The Montrose Group, LLC

TRANSFORMING YOUR WORLD

OHIO CORPORATE GOVERNMENT RELATIONS GUIDE

JANUARY 2024

100 East Broad Street, Suite 2320, Columbus, Ohio 43215

January 2024

Dear Friend:

We hope you find the Montrose Group Corporate Government Relations Guide an interesting and insightful document. The goal is to bring in one source the information a company, organization or trade association would need to hit the ground running for a lobbying project in Ohio.

The Montrose Group is a lobbying and economic development consulting firm that is home to vibrant multi-client lobbying practice. The Montrose Group is fortunate to represent a range of public and private sector clients in the state of Ohio and local government legislative and executive agency matters that include policy, tax, program, procurement, and other matters.

The Montrose Group team brings experience as a member of the Ohio House of Representatives, General Counsel of the Ohio Chamber, Press Secretary to the Mayor of Columbus, Director of Government Relations for Ameritech Ohio (now AT&T), attorney running government relations practices at two law firms, a legislative aide in the Ohio Senate, and senior level staffer at the Ohio Department of Transportation, Ohio Department of Natural Resources and the Governor of Ohio's top lobbyist. The Montrose Group team understands how to craft public policy, how public policy works, and how to lobby with policymakers to accomplish clients' goals.

Thanks for your time and attention and do not hesitate to contact us at **drobinson@montrosegroupllc.com**.

Sincerely,

Dave Robinson

Dave Robinson
Principal
Montrose Group, LLC

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ABOUT THE MONTROSE GROUP, LLC

The Montrose Group, LLC provides corporate site location, economic development advising and planning, and lobbying consulting services. The firm brings together some of the leading practitioners in economic development planning and strategy engaged in economic development planning at the state, local, and regional levels, and corporate site location consulting.

- Montrose Group leadership has negotiated over 300 corporate site location projects across the United States with companies large and small in a wide range of industries involving over $3 B in economic development incentives and including the location of global firms to the United States utilizing a multi-step process that begins with defining potential markets that a company can grow through economic, demographic, workforce, housing, quality of life, cost of doing business and economic development incentive analysis, launching of confidential corporate site location projects with targeted communities, and negotiating of site entitlements, compensation packages, real estate and economic development incentive packages.
- Montrose Group has researched and drafted over 50 regional and community economic development plans utilizing a Learn, Listen, and Do approach to economic development planning that starts with fundamental economic development research to understand who a community or site is and then listens to what the community wants the region, company or site to be and then develops a detailed action plan tied to local and outside funding sources centered on the business retention and attraction of high wage jobs and capital investment for Business Incubator Studies, Comprehensive Economic Development Plans, Downtown Redevelopment District Plans, Diversity, Equity and Inclusion Economic Development Plans, Distressed Structure Feasibility Plans, Economic Development Incentive Studies, Economic Impact Studies, EDO Structure Studies, Housing Studies, Industry Cluster Analysis', Placemaking Studies, Site Development Studies, Utility Economic Development Strategies, and Workforce Studies.
- Montrose Group acts as an economic development advisor to communities to support the development and operation of business retention and expansion programs, economic development incentive programs, business attraction programs, Community Development Block Grant programs, project financing for major civic projects that include Grayfield Mall redevelopment, housing development, industrial park development, Downtown redevelopment, tax abatement programs, school compensation agreements, utility serve agreements, Minority Business Enterprise and small business development support, economic development public meeting support and participation, economic development executive search and other day to day issues a local economic development department faces.
- Montrose Group acts as a lobbyist in Ohio for clients with the local, state, and federal government on a wide range of matters for arts and culture, K-12 education, health care, computer software consulting, higher education, global business consulting, engineering consulting, local governments, real estate developers and other organizations.

Nothing in this report should be considered legal advice as the Montrose Group, LLC is not a law firm and does not provide legal advice. Competent legal counsel should be sought before relying on any strategy outlined in this report.

MONTROSE GROUP 2024 OHIO CORPORATE GOVERNMENT RELATIONS GUIDE

Executive Summary of Top 10 Ohio Lobbying Trends for 2024

Ohio is a large lobbying market that demands a sophisticated lobbying strategy. Ohio is the seventh largest state in population, Gross Domestic Product, and state expenditures with a large volume of local governments and a sophisticated state government covering a range of issues. A strategic lobbying and campaign finance strategy can support the development of quality public policy and achieve results for clients.

Lobbying will remain a heavily regulated but critically important profession in 2024. Lobbying is protected by the First Amendment to the U.S. Constitution, and it is regulated by local, state, and federal governments. In Ohio, a lobbyist is a person who is compensated to actively advocate the interests of others before Ohio's legislative and executive branches, or one of the state's retirement systems. Lobbyists are required to publicly register, comply with expenditure, and gift restrictions with public officials, and file public reports on their activity. Ohio has over 1300 registered lobbyists at the state level.

How Ohio draws legislative districts may pop up as state Constitutional Amendments during 2024. Process issues such as how Ohio draws legislative districts and how long legislators can serve in the Statehouse may turn into ballot issues in 2024. Activists are pushing a Constitutional amendment that questions how Ohio permits the Ohio General Assembly and statewide office holders to draw state legislative districts, and this approach will be challenged with a ballot initiative likely to appear that will move Ohio's redistricting system to a citizens panel. Ohio House Speaker Jason Stephens has thrown out the idea of changing Ohio's term limit law as it applies to members of the Ohio General Assembly.

Ohio will remain a Red state in 2024 as the Presidential, U.S. Senate, and Ohio General Assembly Races Dominate. Ohio has become a Red or Republican state, and the chances are strong for the Republican Presidential candidate will win the Buckeye State, Republican supermajorities will remain in the Ohio Congressional Delegation and among the ninety-nine members of the Ohio House of Representatives and thirty-three members of the Ohio Senate. 2024 will see a U.S. Senate race where Republicans are working to defeat Democrat Sherrod Brown. Social issues and the economy are likely to impact Ohio elections but Governor Mike DeWine, who is not on the ballot and cannot run again due to term limits, remains extremely popular following a landslide re-election in 2022.

The rise of populism will continue to dominate Ohio's 2024 public policy agenda on the right and left. The transformation of the Republican Party under Donald Trump that increases rural and union household support for Republicans is creating challenges for corporations who now cannot count on Republican majorities to support their public policy agenda and Democrats dealing with liberal advocates pushing a social and foreign agenda unpopular with the suburban voters they need to survive.

Political Engagement will remain critical for the success of lobbying in Ohio. Political contributions are a form of free speech protected by the First Amendment. However, local, state, and federal laws regulate campaign contributions by limiting contribution amounts and who can contribute and requiring public disclosure of political contributions. Campaign contributions can be made to candidate campaign committees, Political Action Committees (PACs) formed to support a company, cause, or candidate, launch an independent expenditure committee to influence an election or policy issue or contribute to a political party. Traditional "hard money" PACs and "dark money" Independent Expenditures (IEs) are the prime methods companies and trade associations use to provide campaign financing or political support to candidates for public office. Companies or campaigns may form a PAC and IE to support political campaigns of candidates or issues placed before voters. A PAC can be either organized under state or federal regulations and contribution and expenditure limitations apply to PACs, and IEs are organized under the IRS as a 501 (c) (4) organization to provide political education. PACs and IEs will spend billions of dollars in the 2024 election and Ohio has over 800 PACs registered with the Ohio Secretary of State.

The "gift" of term limits will continue to have a major impact on public policy in 2024 as political battles often between policymakers in the same political dominate policy debates and create another round of interparty fights in the 2024 election. The Ohio General Assembly is deeply divided on political grounds but not how you would think. Ohio House Speaker Jason Stephens gained the Speakership with the support of over 30 House Democrats and a minority of his Republican caucus. Ohio Senate President Matt Huffman, a former number two member of Ohio House leadership, has been making noises about not only running for the Ohio House of Representatives but seeking the Speakership.

The slowdown in the U.S. economy will continue the push of the local, and state governments in 2024 to provide economic development program support. Driven by an increase in interest rates by the U.S. Federal Reserve Bank, the U.S. economy will slow down in 2024 and states like Ohio have responded by priming the pump for economic development with a $3.5 B economic development program to fund Brownfield, building demo, site development, housing and community projects across the state in 2024.

Healthcare, housing, and energy will dominate the policy agenda in the Ohio Statehouse in 2024. Medicaid, as the largest line item in Ohio's budget through the Medicaid program, will continue to make headlines in 2024 as state policymakers debate a range of hot-button scope of practice and transparency issues. Housing will see a rise as a major policy issue in 2024 as rising interest rates impact the development of housing that has struggled to keep pace with increasing economic investment. Energy will be another hot topic in 2024 as energy-intensive industries such as data centers push the U.S. energy grid to its max at the same time as supply chain challenges impact electric distribution networks and electric generation tries to keep pace with less coal and struggles to site renewable energy projects.

