with the rule, Ohio EPA has [indicated](#) that as of January 19, 2021, Section A. of the Standard Terms and Conditions for Ohio EPA's Division of Air Pollution Control Permits-to-Install and Title V Operating Permits will no longer refer to the nuisance rule as being federally enforceable.

On November 19, 2020, U.S. EPA published its decision to remove Ohio's air pollution nuisance rule from Ohio's SIP in the [Federal Register](#). The removal came at the request of Ohio EPA because the nuisance rule does not have a reasonable connection to the attainment of the NAAQS in Ohio, and U.S. EPA erred in approving it as part of Ohio's SIP. Like in other states where a nuisance rule has been removed from the SIP, U.S. EPA agreed that the rule has not been relied upon to demonstrate

implementation, maintenance or enforcement of any NAAQS. Ohio's nuisance rule is codified in Ohio Administrative Code Rule 3745-15-07, which provides as follows:

"[t]he emission or escape into the open air from any source or sources whatsoever, of smoke, ashes, dust, dirt, grime, acids, fumes, gases, vapors, or any other substances or combinations of substances, in such manner or in such amounts as to endanger the health, safety or welfare of the public, or cause unreasonable injury or damage to property, is hereby found and declared to be a public nuisance. It shall be unlawful for any person to cause, permit or maintain any such public nuisance."

This rule is still in effect and is not impacted by U.S. EPA's removal of the air nuisance rule from Ohio's SIP. The practical effect of U.S. EPA's action, however, is that claims for violations of Ohio's air nuisance rule will need to be filed in the state court system in Ohio, and not subject to citizen suits under the Clean Air Act in federal court.



October 7, 2020

VIA Electronic Mail (dsw_rulecomments@epa.ohio.gov)

Ohio EPA Division of Surface Water
Attn: Jennie Pugliese
P.O. Box 1049
Columbus, OH 43216-1049

Re: Comments on Ohio EPA's Proposed Credible Data Program, Wave 2 (OAC 3745-4) Rulemaking

Dear Ms. Pugliese:

Pursuant to Ohio EPA's Public Notice of Proposed Rulemaking Governing Credible Data Program, the Ohio Manufacturers' Association (OMA) is hereby providing Ohio EPA with written comments to Ohio EPA's proposed rulemaking pertaining to Ohio Administrative Code ("OAC") Chapter 3745-4.

The OMA is dedicated to protecting and growing manufacturing in Ohio. The OMA represents over 1,300 manufacturers in every industry throughout Ohio. For more than 100 years, the OMA has supported reasonable, necessary and transparent environmental regulations that promote the health and well-being of Ohio's citizens. The OMA appreciates the opportunity to comment on Ohio EPA's proposed rulemaking pertaining to OAC Chapter 3745-4, the Credible Data program.

The OMA is opposed to Ohio EPA's proposed addition as currently drafted of "state universities" to the definition of "state environmental agency" found within OAC 3745-4-02(Q). The other state environmental agencies listed within OAC 3745-4-02(Q) appear to be consistent with the definition of "state environmental agency," having the primary function of "protection, management, study, or assessment of the environment, natural resources or ecological systems." OAC 3745-4-02(Q). State universities, on the other hand, have a much broader focus, and do not fit within this definition. The proposed addition of "state universities" to OAC 3745-4-02(Q) does not limit the term in any way, nor does the incorporated definition of "state universities" within R.C. 3345.011. The rule as drafted appears to allow for any state university employee to submit data and have it be deemed credible pursuant to the rule, regardless of that employee's area of discipline, training, and experience.

Notably, the rule as drafted provides that data submitted by state universities shall be *automatically* deemed credible pursuant to OAC 3745-4-01(D)(1). And unlike OAC 3745-4-01(D)(2), subsection (D)(1) does not contain a provision authorizing the Director to exercise discretion in identifying reasons why the data submitted are not credible.

The OMA respectfully requests that Ohio EPA please remove this provision or at least provide further clarity in regards to this proposed addition to OAC 3745-4-02(Q).

The OMA would like to thank Ohio EPA for the opportunity to comment and to participate in this rulemaking process.

Sincerely,

A handwritten signature in blue ink that reads "Rob Brundrett". The signature is written in a cursive, slightly slanted style.

Rob Brundrett
Director, Public Policy Services

cc: Julianne Kurdila, Committee Chair
Christine Rideout Schirra, Esq.

Environment

OMA Intervenes in Appeal of U.S. EPA's Removal of Air Nuisance Rule February 26, 2021

On Jan. 19, 2021, the Sierra Club, the Ohio Environmental Council, and two individuals **filed a petition** for review with the Sixth Circuit Court of Appeals, seeking review of U.S. EPA's final rule removing the air pollution nuisance rule from Ohio's **State Implementation Plan (SIP)**.

The removal of the air pollution nuisance rule from Ohio's SIP allows Ohio EPA to discontinue its practice of including a nuisance provision as a standard term and condition within each air permit it issues. In practice, the inclusion of the nuisance provision within Ohio EPA's air permits allows for the filing of a citizen suit alleging that a facility is in violation of the nuisance provision, even if Ohio EPA determines the facility does not operate as a nuisance.

On Feb. 18, the OMA moved to intervene in the Sixth Circuit appeal in support of the EPA's removal of the nuisance rule from Ohio's SIP. The State of Ohio has also moved to intervene in support of the agency's action. *2/24/2021*

U.S. EPA Moves Ahead With PFAS Regulations February 26, 2021

The U.S. EPA has **announced** it is moving forward with two regulations relating to "forever chemicals" that were signed by the Trump administration in its final days. The regulations — a final determination that the chemicals PFOA and PFOS should be regulated in drinking water and a proposal to require national drinking water monitoring for 29 chemicals in the class — had been paused as part of the Biden administration's regulatory freeze in late January. *The National Law Review* provides a **closer look** at the new rules. *2/23/2021*

Biden Administration Reverts to Obama-era Rules on Quantifying Impact of GHG Emissions February 26, 2021

The White House Council on Environmental Quality has published a **Federal Register Notice** rescinding the Trump administration's

June 2019 "Draft National Environmental Policy Act Guidance on Consideration of Greenhouse Gas Emissions." As explained by the National Association of Manufacturers, this action reinstates the Obama-era guidance directing federal agencies on how to measure greenhouse gas (GHG) emissions under the National Environmental Policy Act. "As a result, substantial changes in how federal agencies weigh the impacts of GHG emissions and effects of climate change when issuing project approvals and making other major decisions are on the horizon," **wrote one law firm**. *2/24/2021*

Airstream Announces Carbon-Neutralizing Initiative February 19, 2021

OMA-member Airstream made news recently by announcing what it calls it an "industry-first initiative to neutralize estimated carbon emissions created by the driving of the company's products." The Jackson Center, Ohio-based manufacturer of travel trailers and touring coaches is buying trees in a carbon-neutrality bid. **Read the Dayton Daily News' article** on Airstream's initiative. *2/15/2021*

Here's Help to Navigate Ohio's Environmental Regulations February 12, 2021

Your business can reduce hazardous waste requirements by managing fluorescent lamps, batteries, aerosol cans, antifreeze, paint, and paint-related waste as Universal Waste. Ohio EPA will host a **free webinar** on Feb. 23 to provide an overview of Ohio's Universal Waste rules, a subset of the hazardous waste rules that provide more flexibility and less stringent management options for commonly generated wastes.

Also, Ohio EPA will offer **four online environmental sessions** during the **2021 Ohio Safety Congress & Expo**. Sessions will cover major environmental regulations, hazardous waste rules, air pollution permit requirements, and virtual inspections. *2/10/2021*

DeWine Seeks to Increase H2Ohio Funding February 5, 2021

H2Ohio, which is Gov. Mike DeWine's water quality initiative, would be allocated \$240 million over the next two years under the administration's new budget. That is a sizeable increase from the \$180 million transferred to the H2Ohio program in fiscal years 20-21. The Ohio EPA would receive the bulk of the new H2Ohio funding. *2/1/2021*

Webinar Will Address Storm Water Prevention Plans February 5, 2021

Does your business need to develop a Storm Water Pollution Prevention Plan (SWPPP) to comply with a National Pollutant Discharge Elimination System industrial storm water permit? On Feb. 11, Ohio EPA will host a **free webinar** so you can learn the elements of a SWPPP along with the mistakes to avoid. Continuing Education Units will be available. *2/1/2021*

Report: National 'Green Bank' May Be in Next COVID-19 Package February 5, 2021

Politico.com **reported** earlier this week that Democrats on Capitol Hill "are pushing to include a \$100 billion national green bank as part of an upcoming COVID-19 recovery and infrastructure bill." According to the publication, the money would be used to spur \$500 billion in private investments and create 4 million jobs over four years related to clean energy and GHG emission reduction. *2/3/2021*

OMA Environment Committee Meeting Will Examine Priorities of Biden Administration February 5, 2021

There's still time to register for the Wednesday, Feb. 10 meeting of the OMA Environment Committee, which will be held virtually.

Among the presenters at this event will be Rachel Jones, vice president of energy and resources policy for the National Association of Manufacturers. Jones will discuss developments on the environmental front under the Biden administration. Ohio EPA Assistant Director

Laura Factor will detail Ohio EPA's state budget request. **Register now.** *2/4/2021*

Upcoming Hearing on Ohio EPA Water Quality Permits January 29, 2021

Last September, the U.S. Army Corps of Engineers **proposed** an early renewal of the 2017 Nationwide Permits (NWP). The Corps also published a **public notice** regarding the proposed regional conditions for the Ohio NWPs. In December, Ohio EPA released a **public notice** of the Draft Section 401 Water Quality Certification (WQC) for the proposed NWPs. Information on the draft 401 WQC and the proposed nationwide and regional conditions is **available here**. The Corps published the **final version** of the NWPs on Jan. 13; the revised NWPs will take effect March 15.

A virtual public hearing on the draft 401 WQC is scheduled for Feb. 4 at 3:30 p.m. (Read **Ohio EPA's press release**.) Interested parties **must register** for the hearing. Comments on the draft should be **submitted by email** no later than 5 p.m. Feb. 11. Contact **Rob Brundrett** at the OMA with questions. *1/28/2021*

Court Gives U.S. EPA More Authority on Carbon Emissions January 22, 2021

According to **Politico**, the U.S. EPA, under the Biden administration, "could have significant legal authority to regulate carbon dioxide from power plants." That's because the U.S. Court of Appeals for the D.C. Circuit this week "rejected the Trump EPA's argument that the Clean Air Act constrains EPA to only those improvements that can be made on-site at coal-fired power plants." Instead, the court ruled that the agency can consider options "envisioned under the Obama administration's Clean Power Plan." Meanwhile, the National Association of Manufacturers has **compiled its recommendations** for climate-related policies that promote U.S. manufacturing jobs. *1/20/2021*

U.S. EPA Announces More Actions to Address PFAS January 22, 2021

This week, the U.S. EPA — under the outgoing Trump administration — **announced new steps** to address per- and polyfluoroalkyl substances (PFAS). The agency released a final regulatory determination finding that the two best-studied chemicals in the family, PFOA and PFOS, should be regulated in drinking water, launching the years-long process of developing a Safe Drinking Water Act limit.

The EPA also proposed requiring drinking water utilities to test for 29 types of PFAS as part of the next round of mandatory, nationwide sampling that will occur between 2023 and 2025. *1/20/2021*

EPA’s Report on Toxics Release Shows Significant Improvement for Great Lakes Region **January 15, 2021**

The U.S. EPA this week released its 2019 Toxics Release Inventory (TRI) National Analysis, which shows continued progress in reducing pollution. Between 2018 and 2019, releases of TRI chemicals fell by 9%, the report found.

According to the agency, chemical releases in **Region 5**, which includes Ohio, have decreased by nearly 400 million pounds (46%) since 2007. Since 2018, releases of TRI chemicals decreased by 49.2 million pounds (10%). *1/13/2021*

Ohio EPA Completes PFAS Testing **January 8, 2021**

Last week, Ohio EPA **announced** it had received the final test results for the presence of certain per- and polyfluoroalkyl substances (PFAS) in drinking water from public water systems, bringing to a close the agency’s statewide sampling initiative under Ohio’s PFAS Action Plan.

Ohio EPA Director Laurie Stevenson noted that roughly 94% of the nearly **1,550 public drinking water systems tested** “revealed no detection of PFAS compounds,” while “low levels of PFAS compounds, well below the health advisory level, were detected in 6% of systems.” The

testing found only two public water systems exceeding the state’s action level; those systems are being remedied by Ohio EPA. *1/4/2021*

Ohio EPA Looks to Make Changes to Nitrogen Oxide Emission Rules **January 8, 2021**

Ohio EPA has issued an “**Early Stakeholder Outreach**” regarding emissions of nitrogen oxides. The agency is considering changes that may be required under the Clean Air Act in the event the Cleveland and Cincinnati ozone non-attainment areas are reclassified from marginal to moderate non-attainment.

The Cleveland and Cincinnati areas are currently classified as marginal non-attainment areas under the 2015 ozone standard. The areas are required to meet the ozone standard by Aug. 3, 2021 based on monitoring data collected during the 2018-2020 ozone monitoring seasons, which extend from March 1 to Oct. 31 each year. Based on ozone monitoring data through Oct. 31, 2020, Ohio EPA anticipates that the Cleveland and Cincinnati areas will fail to meet the ozone standard by Aug. 3, 2021, as required.

Comments are due Jan. 11. The OMA and its Environment Committee are following this development and are engaged with Ohio EPA. If you have questions, please contact the OMA’s **Rob Brundrett**. *1/7/2021*

Finding New Uses for Surplus Glass Supplies **January 8, 2021**

Do you have recurring supplies of glass available? Ohio EPA will host a **virtual roundtable** on Jan. 12 at 10:30 a.m. to facilitate opportunities to solve specific materials challenges from regional businesses. Speakers will discuss existing and emerging end-markets for glass, and highlight Materials Marketplace listings for materials that could be redirected to processors and new applications. *1/7/2021*

Environment Legislation
Prepared by: The Ohio Manufacturers' Association
Report created on March 2, 2021

- HB143** **REGARDS THE CLEAN OHIO PROGRAM (HILLYER B)** Relating to the Clean Ohio Program and to make an appropriation.
Current Status: 2/24/2021 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-143>
- HB152** **REVISE LAW GOVERNING UNIT OPERATION (STEWART B, GINTER T)** To revise the law governing unit operation.
Current Status: 2/24/2021 - Referred to Committee House Energy and Natural Resources
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-152>
- HB155** **LAND REUTILIZATION NUISANCE ABATEMENT PROGRAM (UPCHURCH T, SMITH M)** To create the Land Reutilization Nuisance Abatement Program and to make an appropriation.
Current Status: 2/25/2021 - Introduced
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-155>
- SB83** **BROWNFIELDS (WILLIAMS S, RULLI M)** To require the Ohio Environmental Protection Agency to conduct a study to determine where brownfield sites are located in this state and to make an appropriation.
Current Status: 2/24/2021 - Referred to Committee Senate Agriculture and Natural Resources
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-83>
- SB84** **CLEAN OHIO REVITALIZATION FUND (WILLIAMS S, RULLI M)** To make changes to the law relating to the Clean Ohio Revitalization Fund.
Current Status: 2/24/2021 - Referred to Committee Senate Agriculture and Natural Resources
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-84>

To: OMA Government Affairs Committee
From: Rob Brundrett / Rachael Carl
Re: Human Resources Report
Date: March 3, 2021

Overview

Due to the COVID-19 pandemic, Ohio has found itself with unprecedented increases in unemployment. The unemployment compensation system blew through what little reserves it contained and Ohio made a request to borrow from the federal government to ensure that state payments would still be made to claim filers.

We can expect more discussions on the unemployment compensation system during the state's operating budget deliberations. Not only has the Senate President, Matt Huffman, stated that he is eyeing the budget bill for changes to fix the system's solvency problem, but the system has been riddled with fraudulent claims and extreme delays for individuals seeking benefits.

Continuing on the topic of budget discussions, Governor DeWine and Lt. Governor Husted unveiled their budget last month. Among the items they discussed were adding an additional \$5 million to the TechCred program, investing \$15 million to support started workforce investments in economically distressed rural urban communities, and continuing to fund the Industry Sector Partnership Grant, among other items. This section of the budget will be included in a separate legislative package, which we are hoping to be introduced soon.

General Assembly News and Legislation

House Bill 122 – Telehealth Services

This bill would expand telemedicine services to apply to more health care professionals. House Bill 122 would also prohibit health plans from imposing cost sharing for telehealth services that exceed cost sharing costs for in-person visits. The bill is scheduled for a second hearing in the House.

House Bill 125 – Health Insurance Premiums/Benefits

The bill would codify in state law certain provisions within the federal Patient Protection and Affordable Care Act. Such provisions include limits on premium charges, cost sharing limits, preexisting condition exclusions, etc. House Bill 125 has received one hearing in the House.

House Bill 135 – Health Insurance Cost-Sharing Practices

The bill would require insurers to apply amounts paid by or on behalf of covered individuals toward cost sharing requirements. House Bill 135 is scheduled for a first hearing in the House this week.

House Bill 139 – Collection of Unemployment Overpayments

This bill would allow the Ohio Department of Job and Family Services to waive the collection of unemployment benefit overpayments (except for instances of fraud) if the overpayment was made between March 15, 2020, and April 30, 2021.

Senate Bill 47 – Overtime Pay Exemptions

The bill would exempt an employer from paying overtime wages when an employee is traveling to and from a worksite, when an employee is engaged in activities that are preliminary or postliminary to their principal activities, or when an employee is engaged in activities requiring

insubstantial or insignificant period of time beyond their scheduled work hours. Senate Bill 47 has received one hearing in the Senate.

Senate Bill 51 – Increase Minimum Wage

This bill would incrementally increase the state's minimum wage to \$15 per hour by 2025. It would also allow local authorities to establish higher minimum wage requirements.

Senate Bill 68 – Felony Conviction on Job Application

This bill would prohibit employers from asking on a job application any question on whether an applicant has been convicted or plead guilty to a felony.

Senate Bill 70 – Salary History on Job Application

The bill would prohibit employers from requesting prospective employee's wage or salary history.

Workforce Services

The OMA continues to remain heavily involved in developing a manufacturing workforce for the future. OMA's Workforce Roadmap for 2021 is attached. If your company is looking to engaged on workforce please reach out to OMA staff.

TechCred

Through the first four rounds of funding, 695 Ohio employers have been awarded, supporting 7,473 technology-focused credentials to be earned by Ohio employees. The majority of approved applicants have been manufacturers.

Sector Partnership Grants

Partnership Grants are funded for both years in the proposed budget. Last year the state only awarded one year of grants due to funding issues with COVID19. Eight OMA endorsed sector partnerships received grants totally more than half of the funding awarded.

Manufacturing Mentorship Program

On Aug. 20, Ohio's long-awaited Manufacturing Mentorship Program will go live. Under the program, which was driven by the OMA and created in the state operating budget (House Bill 166), Ohio manufacturers will now be able to employ 16- and 17-year-olds on a part-time basis in manufacturing occupations.

The aim of the program is to expose youth to the many viable, rewarding careers in the industry while strengthening the workforce development pipeline. To participate, manufacturing employers must:

- Set a duration of employment;
- Assign a mentor to the minor;
- Provide required training; and
- Encourage participation in career tech programs.

The OMA has created a short reference document for any manufacturer that wants to take advantage of the new program. The document contains a link to a standardized form from the Ohio Department of Commerce to simplify the recording requirements.

