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| **GOVERNMENTAL POLICY GROUP, INC.**  17 SOUTH HIGH STREET – SUITE 245  COLUMBUS, OHIO 43215-3413  PHONE: 614-461-9335  FAX: 614-461-9336  **Coalition of Ohio Regional Districts**  Legislative Activities Report  **February 2021** |

The members of the 134th Ohio General Assembly were sworn into office earlier this month, officially starting the new legislative session. Many were glad to see the start of the new session, as the 133rd General Assembly was marred by a corruption scandal involving former Ohio House Speaker Larry Householder. Householder was indicted in July 2020 on racketeering charges in an alleged $61 million bribery scheme to pass a $1.3 billion bailout of two nuclear power plants operating in northern Ohio. Shortly after news of the scandal broke, the House of Representatives ousted the former Speaker and replaced him with Rep. Bob Cupp to serve the remainder of the session. Speaker Cupp was reelected to lead the Chamber for the 134th General Assembly. Despite the scandal, House Republicans actually picked up seats on election day and now control a 64 to 35 seat majority. There was much less turmoil in the Ohio Senate. Former Senate President Larry Obhof was required to leave office due to term limits and will be replaced by Senator Matt Huffman in the 134th General Assembly. Republicans in the Ohio Senate enjoy a 25 to 8 seat majority.

The DeWine Administration unveiled its proposal for its $171.6 billion biennial budget. While the actual budget language has yet to be introduced, the DeWine Administration did release the budget blue books, which provide overviews of each agency’s budget proposal. The budget bill proposes funding from the General Revenue Fund (GRF) at $35.39 billion for FY 22 and $39.27 billion for FY 23 for a total of $74.66 billion in GRF spending. Office of Budget and Management Director Kim Murnieks said the budget was carefully constructed so that we are allocating one-time resources for one-time expenses. The budget proposal does not increase taxes and also does not borrow from the state’s “rainy day” fund. Helping Ohio’s financial situation was the federal government taking on an increased share of Medicaid spending. The increase in the Federal Medical Assistance Percentage has saved the state about $300 million per quarter. While it is uncertain whether this assistance will be extended past 2021, it has allowed the state to redirect resources away from Medicaid and to other programs.

In the press conference announcing his budget proposal, Governor DeWine highlighted $1 billion in targeted one-time spending aimed at the state’s recovery from the COVID-19 pandemic. Of the $1 billion investment, $450 million will be used to “strengthen Ohio communities” through investing $250 million in expanding broadband access throughout the state and $200 million in key infrastructure projects. The infrastructure investment will be administered through the Ohio Department of Development. The blue book described the investment as, “funding for community projects such as water/sewer infrastructure, roads, downtown revitalization programs, and demolition.” Governor DeWine said the $200 million is designed to attract more jobs and bring more investment to communities throughout the state. The DeWine Administration is also including $242 million over the biennium for H2Ohio programs. The funding would be spread across the Ohio Department of Agriculture (ODA), the Ohio EPA, and the Ohio Department of Natural Resources (ODNR). ODA would receive $100 million in the biennium to expand its work assisting farmers in adopting nutrient management plans and science-based best practices to curb runoff. Ohio EPA would receive $92 million for continued water and wastewater infrastructure work. This funding would help facilitate the replacement of 1,500 lead service lines and 600 aging treatment systems. To date, 185 lead lines and 180 home systems have been addressed. $50 million will be provided to ODNR for its ongoing wetland restoration work. The added funds would support 44 wetland projects. Lt. Governor Jon Husted said, “this was a major part of the foundation the governor laid out in the last budget and it continues to have that priority focus.”

Committee hearings for the 134th General Assembly have already started. We have seen over 40 bills introduced in the Senate, while the House has yet to introduce any legislation. Although the governor released an overview of his budget proposal, the legislation has yet to be officially introduced. When it is, the biennial budget bill will dominate legislators’ attention. The massive spending package must be passed and enacted by June 30th.

Below is a list of legislation we are tracking during the 134rd Ohio General Assembly:

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| **SB9** | **REDUCE REGULATIONS** (MCCOLLEY R, ROEGNER K) To require certain agencies to reduce the number of regulatory restrictions in their administrative rules. | |
|  | ***Current Status:*** | 2/3/2021 - Senate Government Oversight and Reform, (Second Hearing) |
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| **SB15** | **FISCAL OFFICERS-LIABILITY** (WILSON S) To change the circumstances in which certain fiscal officers may be held liable for a loss of public funds. | |
|  | ***Current Status:*** | 2/2/2021 - Senate Local Government and Elections, (First Hearing) |
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| **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:*** | 2/3/2021 - Senate Government Oversight and Reform, (Second Hearing) |
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| **SB27** | **AUTOMATIC ENROLLMENT-DEFERRED COMPENSATION** (HOTTINGER J) To authorize automatic enrollment of new state government employees in the Ohio Public Employees Deferred Compensation Program. | |
|  | ***Current Status:*** | 2/10/2021 - Senate Insurance, (First Hearing) |