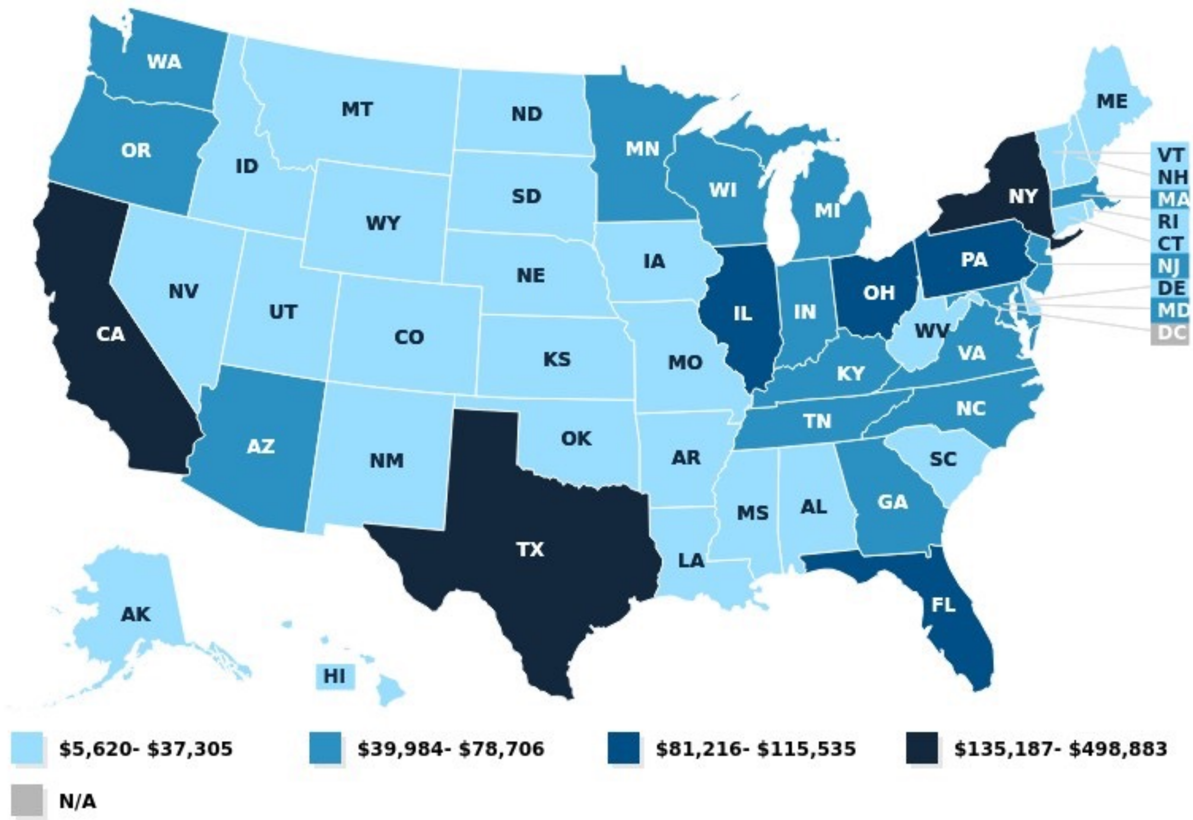
The collapse of the office market in 2024 will be a hot Ohio policy topic in 2024. Rising office vacancy rates driven by the Work from Home movement are driving rents down and will create a crisis throughout the United States including Ohio as local and state governments are faced with the prospect of declining revenue as the real estate market faces declining rents and the potential bankruptcy of major office towers.

OHIO IS A LARGE LOBBYING MARKET THAT DEMANDS A SOPHISTICATED LOBBYING STRATEGY

Ohio is the seventh largest state in population, Gross Domestic Product, and state expenditures with a large volume of local governments and a sophisticated state government covering a range of issues. A strategic lobbying and campaign finance strategy can support the development of quality public policy and achieve results for clients.

Ohio is home to five statewide elected officials, ninety-nine members of the Ohio House of Representatives, 33 Ohio Senators, thirty-nine state administrative agencies, fourteen state universities, twenty-three community colleges, over six hundred local school districts, three top thirty-five metro regions, 926 cities and villages, 1300 townships, and eighty-eight counties. Ohio has plenty of government. Ohio is not only the seventh largest state in the union from a population and Gross Domestic Product standpoint, but total state government expenditures are also ranked seventh among the fifty states.

Total State Expenditures (in millions): Total State Expenditures (in millions), SFY 2021



SOURCE: KFF's State Health Facts.

Ohio can be a maze of governmental entities operating a sophisticated and successful economy. Ohio operates with a state-funded and operated workers compensation system, has an Ohio Department of Transportation, and a separate Ohio Turnpike Commission that governs the state's east-west turnpike highway in the northern part of the state. Ohio is home to three large urban markets whose cities of Columbus, Cleveland, and Cincinnati act like city-states at times and have a completely different political environment dominated by Democrats unlike the state of Ohio which is dominated by Republicans. Ohio is home to large and active trade associations such as the Ohio Chamber of Commerce, Ohio Business Roundtable, Ohio Farm Bureau, Ohio Council of Retail Merchants, National Federation of Independent Businesses, Ohio Education Association, Ohio Affiliated Construction Trades, Ohio Realtors Association and other trade associations and unions that impact directly public policy adoption.

Montrose Group's Five Ps of Public Policy Advocacy

Planning aligns issues with political process	**Partners forged with public and private players**	**Profile built with public officials**	**Profile built with public officials**	**Process engagement gains success**

Montrose Group's approach to lobbying and campaign finance is built around the five P's of public policy that focuses on Planning aligned with the political process, building partners with public and private players as who delivers the policy message matters more than what is said, developing positive profile for clients with public officials, recognizing that quality public officials need to be elected through a political strategy client's need to support, and, finally, understanding the process of government at the local, state and federal level to maximize the benefit for clients.

State procurement opportunities represent millions of dollars for Ohio business. The government is a big customer in Ohio. Procurement is the practice of purchasing products, supplies, and services that begins with identifying a need, completing a purchase, and ending with the closeout of a contract. The procurement methods available to State agencies under R.C. 125 are direct purchase authority (DPA); and competitive selection, which includes competitive sealed bidding; competitive sealed proposals; reverse auctions; and emergency purchases. The State of Ohio has a center-led procurement structure, with the Ohio Department of Administrative Services (DAS) Office of Procurement Services as the central procurement authority. DAS oversees and establishes non-IT and IT contracts. DAS has designated some State Contracts as mandatory use, while others are optional. Additionally, State Contracts may be put in place for use by one agency, several specific agencies, or any State agency. If a mandatory State Contract supplier is unable to fulfill a State agency's procurement needs, then DAS may grant a waiver to the agency to purchase from another source. Types of State Contracts are:

- Enterprise Contracts are competitively bid term contracts with one or more contractor(s). These contracts provide specific items routinely required by State agencies over an extended period (e.g., vehicles, gasoline, clothing, security guards, waste removal, IT hardware, and software). Enterprise Contracts are made available to all State agencies and all Cooperative Purchasing Program members.
- Multi-Agency Contracts are competitively bid term contracts established with one or more contractors to provide specific items to the State agencies named in the contract.
- Master Maintenance Agreements (MMA) are contracts for maintenance and service of equipment that is no longer covered under a manufacturer's warranty. MMAs are available for computer hardware, software, copiers, vending machines, and other equipment.
- Single Agency Contracts address the product, supply, or service needs of a specific agency (e.g., training services, call center services, and food services). Only this State agency can make purchases from the contract.
- Competitive Selection Two-Phase Contracts are when DAS awards contracts to more than one supplier in the same geographic region that offers the same item(s). Before an order can be placed referencing these contracts, a secondary solicitation must be completed. There are two types of these contracts: Competitive Selection Two-Phase Quote: When purchasing from these contracts, a state agency must solicit quotes from all pre-qualified suppliers; and Competitive Selection Two-Phase Pre-Qualification: When requesting services from these contracts, a State agency must submit an RTP to DAS to conduct a secondary solicitation.
- State Term Schedule Contracts are negotiated directly with suppliers who agree to DAS-established terms and conditions. Pricing is based on either U.S. General Services Administration pricing schedules or a supplier's most favored customer pricing schedule for a similarly situated customer. a. Quoting Requirements: Except for purchases being made with a State Payment Card (Pcard) or debit voucher, all purchases referencing STS Contracts as the purchase authority require State agencies to obtain a minimum of three or more quotes or proposals. If fewer than three quotes or proposals are obtained, then State agencies shall secure the Controlling Board approval of a waiver for "no competitive

opportunity" before issuing a purchase order. State agencies shall maintain written justification documenting: the efforts made to find other responsive contractors and a determination that none were found; how a determination was made that the anticipated cost would be fair and reasonable and a description of the basis on which the award was made (e.g., lowest price and/or best-value); and any other information supporting the selection process. A State agency may use its Direct Purchase Authority to make purchases from a State Term Schedule supplier without referencing the contract as the purchase authority. However, the agency's cumulative annual spending with the supplier is subject to Controlling Board thresholds. When an award is not made to the supplier offering the lowest price, State agencies should maintain written justification documenting: how it was determined that the anticipated cost was fair and reasonable; and the basis on which the award was made (e.g., best-value).

State agencies are required to set aside a number of purchases for competition by minority business enterprises only. The aggregate value of these purchases must equal "approximately 15% of the aggregate value of such purchases for the current fiscal year." These purchases must be made from MBEs certified by the Director of the Department of Development. The Women-owned Business Enterprise (WBE) program authorized by R.C. 122.924 assists women-owned business enterprises in obtaining contracts for goods, services, construction, architecture, engineering, information technology, and professional services. The WBE program does not apply a procurement goal or set-aside target for State Contracts. The State developed the program because it recognized the need to encourage, nurture, and support the growth of women's businesses to foster their development and increase the number of qualified competitors in the marketplace. The regulations governing the program are found in OAC 123:2-14-02. The Veteran-Friendly Business Enterprise (VBE) program authorized by R.C. 122.925 assists veteran-friendly business enterprises to become certified and compete for contracts, including construction services. VBE does not apply a procurement goal or set-aside target for State Contracts. However, it does establish a procurement preference.

Procurement for state of Ohio contracts is its own universe and requires an agency-by-agency approach. Whether a lobbying project is legislative or executive it requires a sophisticated approach with an experienced team of lobbyists.

LOBBYING WILL REMAIN A REGULATED PROFESSION IN 2024

Lobbying is protected by the First Amendment to the U.S. Constitution, and it is regulated by local, state, and federal governments. In Ohio, a lobbyist is a person who is compensated to actively advocate the interests of others before Ohio's legislative and executive branches, or one of the state's retirement systems. Lobbyists are required to publicly register, comply with expenditure, and gift restrictions with public officials, and file public reports on their activity. Ohio has over 1300 registered lobbyists at the state level.