2021 WORKFORCE ROADMAP:

Manufacturers' Priorities in Workforce Development



WORKFORCE ROADMAP: MANUFACTURERS' PRIORITIES IN WORKFORCE DEVELOPMENT

ACKNOWLEDGEMENTS

We would like to recognize our partners at Ohio TechNet and the Manufacturing Institute, who contribute significantly to The Ohio Manufacturers' Association's (OMA) workforce strategies. We would also like to express our appreciation to the manufacturers, educators, and stakeholders who helped to identify the priorities and goals discussed in this document.

This work was funded in part by grants from the U.S. Department of Labor's (USDOL) Employment and Training Administration and the U.S. Department of Defense (USDOD) via the Ohio Development Services Agency. The product was created by the grant recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the OMA.

RECOGNITION OF SUPPORT

We thank these organizations that provided leadership-level financial support for OMA's workforce services:

PLATINUM LEVEL

- American Honda Motor Company
- JobsOhio
- The Ohio Manufacturing Extension Partnership (Ohio MEP)
- Pharmaceutical Research and Manufacturers of America (PhRMA)

GOLD LEVEL

- Dupont
- Ohio TechNet

SILVER LEVEL

- AMG Vanadium LLC
- Buckeye Educational Systems | Smart Automation Certification Alliance (SACA)
- Elite Biomedical Solutions
- FESTO
- Health Management Solutions, Inc.
- Integrated Systems Technologies

PURPOSE OF THIS ROADMAP



The roadmap is intended to document OMA's 2021 workforce development strategies and action steps to facilitate skill development and talent acquisition among Ohio manufacturers.

OMA uses this roadmap to help communicate its strategies and plans with stakeholders in order to facilitate collaboration, learning, and execution.

THE CHALLENGE

Manufacturing is the second leading private employment sector in Ohio, following only health care and social assistance employment.³ As such, it has a tremendous need for talent. Since the launch of the OMA's workforce services in 2016, the biggest constraint to industry growth has been a significant disparity between the number of available jobs in manufacturing and the number of qualified applicants for them. Despite the unemployment rate spikes that followed the onset of the COVID-19 pandemic, manufacturers continue to report difficulty filling available jobs. Root causes include:



Ongoing baby boomer retirements and decreasing population



Rapid industrial technology advancements leading to mismatches in curriculum, instructor capacity, and equipment within the education system



Lingering misperceptions about the industry as well as competitive recruitment from other sectors



Ripple effects of COVID-19, which are disrupting normal job seeking and hiring practices, as well as new and ongoing employment barriers (e.g., lack of available childcare and transportation)

³ Source: Ohio Department of Job and Family Services, Office of Workforce Development, Ohio Labor Market Information, <http://ohiolmi.com/ces/lmr.htm>

THE SOLUTION

OMA has embraced Industry Sector Partnerships (sector partnerships) as a model for addressing workforce development challenges through community collaboration. Sector partnerships put employers in the driver's seat and have demonstrated effectiveness across the country. At least 29 states have adopted state policies in support of sector partnerships.³ Manufacturers within a regional labor market work together to influence alignment around common solutions with education and training, economic and workforce development, and community organizations. For more information on Industry Sector Partnerships, refer to:

- [Industry Sector Partnerships: What They Are and Why They Work](#)
- [OMA's Sector Partnership Endorsement Criteria](#)

Since 2016, OMA has worked with manufacturers and their partners across the state to create a network of sector partnerships and to help establish partnerships where none exists. Through OMA's efforts, the network of sector partnerships is a collective voice for – and system of – the manufacturing industry's workforce development priorities and solutions. At the time of writing, the OMA has endorsed 13 sector partnerships and is working with emerging sector partnerships in several communities with a vision to make sector partnership membership available to manufacturers in all 88 Ohio counties.

The sector partnership endorsement process was instituted by the OMA Workforce Leadership Committee to spotlight and communicate the best practices of those partnerships that are making the greatest strides towards meaningful systems change in workforce development problem solving.

In 2020, sector partnerships' collaborative infrastructure led to the ability to seize opportunities, including:

- Creating the Ohio Manufacturing Alliance to Fight COVID-19, a collaboration of the manufacturing and health care sectors to respond to the shortage of PPE and other critical products;
- Earning Ohio's designation as a Defense Manufacturing Community by the U.S. Department of Defense, which will flow resources to defense manufacturers and sector partnerships;
- Together with Lorain County Community College/Ohio TechNet (a collaboration known as the Ohio Manufacturing Workforce Partnership), being invited to showcase the sector partnership network as a promising practice among U. S. Department of Labor grantees.

³ Source: National Skills Coalition. "Skills in the States: Sector Partnership Policy 50-State Scan." October 2017. <https://www.nationalskillscoalition.org/resources/publications/file/Sector-Partnership-Scan-1.pdf>

OMA'S APPROACH



Through regional meetings, webinars, and an annual statewide summit, OMA fosters a learning community committed to sharing best practices and resources. The community is working toward a coordinated talent system that helps ensure that Ohio manufacturers have access to the skilled workforce they need today and tomorrow.

To this end, the OMA manages three workforce committees:

- **WORKFORCE LEADERSHIP COMMITTEE**, made up of OMA board member company representatives and invited industry leaders, charged with driving the OMA workforce agenda.
- **INTERMEDIARY COMMITTEE**, which includes a representative (“intermediary”) from each manufacturing sector partnership in Ohio.
- **STATEWIDE WORKFORCE ALIGNMENT COMMITTEE** (formerly State Agency Committee), which includes representatives from workforce development, economic development, education, and support services agencies, as well as community-based partners.

Through these committees, OMA has fostered stronger alignment with state partners, influenced state-funded programs, and driven regions to be more responsive to manufacturing’s requirements.

For more information about the workforce committees, see Appendix B.

2021 STRATEGIC FOCUS

Heading into 2021, which brings a social and economic environment unlike anything we've experienced, OMA workforce services will focus on the following:



Fostering **manufacturer leadership** and regional collaboration



Focusing on **statewide alignment** and building relationships with state partners



Locating, engaging, and hiring the un- and under-employed with an emphasis on career switchers, minorities, women, veterans, and formerly incarcerated people as well as recent high school graduates



Promoting **credentials/ career pathways** and **earn-and-learn models**

Our experience working with sector partnerships, manufacturers, and workforce development and education professionals has indicated that **competencies (knowledge, skills, and abilities) provide the language around which stakeholders can align.**

Identifying and communicating competencies ensures programs and initiatives meet manufacturers' needs.



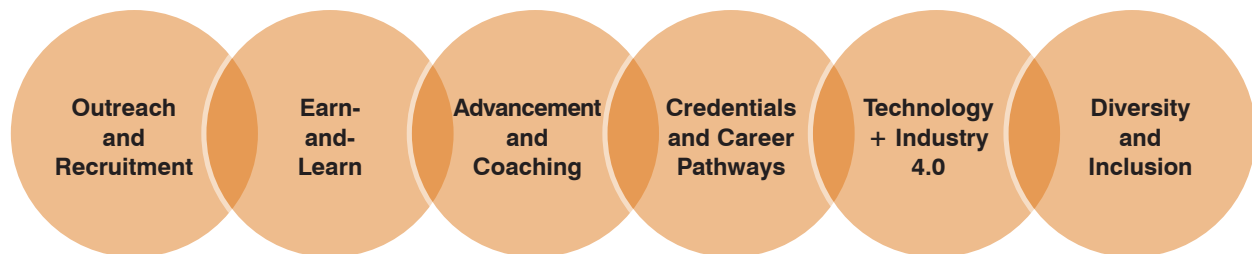
2021 PRIORITIES AND GOALS



Building on what we've learned in prior years, we have identified three workforce priorities and five strategic goals to drive action. They are:

PRIORITY ONE: INDUSTRY LEADERSHIP

Ensure that – regionally and at the state level – manufacturers are in the driver's seat. Efforts to fill the workforce gap are futile without manufacturers' buy-in, validation, and participation. The OMA Workforce Leadership Committee represents the voice of industry in the following priority areas:

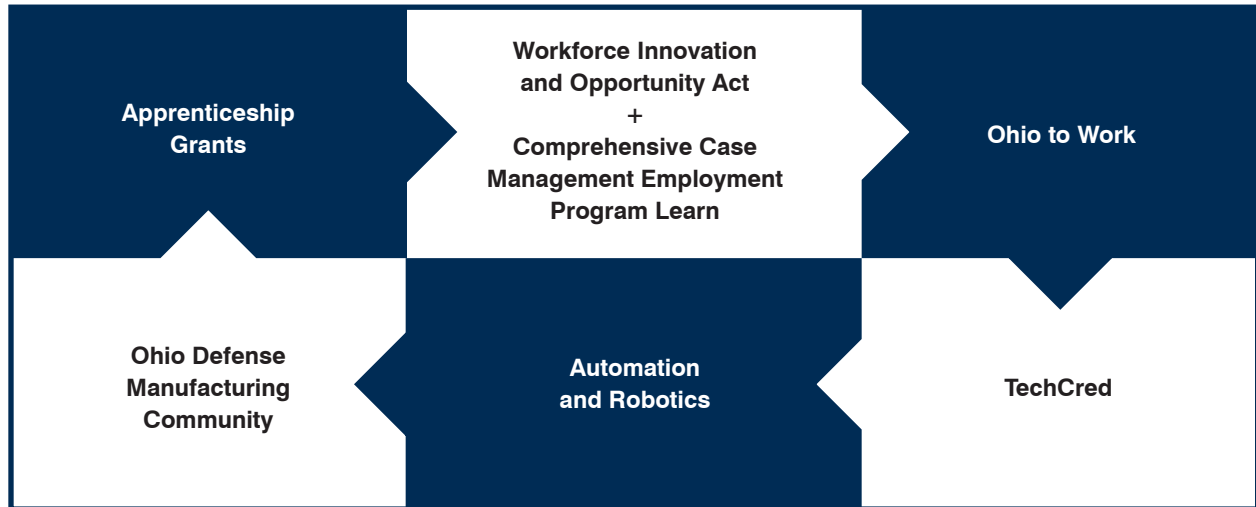


PRIORITY TWO: REGIONAL COLLABORATION

Industry sector partnerships are the sum of many parts: manufacturers, education providers, social service agencies, community-based organizations, workforce and economic development partners. Our strategies will not reach scale without collaboration among these groups at a local/regional level. Through our Intermediary Committee, we will continue to share best practices, lessons learned, and challenges across regions and use this network to disseminate information locally.

PRIORITY THREE: STATEWIDE ALIGNMENT

We will work to bring funding, policy, and stakeholder efforts into alignment with business priorities and with each other. Eliminating silos where possible and encouraging braiding of funds, co-enrollment, and streamlining of initiatives, the Statewide Workforce Alignment Committee will lead efforts to coordinate these initiatives:



FIVE 2021 GOALS



1. **Increase the number of counties served** by manufacturing sector partnerships.
2. **Implement statewide earn-and-learn model** to address the entry-level production worker gap in alignment with the Scaling Apprenticeship performance requirements. (Scaling Apprenticeship refers to a USDOL grant awarded to the Ohio Manufacturing Workforce Partnership for the purpose of growing Ohio manufacturing earn-and-learn (apprenticeship) programs.)
3. **Build sector partnership capacity** to increase outreach, enrollment, and job placement by creating tools and programs that support them (e.g. Ohio TechNet, Making Ohio, and Ohio to Work):
 - Launch regional Making Ohio campaigns with lead-generation support and technical assistance;
 - Build talent pipeline using career pathways and credentials;
 - Develop a career coaching toolkit and provide professional development for coaches; and
 - Connect job seekers with support that facilitates and sustains their ability to work including training, transportation, and other basic services.
4. **Increase participation by manufacturers** in federal Workforce Innovation and Opportunity Act (WIOA) funded programs while increasing investment from workforce development boards in manufacturing-related programs.
5. **Establish a clear, statewide manufacturing workforce development alignment system** to ensure that grants, public, and private investments are being used in ways that maximize outcomes (jobs filled, employees upskilled and retained) without duplicating efforts.
 - Document and measure progress through KPIs, intermediary survey, and grant-related performance data.

For a more detailed discussion of these goals, contact workforce@ohiomfg.com.

PROGRESS

Below is a summary of activities and gains related to 2020 priorities. See also KPI discussion in Appendix A.



LEADERSHIP/SECTOR PARTNERSHIP CAPACITY BUILDING

- Provided ad-hoc support based on regional needs during the COVID-19 pandemic.
- Offered grant writing webinars for endorsed sector partnerships pursuing Ohio's Industry Sector Partnership funding.
- Workforce Leadership Committee members have requested more frequent meetings/communications, indicating value of workforce services.
- Shared sector partnership endorsement criteria at state and national workforce development webinars and conferences.
- Developed tools and methodology for credential adoption and competency identification.



MARKETING AND OUTREACH

- Convened task force on Diversity and Inclusion to develop outreach strategy for people of color, women, veterans, and formerly incarcerated people.
- Partnered with the Manufacturing Institute to encourage Ohio's manufacturers to take tangible actions toward more diverse and inclusive workplaces.
- Collaborated with JobsOhio and industry sector partnerships to launch regional Making Ohio campaigns; developing tools and templates for easier utilization of Making Ohio.
- Worked with state partners to ensure Making Ohio career pathways are incorporated into career exploration tools and websites statewide.



POLICY DEVELOPMENT

- Encouraged manufacturer participation in Ohio's TechCred program, leading to more manufacturing credentials approved for funding than any other industry.
- Supported the legislative passage of Ohio's Manufacturing Mentorship program, expanding access for 16 and 17-year-olds to manufacturing work experience .
- Represented industry on Ohio TechCred and Ohio Department of Education credential review committees.
- Initiated collaboration with public workforce system and provided braided-funding guidance to sector partnerships.



EDUCATION INNOVATION

- Through Scaling Apprenticeship technical assistance, helped sector partnerships, education partners, and manufacturers understand the value of credentials.
- Convened, with Lorain County Community College, the Automation and Robotics task force, which completed an asset map, credential list, and career pathway for Industry 4.0.
- Partnered with Ohio TechNet to bring Ohio Technical Centers into key conversations about manufacturing career pathways.
- Created tools and methodologies to help manufacturers develop earn-and-learn programs as part of their career pathways.

CALL TO ACTION

While OMA is committed to making Ohio the recognized national leader in manufacturing talent development, there are a number of actions any interested party can take. Please consider doing one or more of the following:



Email workforce@ohiomfg.com to opt into the OMA Workforce Community to receive ongoing information, including webinar and event announcements.



Join your [local sector partnership](#).



Request access to the Making Ohio image assets by visiting makingohio.com/partners.



Become a sponsor of OMA's workforce initiatives. Contact Dan Noreen, Managing Director, Development at dnoreen@ohiomfg.com.



Explore the sector partnership tools available at www.ohiomfg.com/workforce-services.



Contribute a [case study](#).



Participate in an [upcoming webinar](#).

APPENDIX A

Key Performance Indicators for OMA Workforce Roadmap: Priorities for Manufacturers in Workforce Development (as of December 31, 2020)

Leadership/Sector Partnership Capacity Building	Policy Development	Marketing and Communication	Education Innovation
<i>Through technical assistance and best practice sharing, increase industry champions' and sector partnerships' abilities to drive systems change.</i>	<i>Amplify the voice of manufacturers with lawmakers and public officials.</i>	<i>Leverage the Making Ohio brand to elevate awareness of and interest in manufacturing careers.</i>	<i>Increase public/private collaborations to train and educate the manufacturing workforce.</i>
Number of sector partnerships: 17	State sector partnership funds directed to manufacturing: no data at this time	Social media and web analytics: 1,055 new users visited MakingOhio.com	New and expanded apprenticeship programs: 16
Number of manufacturers involved in sector partnerships: 1,654	State and federal funds used to offset the cost of apprenticeship training (through TechCred and Scaling Apprenticeship): dollar amounts not currently available ; however, in the first six rounds of the TechCred program, 966 Ohio employers across all industries were approved for TechCred funding, supporting the earning of 15,105 credentials (valued at up to \$2,000 each) by Ohio employees. Manufacturers accounted for more than half of all approved applications.	Number of Scaling Apprenticeship participants enrolled: 190	Number of industry-recognized credentials earned: no data at this time
Manufacturer investment (as measured through Scaling Apprenticeship matching funds): no data at this time	Development of policy recommendations aligned to manufacturer needs: rules published for Manufacturing Mentorship program which became law in HB 166 (133rd Ohio General Assembly)	Number of manufacturers engaged in Scaling Apprenticeship: 33³	Employment and wage data: no data available at this time
County coverage: 65		Number of students/potential job applicants engaged through: <ul style="list-style-type: none"> • Speaking engagements • Events, tours, and competitions for K-12 and post-secondary students • MFG Day events held See next page*	Automation and Robotics micro credentials recognized by state agencies: 97

³ Manufacturers are counted as "engaged" in the Scaling Apprenticeship grant when an employee is enrolled as a participant. Many more manufacturers are participating in planning and program development.

***NUMBER OF STUDENTS/JOB SEEKERS ENGAGED THROUGH:**

SPEAKING ENGAGEMENTS:

- 5 sector partnerships engaged 200 or more
- 3 sector partnerships engaged 100-150
- 2 sector partnerships engaged 50-100
- 5 sector partnerships engaged 0-50
- 2 sector partnerships did not answer

TOURS, EVENTS, COMPETITIONS:

- 6 sector partnerships engaged 200 or more
- 2 sector partnerships engaged 100-150
- 2 sector partnerships engaged 50-100
- 5 sector partnerships engaged 0-50
- 2 sector partnerships did not answer

MFG DAY:

- 6 sector partnerships engaged 200 or more
- 1 sector partnership engaged 50-100
- 8 sector partnerships engaged 0-50
- 2 sector partnerships did not answer

APPENDIX B: MORE ABOUT THE OMA WORKFORCE COMMUNITY

None of the work described in this Roadmap would be possible without the dedication and ingenuity of Ohio's workforce community. In addition to the committees referenced earlier, the OMA would like to recognize the working groups that contribute to solving manufacturing workforce matters.

OMA WORKFORCE LEADERSHIP COMMITTEE

The Workforce Leadership Committee includes OMA board member companies and invited professionals who serve as industry champions in their regions in workforce development initiatives and sector partnerships. The role of the Workforce Leadership Committee is to ensure that the OMA staff and other committees pursue initiatives, policies, and programs that are responsive to manufacturers' needs. This committee provides peer reviews for sector partnership endorsement applications, offers guidance to the OMA Workforce Services team on letters of support and other requests from partners, and contributes to industry validation efforts regarding career pathways, credential adoption, and more. For a list of Workforce Leadership Committee members, please contact workforce@ohiomfg.com.

OMA INTERMEDIARY COMMITTEE

Each Industry Sector Partnership has a designated individual, an "intermediary," who serves as a single point of contact for its members. The Intermediary Committee is open to intermediaries of both OMA-endorsed and non-endorsed sector partnerships. The Intermediary Committee is the OMA's connection to regional activities and a source of best practices. Strategies and needs identified by the Workforce Leadership Committee, as well as opportunities and resources offered by the Statewide Workforce Alignment Committee, are shared with this group to be passed on to sector partnership members across the state. For the duration of the Scaling Apprenticeship grant, Regional Grant Project Managers are also engaged in the Intermediary Committee.

STATEWIDE WORKFORCE ALIGNMENT COMMITTEE

The Statewide Workforce Alignment Committee (formerly the State Agency Committee) is made up of volunteers and invited representatives from a number of partner agencies including the Office of Workforce Transformation, Ohio Department of Higher Education, Ohio Department of Education, Development Services Agency, and Ohio MEPs, among others. Ohio's private economic development organization, JobsOhio, is also represented on this committee. The original OMA Workforce Services Design Team, which includes individuals from Lorain County Community College/Ohio TechNet and the Ohio Manufacturing Institute, also participate on this committee. In 2021, OMA will expand this group to include community-based organizations that are critical partners in engaging diverse and underserved populations.

OHIO MANUFACTURING WORKFORCE PARTNERSHIP (OMWP) LEAD TEAM

The USDOL Scaling Apprenticeship grant, which funds Ohio's Innovative Earn-and-Learn strategy, is a critical component of the OMA's workforce development efforts. The OMWP is a system of 12 regional partners (many of which are also industry sector partnerships) led by Lorain County Community College on behalf of Ohio TechNet. The Lead Team ensures that OMWP performance goals and OMA workforce priorities are aligned.

AUTOMATION AND ROBOTICS TASK FORCE

Made up of OEMs, education partners, and other stakeholders, the Automation and Robotics Task Force was convened in 2019 to provide expertise and guidance as the OMA, Lorain County Community College, and other partners developed a strategy for ensuring small and medium manufacturers – and their education partners – are better positioned to take advantage of Industry 4.0 technologies.

DIVERSITY AND INCLUSION TASK FORCE

Under the requirements of the USDOL Scaling Apprenticeship grant, the OMWP has goals for engaging apprentices from a variety of backgrounds: 1,250 people of color, 1,000 women, 500 veterans, and 100 ex-offenders. In late 2020, the OMA convened a group of volunteers representing manufacturers, state agencies, educators, and community-based organizations to develop strategies to engage diverse populations not traditionally represented in manufacturing.



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Human Resources

Wage Information for Ohio Manufacturing February 26, 2021

The OMA occasionally receives questions regarding wage and salary survey information for various Ohio manufacturing positions. One source for this information is MakingOhio.com — created by the OMA and its partners to spotlight careers in modern manufacturing. The site features a “jobs descriptions” section, which includes estimated wages for 25 different manufacturing positions. **Check it out.** 2/23/2021

Biden Appoints New Pro-Labor General Counsel February 26, 2021

Last week, President Biden nominated Jennifer Abruzzo to serve as the next general counsel of the National Labor Relations Board (NLRB). This after Biden fired the previous NLRB general counsel, Peter Robb, a Trump appointee, in an unprecedented move. OMA Connections Partner Vorys, Sater, Seymour and Pease has provided **this summary** of Abruzzo’s career, telling clients to “not expect much good news from the NLRB for some time to come.” 2/22/2021

Equality Act Re-introduced on Capitol Hill February 26, 2021

With a Democratic president and majority in both chambers of Congress, Democrats in the U.S. House have again introduced the Equality Act, which would amend federal civil rights laws to ban discrimination based on gender identity and sexual orientation. **This update** from OMA Connections Partner Roetzel points out that while the Equality Act was passed by the House in 2019, the then-Republican-controlled Senate did not consider it. President Biden has identified this issue as a priority for his first 100 days. 2/23/2021

CDC’s Vaccine Toolkit, OSHA’s Updated Guidance February 26, 2021

The CDC recently updated its “**Essential Workers COVID-19 Vaccine Toolkit**,” which

has information for employers and employees. The toolkit includes these resources:

- **Sample letters and key messages;**
- **Printable flyers and posters;** and
- **Vaccine factsheets.**

The CDC has also created employer guidance on **workplace vaccination programs**. Meanwhile, OSHA has published detailed guidance on **mitigating and preventing the spread of COVID-19 in the workplace**, as well as updated **employer FAQs** — including content on **reporting workplace exposure** and **employer requirements**. 2/23/2021

Federal Bill Would Expand NLRA Liability, Ban Class Action Waivers February 19, 2021

Democrats on Capitol Hill have re-introduced legislation to expand employer National Labor Relations Act (NLRA) liability and bar collective action waivers under the law. According to **this report** by HR Dive, the Protecting the Right to Organize (PRO) Act would codify *Browning-Ferris*, an Obama-era National Labor Relations Board (NLRB) ruling that interpreted the law’s “joint employer” definition to include those businesses that have only indirect control over workers, rendering such an employer liable for NLRA violations.

The bill also would effectively undo the U.S. Supreme Court’s 2018 ruling in *Epic Systems* in the NLRA context, which determined that employers can require workers to waive their rights to class or collective actions and to arbitrate disputes individually. The U.S. Chamber has called the bill “**a threat to America’s workers, employers, and our economy**.” 2/16/2021

NLRB Relaxes Financial Disclosure Requirements for Unions February 19, 2021

Last week, the National Labor Relations Board’s general counsel rolled back Trump-era financial disclosure requirements for unions. Even without a complaint, unions had been required to explain

fees charged to non-members. Now, beyond routine financial reporting, unions are only required to make extra disclosures if non-member employees complain about union fees. For more, read **this summary** from OMA Connections Partner Roetzel. *2/17/2021*

COVID-19 Return to the Office Q&A February 19, 2021

Some manufacturing employees have been able to work remotely during the pandemic. But as the COVID-19 vaccine becomes more widely available, the employers of these remote workers will soon face critical decisions as they create policies and/or plan for the transition back to the workplace. Here are **several FAQs and best practices** compiled by OMA Connections Partner Frantz Ward addressing key issues facing returning to the office. *2/17/2021*

Update on H-1B Registration, Selection Process February 19, 2021

In the first month of the Biden administration, there have been several announcements regarding the timing and selection process for the Fiscal Year 2022 H-1B Electronic Registration process. OMA Connections Partner Thompson Hine has produced **this summary** of key developments and dates. The firm also provides recommended actions for employers. *2/17/2021*

Communicating With Employees About COVID-19 February 12, 2021

The Coalition to Stop the Spread — an alliance of Ohio companies, chambers and associations, including the OMA — notes that one of the challenges employers face is how to effectively communicate with employees in their effort to fight COVID-19. Suggestions from Coalition members include:

- Communications must come from the top.
- Employers must seek feedback and address questions.
- Companies should always cite experts.

See **this Coalition update** for communication tools — including **this sample email** from a CEO to employees. *2/8/2021*

Webinar: How Employers Are Tackling the COVID-19 Vaccine February 12, 2021

At noon Feb. 24, OMA Connections Partner Fisher Phillips will offer a free webinar to provide guidance on employment-related issues created by the COVID-19 vaccination process. Among the issues that will be addressed are: vaccination programs, employee safety and OSHA compliance; communicating vaccination protocol to employees; and tips to boost employee buy-in for vaccinations, including the use of incentives. **Register here.** *2/8/2021*

National Paid Leave Mandate Re-introduced in Congress February 12, 2021

Democrats on Capitol Hill recently re-introduced legislation to create a paid leave program on the national level. The Family and Medical Insurance Leave (FAMILY) Act would mandate that workers receive up to 12 weeks of paid leave for reasons such as health conditions, pregnancies, childbirth, or to care for a family member. Employees could receive up to 66% of their monthly wages while taking three months of leave.

See more details in **this summary** from OMA Connections Partner Roetzel. *2/9/2021*

Webinar: Will Biden Take Us Back to the Obama-era NLRB? February 12, 2021

Decisions by the National Labor Relations Board can have significant impacts on employers. That's why OMA Connections Partner Thompson Hine will host a **free webinar** Tuesday, Feb. 16 at 2 p.m. to highlight what is likely to be on the Biden agenda regarding NLRB activities — and when we can expect to see those changes. *2/10/2021*

Ohio Employers Can Report Unemployment ID Theft Online February 5, 2021

The Ohio Department of Job and Family Services (ODJFS) announced this week that during December, it identified 56,000 fraudulent

overpayments in the Pandemic Unemployment Assistance program, costing taxpayers **an estimated \$330 million**.

In response, ODJFS **has created a new online portal** that provides a direct way for employers to notify the agency if they believe their employees' personal information was compromised and used to file fraudulent unemployment claims. Employers can visit **unemployment.ohio.gov**, click on the **"Report Identity Theft"** button, and submit the names of any employees whose personal information may have been compromised.

Many employers have been alerted to this growing problem when they receive a "request for separation information" from ODJFS regarding an individual who is currently employed. Last month, ODJFS issued 1.7 million 1099-G tax forms to individuals in whose names unemployment benefits were paid in 2020. Many of those individuals never received benefits and didn't know their identity had been compromised until they received a 1099-G form.

Individuals may call (833) 658-0394 or visit the online portal to notify the agency if they believe their personal information was compromised. *2/2/2021*

Survey: Most Employers Won't Mandate COVID-19 Vaccination, but Are Uncertain About Incentives **February 5, 2021**

A **new survey** of 700 businesses — conducted by OMA Connections Partner Fisher Phillips — shows the vast majority of employers **are not considering requiring** their employees to get the COVID-19 vaccine, but will encourage the shot.

The survey found that 43% of businesses were confused on whether and how to incentivize their workers to get inoculated due to legal uncertainties. (**See this guidance** on incentives for vaccinations.) Of those employers considering incentives, most said they would provide cash/gifts (38%) or paid time off (30%). On Tuesday, Feb. 9, Fisher Phillips **will offer a free webinar** to address employer questions about COVID-19 vaccine issues, including incentives. *2/4/2021*

DOL Increases Civil Penalty Amounts for 2021

February 5, 2021

OMA Connections Partner **OneSource Advisors** has issued a reminder that the U.S. Department of Labor has **released** its 2021 inflation-adjusted civil monetary penalties that may be assessed on employers for a wide range of violations.

The maximum penalty for violations of federal minimum wage or overtime requirements now sits at \$2,074 per violation, while the maximum penalty for failing to file a Form 5500 for an employee benefit plan is \$2,259 per day. The maximum penalty for violations of the poster requirement under the FMLA is now \$178 per offense. *2/2/2021*

Five Must-Do's for Employee Orientation **February 5, 2021**

OMA Connections Partner **OneSource Advisors** says employee orientation is an important piece of HR and employee management for both new and promoted team members. Learn the must-do's for employee orientation in **this video**. *2/2/2021*

Streamlined Employment Discrimination Law Takes Effect in April **January 29, 2021**

OMA general counsel Bricker & Eckler has published a **new summary** of **House Bill 352**, recently enacted and OMA-supported legislation that will bring Ohio's employment discrimination laws in line with federal law, thereby creating a more predictable and consistent system for employers and employees. The new law takes effect April 15 and will apply to discrimination claims filed on or after that date. *1/25/2021*

Labor and Employment Webinars to Be Held Feb. 1-4 **January 29, 2021**

On Feb. 1-4, OMA Connections Partner Squire Patton Boggs will offer a free, four-day webinar series to examine labor, employment, business immigration, and employee benefits developments and trends, while exploring strategies for moving ahead. The series includes a session on Ohio's recent employment law changes. Attend one, a handful, or all of the sessions. **Register here**. *1/26/2021*

EEOC Reveals New Proposed Rules on Employer Wellness Programs **January 29, 2021**

Earlier this month, under the Trump administration, the U.S. Equal Employment Opportunity Commission (EEOC) issued proposed rules on the incentives that employers are permitted to offer to encourage employee participation in company wellness programs. The Biden administration has withdrawn the proposed rules from publication in the Federal Register via a regulatory freeze.

OMA Connections Partner Calfee says that while the proposed rules may be revised before being finalized, they provide insight into the EEOC's perspective on defining incentives under a participatory wellness program in order for those incentives to be considered voluntary. COVID-19 vaccination programs would be classified as participatory programs. **Here is Calfee's summary** of the key provisions of the proposed rules. *1/28/2021*

Employers Brace for 'Sea Change' in Labor Policies **January 22, 2021**

With Democrats in control of the White House and both houses of Congress, the Biden administration is expected to aggressively push for changes in federal labor law, while issuing executive orders and implementing significant regulatory changes. (For perspective, the International Brotherhood of Teamsters has sent **this list of demands** to the administration.)

According to this **new analysis** from OMA Connections Partner Frantz Ward, employers and their counsel will need to monitor developments closely "and perhaps, in the not too distant future, change — yet again — their employee policies and handbooks to reflect a 'sea change' in labor policy." The firm notes that changes could be coming to laws or rules addressing unionization efforts, collective bargaining, fair labor practices, the federal minimum wage, overtime rules, classification of independent contractors, OSHA enforcement, and paid leave mandates. *1/21/2021*

Report: Ohio Flags 840,000 Unemployment Claims for Potential Fraud **January 22, 2021**

Gov. Mike DeWine and Lt. Gov. Jon Husted this week **reported** that they both recently received notices of unemployment claims made in their names — further proof that unemployment insurance (UI) fraud is widespread. **According to the lieutenant governor**, 44,000 traditional unemployment claims of 1.7 million were flagged for potential fraud, while 796,000 of 1.4 million claims under the federal Pandemic Unemployment Assistance (PUA) program were flagged.

This at a time when Ohio's employer-funded UI trust fund is **deeply in the red**.

To help address the problem, Ohioans are asked to **report instances of UI fraud**. For other UI-related concerns and COVID-19 issues, the Ohio Department of Job and Family Services has created an **employer resource hub**.

Meanwhile, Ohio this week **started issuing** new weekly \$300 federal PUA payments, authorized by the federal COVID-19 package passed in late December. *1/21/2021*

On-Demand Webinar: Benefits Trends in 2021 **January 22, 2021**

COVID-19 has forced businesses to re-examine employee relations and cost containment. This **free, on-demand webinar** from OMA Connections Partner Paycor provides practical steps businesses can take to enhance employee safety, morale, and compliance during uncertain times. It also includes strategies to boost employee retention during the pandemic. *1/20/2021*

Biden Boosts DACA Program **January 22, 2021**

Through an executive order, President Joe Biden this week strengthened the Deferred Action for Childhood Arrivals (DACA) program, which protects from deportation immigrants brought to the U.S. as children. The order calls on Congress to provide permanent status and a path to citizenship for those immigrants.

Responding to the DACA action, National Association of Manufacturers President and CEO Jay Timmons **said**, "Manufacturers are very encouraged by today's critical first step. ... The broad goals of the Biden plan align with many of the core recommendations in '**A Way**

Forward, manufacturers' post-partisan roadmap for immigration reform." 1/21/2021

Understanding Ohio's Revised Non-Discrimination Laws January 15, 2021

This week, Gov. Mike DeWine signed **House Bill 352**, OMA-supported legislation to bring Ohio's employment discrimination laws in line with federal law, thereby creating a more predictable and consistent system for employers and employees.

OMA Connections Partner Calfee has published **this summary** of the new law, which takes effect 90 days following its signing. Among HB 352's key provisions are reduced personal liability for supervisors and managers, and a shorter timeframe in which an employee can file a discrimination lawsuit. (OMA Connections Partner Dinsmore has also **published a summary** of the new law.)

Calfee will host a **free webinar** Jan. 28 at 9 a.m. to examine ways the Ohio's revised non-discrimination laws may impact your business. 1/13/2021

What Employers Need to Know About Biden's Labor Nominee January 15, 2021

President-elect Joe Biden has nominated Boston Mayor Marty Walsh to be his secretary of labor. If confirmed, Walsh would be the first union member to fill this role in nearly half a century — a significant development given that the U.S. Department of Labor wields tremendous influence over workplace policy.

OMA Connections Partner Fisher Phillips has written **this insight** on what Walsh's appointment could mean for employers. In short, the firm writes, "Get ready for a pendulum swing back toward worker-centered policy that employers last experienced during the eight-year Obama administration." 1/13/2021

COVID-19 Vaccines: Issues for Employers to Consider January 15, 2021

The arrival of the COVID-19 vaccine has sparked optimism amongst employers, but questions and the possibility of unintended consequences come along with it. OMA

Connections Partner Roetzel is offering a **free webinar** at 11 a.m. on Jan. 28 to examine the ability of employers to mandate the vaccine, as well as the wisdom of doing so. 1/14/2021

Attention HR Managers: Employment Forms Available at OMA's Website January 8, 2021

Our online library of commonly used human resources forms have recently undergone legal review by OMA's general counsel Bricker & Eckler. Included are forms for employment application, performance evaluation, recording employee absences, state and federal posting requirements, and more.

Be sure you are posting Ohio's new minimum wage poster, **available here**. These resources are free and always available on the OMA's website (**see right sidebar**). Members are urged to carefully read the instructions for use to ensure compliance. 1/7/2021

New Guidance: Telemedicine Visits Count Towards FMLA January 8, 2021

The U.S. Department of Labor (DOL) has confirmed that employees who seek medical treatment via telemedicine visits could qualify for leave under the Family and Medical Leave Act (FMLA) in the new year.

The FMLA offers eligible employees the opportunity to take up to 12 weeks of protected unpaid leave from work (and perhaps more) for their own "serious health condition" or when caring for certain family members with serious health conditions. OMA Connections Partner Fisher Phillips **advises** that in light of the DOL's revisions, employers should review their policies and practices with respect to FMLA leave. 1/4/2021

Human Resources, Health Care & Employment Law Legislation

Prepared by: The Ohio Manufacturers' Association

Report created on March 2, 2021

- HB122 TELEHEALTH SERVICES** (FRAIZER M, HOLMES A) To establish and modify requirements regarding the provision of telehealth services.
Current Status: 3/3/2021 - House Insurance, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-122>
- HB125 HEALTH INSURANCE PREMIUMS/ BENEFITS** (CROSSMAN J, LIGHTBODY M) Regarding health insurance premiums and benefits.
Current Status: 2/24/2021 - House Insurance, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-125>
- HB135 PROHIBIT CERTAIN HEALTH INSURANCE COST-SHARING PRACTICES** (MANCHESTER S, WEST T) To prohibit certain health insurance cost-sharing practices.
Current Status: 3/2/2021 - House Health, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-135>
- HB139 WAIVE COLLECTION OF CERTAIN UNEMPLOYMENT OVERPAYMENTS** (SOBECKI L, CROSSMAN J) To allow the Director of Job and Family Services to waive the collection of certain unemployment benefit overpayments and to declare an emergency.
Current Status: 2/24/2021 - Referred to Committee House Insurance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-139>
- HB156 REGULATE EMPLOYMENT PRACTICES OF CERTAIN RETAIL/FOOD EMPLOYERS** (SKINDELL M, KELLY B) To regulate employment practices of formula retail and food services establishment employers and contractors and to require the purchaser of a formula retail or food services establishment to retain certain employees.
Current Status: 2/25/2021 - Introduced
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-156>
- SB47 OVERTIME PAY-EXEMPTIONS** (BRENNER A, PETERSON B) To except traveling to and from a worksite and performing certain routine tasks from the overtime pay requirement.
Current Status: 2/17/2021 - Senate Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-47>
- SB51 INCREASE MINIMUM WAGE** (THOMAS C, CRAIG H) To increase the state minimum wage and to allow municipalities, townships, and counties to establish higher minimum wage requirements.
Current Status: 2/10/2021 - Referred to Committee Senate Workforce and Higher Education
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-51>

SB68 **PROHIBIT JOB APPLICATION-ASK ABOUT FELONY CONVICTION** (WILLIAMS S) To prohibit private employers from including on an employment application any question concerning whether an applicant has been convicted of or pleaded guilty to a felony.

Current Status: 2/24/2021 - Referred to Committee Senate Workforce and Higher Education

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-68>

SB70 **PROHIBIT ASKING JOB APPLICANT'S SALARY HISTORY** (MAHARATH T) To prohibit employers from seeking a prospective employee's wage or salary history.

Current Status: 2/24/2021 - Referred to Committee Senate Small Business and Economic Opportunity

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-70>



House Insurance Committee

February 24, 2021

Ohio Bureau of Workers' Compensation

Interim Administrator/CEO John Logue

House Bill 75

Good morning Chairman Brinkman, Vice Chairman Lampton, Ranking Member Miranda, and members of the House Insurance Committee. My name is John Logue, and I am the Interim Administrator and CEO of the Ohio Bureau of Workers' Compensation. I am here today to provide testimony on House Bill 75, which contains BWC's budget for fiscal years 2022 and 2023.