In Ohio, a lobbyist is a person who is compensated to actively advocate the interests of others before Ohio's legislative and executive branches, or one of the state's retirement systems.[1] A person or entity who compensates a lobbyist to advocate on its behalf is referred to as an employer, and the relationship between an employer and a lobbyist is called an engagement.[2] Based on the subject matter outcome a lobbyist is attempting to influence, Ohio law categorizes engagements as legislative engagements, executive engagements, or retirement system engagements.[3] Engagement types are not exclusive; lobbyists are often both legislative and executive lobbyists for a single employer (and thus have multiple engagements with that employer).[4] Lobbyists may have engagements with multiple employers, just as employers may have engagements with multiple lobbyists.[5]

In Ohio, lobbying does not include grassroots lobbying efforts by those who are not compensated, who have a direct interest in Legislation, Executive Agency Decisions, or Retirement System Decisions, and who petition public officials and employees for the redress of their grievances, contacts made for the sole purpose of gathering information contained in a public record, appearances before public hearings of the general assembly, the controlling board, an Executive Agency, or a Retirement System to give testimony, news, editorial, and advertising statements published in bona fide newspapers, journals, magazines, or broadcasts and the gathering and furnishing of information for such news, editorial, and advertising statements, and publications primarily designed for and distributed to members of bona fide associations, or charitable or fraternal nonprofit corporations.[6] Ohio law does not permit registered lobbyists to be compensated on a contingent or success fee basis for the outcome of legislation or an executive agency action.[7] Attorneys often represent clients before state agencies. Attorneys do not register as lobbyist where the outcome of their representation results in an agency decision that is only applicable to their client or certain named individuals, but attorneys must register as a Lobbyist where their communications with state agencies (other than testimony at a public hearing) may affect Legislation or Executive Agency Decisions that are universally applicable.[8]

Registered state lobbyists are restricted in their Expenditures on public officials known as a Reportable Person. An Expenditure is any payment, reimbursement, or gift of anything of value provided by a Lobbyist or an Employer for the use or benefit of a Reportable Person regardless of the purpose for which it is given.[9] An Expenditure includes services, gifts, meals and beverages, entertainment, ticketed events, lodging, and transportation.[10] An Expenditure provided to anyone personally associated with a Reportable Person (immediate family, significant other, friend, business partner) is for the benefit of the Reportable Person unless the Lobbyist or Employer has an independent relationship with the recipient that is separate from any personal association to the Reportable Person.[11] Expenditures are of different types with different limits as outlined in the table below.

Ohio General Assembly Expenditure Limits by Type	
Expenditure Type	Expenditure Limits
Itemized Gift Expenditures	Anything of value, excluding a meal or beverage, given to, or made for the benefit of a Reportable Person that exceeds $25
Itemized Meal/Beverage Expenditures	A meal or beverage expenditure made for the benefit of a particular Reportable Person that, when aggregated with all other meal/beverages made for the benefit of that person by the Lobbyist over the course of a year, exceeds $50
Non-Itemized Meal/ Beverage Expenditures	Meal/Beverages Expenditures Under $50: A meal or beverage expenditure made for the benefit of a particular Reportable Person that, when aggregated with all other meal/beverages made for the benefit of that person by the Lobbyist over the course of a year, does not exceed $50
Speaking Engagement Expenditures	A meal or beverage expenditure provided to certain Reportable Persons participating in a panel, seminar, or speaking event.
National Organization Conference Expenditures	A meal or beverage expenditure provided for the benefit of certain Reportable Persons attending a meeting or conference of a National Organization to which a state agency pays membership dues
All-Invited Event Expenditures	The cost of meals and beverages provided at an event to which all members of the general assembly are invited or to which all members of either chamber are invited

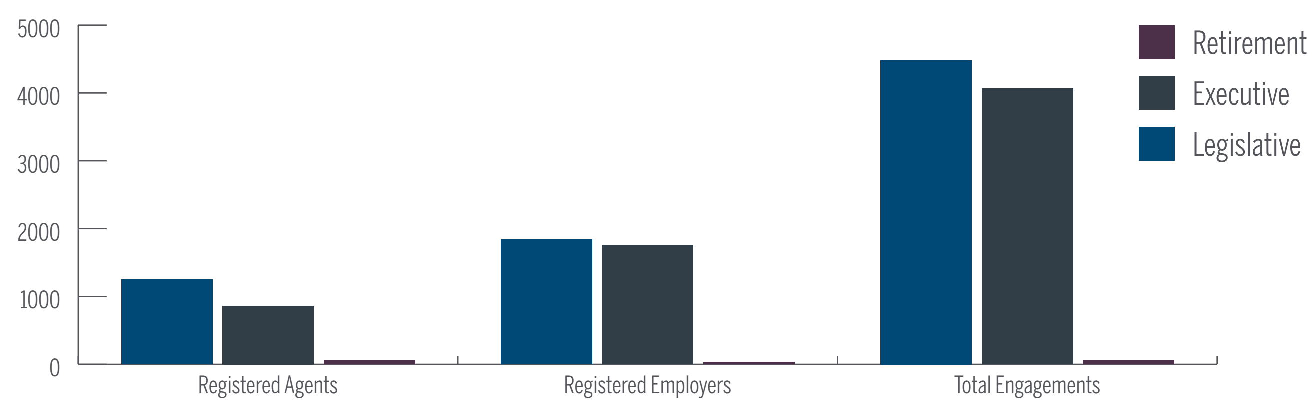
Each engagement must be registered with the Ohio Legislative Inspector General.[12] Thereafter, lobbyists and employers must periodically report details about the lobbying activity and any expenditures associated with the engagement, and this information is submitted by filing an Activity & Expenditure Report (AER).[13] Each calendar year consists of three reporting periods: January-April, May-August, and September-December. Following each, lobbyists and employers must each submit AER's to the OLIG.[14]

2024-25 Ohio Lobbying Reporting Calendar	
Due Date	Lobbying Report Activity
January 15, 2024	The last day to renew all Legislative, Executive and Retirement System registrations in OLAC without a client signature page
January 31, 2024	Deadline to file September-December 2023 Activity & Expenditure Reports and updated PED Statements and Lobbying Renewal Forms.
June 1, 2024	Deadline for filing the January-April 2024 Activity & Expenditure Reports
September 30, 2024	Deadline to file May-August 2024 Activity & Expenditure Reports
January 1, 2025	September-December 2024 Activity & Expenditure Reports
January 15, 2025	The last day to renew all Legislative, Executive and Retirement System registrations in OLAC without a client signature page
February 1, 2025	Deadline to file September-December 2024 Activity & Expenditure

Finally, state of Ohio registered lobbyist is required to list expenditures they have with Ohio executive agency and legislators and staff. The overwhelming focus of lobbyist spending is on the Ohio General Assembly with $507,848.99 reported for lobbyist legislative spending while the Ohio executive agency only accounted for $3,071.64 in total lobbying spending in 2022. The large legislative total illustrates the widespread use of legislative receptions by various interest groups and more meal expenses for legislators while recent executive agency leaders have not permitted or discouraged their staff from taking any gifts from registered lobbyists including meals. As an example, of the $502,405.27 total for lobbyist legislative expenses of $384,443.55 was for legislative receptions in which the entire Ohio General Assembly was invited.

Ohio has over 1300 registered lobbyists representing over two thousand employers, and, as the chart below illustrates, slightly more lobbyists are registered to influence the General Assembly.

Ohio Registered Lobbyist by Type, 2023



Source: JLEC

Most Ohio registered lobbyists reside in the state with only 171 being out of state, but over six hundred employers are located out of state. Thus, often companies with business interests in Ohio have lobbyist contacts located outside of Ohio. The state of Ohio also requires a lobbyist to register which state agency and statewide elected office they are lobbying related to their Executive agency matter. Not surprisingly, the Governor's office tops the list of who gets lobbied the most. Illustrating his high-profile position in the DeWine Administration, Lt. Governor Jon Husted's office is the second most lobbied statewide elected official followed by the Attorney General, Auditor, Treasurer, and Secretary of State.

Ohio Executive Agency by Total Lobbying Registrations

Source: JLEC, 2022 Annual Lobbying Report

The state operating and capital budget are hotly lobbying topics as illustrated by the fact that the largest number of registered lobbyists list the Office of Budget and Management as an agency that attempts to influence as illustrated by the chart above. The large health care industry drives a lobbying focus on the health department which regulates many of these Ohio health care institutions. Administrative Services is a focus of lobbyists as well as this agency runs the day-to-day operations of state government and purchases many goods and services. Finally, the Commerce Department regulates a wide range of industries and is the focus of lobbyists as well. Legislation that caught lobbyist attention in 2022 included a tax amnesty policy, state capital budget, COVID-19 vaccine, revisions of criminal laws, an occupational license from another state, and electric vehicle bills.

Lobbying is big business in Ohio and helps navigate a complicated political world in the Ohio Statehouse. $191 M in the state of Ohio capital budget community projects in 2022, and billions of dollars on the line for government procurement, tax policy, and regulation drive many organizations to seek professional lobbying help.

Many Ohio Cities Require Lobbying Registration. Ohio municipalities spend billions of dollars in revenues, adopt policies and sign government contracts impacting individuals, companies, labor unions, and other groups. Like their counterparts at the state and federal government, many larger Ohio municipalities require lobbyists to register with the city and comply with ethics regulations.

Columbus, Ohio—the state's largest city by far—defines a lobbyist or "legislative agent" as an individual who engages at least five (5) percent of his or her compensated time to "actively advocate" to persuade members of government to enact legislation to benefit his or her client(s) or employer.[15] Columbus defines "Actively advocate" to mean to "promote, advocate, or oppose the passage, modification, or defeat, or mayoral approval or veto of any legislation by direct communication but it does not include any individual not engaged by a client who has a direct interest in legislation if the person, acting under Section 3 of Article I, Ohio Constitution, assembles together with other persons to consult for their common good, instructs a public officer or employee of the state or any of its subdivisions, or petitions that public officer or employee for the redress of grievances.[16] Furthermore, Columbus excludes from the definition of a legislative agent or lobbyist the following:

- Elected official or a member of the staff of any elected official;
- Reporter gathering or furnishing information;
- Individual appearing before an elected official during a public meeting;
- Individual advertising or making statements in any media;
- Publication that caters to a specific association, charitable or non-profit organization; and
- Individuals providing professional services relating to legislation and are not receiving compensation to advocate for the specific legislation.

Lobbyists are required to register with the City of Columbus and file regular reports, and Columbus lobbyists are working on a range of development, government contracting, and public policy issues.

The Cuyahoga County Code requires Lobbyists to register with the Inspector General within thirty days after the start of lobbying activity on behalf of his or her client. If you meet certain limited criteria, you may be exempt from the registration process.[17] The Cuyahoga County Code defines a Lobbyist as any individual employed or retained by a client to contact via private written or oral communication any County elected official, employee, or board member to influence the award of County contracts, the appointment or confirmation of any individual, or the formulation, modification, or adoption of any County legislation, regulation, or policy.[18] A Lobbyist does not include any individual who spends less than five percent (5%) of his or her compensated time lobbying governmental entities on behalf of a specific client nor anyone who performs who advocates with county officials without compensation, whose performance of such action consists solely of testimony provided at public meetings, or whose performance of such actions are an incidental and insignificant portion of one's duties.[19]

Cincinnati requires lobbying registration as well. Cincinnati's lobbying disclosure law consists of a general requirement that people, organizations or other groups who expend funds or receive compensation to influence legislative or administrative action of the City must register with the Clerk of Council of the City.[20] Cincinnati defines a lobbyist or legislative agent as any individual who is engaged by an employer during at least a portion of his or her time, as one of his or her main purposes, to promote, advocate, or oppose the passage, modification, defeat, or executive approval or veto of any legislation by direct communication.[21] If the advocacy by direct communication regarding legislation is directed to any councilmember, appointee of the Council, the City Manager, the director of any department created in the Administrative Code, or the staff of any such public official and the person is attempting to influence legislation, then the person engaged in such advocacy is a legislative agent.[22]

As a general rule, Cincinnati regulations define lobbying to involve direct contact or active advocacy at least three times to influence legislation during a calendar year with a city official for compensation.[23] Cincinnati defines "actively advocate" to mean to promote, advocate, or oppose the passage, modification, defeat, or executive approval or veto of any legislation by direct communication with any member of the Council, an appointee of the Council, the City Manager, the director of any department listed in the Administrative Code, or any member of the staff or employee of such public official.[24] Actively advocate does not include the action of any person not engaged by an employer who has a direct interest in legislation if the person, acting under Section 3 of Article I, Ohio Constitution, assembles with other persons to consult for their common good, instructs a public officer or employee who is listed in this division, or petitions that public officer or employee for the redress of grievances.[25] Cincinnati defines legislation to mean ordinances, resolutions, amendments, nominations, and any other matter pending before the Council, and staff means any city employee whose official duties are to formulate policy and who exercises administrative or supervisory authority or who authorizes the expenditure of city funds required to file a financial disclosure statement under Article XXVI of the Administrative Code.[26]

HOW OHIO DRAWS LEGISLATIVE DISTRICTS WILL POP UP AGAIN ON A BALLOT INITIATIVE

Legal challenges to Ohio's system that permits the Ohio General Assembly and statewide office holders to draw state legislative districts will be challenged again with a ballot initiative likely to appear that will move Ohio's redistricting system to a citizens panel.

Redistricting is the process by which new congressional and state legislative district boundaries are drawn. Each of Ohio's 16 United States representatives and 132 state legislators are elected from political divisions called districts. United States senators are not elected by districts but by the states at large. District lines are redrawn every 10 years following the completion of the United States Census to ensure the Statehouse and Congressional Districts have a common number of residents to comply with federal government requirements that districts must have equal populations and must not discriminate based on race or ethnicity. Ohio was apportioned fifteen seats in the U.S. House of Representatives after the 2020 census, one fewer than it received after the 2010 census, and Ohio's House of Representatives is made up of ninety-nine districts; Ohio's State Senate is made up of thirty-three districts.

The state uses two separate processes for General Assembly and congressional redistricting. The voters approved a constitutional amendment implementing a new General Assembly redistricting process in

November 2015, and a separate constitutional amendment prescribing a new congressional redistricting process in May 2018. The Ohio Redistricting Commission is comprised of seven members: one individual appointed by the Ohio Senate President, one individual appointed by the Speaker of the House, one individual appointed by the Senate Minority Leader, one individual appointed by the House Minority Leader, the Ohio Governor, Auditor of State and Ohio Secretary of State, and the Ohio Redistricting Commission retains the authority to draw Statehouse legislative districts.

General Assembly Districts	Congressional Districts
Who draws the districts	
Ohio Redistricting Commission	General Assembly
Required bipartisan vote	
Four of seven members of the Commission, including at least two members who represent each of the two largest political parties represented in the General Assembly	3/5 of the members of each chamber of the General Assembly, including at least ½ of the members of each of the two largest political parties represented in the chamber
Deadline to adopt a plan	
September 1 of a year ending in one	September 30 of a year ending in one
Impasse procedure	
• The deadline is extended to September 15. • If the Commission adopts the plan only by a simple majority vote, the plan must be replaced after four years.	• The Ohio Redistricting Commission must adopt a plan by a bipartisan vote by October 31. • If the Commission fails to do so, the General Assembly must adopt a plan by November 30. If the General Assembly adopts the plan only by a simple majority vote, it must follow additional district standards, described below, and the plan must be replaced after four years.
Population equality between districts	
• District populations must be substantially equal. • No district may contain a population of less than 95% or more than 105% of the ideal district population.	Not specified (see "Selected U.S. Supreme Court cases," below)
District standards considered	
Mandatory standards: • Contiguity- Boundary must be a single nonintersecting continuous line • Keep counties, municipal corporations, and townships whole, based on a specified procedure • Each Senate district must consist of three contiguous House districts Standards the Commission must attempt to follow: • No plan shall be drawn primarily to favor or disfavor a political party. • The statewide proportion of districts whose voters, based on statewide state and federal partisan general election results during the last ten years, favor each political party must correspond closely to the statewide preferences of the voters of Ohio. • Districts must be compact	General standards: • Contiguity • Boundary must be a single nonintersecting continuous line • Compactness • Keep counties, municipal corporations, and townships whole, based on a specified procedure Standards the General Assembly must follow if it does not pass the plan by the required bipartisan vote: • The plan must not unduly favor or disfavor a political party or its incumbents. • The plan must not unduly split governmental units, giving preference to keeping whole, in the order named, counties, then townships and municipal corporations. • The General Assembly must attempt but is not required, to draw districts that are compact
Legal challenges	
States that the Ohio Supreme Court has exclusive, original jurisdiction in any challenge. Requires the Ohio Redistricting Commission to amend the plan or adopt a new plan, as applicable, if a plan, district, or group of districts is ruled unconstitutional. Prohibits a court from ordering the implementation of a plan not approved by the Commission. Prohibits a court from ordering the Commission to adopt a particular plan or to draw a particular district. Prescribes the available remedies if the Court determines that a General Assembly district plan adopted by the Commission does not comply with the constitutional district standards.	• States that the Ohio Supreme Court has exclusive, original jurisdiction in any challenge. Requires that, if a plan, district, or group of districts is ruled unconstitutional, the General Assembly must adopt a new plan within 30 days after the appeal deadline expires or after the order is issued, if it is not appealable. • Requires the Ohio Redistricting Commission to adopt a plan not later than 30 days after the General Assembly's deadline, if the General Assembly misses the deadline. • Requires the new plan to remedy any legal defects, but to include no other changes.

Source: Ohio Legislative Service Commission

On March 2, 2022, the Ohio Redistricting Commission approved a redrawn congressional map in a 5-2 vote along party lines, meaning the map will last for four years. On March 18, 2022, the Ohio Supreme Court ruled that it did not have jurisdiction to overturn the map before the state's primary elections as part of the legal challenge that overturned the initial congressional map. This map took effect for Ohio's 2022 congressional elections. A federal court ruling on Ohio's legislative maps took effect on May 28, 2022, which ordered maps drawn by the Ohio Redistricting Commission in February to be used for the 2022 elections and set a legislative primary date of August 2. These maps took effect for Ohio's 2022 state legislative elections. On November 27, 2023, the Ohio Supreme Court upheld the state's legislative maps and dismissed the remaining litigation against them.