This proposal supports our mission to deliver consistently excellent experiences for each BWC customer every day as we work to prevent, care for, and manage workplace injuries and illnesses at fair rates. It also supports our continued effort to transform BWC into an agile organization driven by customer success. In addition, this proposal reflects our ongoing commitment to supporting economic growth in Ohio through prudent fiscal management and innovative services that create safer workplaces and lower workers' compensation costs for Ohio employers.

As outlined in the attached schedule, funding for fiscal year 2022 is \$353.2 million (or a 13.2% decrease from fiscal year 2021). Funding for fiscal year 2023 is \$361.9 million (or a 2.5% increase from fiscal year 2022). We note these funds are collected from the employer community through their annual premiums and assessments and from transfers from the State Insurance Fund and not from tax collections of the General Revenue Fund.

Ohio's workers' compensation system was founded in 1912. We are one of the largest state-operated providers of workers' compensation insurance in the United States. With assets of approximately \$25 billion (as of Dec. 31, 2020), BWC provides insurance coverage to more than half of Ohio's workforce. (The remaining workers are covered by their self-insured employers.) In fiscal year 2020, we provided workers' compensation insurance coverage to 249,000 employers, approved 71,519 new injury claims, and paid \$1.35 billion in wage loss and medical benefits. We also earned \$1.8 billion in investment income, a 7% return.

This budget will allow BWC to maintain an effective and efficient workers' compensation system that lets businesses focus on growing, preventing workplace injuries, and getting injured workers healthy and back to work. We will do this by:

- **Focusing on workplace safety and prevention** through safety education, training, grant programs, and best practices to help prevent workplace injuries and occupational illnesses.
- **Continuing to innovate and streamline** service offerings to ensure consistently excellent customer service experiences.

- **Keeping costs down for businesses** by having a low and stable rate environment,
- **Partnering with RecoveryOhio** and our local partners to combat the substance use crisis.

Consider our track record over the course of the current biennium. We strengthened our commitment to protecting Ohio’s workers, improving the lives of injured workers, and building BWC into an economic asset for Ohio through several actions. They include:

- At the request of Governor DeWine, BWC issued four dividends over fiscal years 2020-21, totaling \$9.2 Billion, including three in calendar year 2020 aimed at easing COVID-19’s economic impact. For perspective, we bill employers approximately \$1.3 billion annually. We issued dividends of nearly \$8 billion in CY2020 alone. This includes nearly \$1 billion for local government employers, such as schools, cities and counties.

BWC has reduced average rates paid by private and public employers to their lowest levels in decades. Private employers benefited from significant rate cuts instituted by our Board of Directors – a 20% cut in July 2019 (our largest rate reduction in 60 years) and a 13% reduction in July 2020. We reduced public employer rates by 12% in January 2019 along with an additional 10% decrease in both January 2020 and January 2021. This rate level decrease trend is projected to continue into the near future. We prudently lower rates while ensuring stable and predictable workers’ compensation costs for Ohio’s employers.

- Our efforts to reach out to Ohio employers and create a culture of safety are showing results. We’ve seen the number of employers using BWC safety services grow by 70% since 2010. Recent data put Ohio’s injury rate at 2.4 injuries per 100 workers in calendar year 2018. That’s compared to a national average of 3.1 injuries per 100 workers. Ohio’s injury rate is also better than in each of our neighboring states. Meanwhile our claims have fallen steadily – approximately 71,519 new claims (including COVID-19 claims) were allowed in fiscal year 2020, down from 104,000 in fiscal year 2010. The full impact of COVID-19 will likely show up in our FY 21 results – in both claim filings as well as claims filed as COVID-19 related workplace illnesses.
- Our strong financial position allows us to assist Ohio employers, including providing facial coverings for their workers to weaken the spread of COVID-19. As of January 2021, we have distributed over **30 million masks** to employers around the state. To do so, BWC asked the Controlling Board, which approved our request, to provide additional appropriation to our Safety Grant line item. Our goal is 46 million by the end of this fiscal year. We have partnered with companies in Northeast Ohio to manufacture the masks, also creating jobs for Ohioans.
- Our Safety Grant programs continue to provide funding and resources to employers to assist in providing safe workplaces. The Safety Intervention Grants continue to help reduce the frequency of workplace accidents and injuries. We have designed safety grants for specific purposes – **body armor** for law enforcement officers, gear to reduce the possibility of **firefighters** contracting cancer, and security equipment to keep schools safe. We also offer grants to help reduce injuries among individuals who work with people with disabilities. We introduced a **Trench Safety Grant** and trainings to assist Ohio employers in addressing the uptick in fatal and serious trench-related injuries.

- As our agency pivoted to manage the pandemic, we took on a federally funded **Indoor Air Quality program** to mitigate the virus' spread in nursing homes and other facilities serving older Ohioans. The Indoor Air Quality Assistance Program pledges \$28 million to this effort.
- BWC adopted several emergency policy changes to facilitate flexibility and safety when providing medical, vocational rehabilitation, and pharmacology care for Ohio's injured workers. The relevant policy modifications expanding the use of telehealth services maintained a providers' ability to deliver services to injured workers while preventing unnecessary COVID-19 exposure for both parties. These changes are effective until the COVID-19 state of emergency is lifted within the state where the injured worker resides.
- We have taken measures to mitigate the impact of the opioid epidemic on Ohio's labor force and business community. Among our achievements:
 - **We've expanded our Substance Use Recovery and Workplace Safety Program (SUR-WSP) to over 30 counties**, up from just three in early 2019. This program supports employers with workers recovering from addiction by paying for drug screenings, special training, and other programs designed to help all involved successfully navigate the challenges around substance use disorders and recovery in the workplace.
 - **We removed Oxycontin from our formulary**, the drug widely blamed for kickstarting our nation's substance use epidemic. Instead, we're covering alternative painkillers with stronger abuse-deterrent technology.
 - **We've built a first-class pharmacy program** that's the envy of state workers' comp systems, and it's been a driving force in reducing our opioid numbers and the potential abuse or misuse of other dangerous drugs in our system. We accomplished this **while significantly reducing our medication costs**. During FY20, our prescription reimbursement costs totaled \$43.7 million, a decrease of \$18.9 million from FY19. This is the result of fewer injured workers filling a prescription, smaller prescription quantities, increased use of generic drugs, and stronger prescription protocols implemented by our Pharmacy and Therapeutics Committee.

Moving Forward

Our budget request reflects our commitment to continuing this important work and providing consistently excellent experiences to each BWC customer. BWC Management and the BWC Board of Directors have outlined the following goals to ensure BWC is well-positioned for the future.

- **Talent Management**

It is important for BWC to attract, retain, and develop quality employees while offering a vibrant, positive workplace culture that makes BWC an employer-of-choice. With the implementation of our Succession Planning initiative, we are better positioned to retain and grow our top talent and allow them to become our next generation of leaders. Improved recruitment, retention, and succession planning are critical to success in this area.

- **Strong and Stable Finances**

We will manage the financial and enterprise risks associated with our operations by maintaining an adequate net position through smart investment strategies (\$1.8 billion earned in FY20) and prudent fiscal management.

BWC will continue to review the needed income levels and claim reserve balances using actuarial talent and techniques to ensure that we will fulfill our promises to the employers and injured workers in Ohio.

- **Innovation and Technology**

We will continue to increase operational efficiencies and improve the customer experience through innovative technology. Major targeted functions include robotic process automation and enhanced website user experience. We will develop new customer portals, improve our core business system (CoreSuite), update current digital storage and imaging systems, provide new paperless options for employers, and augment our intelligent fraud detection capabilities. The IT Optimization project will remain a focus for BWC. To date, that effort has included migrating its primary servers to the State of Ohio Computer Center (SOCC) and adopting the statewide disaster recovery solution as a part of the IT Optimization effort.

- **Communications and Outreach**

We aim to improve the overall customer satisfaction rating as measured by surveys by at least 10 percent in FY 2022-23 as compared to the previous biennium. In addition, we will transition two of our signature events – the Ohio Safety Congress & Expo and our Medical and Health Symposium into interactive virtual experiences, while still offering CE credits and a forum for vendors to display their newest products and innovations.

- **Safety and Wellness**

We will keep Ohio’s workers safe, healthy, and productive by expanding our innovative safety and wellness programs while reducing the cost of on-the-job injuries and illnesses. We will:

- Create a Center of Excellence to establish a PPE Research and Development Center, focusing on the commercialization of PPE to be manufactured in Ohio. Using Ohio-specific injury and illness data to prioritize efforts in industries with biggest needs and biggest opportunities to improve workforce health and safety.
- Continue through our Ohio Occupational Safety and Health Research Program to provide funding for research projects of up to \$250,000 per project over a duration of 12 to 24 months with Ohio not-for-profit higher education institutions.
- Continue Safety Grant funding at \$35 million in each year of the biennium.
- Develop a Medication Therapy Management (MTM) program to deliver medication therapy management to injured workers with a goal of improving health outcomes and preventing chronic opioid use and opioid misuse.

- **Become a Data Driven Agency**

We will continue to invest in and upgrade our data collection and data warehouse efforts. Improved data along with development and usage of tools to assist in analyzing the data will help BWC gain a better understanding of risks that affect certain industries.

We created a cross-functional innovation team to explore new products, services, processes, and business models to meet the changing needs of Ohio's workforce.

Conclusion

We have reduced rates and returned dividends to Ohio employers of more than \$15 billion over the last decade – this includes at least \$9.2 billion since 2019.

We truly want to be a partner in the economic success of our state and want to do all we can to keep costs as low as possible for our employers, while maintaining the best workers' comp services this country has to offer. Our strong financial position allows us to issue dividends, cut rates, and provide grant opportunities to assist employers with maintaining a safe workplace. We will continue to practice sound fiscal management to ensure we can pay workers' comp claims, provide cost savings to employers, and position BWC as an economic asset to Ohio.

On behalf of BWC, I appreciate your consideration of this budget summary and look forward to further discussions relative to this submission.

Thank you and I am happy to take your questions.

BWC Board approves rate reduction

February 26, 2021 | [BWC](#)

NEWS RELEASE

Feb. 26, 2021

Private employers to save \$71.5 million over this year's premiums

COLUMBUS – Private employers covered by the Ohio Bureau of Workers' Compensation (BWC) will pay \$71.5 million less in premiums next policy year thanks to a rate reduction BWC's Board of Directors approved today.

The Board approved a net 7.1% decrease to private employer rates and assessments during its regular monthly meeting this morning, affecting approximately 220,000 employers across the state. The reduction goes into effect July 1, the start of the 2021 policy year.

“Thanks to fewer injury claims, fairly low medical inflation costs, and our strong fiscal management, we're in a good position to reduce these rates,” said BWC Interim Administrator/CEO John Logue. “We're especially pleased to pass these lower costs along to our business community amid the ongoing challenges created by the COVID-19 pandemic.”

The Board's action marks the fourth consecutive rate reduction for private employers since 2018 and the twelfth since 2008. It also follows a 10% reduction for Ohio's public employers (cities, counties, schools, etc.) that went into effect Jan. 1.

The 7.1% rate cut represents an average statewide change to premiums. The actual premium paid by individual private employers depends on several factors, including the expected future claims costs in their industry, their company's recent claims history, and their participation in various BWC programs.

A history of BWC rate changes since 2000 can be found online [by clicking this link](#).

###

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Established in 1912, the Ohio Bureau of Workers' Compensation is the exclusive provider of workers' compensation insurance in Ohio and serves 249,000 public and private employers. With nearly 1,700 employees and assets of approximately \$25 billion, BWC is one of the largest state-run insurance systems in the United States. Our mission is to deliver consistently excellent experiences for each BWC customer every day. For more, visit www.bwc.ohio.gov.



COVID-19 VACCINE / When you can get it, how to sign up, and where to get it



6 WEATHER ALERTS IN EFFECT



THE SYSTEM

Ohio borrowing nearly \$7M per day on average to pay unemployment benefits



FOX19 NOW Investigates: Ohio borrowing nearly \$7M/day on average to pay unemployment benefits

By **Jason Scott** and **Chris Riva** | December 2, 2020 at 5:47 PM EST - Updated February 23 at 5:09 PM

COLUMBUS, Ohio (FOX19) - \$1,180,228,997.

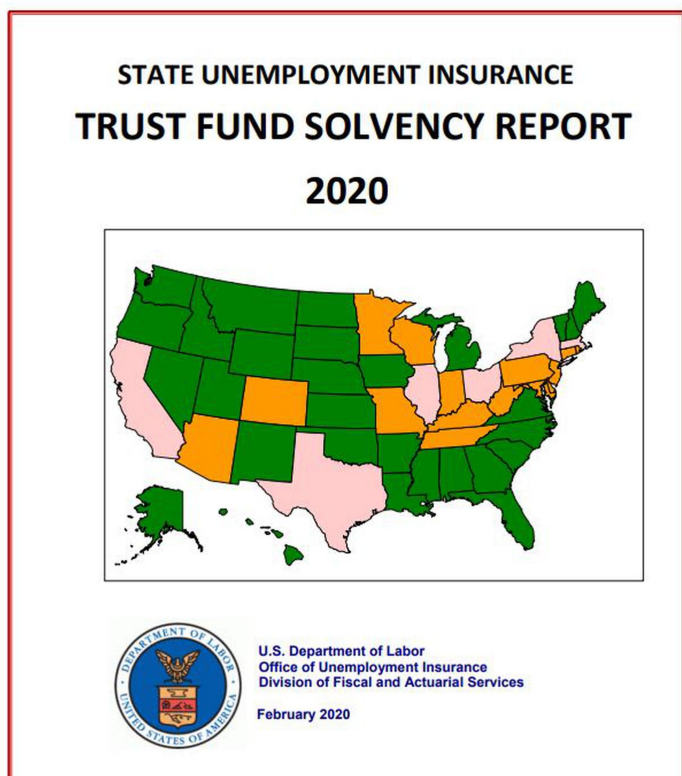
That is how much money the state of Ohio has borrowed from the federal government since its Unemployment Trust Fund went dry earlier this year. The money in the fund comes from a tax

that employers pay the state. At the start of the year, the fund had roughly \$1.3 billion in it. By mid-June, the money was gone, and the Ohio Department of Job and Family Services is currently borrowing \$6,983,603 per day on average to pay out benefits.

“We aren’t alone in this,” Ohio Department of Job and Family Services Director Kimberly Hall said. “At least 21 other states are currently borrowing from the federal government.”

That is true, according to the U.S. Department of Labor. Also true is the fact that Ohio will have to pay back all that money, plus tens of millions in interest, because the government said the trust fund didn’t have enough in it in the first place.

The problem with Ohio’s Unemployment Trust Fund



The U.S. Department of Labor’s Unemployment Trust Fund Solvency Report details which states can borrow money from the federal government without interest. (Source: U.S. Department of Labor)

At the start of 2020, the U.S. Department of Labor reported that the state would have been unable to pay for benefits for a year if an economic downturn were to happen. The agency deemed the fund insolvent. Any loan the state would ask for, would come with interest.

Enter the pandemic. North Carolina, Michigan and Georgia, states with similar populations, do not need to pay back interest. Their funds were deemed solvent.

During the great recession, Ohio borrowed \$3.4 billion from the federal government, then had to pay it back along with \$258 million in interest. Department of Labor statistics show Ohio has the fourth-lowest solvency rate in the U.S. The last time the fund was deemed solvent? 1974.



FOX19 NOW Investigates: The problem with Ohio's unemployment trust fund

Employers left to foot the bill

Doug Watts is the CEO of Metalworking Group, a global manufacturing company with locations in Colerain and Fairfield. The company has around 160 employees. His company, like many others, will have to pay more to cover the amount needed to pay back to government loan, which increases as each day passes.

“That’s a huge number,” Watts said. “I think if you’re the state, I think it’s probably really hard to plan for a situation like this, even with the rainy day fund, you know, but it seems like with unemployment, the state never really gets caught up.”

Watts remembers having the same feeling when Ohio had to borrow money from the government during the great recession more than a decade ago. “It’s just part of what you deal with in business,” Watts said. “You try and offset it with efficiency gains in other parts of your business. And live to fight another day.”

Is there a fix?



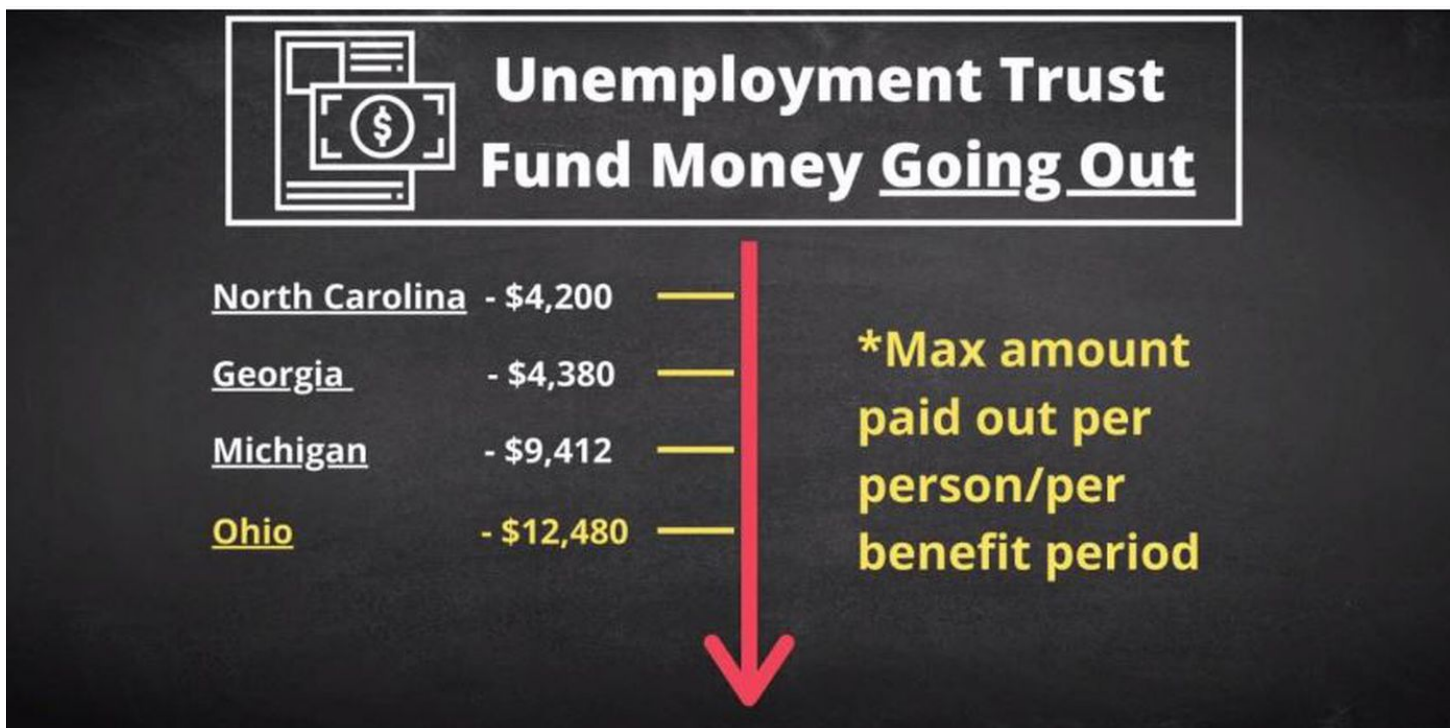
Ohio's Unemployment Trust Fund has been deemed insolvent since 1974

The Ohio legislature is the body that decides the strength of the fund. Republican Bill Seitz represents Western Hamilton County. He claims the fund pays out too much money for unemployment benefits and doesn't bring in enough money from the employers who fund it.