Opponents of the current Ohio Redistricting Commission approach plan a 2024 ballot initiative to enact a new state constitutional amendment. This amendment would do the following:

- Repeal the existing redistricting process.
- Create the Ohio Citizens Redistricting Commission ("Commission"), composed of 15 members ("Commissioners") for an Ohio resident who is a registered voter without a connection to an officeholder or former officeholder to appoint a geographically and demographically diverse Commission that has 5 members affiliated with the political party whose candidate for governor received the highest number of votes at the last preceding election for governor ("First Major Party"), 5 members affiliated with the political party whose candidate for governor received the second highest number of votes at the last preceding election for governor ("Second Major Party"), and 5 members not affiliated with either the First Major Party or the Second Major Party as determined by the bipartisan screening panel.
- Require the Commissioner to hold at least five public hearings before the release of a draft redistricting plan to gather public input covering the regions of the state.
- Provide that not later than September 19, 2025, and no later than July 15 of each year ending in the number one, the Commission shall adopt final redistricting plans and that within 3 days after adoption and make publicly available a report of the redistricting plans with an explanation of the basis of the Commission's decisions and its consideration of public comments and the complete record before the Commission.
- Provide that each redistricting plan shall contain single-member districts that are geographically contiguous and comply with the United States Constitution and federal laws, including the Voting Rights Act of 1965.
- Provide that to ban partisan gerrymandering and redistricting plans that favor or disfavor a political party, the statewide proportion of districts in a redistricting plan that favors each political party shall correspond closely to statewide partisan preferences of the voters of Ohio and provide how the statewide proportion of districts that favors a political party shall be determined, how the statewide partisan preferences of Ohio voters shall be determined, and that "correspond closely" shall mean that the statewide proportion of districts that favors a political party shall not deviate by more than three percentage points in either direction from the statewide partisan preferences of Ohio voters unless arithmetically impossible, in which case the closest possible proportion greater than three percentage points shall govern.
- Provide that, subject to the above criteria, a redistricting plan shall, in the following order of priority, provide for districts with reasonably equal population based on the most recent federal decennial census, ensure the equal functional ability of politically cohesive and geographically proximate racial, ethnic, and language minorities to elect candidates of their choice, and preserve communities of interest to the extent practicable.
- Prohibit the Commission from considering the place of residence of an incumbent elected official or candidate or considering senators whose terms will not expire within two years of the effective date of the plan.
- Provide an impasse procedure as follows if the Commission fails to adopt a redistricting plan by its deadline: each commissioner shall have three days to submit no more than one proposed redistricting plan to be subject to a ranked-choice selection process as described in detail in the Amendment. If in the first round, one of the submitted plans receives a first-place position from a majority of Commissioners, then that plan is adopted. Otherwise, the plan with the highest number of points is eliminated and the process is repeated until a plan receives a majority of first place rankings. If the ranked choice process ends in a tie for the highest point total, the tie shall be broken through a random process.
- Provide the Ohio Supreme Court with exclusive original jurisdiction for cases that contend that the plan fails to comply with the proportionality incumbency and candidacy provisions.
- Provide that the process outlined in the Amendment for redistricting shall occur once during a redistricting cycle beginning with the 2024-2025 cycle and following each subsequent federal decennial census.

If over 400,000 signatures are gathered from forty-four counties in the state, the voters will decide who draws Ohio's legislative district lines.

OHIO REPUBLICANS LIKELY TO CONTINUE POLITICAL DOMINANCE IN 2024 ELECTION

Ohio has become a Red or Republican state, and the chances are strong for the Republican Presidential candidate will win the Buckeye State, Republican supermajorities will remain in the Ohio Congressional Delegation and among the ninety-nine members of the Ohio House of Representatives and thirty-three members of the Ohio Senate. 2024 will see a U.S. Senate race where Republicans are working to defeat Democrat Sherrod Brown. Social issues and the economy are likely to impact Ohio elections but Governor Mike DeWine, who is not on the ballot and cannot run again due to term limits, remains extremely popular following a landslide re-election in 2022.

Elections are about choices. Not just choices between candidates and their personalities and experience but choices about what public policy direction a city, town, township, county, state, and nation take. Choices about whether taxes go up or down, about whether government spending goes up or down, about whether business is regulated, and about what industries are supported or not. These choices have a larger impact in the United States when political parties are less aligned. 2024 is an election where the Republican and Democratic parties are less aligned.

It does not take a Political Science major from Bowling Green State University to figure out the economy and rising inflation is a major economic trend that will influence the 2024 election. While the Federal Reserve Bank may hold off on further interest rate increases, the damage to the economy is done with interest rates tripling and slowing business investment. Also, slow consumer demand for Electric Vehicles is slowing the corporate site location decision for these billion-dollar projects. The lack of skilled workforce also could impact the election from the workforce challenges facing healthcare, manufacturing and every industry operating in the United States. Finally, potential trade wars with China and an unsettling foreign policy map could impact the economy and the election.

The decline in President Joe Biden's public support is clearly a result of the public's perspective that the nation is heading in the wrong direction. Most U.S. adults say the country is heading in the wrong direction, according to a recent survey from the Associated Press-NORC Research Center. This October 2023 national public opinion poll found 78 percent of respondents saying the country is headed in the wrong direction with only 21 percent said it is headed in the right direction. An October 2023 Gallup survey found that a 54% majority of Americans believe the government is "trying to do too many things that should be left to individuals and businesses," whereas 43% think it "should do more to solve the country's problems." This critique of the government is like Americans' views over the past two years; however, it differs from 2020, when 54% of Americans said they wanted the government to do more. That reading, taken in the first year of the pandemic, is the only time in Gallup's trend dating back to 1992 that a majority have wanted a more active government. A recent Pew Center Research survey illustrates further that Americans are unhappy with the government. Just 4% of U.S. adults say the political system is working extremely or very well; another 23% say it is working well, and about six-in-ten (63%) express not too much or no confidence at all in the future of the U.S. political system. Positive views of many governmental and political institutions are at historic lows with just 16% of the public saying they trust the federal government always or most of the time according to the Pew poll.

Republicans will decide if they will return former President Donald Trump to be their nominee again for President or will go with the upset pick of former Governor and UN Ambassador Nikki Haley or Florida Governor Ron DeSantis to capitalize on the Democrat's challenges. Whoever the Republican candidate is, the voters will decide which direction to take the American economy. A couple of key policy topics impacted by the Presidential Election include:

Culture Wars. From transgender athletes to how states like Ohio define what abortion is permitted and how the recently enacted recreational marijuana law will be implemented all fall into the political culture wars leading into 2024. Base voters in both parties are increasingly driven by social issues. With most legislative districts decided in Primary Elections, 2024 will see a continuation of debate on hot social issues topics. Universities will be working to avoid a beat down that is occurring nationally over the Israeli-Palestine debate on campus' that cost the University of Pennsylvania President her job and may get the Harvard President before they are done.

Anywhere But China (ABC). The U.S. experiment with global trade and China appears to be over from a policy perspective. While industries may struggle to shift their supply chain from the Earth's largest market, the politicians. Donald Trump made it a centerpiece of his administration to take on China from an economic standpoint. While Joe Biden promised a more sophisticated and engaging foreign policy than the Trump Team, his administration has not illustrated a love for China's economic policy. However, there is little doubt the Election of Donald Trump is not good news for China.

Ukraine. Just the election of Donald Trump is bad news for China it may be bad news for continued large-scale military and economic support for Ukraine in its war against Russia. Trump's version of the Republican Party is not aligned with the internationalist vision of Presidents from Eisenhower to Nixon to Reagan and George HW Bush. Instead, his perspective is more nationalist and less on global engagement. Either the election of Nikki Haley or Joe Biden is good news for the leaders of Ukraine.

Electric Vehicles. Driven by the success of Tesla and economic policy focused on impacting climate change through the transition from Internal Combustion Engines (ICE) to Electric Vehicles (EV), the Biden Administration has been running public policy and funding as fast as they can to support the transition from ICE to EVs. Millions in federal subsidies have led to Billions in public announcements of corporate site location megaprojects for new EV facilities in the United States to attract this global investment. The election of Donald Trump is bad news for the EV industries as he has opposed these federal economic development incentives.

Chip Semiconductors. The Trump Administration led the charge to address the potential Chinese takeover of the semiconductor manufacturing industry and the Biden Administration has followed through with a massive federal economic development incentive program that has spurred billion-dollar corporate site location announcements across the U.S. While it is doubtful that a second Trump Administration would kill all the semiconductor manufacturing incentives changes to that program are likely.

Taxes. A Republican Administration in Washington will no doubt continue a focus on reducing federal taxes while a second Biden Term will focus on higher tax rates for higher earners. Getting either program or any economic program through Congress is not going to be easy. Control of Congress is a critical factor in how the 2024 election impacts the public policy debate. It is too soon to determine if abortion, the disaster of picking a Speaker of the House of Representatives, or other issues will cause a major loss of Republican seats in Congress.

The 2024 election will shape the public policy agenda for 2025 driven in large part by a confrontational national election.

THE RISE OF POPULISM WILL DOMINATE OHIO'S 2024 PUBLIC POLICY AGENDA

The transformation of the Republican Party under Donald Trump that increases rural and union household support for Republicans is creating challenges for corporations who now cannot count on Republican majorities to support their public policy agenda and Democrats dealing with liberal advocates pushing a social and foreign agenda unpopular with the suburban voters they need to survive.

The rise of populism will continue to dominate 2024's public policy agenda on the right and left is creating challenges for corporations who now cannot count on Republican majorities to support their public policy agenda and Democrats dealing with liberal advocates pushing a social and foreign agenda unpopular with the suburban voters they need to survive.

Both the Republican and Democratic parties themselves are less aligned as there seem to be three or four political parties operating across the nation. Traditional "chamber of commerce" Republicans aligned with a vision built by President Ronald Reagan focused on less government, lower taxes, and free trade has been replaced by a populist version of the Republican party less aligned with business interest, opposed to free trade who has swept up a large group of unhappy Democrats. Traditional Democrats built from an FDR coalition of voters that included minorities, but a large share of majority white voters is divided as well and modern liberalism on some social issues has lost many in the rural Democratic voter base. Politically, it is tough to find a rural Democrat in Congress or Statehouses across the U.S. just as it is getting tougher to find urban and suburban Republicans.

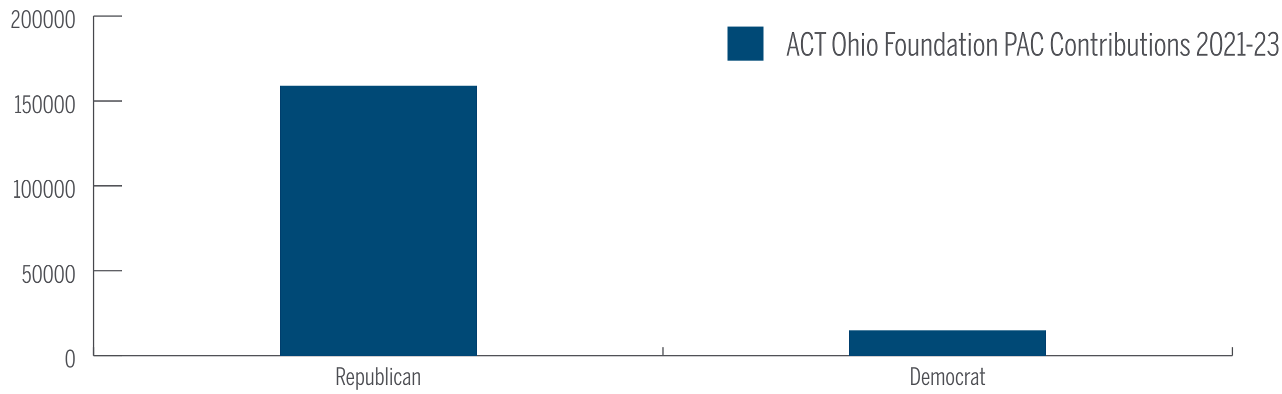
Policy priorities opposed by Ohio business leaders illustrate the shifting tides brought on by political populism. The Ohio House of Representatives passed House Bill 205 by a 64-30 vote in the Republican Supermajority Ohio House. HB 205 is vigorously opposed by the oil industry, Ohio Chamber of Commerce, NFIB, and other businesses and business trade groups. The legislation requires a contractor or subcontractor that performs construction services on a building, structure, facility, or installation that emits or may emit certain regulated air pollutants ("stationary source") to perform the services using individuals who demonstrate proficiency in English and meet specific training requirements—training requirements that are only provided by labor union-based apprenticeship programs.

Now let us discuss the modern Republican elected officials and their ties to political populism. Ohio's junior Senator J.D. Vance is an American success story. He grew up in challenging circumstances in Middletown, Ohio, joined the U.S. Marines, went to Ohio State University and later Yale Law School, and launched a career in venture capital His story was so good he wrote a book about it and, with the endorsement of Donald Trump and a lot of financial support from U.S. Senate Republican leadership, was elected to the U.S. Senate.

Senator Vance is a populist Republican. Following a train derailment and serious accident in East Palestine, Ohio, Vance co-sponsored a train safety legislation with liberal Ohio Senator Sherrod Brown. Next, as pictured below, Ohio's Republican Senator joined the United Auto Workers in their picket line during the strike with the Big 3 auto industry.

Political contributions in some cases reflect this political shift. The Ohio Affiliated Construction Trade, ACT Ohio, represents labor union employees in the construction industry—commonly referred to as the building trades. In the political world since FDR, unions consistently make political contributions primarily to Democratic candidates. Unlike corporations who tend to support a wider range of candidates for public officials including Democrats and Republicans, unions concentrate their support on Democrats.

ACT Ohio Foundation PAC Contributions 2021-23



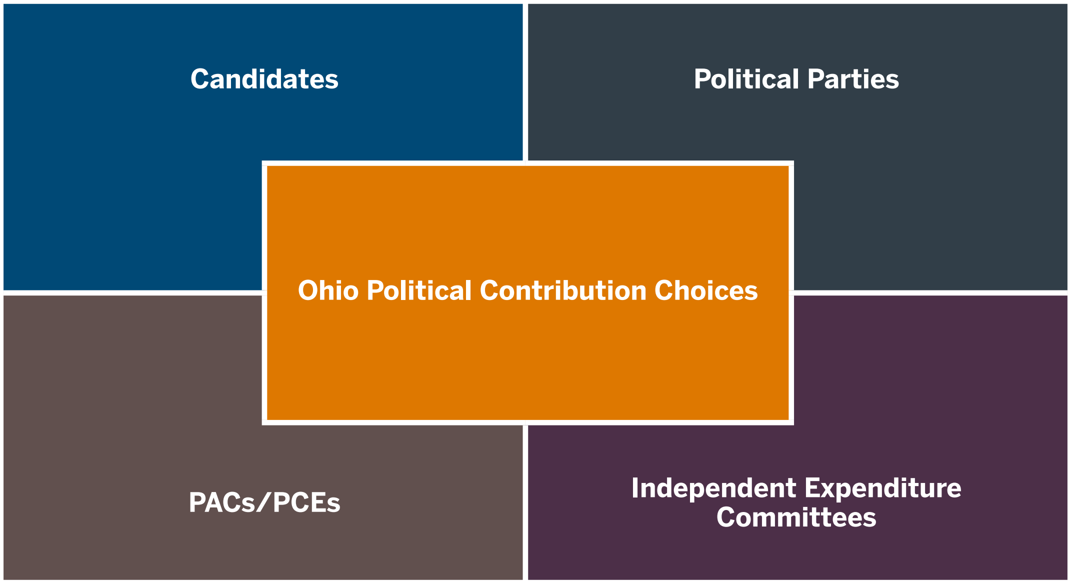
That has changed for ACT Ohio at the state government level. While the Republicans control state government, it is worthy of note that the union PAC affiliated with ACT Ohio only contributed 11% of the political campaign contributions to Democrats—both candidates for Mayor of Cleveland and not a dollar of their PAC funding went to Statehouse Democrats.

Populism on the right or the left creates strange and unusual political alliances that make traditional lobbying a challenge in 2024 and beyond.

POLITICAL ENGAGEMENT WILL REMAIN CRITICAL FOR THE SUCCESS OF LOBBYING IN OHIO

Political contributions are central to lobbying efforts as they can be used to support qualified candidates for public office. Campaign contributions can be made to candidate campaign committees, Political Action Committees (PACs) formed to support a company, cause, or candidate, launch an independent expenditure committee to influence an election or policy issue or contribute to a political party. Traditional "hard money" PACs and "dark money" Independent Expenditures (IEs) are the prime methods companies and trade associations use to provide campaign financing or political support to candidates for public office. Companies or campaigns may form a PAC and IE to support political campaigns of candidates or issues placed before voters. A PAC can be either organized under state or federal regulations and contribution and expenditure limitations apply to PACs, and IEs are organized under the IRS as a 501 (c) (4) organization to provide political education. PACs and IEs will spend billions of dollars in the 2024 election and Ohio has over 800 PACs registered with the Ohio Secretary of State.

Ohio benefits from a wide range of political contributions to support candidates for public office and issues facing voters. A political contribution is a loan, gift, deposit, forgiveness of indebtedness, donation, advance, payment, transfer of funds, or transfer of anything of value including a transfer of funds from an inter vivos or testamentary trust or a decedent's estate that occurs to influence the results of an election. A contribution does not include unreimbursed personal expenses of volunteers, ordinary home hospitality, or personal expenses paid for by a candidate from the candidate's funds. A contribution is received when any candidate or any agent of a committee or other entity gains possession of it but individuals under the age of seven years are prohibited from making any contribution. "In-kind" political contributions include postage, signs, receiving office space without paying rent, the assistance of personnel compensated by a third party, or the purchase of media advertising by a third party on behalf of a committee. To qualify as an in-kind contribution, the item or service must have been made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of, the benefited candidate, committee, fund, party, or entity. In-kind contributions received are considered a form of a contribution, and, therefore, subject to all laws or rules regarding contributions.



Political contributions can be made to a candidate, ballot issue committee, political action committee, political contributing committee or an independent expenditure committee, all of which can impact the success or failure of an election. A "candidate" is defined as a person who has been certified to appear on a ballot or a person who has received contributions or made expenditures or has appointed a campaign treasurer. In Ohio, the combination of two people running for governor and lieutenant governor is considered a single candidacy. People who are write-in candidates are also considered candidates. People running for county or state party central committee, presidential electors, national convention delegates, and charter commission members are not candidates and are not subject to campaign finance reporting.

A "ballot issue political action committee" in Ohio is defined as the circulator or committee in charge of an initiative or referendum petition for a statewide ballot issue that is established to receive contributions or make expenditures. Under the Ohio Constitution, ballot issues permit the registered voters to decide state constitutional amendments, legislative initiatives, or repeals. Placing any measures before the voters in a larger and heavily populated state like Ohio is an expensive business. To gain the signatures from the large number of counties required, signature gathers are paid which costs millions of dollars. Campaigns with the voters once a measure makes the ballot can get expensive.

An independent expenditure committee may receive political contributions to advocate the election or defeat of a candidate or a ballot issue without the consent of, and not in coordination, cooperation, or consultation with, or at the request or suggestion of, the candidate, campaign committee, or ballot issue. The U.S. Supreme Court decision in Citizens United has made the use of independent expenditure committees popular with some political contributors as they can be structured to be able to accept unlimited contributions amounts, from any person or organization and not have those contributions reported to the public through traditional campaign finance reports as candidate committees, political parties, political action committees, and political contributing entities are required to do

A political action committee is a combination of two or more people, the primary or major purpose of which is to support or oppose any candidate, political party, or issue, or to influence the result of any election through express advocacy. A PAC does not include candidate committees, legislative campaign funds, political parties, political contributing entities or political clubs. To determine whether a purpose is a primary or major purpose, the following should be considered: whether the combination of two or more persons receives money or any other thing of value in a common account for the specific purpose of supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue; whether the combination of two or more persons has or will make a continuing pattern of expenditures from a common account to support or oppose any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue; whether the combination of two or more persons constitutes an entity that was not in existence prior to supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue; and whether the total dollar value of the combination of two or more persons' activity described in the above paragraphs during a calendar year exceeds $100. A political contributing entity is any entity, including a corporation or labor organization, which may lawfully make contributions and expenditures to influence the outcome of an election.