“I’ve been trying since 2005 to get some solutions,” Seitz said.

(Source: ohiostatehouse.org)

North Carolina, Georgia, and Michigan all pay out less in unemployment benefits than Ohio.



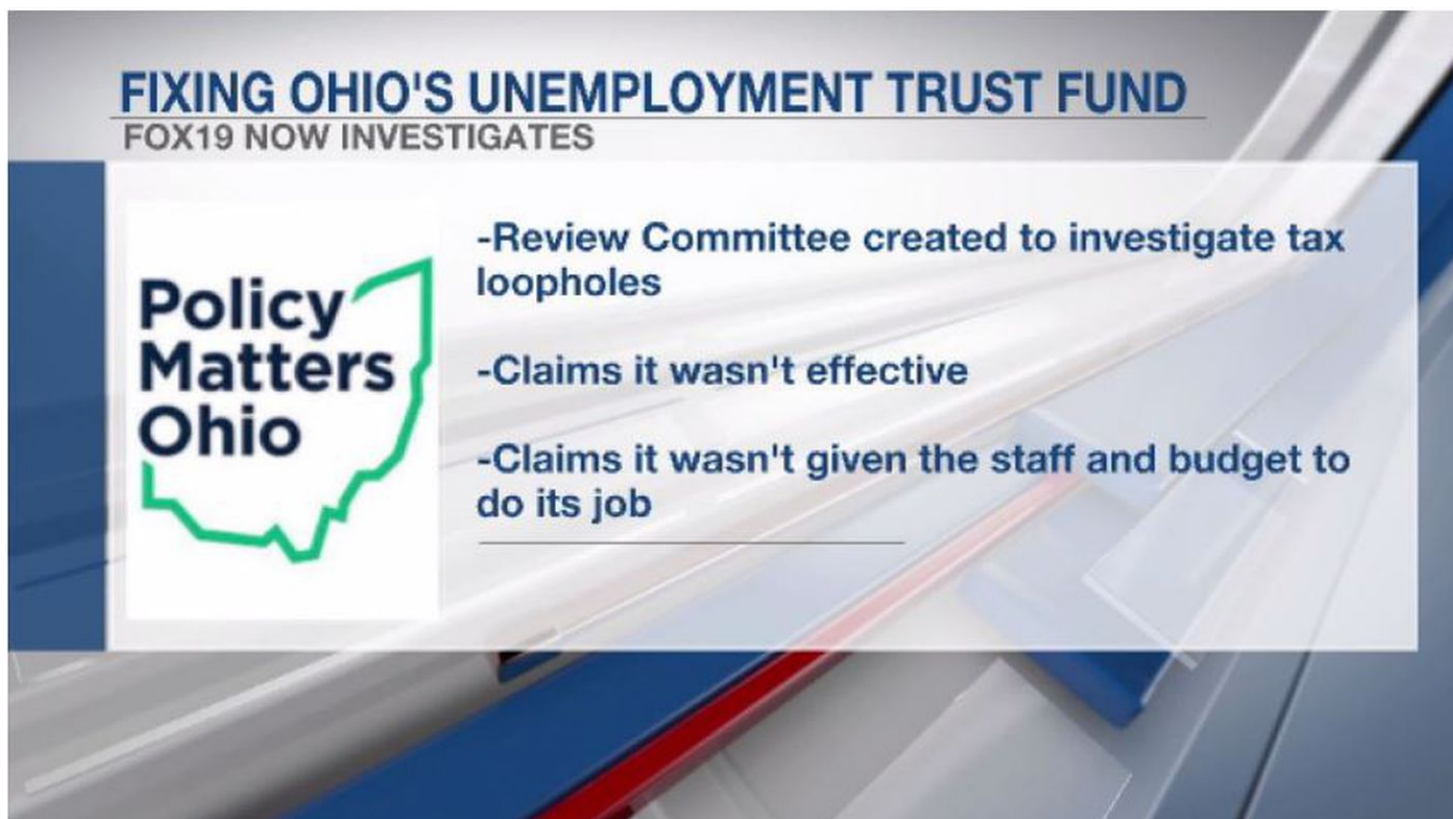
North Carolina, Georgia, and Michigan all pay out less in unemployment benefits than Ohio. But North Carolina, Georgia and Michigan pay either more in tax, or the same into the fund, as Ohio. (Source: WXIX)

But those states pay either more in tax than Ohio or the same into their funds.



But North Carolina, Georgia, and Michigan pay either more in tax or the same into the fund as Ohio. (Source: WXIX)

Democratic State Senator Cecil Thomas of Cincinnati referred FOX19 NOW Investigates to the group “Policy Matters Ohio”, who wrote last year that the state created a review committee to investigate tax loopholes, but claimed it wasn’t effective because it wasn’t given the staff and budget to do its job.



Democratic State Senator Cecil Thomas of Cincinnati referred FOX19 NOW Investigates to the group “Policy Matters Ohio”, who wrote last year that the state created a review committee to investigate tax loopholes, but claimed it wasn’t effective because it wasn’t given the staff and budget to do its job. (Source: WXIX)

“The answer to fixing this fund is not doing it on the backs of the workers who rely on it.” Democratic State Representative Bridget Kelly of Cincinnati said. “It has to be a thoughtful balanced approach with input from both workers and businesses to find a solution.”

Representative Seitz believes it didn’t have to get to this point.

“Nobody wants to eat their spinach you know,” Seitz said. “They all want ice cream and they don’t want to eat their spinach.”

A different approach

State Senator Bob Peterson represents Clinton and Highland counties and has a different approach that he says would help the state pay back less in interest. Take the loan, but then issue bonds to pay it off. This is the model that Texas has used.



Peterson introduced Senate Joint Resolution 4. The resolution passed the Senate but has been sitting in the House Finance Committee since August.

See a spelling or grammar error in our story? Click here to report it. Please include title of story.

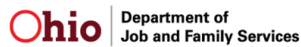
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State Sen. Bob Peterson (17th District) has proposed Senate Joint Resolution 4, which would allow Ohio to issue bonds to offset the payoff of the loan (Source: ohiosenate.gov)

A video player interface for a news segment. The video frame shows a man in a suit speaking. Overlaid on the video are several elements: a 'Top Articles' banner, a 'FOX 19 NOW' logo, a 'FOX 19 MORNING NOW XTRA' logo with a cityscape background, and a 'READ MORE' button. Below the video frame, a white text box contains the title 'Dr. Karen Hacker with the CD... tips on how to quit smoking'. Navigation icons (back, play, forward, mute) are visible on the video player.

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EMPLOYEE

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IDENTITY
THEFT 

Identity Theft and 1099 Resources for Employers

If unemployment claims have been filed for multiple current employees at your organization, the Ohio Department of Job and Family Services (ODJFS) needs to hear from you immediately.

Here's what you can do:

Step One: Report Identity Theft to ODJFS through the website or hotline.

[Complete this secure online form](#) or call [\(833\) 658-0394](tel:833-658-0394). If you use the online form, you will be prompted to download an Excel template, enter the requested data in the template, and upload the file as instructed. ODJFS will process the information, conduct investigations and, if necessary, issue corrections to the Internal Revenue Service (IRS) on any 1099s issued to victims.

Step Two: Continue to respond to any “Request for Separation Information” notices that you receive from us.

Please respond timely to these notices as a result of identity theft" on them so that we can investigate and take appropriate actions. The most expedient way for employers to

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respond to Request for Separation forms is by responding via your online account or by using the State Information Data Exchange System (SIDES) portal.

Step Three: Share resources with your employees.

Please share the [resources for individuals](#) on this website with the employees at your organization. This web page includes a link to the IRS guidance regarding identity theft involving unemployment benefits and other measures individuals can take to protect themselves.

Frequently Asked Questions

Q. I've received requests for separation information regarding employees who are still employed and who are currently working for my organization. What should I do?

A. Please respond timely to these notices and write "fraud/identity theft" on them so that we can investigate the claims and take appropriate actions. The most expedient way for employers to respond to Request for Separation forms is by responding via your online account or by using the State Information Data Exchange System (SIDES) portal.

Unfortunately, identity theft and unemployment fraud are widespread national challenges. We encourage you to let your employees know about the identity theft reporting portal and other resources available at unemployment.ohio.gov. Both individuals and employers can report identity theft to ODJFS and access other resources by clicking on the "Report Identity Theft" button at unemployment.ohio.gov.

Q. Some of my employees have received 1099-G forms indicating that they received unemployment benefits in 2020, but they did not. What should they do?

A. Please visit unemployment.ohio.gov, and click on the "Report Identity Theft" button to report the names of affected employees and access other resources. This will allow us to investigate the claims that were filed and take appropriate action correcting the 1099-G forms that they w

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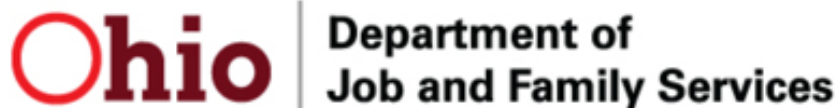
Q. Some of our organization's employees have had fraudulent unemployment claims filed in their names. Will we be charged for any payments made on these claims?

A. For contributory (tax-paying) employers, once we determine that a claim is fraudulent, we mutualize any charges and remove them from the employer's account. Reimbursing employers (such as nonprofit and government agencies) are credited for the charges incurred once ODJFS recoups the funds (from the perpetrator and/or other sources, such as banks).

Q. I received a notification from ODJFS regarding someone I have never employed. What should I do?

A. Please notify us as soon as possible. If the notification you received was a Request for Separation Information, it will have only the last four digits of the individual's Social Security number so you will need to call our hotline: (833) 658-0394.

If the notification was a monthly charge statement, it will have a full Social Security number, which means you can notify us through our online [reporting portal](#).



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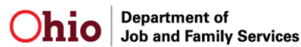
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Identity Theft and 1099 Resources for Individuals

If you suspect that your personal information has been stolen and/or if you received a 1099-G tax form from the Ohio Department of Job and Family Services (ODJFS) and did not apply for unemployment benefits in 2020, the agency needs to hear from you immediately.

Here's what you can do:

Step One: Report Identity Theft to ODJFS

[Complete this secure online form.](#) ODJFS will issue confirmation emails to everyone who files a report with information about identity theft and protection. The agency will process the reports, conduct investigations and, if necessary, issue corrections to the Internal Revenue Service (IRS) on 1099s issued to victims.

Step Two: How To File Your Taxes (if you received a 1099-G)

Please follow the IRS guidance to taxpayers on identity theft involving unemployment benefits. You can find it here.

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Step Three: Protect Your Identity

Many resources are available for victims of identity theft to help

them protect their identities. ODJFS strongly urges anyone who suspects they may be a victim of identity theft to take appropriate action to protect themselves. Here are some resources we recommend:

- OhioAttorneyGeneral.gov/IdentityTheft
 - Review your credit report at AnnualCreditReport.com
 - [Ohio State Highway Patrol: When Identity Crime Strikes You](#)
 - Federal Trade Commission Resources at identitytheft.gov
 - Place a free one-year fraud alert on your credit reports by contacting any one of the three nationwide credit reporting companies online or through their toll-free numbers. The bureau you contact must tell the other two.
 - [Equifax: 800-525-6285](https://Equifax.com)
 - [Experian: 888-397-3742](https://Experian.com)
 - [Trans Union: 800-680-7289](https://TransUnion.com)
-

Frequently Asked Questions

Q. How can I check to see if my identity was stolen?

A: The best way to learn whether your personal information has been compromised is to check your credit report. You can obtain a free copy of your credit report at AnnualCreditReport.com.

Q. If I receive a mailing from ODJFS to my address but with another person's name on the envelope, what should I do?

A: Please mark "return to sender" on the envelope and return it to us through the mail.

Q: I received a 1099-G from the Ohio Department of Job and Family Services, but I never applied for unemployment in 2020.

A: Please [file a report to ODJFS here](#). After you submit a report, we will process it, conduct an investigation and, if necessary, issue a correction to the Internal Revenue Service (IRS). We also recommend that you review the resources recommended in Step Three, above, to protect yourself.

Q: Will I be responsible for paying tax received?

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A: If you did not apply for unemployment benefits in 2020 and you received a 1099-G form, you will not be responsible for paying taxes on that money after ODJFS confirms that the claim filed was fraudulent. It is very important for anyone suspecting that their identity was used to apply for fraudulent claims to [complete this online form](#) as soon as possible.

Q: I received a 1099 form stating that I received unemployment benefits in a state other than Ohio. Can your office still help me?

A: Unfortunately, we can only help with claims filed in Ohio. Please contact the unemployment office that issued you the form.

Q: I already reported that my identity was stolen and used to file an Ohio unemployment claim. Why did I still receive a 1099?

A: We are working as quickly as we can to process a record number of fraudulent unemployment claims. Even if you previously reported unemployment fraud, please [complete this online form](#). We will then send you a confirmation email with resources for victims of identity theft, process your report, conduct an investigation and, if necessary, issue a correction to the IRS.

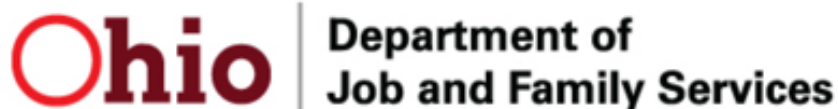
Q: I received a notification from ODJFS implying that I am an employer, and I'm not. What should I do?

A: Please call our fraud hotline as soon as possible: (833) 658-0394. Also be sure to review the resources recommended in Step Three, above, to protect yourself.

Q: I submitted a report through the "Report Identity Theft" portal but didn't get a confirmation email in response. What should I do?

A: You will receive a confirmation email, but there may be a brief delay. Please do not submit another report. Thank you for your patience.

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Safety & Workers' Compensation

Don't Miss (Virtual) Safety Congress, March 10-11

February 26, 2021

This year's virtual **Ohio Safety Congress & Expo** is approaching quickly. Set for March 10-11, the event is hosted by the Ohio Bureau of Workers' Compensation and will feature **dozens of educational sessions** presented by experts from across the country on topics related to injury and illness prevention, wellness, and cost savings, as well as a **slate** of environmentally focused trainings. **Register now** and sign up for course listings. It's free! *2/23/2021*

Strategies for Better Ventilation During COVID-19

February 26, 2021

The National Occupational Research Manufacturing Sector Council's COVID-19 workgroup has created **this document** to explore current best practices for facility ventilation in manufacturing plants to reduce the risk of COVID-19 transmission. The information is a collection of data, implementation strategies, and testimonials on the use of outdoor air, existing industrial ventilation, and HVAC systems. (Click on the document's numbered titles to view the mentioned sources.) *2/22/2021*

OSHA Emergency Temporary Standard for COVID-19 Coming Soon?

February 19, 2021

As we **reported** earlier this month, OSHA has updated its guidance for employers to fight COVID-19 at the workplace. This week, the National Association of Manufacturers (NAM) **reported** that OSHA representatives continue to say they are in the process of determining whether to issue a COVID-19 emergency temporary standard (ETS) by March 15, as authorized by President Joe Biden's Jan. 21 executive action.

Meanwhile, the OMA has learned through its Connection Partner Safex that the American Industrial Hygiene Association (AIHA) believes an ETS is likely to be issued soon to provide "specific, enforceable guidance." In **this update**, the AIHA says that any forthcoming ETS is "likely to pull heavily from existing CDC and

OSHA guidance, and related standards and documents in California, Massachusetts, Michigan, Oregon, and Virginia, among others." Be sure to see **OSHA's updated FAQs** related to COVID-19. *2/17/2021*

Deadline Approaching for Employers That Are Self-Insured for Workers' Comp

February 19, 2021

Employers that are self-insured for workers' compensation have an important due date coming up. By Monday, March 1, both the semi-annual **assessment** and the Report of Paid Compensation and Case Reserves (**form SI-40**) are due to the BWC. Questions? Contact the OMA's **Brian Jackson** or your **account manager**. *2/11/2021*

Webinar on Demand: Infectious Disease Response

February 19, 2021

ICYMI, the OMA recently offered a webinar titled: "Infectious Disease Response (COVID-19 and Beyond)." It's **available on demand**, as are **the handouts** that accompanied the presentation. Subject matter expertise was provided by OMA Connections Partner Safex.

Safex has also produced additional resources: **this outline** of a 12-point infectious disease (COVID-19) preparedness plan, and **this guidance** on actions to prepare for increased OSHA enforcement activity during COVID-19. *2/16/2021*

BWC Offers Substance-Use Recovery and Workplace Safety Program

February 19, 2021

The Ohio Bureau of Workers' Compensation (BWC), together with local Alcohol Drug Addiction and Mental Health boards, recently created the **Substance Use Recovery and Workplace Safety Program** (SURWSP), which reimburses employers in 27 participating counties for these services:

- Development and legal review of employer policies and procedures about substance use issues;

- Training for employees to understand substance use and their employer's related policies;
- Training to equip supervisors and managers to better manage employees in recovery; and
- Drug testing for prospective and current employees in recovery.

With annual reports for the BWC's Drug-Free Safety Program (DFSP) due at the end of March, this is a good opportunity for employers in participating counties to be reimbursed for annual DFSP requirements. Read more about the SURWSP in **this summary**, or contact OMA Connections Partner **Working Partners®**. 2/15/2021

Are Remote Injuries Compensable Under Ohio Workers' Comp?
February 19, 2021

What happens if one of your employees sustains an injury while working remotely? OMA general counsel Bricker & Eckler has published **this insight** on what qualifies as a remote injury, along with tips for a safe remote work environment. 2/16/2021

New Data on Ohio's Occupational Injuries and Illnesses
February 12, 2021

Ohio data from the 2019 Survey of Occupational Injuries and Illnesses (SOII) is **now available**. See the Bureau of Labor Statistics/SOII **2019 data web page** for detailed information. Ohio's rate of workplace injuries and illnesses continues to be lower than the U.S. average — and lower than the rates of bordering states. 2/9/2021

Webinar: Reducing COVID-19 Transmission Through HVAC Improvements
February 12, 2021

At 10 a.m. Thursday, Feb. 18, the Ohio Bureau of Workers' Compensation will host a free webinar on reducing COVID-19 transmission through HVAC improvements. This event will

provide valuable information to employers interested in taking steps to enhance indoor air quality at their workplaces. **Learn more and register here.** 2/9/2021

OSHA Proposes Rule Change on Classification and Labeling of Chemicals
February 12, 2021

OSHA has proposed to update its Hazard Communication Standard to align with the seventh revision of the Globally Harmonized System of Classification and Labeling of Chemicals.

OSHA says the rule is aimed at reducing the incidence of chemical-related occupational illnesses and injuries by further improving the information on the labels and Safety Data Sheets for hazardous chemicals.

Read OSHA's full press release. It includes information on how to submit comments about the proposed rule change. 2/8/2021

OSHA Issues New COVID-19 Workplace Guidance
February 5, 2021

In response to an executive order from President Joe Biden, OSHA on Jan. 29 **issued stronger workplace guidance** to help prevent spread of the coronavirus. For now, the revised guidance is not a regulation and creates no new legal obligations. It recommends the following steps:

- Conduct a hazard assessment;
- Identify control measures to limit the spread of the virus;
- Adopt policies for employee absences that don't punish workers as a way to encourage potentially infected workers to remain home;
- Ensure that coronavirus policies and procedures are communicated to both English and non-English speaking workers; and

- Implement protections from retaliation for workers who raise coronavirus-related concerns.

• **Click here** to see OSHA’s new guidance. Also, read **this insight** from OMA Connections Partner Thompson Hine and **this summary** from OMA Connections Partner Dinsmore.