The FEC defines PACs to include separate segregated funds (SSFs), nonconnected committees, Super PACs, and Leadership PACs. SSFs are political committees established and administered by corporations, labor unions, membership organizations, or trade associations. These committees can solicit contributions only from individuals associated with a connected or sponsoring organization. By contrast, nonconnected committees — as their name suggests — are not sponsored by or connected to any of the entities and are free to solicit contributions from the public. Super PACs (independent expenditure-only political committees) are committees that may receive unlimited contributions from individuals, corporations, labor unions, and other PACs to finance independent expenditures and other independent political activity. Hybrid PACs (political committees with non-contribution accounts) solicit and accept unlimited contributions from individuals, corporations, labor organizations, and other political committees to a segregated bank account to finance independent expenditures, other ads that refer to a federal candidate, and generic voter drives in federal elections, while maintaining a separate bank account, subject to all the statutory amount limitations and source prohibitions, that is permitted to make contributions to federal candidates. Finally, the FEC defines a Leadership PAC as a political committee that is directly or indirectly established, financed, maintained, or controlled by a candidate or an individual holding federal office, but is not an authorized committee of the candidate or officeholder and is not affiliated with an authorized committee of a candidate or officeholder. Members of Congress and other political leaders often establish Leadership PACs to support candidates for various federal and nonfederal offices. Like other multicandidate PACs, a Leadership PAC may contribute up to $5,000 per election to a federal candidate committee. Opensecrets.org estimates that PACs, including independent expenditure committees which often create single candidate "Super PACs, as of October 24, 2023, 2,476 groups organized as super PACs have reported total receipts of $2,737,855,088 and total independent expenditures of $1,365,474,321 in the 2021-2022 cycle.

Political parties are also able to receive political contributions and spend resources to the benefit of political candidates. A major political party is any group of voters that garners and maintains at least 5% of the total vote in a gubernatorial or presidential election. Both the Democratic party and the Republican party are major political parties in the state of Ohio. In addition to having a statewide party apparatus, each major political party has separate, local organizations in each of Ohio's 88 counties.

Certain entities are not permitted to make specific political contributions in Ohio. Foreign nationals are prohibited by law from making political contributions to influence any candidate's election. Candidates, campaign committees, and all other political entities are prohibited from soliciting or accepting anything – including a monetary contribution, in-kind contribution, or independent expenditure – from a foreign national. Immigrants with green cards may make political contributions. C or S corporations are prohibited from making political contributions directly to candidates, but Limited Liability Companies taxed like partnerships and partnerships can make direct political contributions to candidates as they act as "pass-through entities" for income tax purposes. However, all corporations can contribute to ballot issues in Ohio, and they also can contribute to state or local party "building funds."

Candidates for local, state, and federal government offices in Ohio may operate with government-imposed contribution limits and must file reports detailing contributions and expenditures. Congressional and Presidential candidate's campaign contributions, expenditure, and disclosure requirements are regulated by the Federal Elections Commission. Candidates for municipal government offices are regulated by the city's campaign finance regulations but candidates for county government offices in general do not have political contribution limits. The Ohio Supreme Court regulates political contribution limits for judicial candidates at all levels in the state. Those seeking to do business with local or state governments need to be aware of specific political contribution limits that apply to companies seeking to gain no bid or other government contracts. Finally, state law provides express regulation of who and how much organizations can contribute to candidates for Governor, Secretary of State, Auditor, Attorney General, Treasurer, and the Ohio General Assembly.

Federal law outlines campaign contribution restrictions for candidates for the U.S. House of Representatives, U.S. Senate, President, and PACs organized under federal regulations as outlined below.

Federal Campaign Contribution Limits and Restrictions					
Entity	Candidate Committee	PAC	Party Committees: state/district/local	Party Committee: National	Additional National Party Committee Accounts
Individual	$3300 per election	$5000 per year	$10,000 per year combined	$41,300 per year	$123,900 per account per year
Candidate Committee	$2000 per election	$5000 per year	Unlimited transfers	Unlimited transfers	
Multicandidate PAC	$5000 per election	$5000 per year	$5000 per year combined	$15,000 per year	$45,000 per account
Noncandidate PAC	$3300 per election	$5000 per year	$10,000 per year combined	$41,300 per year	$123,900 per account per year
Party committee: state/district/ local	$5000 per election (combined)	$5000 per year	Unlimited transfers	Unlimited transfers	
Party committee national	$5000 per election	$5000 per year	Unlimited transfers	Unlimited transfers	

Source: Federal Elections Commission

The federal contribution limits outlined above do not apply to independent expenditure committees often called Super PACs as they may accept unlimited contributions from individuals, corporations, or labor unions, and have no expenditure limits nor reporting requirements. Federal government candidates also have quarterly and pre-election campaign finance reporting requirements to disclose contributions and expenditures.

Ohio is a Home Rule state that provides its municipalities whose charter established Home Rule status permits cities to adopt many of their own operational rules for operating. Many cities have adopted campaign finance regulations impacting the maximum political contribution level, including:

- Columbus limits political contributions from individuals, PACs/PCEs, and other local, state, and federal campaign committees to municipal campaign committees to a maximum of $15,499.69 per calendar year;
- Cleveland limits political contributions per calendar year from individuals to $5000 and PACs/PCEs to $7500 per calendar year for a candidate for Mayor and candidates for City Council to $1500 from individuals and $3000 from PACs/PCEs with corporate contributions prohibited in all cases, no contributions from city employees above $100, and no limits on personal contributions to a candidate's campaign committee; and
- Cincinnati limits political contributions for candidates for city council and mayor to $1100 per individual, $2700 per PAC/PCE, and $10,500 from a political party or legislative campaign fund.

Ohio has multiple methods by which to make political contributions to candidates for Governor, Secretary of State, Auditor, Attorney General, Treasurer, or the Ohio General Assembly.

- ***Direct Candidate Contributions.*** Political contributions can be made for the Primary and General Election directly to the campaign committees of Ohio's statewide elected officials and members of the General Assembly.
- ***County and State Political Parties.*** Political contributions can also be made to state and county political parties, but these funds cannot be directed or controlled by the contributor to go directly to the benefit of a specific governmental official.
- ***State Political Party Candidate Fund.*** Ohio political parties are permitted to operate state candidate funds that operate to support the individual candidates for Governor, Secretary of State, Auditor, Treasurer and Attorney General, and individuals, PACs/PCEs, and county parties can all contribute to state political party candidate funds.

- ***County and State Party/Legislative Building Funds.*** Ohio county and state political parties and General Assembly joint legislative funds can raise separate funds, including corporate contributions, for the operation of their building facilities.
- ***General Assembly Legislative Funds.*** Ohio House of Representatives and Ohio Senate members' campaigns are supported by the operation of legislative funds that support the Ohio House of Representative Republicans with a separate fund for House Democrats, and separate funds for Ohio Senate Republicans and Democrats, and these legislative funds can operate traditional campaign funds as well as building funds.

Also, no state of Ohio agency or department or any local political subdivision such as a city, county, township, or school district can award any no-bid contract greater than $500 in value to any individual, partnership, association, professional association, estate, or trust if the individual has made or the individual's spouse has made, or any partner, shareholder, administrator, executor, or trustee or the spouse of any of them has made, as an individual, within the two previous calendar years, one or more contributions totaling more than one thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee. However, as the table below illustrates, individuals, PACs/PCEs, County parties, State parties, Legislative Funds, and candidate campaign committees operate with required contribution limits, but they also offer a wide range of opportunities to support candidates for public office in Ohio through several other organizations. Of course, these contributions to other organizations cannot be directed or controlled for specific use to a particular candidate by the individual contributing.

Ohio Campaign Contribution Limits
Effective February 25, 2023 through February 24, 2025

FROM TO Per Election Period unless footnoted	INDIVIDUAL (7 years or older	PACs PCEs	COUNTY PARTY State Candidate Fund	COUNTY PARTY Other Account	STATE PARTY State Candidate Fund	LEGISLATIVE CAMPAIGN FUND	CAMPAIGN COMMITTEE (includes local)
STATEWIDE	$15,499.69	$15,499.69	$387,492.30	$3,874.92	$874,182.62	**PROHIBITED**	$15,499.69
SENATE	$15,499.69	$15,499.69	$15,499.69 $174,371.53	$3,874.92	$174,371.53	$86,798.27 $174,371.53	$15,499.69
HOUSE	$15,499.69	$15,499.69	$15,499.69 $86,798.27	$3,874.92	$86,798.27	$44,959.27 $86,798.27	$15,499.69
STATE PARTY State Candidate Fund	$46,499.08	$46,499.08	**No Limit**	**PROHIBITED**	**No Limit**	**PROHIBITED**	$46,499.08
LEGISLATIVE CAMPAIGN FUND	$23,249.54	$23,249.54	**No Limit**	**PROHIBITED**	**No Limit**	**PROHIBITED**	$23,249.54
COUNTY PARTY State Candidate Fund	$15,499.69	**PROHIBITED**	**PROHIBITED**	**PROHIBITED**	**No Limit**	**No Limit**	$15,499.69
PACs PCEs	$15,499.69	$15,499.69	$15,499.69	$15,499.69	$15,499.69	**PROHIBITED**	$15,499.69

Source: Ohio Secretary of State

The Ohio Supreme Court establishes rules for the election of judges in Ohio who have a separate set of contribution and campaign regulations.

Ohio Supreme Court Judicial Candidate Campaign Contribution Limits				
Candidate	Individuals for Primary & General Election	Organization for Primary & General Election	Political Party for Primary Election	Political Party for General Election
Supreme Court Justice	$4100	$7500	$203,900	$373,900
Court of Appeals	$1400	$4100	$40,800	$81,700
Common Pleas, Municipal, County Court over 750,000	$650	$4100	$40,800	$81,700
750,000 or less	$650	$4100	$34,600	$67,900

Finally, campaign committees are required to file regular reports during the year to disclose the amount, names, and occupations of those who have contributed to their campaign.