Finally, check out the CDC’s updated COVID-19 **guidance for manufacturing workers and employers**. 2/1/2021

OSHA’s New Site-Specific Targeting Inspection Plan
February 5, 2021

OSHA **recently released** instructions to implement a new Site-Specific Targeting (SST) inspection plan for non-construction worksites. In its **analysis**, OMA Connections Partner Fisher Phillips writes that employers should be vigilant in ensuring that their OSHA 300 logs do not needlessly record non-work-related COVID-19 cases or other non-recordable injuries. Failing to do so needlessly increases an employer’s Days Away, Restricted or Transferred Rate (DART Rate), which will eventually lead to an increase in OSHA inspections long after widespread COVID-19 immunity has been reached. 2/2/2021

Registration Open for Ohio Safety Congress
February 5, 2021

Registration is now open for the Ohio Safety Congress & Expo, which will be held online March 10-11. Hosted by the Bureau of Workers’ Compensation (BWC), this is the largest regional safety and health conference in the U.S., and will offer a live broadcast of educational sessions and resources that employers can access from anywhere.

Register now and sign up for course listings. Anyone interested in workplace safety and health or workers’ compensation in Ohio should plan to attend. It’s free! 2/1/2021

BWC Reports \$7.6 Billion in Net Assets
February 5, 2021

The Ohio Bureau of Workers’ Compensation (BWC) reported total assets at the end of 2020 of just under \$25 billion, with liabilities of \$17.3 billion for a net position of \$7.6 billion, **according to Gongwer News Service**. Meanwhile, BWC Interim Administrator/CEO John Logue told the BWC board last week that the bureau began a new contract with its managed care organizations (MCOs) at the start of the year, effective through 2024. The contract includes a major change, according to *Gongwer*. No longer will the bureau establish a pool of money to pay MCOs on a pro rata basis. Instead, payments will be based on claims — “with some stabilizers designed to keep the rates from having dramatic swings each month.” 2/1/2021

BWC Offers Accident Analysis Webinar

February 5, 2021

On Tuesday, Feb. 9 — from 10-11 a.m. — the BWC will host a **free webinar** to explain the accident analysis process, while providing an organized approach for identifying and correcting hazards. Attendees will learn about the basic elements of a written accident analysis program, the primary causal factors of accidents, and action steps to analyze accidents. This **webinar is approved** for continuing education and BWC discount program credits. 2/1/2021v

You Can Find Ohio-Made PPE Here
February 5, 2021

The *Cincinnati Enquirer* (subscription) reports that during December 2020 — the deadliest month of the pandemic — roughly 25% of Ohio nursing homes and long-term care facilities reported they had less than one week’s supply of personal protective equipment (PPE). Fortunately, the **Ohio Manufacturing Alliance** continues to offer the **Ohio Emergency PPE Makers’ Exchange**, which allows buyers to directly contact suppliers of Ohio-made PPE and other safety gear, including N95s. 2/2/2021

Did You Post Your OSHA 300A? **February 5, 2021**

Businesses are required to complete and post the OSHA Form 300A Summary of Work-Related Injuries and Illnesses, even if no work-related injuries or illnesses occurred during the reporting year. Each February through April, employers must post this summary of the injuries and illnesses recorded the previous year. If requested, copies of the records must be provided to current and former employees (or their representatives).

If you have 20 or more employees, you must **report the OSHA 300A information electronically** to OSHA by March 2. *2/4/2021*

BWC Board Expected to Consider Reduction in Premium Rates **January 29, 2021**

At its Jan. 29 meeting, the Ohio BWC Board of Directors is expected to begin the process of again reducing premium rates for private businesses. As stated in **this memo** from the BWC's chief actuary, BWC staff is recommending that the board reduce premium rates by 15%.

The board will consider the recommendation over the next several months. If the reduction is approved, it will take effect July 1. Employers would not see the full 15% reduction due to potential increases in both the BWC and the Industrial Commission administrative funds. Instead, employers would see a reduction of roughly 7%, according to estimates. *1/28/2021*

OSHA Names New Leaders

January 29, 2021

At the U.S. Department of Labor, **James Frederick** has been named deputy assistant secretary for occupational safety and health, while **Joseph Hughes Jr.** has been named the new deputy assistant secretary for pandemic and emergency response. **Ann Rosenthal** has been named senior advisor. *1/28/2021*

Don't Forget About Your Local Safety Council **January 29, 2021**

Ohio Bureau of Workers' Compensation (BWC) continues to sponsor its **statewide network of safety councils**, although it has suspended the premium

rebate opportunity and requirements at this time. The councils are operating virtually with 71 of the 84 councils offering monthly programs. Later this spring, the BWC plans to announce program decisions for the 2021 policy year, which starts July 1. Any employer not already a member of a safety council can enroll at any time. *1/26/2021*

Still Time to Register: OMA Webinar on Infectious Disease Response **January 29, 2021**

There's still time to register for the OMA's Feb. 4 webinar that will address infectious disease preparedness and response plans for manufacturers. Presented by OMA Connections Partner Safex, the event will examine OSHA's recommendations during COVID-19, as well as ideas for future outbreaks. **Click here** for more details or to register. *1/27/2021*

Biden Order Seeks Stronger Workplace Safety Rules, Tougher OSHA Enforcement **January 22, 2021**

Thursday evening, President Joe Biden **issued an executive order** directing federal regulators to implement stronger safety guidance for workplaces during the pandemic.

Among other actions, **the order directs** OSHA to update COVID-19 safety recommendations for businesses within the next two weeks, review its enforcement efforts, and study whether an emergency temporary standard (ETS) — which businesses would have to comply with under the threat of penalties — is necessary. The agency must issue the emergency standard by March 15, if deemed necessary.

The National Association of Manufacturers (NAM) **this week said** it expects OSHA will soon issue an ETS, with penalties for non-compliance being "significant and publicized." *1/21/2021*

OMA Webinar Will Examine Infectious Disease Response
January 22, 2021

OSHA recommends that employers prepare an Infectious Disease Preparedness and Response Plan in response to COVID-19. **Register now** for the OMA's Feb. 4 webinar, which will examine OSHA's recommendations. **Click here** for more details on this event, which will be presented by OMA Connections Partner Safex. 1/19/2021

Application Deadline Is Jan. 29 for These BWC Programs
January 22, 2021

Employers interested in the **Deductible, Individual-Retrospective-Rating**, or **One Claim** programs must **file an application** by Jan. 29 for the program year beginning July 1, 2021. And employers interested in the **Policy Activity Rebate program** must apply — also by Jan. 29 — for the policy year that began July 2020.

Questions? Email the OMA's **Brian Jackson**. 1/20/2021

Court Says Injured Workers Can't Reject Valid Light-Duty Offers
January 22, 2021

OMA Connections Partner Dinsmore **has highlighted** a recent court case involving a refused light-duty job offer. In Ohio, a light-duty job offer is a strategic way to either bring an injured worker back to the workforce or bar temporary total compensation (should the injured worker reject a valid offer). Either way, it can aid employers in eliminating, minimizing, and/or stopping temporary total disability compensation from being paid in a claim.

Dinsmore notes that the Tenth District Court of Appeals recently determined the reason for the injured worker's refusal of a light-duty job offer was only relevant if the offer was not made in good faith by the employer. In this case, the Industrial Commission found the employer's offer was made in good faith; therefore, it would be inappropriate to award temporary total compensation.

While this decision is favorable to employers, it is still important to ensure that light-duty job offers are crafted carefully. For more on this subject, **contact an OMA workers' compensation account manager**. 1/20/2021

Ohio Employers Urged to Cash Dividend Checks
January 15, 2021

The Ohio Bureau of Workers' Compensation (BWC) **urges employers** to cash the checks BWC mailed in December to mitigate the economic hardship brought by COVID-19. As of Tuesday of this week, 23,351 employers had not yet cashed \$513.7 million in BWC checks, which have a 90-day life. 1/14/2021

Amended PTSD Bill Is 'Big Win for Ohio Employers'
January 15, 2021

This week, Gov. Mike DeWine signed **House Bill 308**, which creates a fund for the payment of compensation and benefits for first responders suffering from post-traumatic stress disorder (PTSD) — but do not have an accompanying physical injury received in the course of, and arising out of, employment.

The OMA **played a key role** to amend this legislation, helping to avoid a costly expansion of Ohio's employer-funded workers' compensation system.

OMA general counsel Bricker & Eckler **has published this insight** into HB 308 as passed and signed, calling the bill's solution "a big win for Ohio employers" since private employers will not be responsible for paying into the PTSD fund. 1/12/2021

OSHA Increases Maximum Penalty Amounts
January 15, 2021

OSHA's civil penalty amounts for workplace safety and health violations **are increasing** based on cost-of-living adjustments for 2021. The maximum penalty amount will now be \$13,653 per violation, and \$13,653 per day beyond the abatement deadline. In 2015, Congress directed federal agencies to adjust their civil monetary penalties for inflation every year. 1/14/2021

Ohio's COVID-19 Vaccination Plans: What We Know So Far
January 8, 2021

Manufacturers are raising questions regarding Ohio's COVID-19 vaccination distribution plans. Here's what we know to date:

- Ohio is currently in **Phase 1A** of the state's vaccine distribution. This phase is focused on inoculating health care workers and nursing home residents.
- **Phase 1B** — which will include Ohioans ages 65 and older, those with severe medical issues, and staff at K-12 schools — **is expected to begin Jan. 19.** With more than 2 million people in this group, Phase 1B is expected to take several months to complete.
- Based on Ohio's draft plan, Phase 2 will include employees for essential businesses; it is believed this group will contain most manufacturing employees. The OMA has advocated that the Phase 2 definition of "essential businesses" be the same definition used by state officials last spring to keep the vast majority of manufacturers and their suppliers operating. At this time, it's unclear when Phase 2 will begin due to the limited vaccine supplies.

OMA members should keep in close contact with their **local health district** officials since

they will play a key role in the distribution. Be sure to read the OMA's regularly published COVID-19 updates (emailed to members), and visit the Ohio Department of Health's **vaccination program page**, which includes an FAQ section. If you have specific questions, contact the OMA's **Rob Brundrett**. *1/7/2021*

BWC's Lineup of Virtual Safety Training and Events
January 8, 2021

In response to the pandemic, the Ohio Bureau of Workers' Compensation (BWC) has added many virtual safety and employer resources, including safety webinars. A number of previously full-day training courses have been refashioned into shorter virtual events.

Members are encouraged to explore the **BWC's calendar of upcoming events**. BWC also continues to offer its **full line of safety services**, including virtual consultations, safety talks, and written safety program templates.

BWC events are offered at no cost to Ohio state-fund employers. Questions regarding BWC's safety services can be **emailed** to the staff. *1/5/2021*

Report: Fatal Work-Related Injuries See Biggest Jump Since 2007
January 8, 2021

According to the Bureau of Labor Statistics, fatal work injuries in 2019 (the latest data available) were the **highest they've been since 2007**. Fatalities among workers age 55 and over increased 8% from 1,863 in 2018 to 2,005 in 2019 — the largest number ever recorded for this age group.

Register now for the OMA's Jan. 14 safety webinar, which will spotlight OSHA Emphasis Programs, inspections and employee complaints. **Learn more and register here**. *1/5/2021*

Workers' Compensation Legislation
Prepared by: The Ohio Manufacturers' Association
Report created on March 2, 2021

- HB17** **WORKERS' COMPENSATION IN FIREFIGHTER CANCER CLAIMS** (PATTON T) Regarding charging workers' compensation experience in firefighter cancer claims.
Current Status: 2/4/2021 - Referred to Committee House Insurance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-17>
- HB75** **ENACT FY22-23 WORKERS' COMPENSATION BUDGET** (OELSLAGER S) To make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2021, and ending June 30, 2023, and to provide authorization and conditions for the operation of the Bureau's programs.
Current Status: 3/3/2021 - House Insurance, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-75>
- HB76** **ENACT FY22-23 INDUSTRIAL COMMISSION BUDGET** (OELSLAGER S) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2021, and ending June 30, 2023, and to provide authorization and conditions for the operation of Commission programs.
Current Status: 3/3/2021 - House Commerce and Labor, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-76>
- SB66** **CAREER PATHWAYS APPRENTICE PROGRAM** (WILLIAMS S) To establish a career pathways apprentice program.
Current Status: 2/24/2021 - Referred to Committee Senate Workforce and Higher Education
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-66>
- SB69** **NONCREDIT CAREER-TECHNICAL PROGRAMS** (WILLIAMS S) Regarding noncredit career-technical programs at community colleges and state community colleges.
Current Status: 2/24/2021 - Referred to Committee Senate Workforce and Higher Education
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-69>

TO: OMA Government Affairs Committee
FROM: Rob Brundrett / Rachael Carl
SUBJECT: Tax Public Policy Report
DATE: March 3, 2021

Overview

It is no surprise that the effects of COVID-19 will influence the state's upcoming biennium budget bill. For the next few months, the legislature will be almost entirely devoted to the budget process that is supposed to be wrapped up by June 30th.

Governor DeWine kicked off the budget deliberations on February 1st with an outline of his budget recommendations. His team from the Office of Budget and Management noted that Ohio's January revenues exceeded forecasts by \$81.3 million or 3.6%. And, while the CAT was \$13.3 million (-18.1%) below estimates, they are continuing to see a trend that started during the pandemic: a jump in sales tax and a shift away from spending on untaxed services to goods. Revenue from sales tax (excluding motor vehicles sales tax) has been 5.2% higher over the previous six months than estimates.

Higher than estimated collections, in conjunction with cuts to state spending (to the tune of \$775 million last May) and a large influx of federal funds, lead his introduced budget to forgo spending from the Rainy Day Fund. The only notable change in his tax policy was the expansion of the job retention tax credit to allow smaller companies to qualify.

In addition to budget discussion, the legislature will continue to consider the withholding tax issue. There is no strong consensus on the issue of refunds, but there is general agreement to repeal the temporary language. A few business groups asked for the end date to coincide with the end of a quarter. The OMA continues to advocate for a date no sooner than the start of the 2022 tax year.

Tax Legislation

Senate Bill 18 – Internal Revenue Code Conformity

Senate Bill 18 would bring Ohio's tax laws into conformity with changes made to the Internal Revenue Code. The senate bill did receive an amendment that would clarify the application of the CAT. The language would ensure that both BWC rebates and federal PPP Loan proceeds are not considered gross receipts for purposes of the CAT.

Since this legislation is on the fast-track to getting enacted in time to apply for the 2020 tax year, a companion bill has been introduced in the House (House Bill 48). (Although the house bill does not currently contain the clarifying CAT language.) Senate Bill 18 unanimously passed the Senate and is currently pending in the House Ways & Means Committee. It is the likely vehicle to pass the legislature.

Senate Bill 19 – Tax Exemption for Wetland Mitigation

Senator Tim Schaffer (R-Lancaster) introduced a bill to exempt certain privately owned wetlands from property tax. A qualifying property would have to be under a wetland mitigation project and be owned by a 501(c)(3) organized for the purpose of natural resources protection, preservation, restoration, or enhancement of water quality. The bill is scheduled for its third hearing in the Senate this week.

Senate Bill 45 – State and Local Tax Inducements

Senators Bob Peterson (R-Washington Court House) and Stephanie Kunze (R-Hilliard) re-introduced legislation from the last General Assembly. Senate Bill 45 would enhance state and local tax inducements for businesses making substantial fixed asset and employment investments and their suppliers. The bill would provide a CAT credit for the integrated supply chain to a qualifying project.

This week, the bill is having a second hearing in the Senate. The OMA is submitting a letter with like-minded allies regarding protecting the integrity of the CAT.

House Bill 45 – Tax Amnesty Program

This bill would establish a tax amnesty period from April 1, 2021, to May 31, 2021. During this period, the Tax Commissioner must waive any interest and penalties if a taxpayer pays the full amount of their delinquent taxes or fees. House Bill 45 has not received a hearing yet.

House Bill 47 – Electric Vehicle Charging Station Grant

Newcomer Representative Mike Loychik (R-Cortland) introduced his first bill recently, House Bill 47. The bill would require the Ohio Department of Transportation to establish a rebate grant program for the installation of certain electric vehicle charging stations. It would also appropriate \$10 million to the program for both fiscal year 2022 and fiscal year 2023. The bill has yet to receive any hearings.

House Bill 48 – Internal Revenue Code Conformity

As a companion to Senate Bill 18, Representatives Bill Roemer (R-Richfield) and Gail Pavliga (R-Atwater) introduced House Bill 48. Like Senate Bill 18, House Bill 48 would bring Ohio's tax laws into conformity with changes made to the Internal Revenue Code. Unlike the senate bill, this bill does not include language that would clarify the application of the CAT.

House Bill 48 has received one hearing in the House, but Senate Bill 18 is the likely vehicle to pass the legislature.

House Bill 74 – State Transportation Budget

Just like the state's operating budget bill, the transportation bill did not include many policy changes. The Governor did include his proposal to crack down on distracted driving by making it a primary offense.

The bill has had three hearings in the House so far and is expected to be on the Governor's desk for his signature by the end of March.

Senate Bill 97 – Local Income Tax Work From Home

The bill would modify local income tax withholding rules for employers regarding work from home employees. See section on Municipal Income Tax Withholding.

House Bill 157 – Modify Local Income Tax Rules

The bill again sponsored by Rep. Jordan would repeal Section 29 of H.B. 197 of the 133rd General Assembly to modify municipal income tax employer withholding rules for COVID-19-related work-from-home employees. This bill was introduced last year but is a one size fits all approach for a much more complicated issue.

Municipal Income Tax Withholding

Conversations continue in the legislature on the income tax withholding issue. Last General Assembly, Senate Bill 352 and House Bill 754 were introduced to repeal Sec. 29 from House Bill 197. However, both bills failed to pass in Lane Duck.

As a refresher, Sec. 29 from House Bill 197 has allowed manufacturers and other Ohio businesses to continue withholding employees' income tax from the business' principal location and not employees' homes.

With many Ohioans working remotely due to COVID-19, the General Assembly acted wisely to save businesses the burden, expense, and compliance nightmare of revamping their tax systems in the midst of the pandemic.

Last summer, legislators and interested parties began discussing a repeal of the provision in House Bill 197 so that withholdings would be redirected to the local governments of an employee's home address if he/she is working remotely. Recently, Representative Derek Merrin, Chairman of the House Ways & Means Committee, held a meeting to re-engage the business community and municipalities on the subject.

While there is still debate on the refund discussion, the legislature continues to press on the appropriate date to end the provision in House Bill 197. A few business groups asked for the end date to coincide with the end of a quarter. The OMA continues to advocate for a date no sooner than the start of the 2022 tax year.

The OMA will continue to engage our small working group on this issue since it will likely be a topic of discussion for the state's biennial budget.

Tax News

Legal Challenge Posed to Ohio's Local Income Tax

A conservative think tank in Ohio has filed two new lawsuits challenging a state law intended to protect local income tax revenue during a time when many employees are working from a different municipality than their employer's workplace.

At the start of the pandemic, the OMA and numerous other business interests supported House Bill 197, bipartisan legislation that contained numerous COVID-19 relief measures. HB 197 won unanimous approval in the General Assembly last March and contained a provision to extend Ohio's "20-day rule" for municipal tax withholding for employees who are now working from home.

The Buckeye Institute argues that allowing cities to continue collecting taxes from employees who are now working in other municipalities is an unconstitutional expansion of their taxing authority. Two lawsuits are pending in the Franklin County Common Pleas Court while the other is pending in the Hamilton County Court of Common Pleas.

Increasing Minimum Wage to \$15 per Hour

Effective January 1st, Ohio increased its minimum wage to \$8.80, but it may not be enough – a bill was introduced in Ohio to increase it to \$15 per hour by 2027. Democrats in Congress also introduced legislation to increase the federal minimum wage from \$7.50 per hour to \$15 per hour over the next five years. The Congressional Budget Office estimates that the federal wage increase could cost roughly 1.4 million workers their jobs and increase the federal deficit by \$54 billion over a decade.

Tax Relief in Federal Law

On Dec. 27, President Donald Trump signed the Consolidated Appropriations Act. Within its 5,593 pages are several credits and other tax relief provisions for taxpayers affected by the pandemic, including:

- a deferral of employees' share of payroll taxes;
- an extension of refundable credits for paid sick and family leave; and
- tax benefits arising from PPP loans and a second-draw program.

Ohio's State-Local Sales Tax Burden is 20th Highest – or is it?

The Tax Foundation unveiled a comparison study showing Ohio's average combined state and local sales tax rate of 7.23% is the 20th highest in the nation. But JobsOhio fired back, saying that despite the Buckeye State's strong showings in several comparisons by business publications, Ohio is near the bottom of the Tax Foundation's 2021 State Business Tax Climate ranking. Echoing the longtime sentiments of the OMA, JobsOhio says the foundation uses a flawed methodology that does not reflect the tax reality that most Ohio businesses face.

"Ohio is a business-friendly state," the blog post says. "In fact, Ohio is one of only a handful of states in the U.S. with no state-level corporate income tax and no personal property tax."

Biden Plan to Raise Taxes on Corporations

President Biden has proposed raising taxes on U.S. corporations — something that's a stronger possibility now that Democrats have won control of the Senate. The Biden plan would increase the statutory federal corporate income tax rate from 21% to 28%, while taxing long-term capital gains and qualified dividends at the ordinary income tax rate of 39.6% on income above \$1 million, thereby exacerbating the double taxation of corporate income.

Last month, the Tax Foundation published an analysis that says if both proposals become reality, the top integrated tax rate on distributed dividends would increase from 47.47% to 62.73%, which would be the highest among the OECD countries and “undercut American economic competitiveness.”

Municipal income tax: temporarily relocated employees (From HB197 LSC Final Analysis)

The act specifies that, for municipal income tax purposes, employees who must, as the result of the COVID-19 emergency, report to a temporary worksite, including their home, are temporarily considered to be working at their otherwise principal place of work, i.e., the location where the employee reports for work on “a regular and ordinary basis.” This treatment affects which municipal corporation the employer must withhold income taxes for, which municipal corporation may tax the employee’s pay, and whether and how much of the employer’s own income is subject to a municipality’s income tax. In effect, considering this income to be earned in the location of the employee’s principal place of work potentially allows the employer to avoid withholding taxes for that employee in the municipality where the employee’s temporary worksite is located and prevents the employer from becoming subject to that municipality’s income tax. It also potentially prevents the employee from being taxed on that income by that municipality, unless the employee is a resident of that municipality. (Resident municipalities may tax individual taxpayers on their entire income, regardless of where the income is earned.)

Under continuing law, a nonresident employee may work in a municipality for up to 20 days per year without the employer becoming subject to that municipality’s tax withholding requirements and the employee becoming subject to that municipality’s income tax. And, if an employee does not exceed the 20-day threshold, that employee’s pay is not counted toward the business’s payroll factor, one of three factors – along with property and sales – that determines whether, and the extent to which, an employer’s own income is subject to the municipality’s tax on net profits.

The Buckeye Institute Files Suit Against City of Columbus and State of Ohio

Jul 09, 2020

Columbus, OH – The Buckeye Institute, along with three of its individual employees, [filed a lawsuit](#) calling for the court to declare unconstitutional a state law allowing the City of Columbus to tax income from workers who do not live in, and were prohibited from working within, the city’s jurisdiction during Ohio’s Stay-at-Home order.

“The law in this case is straight out of a dystopic novel: the state first prohibited workers from going into their offices during the Stay-At-Home order, then passed an emergency law absurdly ‘deeming’ all work that was actually performed at home to have been performed in the higher-taxed office location instead. It is a legal fiction, and it is unconstitutional,” said Robert Alt, president and chief executive officer of The Buckeye Institute.

Alt continued, “Not only have our employees—along with thousands of others like them across Ohio—had municipal income taxes unlawfully taken from them during the Stay-at-Home order, but The Buckeye Institute also has been forced to participate in perpetrating this constitutional violation, betraying the very principle of limited government that is an essential component of our organization’s mission.”

The lawsuit—filed on July 2 in Franklin County Common Pleas Court against the City of Columbus and the State of Ohio on behalf of The Buckeye Institute, Rea S. Hederman, Jr. of Powell, Greg R. Lawson of Westerville, and Joe Nichols of Newark Township—states that as a result of the COVID-19 pandemic and to comply with Ohio’s emergency orders requiring nonessential businesses to close, The Buckeye Institute required its employees to work from home. Subsequently, House Bill 197 “deemed” all work performed at private homes during the health emergency to have been performed at the employees’ principal place of work for the purposes of taxation, and the City of Columbus then continued to unlawfully take taxes from Hederman, Lawson, and Nichols despite the fact that these employees were no longer working within and did not live in the city’s jurisdiction.

This unlawful taxation is a clear violation of due process rights under the Fifth and Fourteenth Amendments to the U.S. Constitution and violates Article I, Section 1 of the Ohio Constitution.

The Buckeye Institute Files Two New Tax Lawsuits Against Columbus and Cincinnati

Feb 09, 2021

Columbus, OH – On Tuesday, The Buckeye Institute filed two new lawsuits on behalf of two more Ohioans—**Eric Denison** of Westerville and **Josh Schaad** of Blue Ash—which call for the courts to declare unconstitutional an Ohio law that allows the cities of Columbus and Cincinnati to tax the income of workers who do not live in, and have not been working within, the respective municipalities.

“Ohio’s dystopic novel keeps getting more convoluted. Not only has Ohio absurdly deemed work that was actually performed at home or elsewhere to have been performed in higher-taxed office locations, but many folks are now being forced to pay *more* in municipal income taxes for 2020 than they did in 2019, even though they spent *less* time working in Columbus and Cincinnati respectively,” said Robert Alt, president and chief executive officer of The Buckeye Institute and one of the lawyers representing Messrs. Denison and Schaad.

Eric Denison and Josh Schaad work offsite for their respective employers. In years past, both have requested and received proportional refunds for work performed outside the city limits of Columbus and Cincinnati. When the Ohio General Assembly passed House Bill 197—which absurdly deemed all work performed elsewhere because of the health emergency to have been performed at the employees’ principal place of work for the purposes of levying income taxes—Messrs. Denison’s and Schaad’s municipal income taxes increased even though they had spent less time at their main office locations in those municipalities.

These two new lawsuits were filed by The Buckeye Institute in Franklin County Court of Common Pleas and Hamilton County Court of Common Pleas respectively. The Buckeye Institute previously filed another similar case, ***Buckeye v. Kilgore***, in July 2020, and an **amicus brief** in *New Hampshire v. Massachusetts* calling on the U.S. Supreme Court to protect Granite Staters from unconstitutional taxation by Massachusetts.

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2 new lawsuits challenge Ohio's pandemic law covering remote-work rules for municipal income taxes

Updated Feb 09, 2021; Posted Feb 09, 2021

By [Rich Exner, cleveland.com](#)

CLEVELAND, Ohio - Ohio's pandemic law that reclassified municipal income tax rules to tax people based on their principal work location - not where they may be working remotely during coronavirus - is now the subject of two more lawsuits.

The Columbus-based conservative think tank Buckeye Institute said it filed suits Tuesday against the cities of Columbus and Cincinnati, and Ohio Attorney General Dave Yost, on behalf of suburban residents working remotely - an Ohio Department of Health employee from Westerville and a Blue Ash resident in the financial field.

These suits are in addition to a pending suit [filed against Columbus and Yost in July](#) - all making the general argument that it is illegal to tax people where they neither work nor live.

The new suits take on an additional argument.

In both cases, according to the the Buckeye Institute, the plaintiffs (Eric Denison of Westerville and Josh Schaad of Blue Ash) often worked remotely ahead of the pandemic and in the past had received refunds on taxes collected by Columbus and Cincinnati for work performed outside those cities.

Now, however, they are not able to get those refunds, said Robert Alt, president and chief executive officer of the Buckeye Institute.

"It clearly raises this additional question: 'Why are you working where you are working,' " Alt said. "Before, it was where is the work being performed."

The [law approved in March](#) as part of wide-ranging pandemic legislation said that during Ohio's emergency declaration and until 30 days after it ends "any day in which an employee performs personal services at a location, including the employee's home ... because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work."

In Denison's case, he has been working in Groveport, not at home or in Columbus since March, but has been taxed in Columbus, the suit said.

A spokeswoman for the Columbus mayor's office said the city could not comment on pending litigation. Messages were left seeking comment from the Cincinnati's mayor's office and the Ohio attorney general's office.

Lingering questions have muddied the tax issues statewide, including for dozens of communities in Northeast Ohio.

The Regional Income Tax Agency (RITA), which administers taxes for most cities and villages in Greater Cleveland and others elsewhere, has amended its current refund form to allow people to submit claims for refunds if they have been working at home during the coronavirus pandemic.

But RITA is making no promises to pay those refunds, [instead cautioning on the form](#): "A refund of the tax withheld for your pre-COVID-19 work municipality, while you worked from home or another location, may not be available until litigation over this issue is completed. ... RITA will hold your request for refund in a suspended status until this litigation is concluded.

"Should the conclusion of this litigation determine that a refund is allowed, your request for refund will be processed at that time. Should the conclusion of the litigation determine that a refund is not allowed, you will receive a notice that a refund is not available to you."

The Cleveland-run Central Collection Agency (CCA), which administers taxes for Cleveland and other communities, has a [downloadable refund form on its website](#) but there are no changes this year specifically to address COVID work situations. The amount of money that is at stake depends on individual circumstances.

For example, someone making \$50,000 who lives in a township without an income tax but works in city where the income tax rate is 2%, would pay \$1,000 over a full year in local income taxes. That potentially could be refunded.

But some people receiving such a refund would then have to turn around and pay taxes to their residency city, if they are working there. The gains for these people would range from a full refund to perhaps nothing at all, depending on the tax rates and normal credits for their home city.

The Cincinnati suit quotes from the city's published policy: "Therefore, [there is no refund opportunity when filing a tax return for 2020](#) if you are working at home due to COVID-19."

Cities across Ohio are bracing for big hits to their budgets if the refunds are ordered.

The Ohio Mayors Alliance expressed concern for additional changes, advocating in a Monday news release that state priorities should include "preserving stability for local governments by maintaining previously passed COVID-related provisions. This includes avoiding tax policy changes or funding cuts that would create further financial instability in the middle of a pandemic."

RITA income tax filers can claim a refund for working at home during coronavirus, but might not get the money

Updated Jan 21, 2021; Posted Jan 21, 2021

Form 10A	Regional Income Tax Agency Application for Municipal Income Tax Refund PO Box 470638 Broadview Heights, OH 44147-0638	 REGIONAL INCOME TAX AGENCY	800.860.7482 TDD 440.526.5332 ritaohio.com				
	Your first name and middle initial		Last name	Your social security number	Tax year of claim		
Current home address (number and street)		Apt #		Daytime phone number		Evening phone number	
City, state, and ZIP code		<input type="checkbox"/> Check here if you worked outside of your normal place of work in 2020 due to COVID-19. See Checkbox No. 2 below.					

Reason for Claim

Check the Box below that applies.

- A separate 10a is required if you have multiple W-2 forms, or for each municipality from which a refund is requested.
- No refunds will be issued without the proper documentation indicated by reason for claim.

- Age Exemption.** Date of Birth: _____ Attach a copy of your W-2 form and proof of birthdate (birth certificate, driver's license, etc.). If you were under 18 for only part of the year, you must either: (1) have your employer sign the completed Employer Certification on page 2; or (2) attach a copy of your pay stub for the pay period in which your birthday fell. Exceptions to the 18 years of age or older exemption exist. For more information, visit ritaohio.com, select the RITA municipality in which you worked and review the Special Notes section that relates to the appropriate tax year.
- Due to COVID-19, days worked outside of municipality for which the employer withheld tax.** Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **The availability of a refund is dependent upon the outcome of pending litigation. Requests will be held until this litigation is resolved.**
- Days worked outside of municipality for which the employer withheld tax.** Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. In addition, your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **Do Not Use for COVID-19.**
- Employer withheld at a rate higher than the municipality's tax rate.** Attach a copy of your W-2 Form. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **Do Not Use for COVID-19.**
- Employer withheld too much (over-withheld) resident municipality tax.** Attach a copy of your W-2 Form. Your

RITA has published a form allowing workers to claim refunds for municipal taxes withheld while working at a different location during the coronavirus pandemic. But the refund may never be issued. RITA

By Rich Exner, cleveland.com

CLEVELAND, Ohio - If you've been working at home during the coronavirus pandemic, away from your normal work city, the Regional Income Tax Agency (RITA) is giving you a chance to request a refund on taxes that were withheld from your regular, pre-pandemic work city.

But here's the catch; you may never see the money.

The [RITA refund form cautions](#):

"A refund of the tax withheld for your pre-COVID-19 work municipality, while you worked from home or another location, may not be available until litigation over this issue is completed. ... RITA will hold your request for refund in a suspended status until this litigation is concluded.

“Should the conclusion of this litigation determine that a refund is allowed, your request for refund will be processed at that time. Should the conclusion of the litigation determine that a refund is not allowed, you will receive a notice that a refund is not available to you.”

The litigation in question is a lawsuit filed by the the [Buckeye Institute against the city of Columbus](#) and Ohio Attorney General Dave Yost, asking to invalidate a state law that permitted taxes for the normal work to be collected during the pandemic when work shifted to home or elsewhere.

Essentially, the Buckeye Institute argues that it is not legal to tax people where they neither work nor live. Permission for this tax during the pandemic was part of a [larger emergency coronavirus-relief bill state lawmakers approved in March](#).

However, it could be months, if not years, before the case is complete. The case has not gone to trial yet, and the outcome ultimately could be appealed by either side up to the Ohio Supreme Court.

What’s at stake could be hundreds, or even thousands of dollars, for some people. It depends where one works and where one lives (and is currently working).

For example, someone making \$50,000 who lives in a township without an income tax but works in city where the income tax rate is 2%, would pay \$1,000 over a full year in local income taxes. That potentially could be refunded.

But some people receiving such a refund would then have to turn around and pay taxes to their residency city, if they are working there. The gains for these people would range from a full refund to perhaps nothing at all, depending on the tax rates and normal credits for their home city.

The refund paperwork is on form [10A posted on the RITA website](#). The form, not new, routinely offers a variety of special circumstances for which a person may be eligible for refunds.

The special COVID-19 work circumstance was just added. Filers must pick a reason for their refund request. The one tied to COVID-19 reads:

“Due to COVID-19, days worked outside of municipality for which the employer withheld tax. Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. The availability of a refund is dependent upon the outcome of pending litigation. Requests will be held until this litigation is resolved.”

A similar option has not been posted on the [CCA website](#) - the Cleveland taxing division that processes taxes for several communities that are not part of RITA.



February 16, 2021

The Honorable Bill Blessing
Chairman
Senate Ways and Means Committee
Senate Building
1 Capitol Square
Ground Floor N., Rm. 041
Columbus, OH 43215

Dear Chairman Blessing:

Since the inception of the commercial activity tax (CAT), The Ohio Manufacturers' Association, The Ohio Society of CPAs, Ohio State Bar Association, Ohio Chemistry Technology Council, Ohio State Medical Association, and Ohio Dental Association have been united in opposition to diluting the CAT base.

The CAT is a broad-based, low-rate tax that applies to gross receipts from virtually all business activities conducted in Ohio. It was enacted to conform to the four main elements of sound tax policy: equality, simplicity of compliance, transparency, and minimal disruption in economic decisions. The CAT promotes equality in that it applies to virtually all business activity in the state. It is simple due to the minimal calculations needed to determine the tax base and relatively few credits or exclusions. It is relatively transparent, while there is some pyramiding, that is ameliorated by the low rate. Finally, because of the broad base and low rate, it minimizes the intrusion of tax considerations in economic decisions.

Senate Bill 45 authorizes tax incentives for the operators and certain suppliers of a "megaproject," i.e., a development project with at least \$1 billion in investment or that creates at least \$75 million in Ohio payroll. One of the tax incentives is a CAT exclusion for gross receipts of a megaproject supplier from sales to a megaproject operator.

When the CAT was first enacted, there were few exclusions and credits from the CAT. The tax expenditure associated with those exclusions in 2010, the first year the tax was fully phased in, totaled approximately \$300 million. Those exclusions were built into the tax as enacted and the 0.26 percent rate was established with those exclusions in mind.

In its fiscal year 2021 tax expenditure report, the Department of Taxation lists a larger number of exclusions and credits to the CAT. The total cost of those expenditures, without consideration of the credits, is nearly \$800 million! Thus, since its enactment, CAT credits and exclusions have more than doubled the amount of the tax expenditure.

The CAT was created to fix an archaic business taxing system in Ohio that was riddled with exemptions and credits. The old system failed to promote sound tax policy by eroding the tax base and piling disproportionate payments on certain industries. We would request the committee remove the CAT credit provisions from Senate Bill 45 in order to preserve the tax's base and rate.

Thank you for considering our position of preserving the broad-base, low-rate nature of the CAT with very few exclusions and weighing the potential consequences of new large credits.

Sincerely,

Rob Brundrett
The Ohio Manufacturers'
Association

Greg Saul
The Ohio Society of CPAs

Scott Lundregan
Ohio State Bar Association

Joe Rosato
Ohio State Medical
Association

Jennifer Klein
Ohio Chemistry Technology
Council

David J. Owsiany
Ohio Dental Association

Tax

Study: Biden Corporate Tax Hike Would Cut 159K Jobs

February 26, 2021

A **new study** by the non-partisan Tax Foundation finds that President Biden's plan to increase the corporate tax rate to 28% would weaken the economic recovery and hurt competitiveness. The report found that the increase would bring the nation's federal-state combined tax rate to roughly 32% — the highest statutory tax rate in the developed world — and would “reduce long-run economic output by 0.8%, eliminate 159,000 jobs, and reduce wages by 0.7%.” *2/24/2021*

Study: Ohio's Property Tax Burden Above U.S. Average

February 26, 2021

A **new comparison** by WalletHub.com finds that Ohio's effective real-estate tax rate is 1.56%. As a result, Ohioans pay nearly \$3,400 in annual property taxes on a house that's worth \$217,500 — the median home value in the U.S. This is the 11th highest property tax burden in the nation and well above the country's average property tax bill (\$2,471). However, Ohio's property tax burden is considerably less than that of 12 other states, including a few Big Ten Conference states. *2/23/2021*

Succession Planning Webinar, March 23

February 26, 2021

Whether or not you're planning (or even thinking) about selling your business, you should have a plan to maximize your value when you're ready to exit. On March 23, OMA Connections Partner Gilmore Jason Mahler will host a **free webinar** featuring transaction advisory experts to discuss succession planning for businesses. Owners are encouraged to attend, regardless of whether they're considering a sale. *2/23/2021*

Ohio Organizations Seek Federal Delegation's Help to Ensure Ohio Businesses Are Eligible for PPP, ERC

February 19, 2021

This week, several Ohio organizations, including the OMA, wrote Ohio's federal delegation,

seeking lawmakers' assistance to address an Ohio-specific issue regarding the eligibility of businesses for the Payroll Protection Program (PPP) and Employee Retention Credit (ERC).

Due to recent Ohio Bureau of Workers' Compensation (BWC) premium refunds (or dividends) sent to employers — and the lack of clarity regarding the designation of these refunds for tax purposes — Ohio businesses applying for the PPP or ERC could be negatively impacted by current federal law that says borrowers must certify they experienced a revenue reduction of 25% or more calculated by comparing gross receipts in any 2020 quarter with the same quarter in 2019.

Specifically, the groups asked the delegation to urge the Small Business Administration to exclude BWC refunds from Ohio businesses' federal gross receipts when considering PPP and/or ERC applications. **Read the letter sent by the organizations.** *2/17/2020*

Commissioner McClain Visits OMA Tax Committee

February 19, 2021

The OMA Tax and Finance Committee this week held its first meeting of 2021. Chaired by Meredith Mullett, senior manager of state tax operations for the J.M. Smucker Co. — and sponsored by OMA Connections Partner Huntington — the meeting featured a discussion with Ohio Tax Commissioner **Jeff McClain**, who updated members on collections during COVID-19 and recent improvements implemented by the Department of Taxation.

Justin Stallard and Bob Horstman from OMA Connections Partner RSM presented **this briefing on the Employee Retention Tax Credit (ERC)**. Horstman said RSM has helped businesses that are applying for the ERC to identify and document how COVID-19 restrictions have impacted their operations. Other highlights included a report from OMA Tax Counsel Justin Cook of Bricker & Eckler LLP. The **next committee meeting** is scheduled for June 2. *2/17/2021*

OMA-led Coalition Seeks to Preserve CAT's Competitiveness

February 19, 2021

Led by the OMA, a coalition of like-minded business organizations this week provided **interested-party testimony** on **Senate Bill 45**, a bill that would chip away at the competitiveness of Ohio's commercial activity tax (CAT) by providing tax incentives for the operators and certain suppliers of a "mega-project" — such as a development project with at least \$1 billion in investment, or a project that created at least \$75 million in payroll. One of those proposed incentives would include a CAT exclusion for gross receipts of a mega-project supplier from sales to a mega-project operator.

The coalition continues to advocate for the removal of the CAT credit provisions from SB 45 to protect the CAT's competitive attributes: its broad base and low rate. *2/18/2021*

Lawsuits Challenge Cities' Taxation of Remote Workers

February 19, 2021

Last week, two lawsuits were filed in Ohio courts arguing that it's unconstitutional for cities to tax the income of workers who don't live in those cities and have been remotely working during the pandemic. According to **Hannah News Service**, the lawsuits were filed by conservative think tank The Buckeye Institute.

Under current law (**House Bill 197**), employers can continue to withhold employee income taxes from their main place of business while the COVID-19 state of emergency continues. An OMA working group was heavily involved in crafting HB 197 last spring in an effort to reduce the administrative burden placed on employers. *2/15/2021*

Taking Advantage of the Employee Retention Credit

February 19, 2021

The Employee Retention Credit (ERC) was recently expanded to better assist employers affected by the pandemic. But many employers have questions regarding compliance. That's why OMA Connections Partner Plante Moran **will host a webinar on March 2** to address the most significant aspects of the ERC

including the recent changes, frequently asked questions, and examples to help your business take full advantage of the credit. *2/17/2021*

BWC Dividends, PPP Proceeds Would be Exempt Under New Tax Bill

February 12, 2021

Last week, we **reported** that the \$8 billion in BWC dividends issued last year to Ohio employers could be subject to Ohio's Commercial Activity Tax (CAT). But this week, a fast-tracked measure (**Senate Bill 18**) to conform the state's tax code with recent federal changes was amended with language that would **exempt the BWC dividends** from the CAT, beginning with dividends paid in 2020.

SB 18, which has been approved by the full Senate and now awaits House action, would also exempt federal Paycheck Protection Program loan proceeds from the CAT.

This development will be discussed Wednesday, Feb. 17 when the OMA's Tax and Finance Committee will hold (via Zoom) its first meeting of 2021. Also on the agenda will be Ohio Tax Commissioner **Jeff McClain**, who will brief members on the state budget. **Register now.** *2/11/2021*

Using the Employee Retention Tax Credit With the PPP

February 12, 2021

At 1 p.m. on Feb. 23, OMA Connections Partner RSM will host a free webinar to discuss employer opportunities to utilize the recently expanded employee retention tax credit (ERTC) in combination with updated guidance on the Paycheck Protection Program (PPP). **Learn more and register here.**

Also, OMA Connections Partner CliftonLarsonAllen has published **this new insight** to address "very frequently asked questions" about the ERTC. *2/10/2021*

Ohio Revenues Continue to Exceed Estimates

February 12, 2021

The Office of Budget of Management (OBM) **announced** this week that Ohio's January revenues continued to exceed estimates, coming in \$81.3 million or 3.6%

above forecasted amounts. Exceeding estimates were collections from the non-auto sales tax (3.5%), auto sales tax (8.6%), and the personal income tax (7.2%).

The Commercial Activity Tax (CAT) fell short of estimates by nearly \$13.3 million (-18.1%). OBM noted that the CAT remains below estimate fiscal year-to-date, and that it “will monitor this source with interest through February, which is a far more important collections month.” 2/9/2021

Federal Lawmakers Push for Retroactive Tax Increase

February 12, 2021

The National Association of Manufacturers (NAM) **reports** that several members of Congress want to include a significant rollback of net operating loss relief in the next federal COVID-19 relief bill. NAM Senior Director of Tax Policy David Eiselsberg says such a policy change would “result in a retroactive tax increase on a sector that is key to America’s success.”

Meanwhile, the U.S. Chamber of Commerce has **made its case** for preserving a competitive corporate tax rate, saying there’s bipartisan agreement that an economic downturn is not the time to raise taxes. 2/8/2021

CBO: \$15 Minimum Wage Would Cost 1.4M Jobs by 2025

February 12, 2021

The non-partisan Congressional Budget Office (CBO) this week estimated that a proposed \$15 federal minimum wage would cost 1.4 million jobs by 2025 while lifting 900,000 people out of poverty. It would also increase the federal deficit by \$54 billion over a decade, while driving prices higher for goods and services. **Read the CBO report.** 2/8/2021

State Tax Officials: BWC Dividends Likely Subject to CAT, Income Taxes — at Least for Now

February 5, 2021

In 2020, the Ohio Bureau of Workers’ Compensation (BWC) issued nearly \$8 billion in dividends to employers to provide relief from the economic effects of COVID-19. It now appears those dividend payments will be subject to the

Commercial Activity Tax (CAT) and income tax, according to the Ohio Department of Taxation (ODT).

Hannah News Service **reported** that an ODT official told Ohio lawmakers that the agency currently views the dividends as taxable under the CAT. The same official noted that lawmakers could pass legislation exempting the BWC dividends from the CAT — but even if that happened, the dividends are “probably” subject to income taxes under federal law.

The OMA and other business groups are working with the administration to find a workable solution to this drastic policy shift by the state. Meanwhile, employers have begun to receive their 1099-G forms for 2020 BWC payments. 2/3/2021

PPP Second Draw Loans: How Much Are You Eligible For? It Depends

February 5, 2021

OMA Connections Partner CliftonLarsonAllen has published **this new insight** that examines the basic rules for Paycheck Protection Program (PPP) second draw loans. Generally speaking, the loan amount is determined by average monthly payroll for either 2019 or 2020, multiplied by 2.5, with a maximum loan size of \$2 million. Businesses that are part of a single corporate group cannot receive more than \$4 million of second draw loans in the aggregate.

Meanwhile, OMA Connections Partner Huntington National Bank offers **this webpage** with PPP information and updates. 2/3/2021

The Domino Effect of a \$15 Minimum Wage

February 5, 2021

In its **analysis** of the Biden administration’s proposed hike to the federal minimum wage, OMA Connections Partner Fisher Phillips writes that “employers should start planning now for at least some increase, whether to \$15 per hour or some other (hopefully more reasonable) rate.”

The firm adds: “Keep in mind that an increase in the minimum wage rate to \$15 would also increase the overtime premium rate for hours worked over 40 to a staggering \$22.50 per hour (currently \$10.875 per hour). Moreover, an

increase to the minimum wage rate is likely to put upward pressure on wage rates for other jobs.” Finally, at \$15 per hour, “an employee who works 40 hours per week would earn \$600. This is just \$84 less than the current minimum salary threshold for exempt employees, which would likely prompt regulatory increases of that rate as well.” 2/2/2021

At a Glance: Ohio’s General Revenue Spending

January 29, 2021

In odd-numbered years — like this year — Ohio lawmakers’ top priority is crafting the state budget for the upcoming two fiscal years. During the budget process, the General Assembly largely focuses on the General Revenue Fund (GRF) — the largest funding source for state agencies.

Ohio’s major taxes fund the bulk of the GRF, with more than half of that funding coming from sales-and-use taxes and personal income tax.

As lawmakers prepare to receive the governor’s new budget plan, **here’s a look at state spending from the GRF** during fiscal year 2020. As illustrated by the Legislative Service Commission, spending for Medicaid — at \$15.47 billion — was easily the biggest budget item, followed by K-12 education (\$7.85 billion). 1/26/2021

Employee Retention Credit Webinar Available Now

January 29, 2021

The Employee Retention Credit (ERC) — a refundable tax credit against certain employment taxes — was recently extended by Congress. See the **IRS’ FAQs page** for updated information on the ERC, as well as **this summary** from OMA Connections Partner Clark Schaefer Hackett.

OMA Connections Partner GBQ Partners is offering an on-demand webinar that discusses the changes to the ERC and what they may mean for your business. **Watch the webinar.** 1/27/2021

Tax Calendar of 2021 Deadlines

January 29, 2021

To help employers ensure they don’t miss any important 2021 tax deadlines, OMA Connections Partner Clark Schaefer Hackett has provided **this summary** of key dates for various tax-related forms, payments and other actions. 1/27/2021

Experts: Dramatic Hike in Minimum Wage Would Mean Job Losses, Fewer Hires

January 29, 2021

In Congress, Democrats have **introduced legislation** to increase the federal minimum wage to \$15 per hour by 2025, more than doubling the current minimum wage of \$7.25. In Ohio, a bill **has been introduced** to raise the state’s minimum wage from \$8.80 to \$15 by 2027 — and indexing it to inflation thereafter.

But experts say now is not the time to raise the minimum wage. After studying the effects of recent minimum wage hikes in six different states, researchers at Washington University in St. Louis **found** that increasing the minimum wage would hurt new entrants into the labor market, especially in the manufacturing sector.

A **recent analysis** by the non-partisan Congressional Budget Office found that as many as 3.7 million workers could lose their jobs as a result of a \$15 minimum wage. 1/27/2021

JobsOhio Takes Issue With Tax Foundation Rankings

January 22, 2021

JobsOhio, the statewide economic development corporation, is objecting to a new ranking released by the Tax Foundation, a Washington, D.C.-based think tank.

In its **Jan. 7 blog post**, JobsOhio staff wrote that despite the Buckeye State’s strong showings in several comparisons by business publications, Ohio is near the bottom of the Tax Foundation’s 2021 State Business Tax Climate ranking. Echoing the longtime sentiments of the OMA, JobsOhio says the foundation uses a flawed methodology that does not reflect the tax reality that most Ohio businesses face.

“Ohio is a business-friendly state,” the blog post says. “In fact, Ohio is one of only a handful of states in the U.S. with no state level corporate income tax and no personal property tax.” 1/19/2021

A Closer Look at the Employee Retention Credit Extension

January 22, 2021

OMA Connections Partner Gilmore Jason Mahler has published **this analysis** of the federal government’s extension of the Employee Retention Credit (ERC), designed to support businesses that keep employees on payroll during the pandemic. Under the most recent COVID-19 relief law, the ERC has been extended through June 2021 and is now available to businesses with Paycheck Protection Program (PPP) loans. 1/19/2021

Guidance for Second Draw PPP Loans

January 22, 2021

This week, the U.S. Small Business Administration (SBA) issued an interim final rule titled “Business PPP Loan Forgiveness Requirements and Loan Procedures,” a 62-page document that mostly recaps guidance already issued about the First Draw Paycheck Protection Program (PPP) loans, while updating and incorporating the guidance for the Second Draw PPP loans.

OMA Connections Partner GBQ Partners **has summarized** the key points from the SBA’s new PPP guidance. 1/21/2021

Payroll Tax Relief for Employers Affected by COVID-19

January 15, 2021

In response to the pandemic, Congress last year created four payroll tax relief programs. These programs were expanded in the Consolidated Appropriations Act (CAA), which was enacted last month. Eligible employers may qualify for one or more of the following four programs:

- payroll tax deferral;
- employee retention credit;
- paid sick leave credit; and
- paid family leave credit.

OMA Connections Partner RSM has **published this updated summary** of the four programs. It includes steps that employers can take to utilize the programs. 1/14/2021

SBA Re-Opens Paycheck Protection Program

January 15, 2021

The SBA is re-opening the Paycheck Protection Program (PPP) to small lenders today (Friday, Jan. 15) and to all lenders Tuesday, Jan.

19. **Read the details.**

The SBA **says** it has already forgiven more than 1.1 million PPP loans totaling more than \$100 billion. 1/15/2021

New Forms Available for Second Round of PPP

January 15, 2021

Late last week, the SBA issued forms for the second round of the PPP. Form 2483 is for first-time PPP borrowers; Form 2483-SD is for second-time borrowers. For details, **read this summary** from OMA Connections Partner GBQ Partners, which has also made available **this on-demand webinar** to discuss the latest version of the PPP. 1/13/2021

SBA Issues New Guidance Regarding PPP Loans, Forgiveness

January 15, 2021

The SBA and the U.S. Department of the Treasury have published new rules to address the second round of the Paycheck Protection Program (PPP).

This summary from OMA Connections Partner Calfee provides insight on how the rules impact PPP eligibility, forgivable expenses, and loan amounts. 1/14/2021

Tax Foundation: Plan to Raise Taxes on Corporations, Shareholders Would Harm U.S. Competitiveness

January 15, 2021

President-elect Joe Biden has proposed raising taxes on U.S. corporations — something that’s a stronger possibility now that Democrats have won control of the Senate. The Biden plan would increase the statutory federal corporate income tax rate from 21% to 28%, while taxing long-term

capital gains and qualified dividends at the ordinary income tax rate of 39.6% on income above \$1 million, thereby exacerbating the **double taxation** of corporate income.

This week, the Tax Foundation published **this analysis** that says if both proposals become reality, the top integrated tax rate on distributed dividends would increase from 47.47% to 62.73%, which would be the **highest among the OECD countries** and “undercut American economic competitiveness.” *1/14/2021*

Ohio’s State-Local Sales Tax Burden is 20th Highest

January 8, 2021

An **updated comparison** by the Tax Foundation shows Ohio’s average combined state and local sales tax rate of 7.23% is 20th highest in the nation — and higher than any of its neighboring states. Ohio’s state sales tax rate is 5.75%, which is 27th highest. The state’s average local sales tax rate is 1.48%. *1/6/2021*

At a Glance: New Tax Relief in Federal Law

January 8, 2021

On Dec. 27, President Donald Trump signed the Consolidated Appropriations Act. Within its 5,593 pages are several credits and other tax relief provisions for taxpayers affected by the pandemic, including:

- a deferral of employees’ share of payroll taxes;
- tax benefits arising from PPP loans; and
- an extension of refundable credits for paid sick and family leave.

OMA Connections Partner Roetzel has provided **this brief summary of key tax provisions** directly relating to COVID-19 tax relief. *1/4/2021*

Start Preparing for New Round of PPP

January 8, 2021

The newly passed federal COVID-19 relief law brings new opportunities for businesses to address cash flow, including via another round of the Paycheck Protection Program (PPP). In **this guidance**, OMA Connections Partner CliftonLarsonAllen advises that if you believe you may be eligible for the new round of the PPP, contact your banker soon to express your interest. Applications will likely be available in mid-January.

Meanwhile, OMA Connections Partner Schneider Downs has provided **this summary** of the new law’s PPP provisions. *1/6/2020*

Taxation Legislation
Prepared by: The Ohio Manufacturers' Association
Report created on March 2, 2021

- HB45** **TAX AMNESTY PROGRAM** (WEST T, ROEMER B) To require the Tax Commissioner to administer a temporary amnesty program from April 1, 2021, to May 31, 2021, with respect to delinquent state taxes and fees, to repeal Section 1 of this act on June 1, 2021, and to declare an emergency.
Current Status: 2/4/2021 - Referred to Committee House Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-45>
- HB47** **ELECTRIC CAR CHARGING STATION GRANT REBATE** (LOYCHIK M) To require the Director of Transportation to establish an electric vehicle charging station grant rebate program and to make an appropriation.
Current Status: 3/2/2021 - House Transportation and Public Safety, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-47>
- HB48** **INTERNAL REVENUE CODE CHANGES** (ROEMER B, PAVLIGA G) To expressly incorporate changes in the Internal Revenue Code since March 27, 2020, into Ohio law and to declare an emergency.
Current Status: 2/9/2021 - House Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-48>
- HB74** **ENACT FY22-23 TRANSPORTATION BUDGET** (OELSLAGER S) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2021, and ending June 30, 2023, and to provide authorization and conditions for the operation of those programs.
Current Status: 3/10/2021 - Senate Transportation, (Fifth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-74>
- HB86** **BONUS DEPRECIATION ADJUSTMENTS FOR CERTAIN TAXPAYERS** (ROEMER B) To temporarily suspend provisions relating to bonus depreciation adjustments for a taxpayer with a federal net operating loss.
Current Status: 2/17/2021 - House Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-86>
- HB110** **OPERATING BUDGET** (OELSLAGER S) To make operating appropriations for the biennium beginning July 1, 2021, and ending June 30, 2023, to levy taxes, and to provide authorization and conditions for the operation of state programs.
Current Status: 3/4/2021 - House Finance Higher Education Subcommittee, (Eighth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-110>
- HB124** **EQUALIZE PASS-THROUGH ENTITY WITHHOLDING** (ROEMER B, YOUNG B) To equalize the pass-through entity withholding and the business income tax rate.
Current Status: 2/23/2021 - House Ways and Means, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-124>

- HB157** **MODIFY MUNICIPAL INCOME TAX RULES - COVID WFH** (JORDAN K, EDWARDS J) To repeal Section 29 of H.B. 197 of the 133rd General Assembly to modify municipal income tax employer withholding rules for COVID-19-related work-from-home employees.
Current Status: 2/25/2021 - Introduced
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-157>
- SB18** **INTERNAL REVENUE CODE** (ROEGNER K, SCHAFFER T) To expressly incorporate changes in the Internal Revenue Code since March 27, 2020, into Ohio law and to declare an emergency.
Current Status: 3/2/2021 - House Ways and Means, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-18>
- SB19** **WETLAND MITIGATION-PROPERTY TAX** (SCHAFFER T) To establish a property tax exemption for certain property used for wetland mitigation projects.
Current Status: 2/24/2021 - **PASSED BY SENATE**; Vote 31-0
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-19>
- SB45** **TAX INDUCEMENTS CERTAIN BUSINESSES** (PETERSON B, KUNZE S) To enhance state and local tax inducements for businesses making substantial fixed asset and employment investments and their suppliers.
Current Status: 2/23/2021 - Senate Ways and Means, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-45>
- SB62** **COMMERCE AND TAXATION** (HACKETT R) Relating to commerce and taxation.
Current Status: 2/24/2021 - Referred to Committee Senate Financial Institutions and Technology
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-62>
- SB97** **MUNICIPAL INCOME TAX-WORK FROM HOME** (ROEGNER K) To modify municipal income tax employer withholding rules for COVID-19-related work-from-home employees
Current Status: 2/24/2021 - Introduced
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-97>
- SB98** **SALES TAX EXEMPTION** (ANTANI N) To exempt from sales and use tax things used primarily to move completed manufactured products or general merchandise.
Current Status: 2/24/2021 - Introduced
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-SB-98>