2024 State of Ohio Campaign Finance Reporting Calendar	
2024 Annual	Jan. 31, 2024 to disclose activity through Dec. 31, 2023.
Pre-Primary	March 7, 2024 to disclose activity through Feb. 28, 2024
Post-Primary	April 26, 2024 to disclose activity through March 19, 2024.
Semiannual	July 31, 2024 to disclose activity through June 30, 2024.
Pre-General	Oct. 24, 2024 to disclose activity through Oct. 16, 2024.
Post-General	Dec. 13, 2024 to disclose activity through Dec. 6, 2024.
2020 Annual	Jan. 31, 2025 to disclose activity through Dec. 31, 2024

Additional filings are required for statewide candidates only. Monthly reports are required to be filed to report contributions received during the months of July, August, and September. These reports must be filed no later than three business days after the last day of the month covered by the statement. The July Report is due no later than August 5, 2024, August Report is due no later than September 4, 2024, and the September Report is due no later than October 3, 2024. Monthly reports are independent of any other report. The contributions listed in these reports are not repeated in any subsequent report.

No matter the public office sought, campaigns require substantial reporting of political contributions to ensure the public is fully aware of who is supporting which candidate—disclosure remains the hallmark of campaign finance reform as it lets the voter know, for better or worse, who is financially supporting candidates for public office.

Political Action Committees Play a Major Role in the Election and Lobbying Process. Political Action Committees (PACs) are the prime method companies and trade associations use to provide campaign financing or political support to candidates for public office. Companies or campaigns are considering forming a Political Action Committee (PAC) to support political campaigns of candidates or issues placed before voters. A PAC can be either organized under state or federal regulations.

In the state of Ohio, PACs can either be formed under state or federal law. State PACs can contribute to local and state government candidates for public office in Ohio but cannot contribute to candidates for federal offices such as candidates for the U.S. House of Representatives, U.S. Senate, or President. A state PAC in Ohio is defined as the combination of two or more persons, the "primary or major purpose" of which is to support or oppose any candidate, political party, or issue, or to influence the result of any election through express advocacy. A PAC does not include candidate committees, legislative campaign funds, political parties, political contributing entities, or political clubs. To determine whether a purpose is a "primary or major purpose," the following should be considered:

- Whether the combination of two or more persons receives money or any other thing of value in a common account for the specific purpose of supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue;
- Whether the combination of two or more persons has or will make a continuing pattern of expenditures from a common account to support or oppose any candidate, political party, legislative campaign fund, political action committee, political contributing entity or ballot issue;
- Whether the combination of two or more persons constitutes an entity that was not in existence prior to supporting or opposing any candidate, political party, legislative campaign fund, political action committee, political contributing entity, or ballot issue; and
- Whether the total dollar value of the combination of two or more persons' activity described in the above paragraphs during a calendar year exceeds $100.

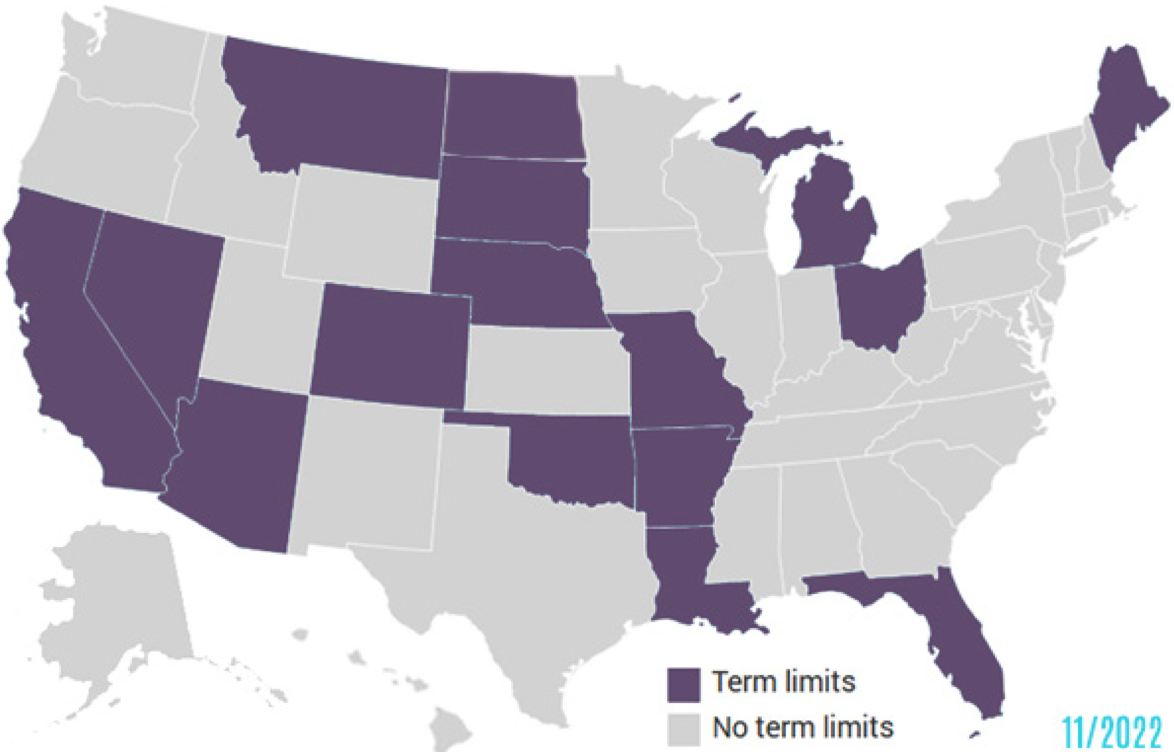
A corporation may sponsor a PAC and pay its administrative, establishment, or solicitation costs. Corporations may not give, and a corporate PAC may not accept money or property from the corporation for use by the corporate-sponsored PAC in supporting or opposing candidates or another partisan political purpose. The Ohio Administrative Code gives detailed information on corporate PAC activity, including reporting and disclosure requirements; corporate payments of the administrative, establishment, and solicitation expenses of its PAC; social and fundraising requirements; permitted communications between the corporation and its PAC; and prohibited uses of corporate money or property.

Federal, State, and Local PACs registered with the Federal Election Commission (FEC) may use their federal PAC account to make Ohio non-federal disbursements. Such PACs are called federal, state, and local PACs (FSLs). Before such a disbursement is made, the FSL PAC must register with the secretary of state's office by filing a copy of its most recent Statement of Organization, a federal form. Thereafter, whenever information listed on the form changes, a copy of the revised form must be filed with the secretary of state at the same time it is filed with the FEC. Whenever an FSL PAC files a report that includes Ohio non-federal activity, a copy of that same report must be filed with the secretary of state. The only necessary pages are the summary page, the detailed summary page and any disbursement pages that reflect Ohio non-federal activity. FSL reports must be postmarked by federal, not Ohio, reporting deadlines. The campaign committees of a candidate for federal office wishing to make expenditures to Ohio non-federal candidate committees, Ohio PACs or Ohio PCEs, legislative campaign funds, state political party funds or county political party funds must first register as an FSL PAC before making such expenditures.

PACs are a form of campaign finance reform as before the legal expansion of independent expenditure committees they limited corporate contributions to those made by their employees in limited amounts and disclosed who contributed to the PAC and to whom the PAC contributed. The growth of SuperPACs has changed all that and changed the political landscape as well where now a small group of individuals or corporations can have a major impact on an election without having to disclose their contributions or expenditures.

TERM LIMITS CONTINUE TO DISRUPT STATE PUBLIC POLICY PROCESS WITH POTENTIAL CHANGE IN 2024

The "gift" of term limits will continue to have a major impact on public policy in 2024 as political battles often between policymakers in the same political party dominate policy debates and create another round of interparty fights in the 2024 election. As of November 9, 2022, the number of states with legislative term limits is sixteen. They are Arizona, Arkansas, California, Colorado, Florida, Louisiana, Maine, Michigan, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, and South Dakota.



Source: NCSL

Term limits for state legislators will continue to impact public policy in 2024. The hopes for term limits for state legislators was that a new group of citizen legislators would seek election and bring reforms to Statehouses across the land. That has not been the result. Look at Ohio.

In 1992, Ohio voters adopted state legislator term limits to match the limits imposed on statewide elected officials. In Ohio, Ohio House of Representative members can be elected to four, two-year terms, and Ohio Senate members can be elected to two, four-year terms. Ohio's legislative term limits have empowered special interest groups and created cyclical legislative leadership fights on both sides of the isle, which in some cases has led to opportunities for corruption like what was uncovered during former Republican Ohio House of Representatives Speaker Larry Householder's tenure as the Ohio House Leader.

$65 M—that is the amount of money First Energy put into the campaign of former Ohio House of Representative Speaker Larry Householder's campaign to gain him back the Speakership, overturn state term limits, and position Householder to run for statewide office. Federal RICO charges were filed against Householder and his associates, resulting in Householder and others spending the 2024 Christmas in a federal jail cell. This political corruption trial is a result of term limits creating a battle for control of the Ohio General Assembly which seems like every two or four years.

Fast forward a couple of years and now the Ohio House of Representatives is in another battle for control of leadership. The latest leadership fight is driven by an influx of new members to the General Assembly and the perceived thought that the only important work being done by the Ohio Legislature is done by those in a leadership position. This line of thinking is the result of the loss of institutional knowledge from elected members of the House and Senate and the shift of that knowledge base to outside interest who become the de-facto experts related to policy and politics of the legislature where members are left with the never-ending task of reinventing the wheel every few election cycles.

The challenges term limits are creating in Statehouses do not translate to the voters. The public continues to overwhelmingly support term limits. A recent Pew Research Center June 2023 survey found that 87% of those surveyed support the applications for term limits to members of Congress. The Montrose Group had a public opinion commissioned in 2022 and most voters supported Ohio's system of term limits. Term limits are going nowhere, and the merry-go-round of state legislators will continue and require companies, communities, and trade associations to employ lobbyists to help get legislation passed or shelved. That polling has not stopped Ohio House Speaker Jason Stephens from suggesting that term limits need to be changed in Ohio so look for potential state policy moves on that front.

OHIO TO CONTINUE TO SUPPORT PUBLIC INFRASTRUCTURE FUNDING IN 2024

The slowdown in the U.S. economy will continue the push of the local, and state governments in 2024 to provide economic development program support for industrial sites, community, and transportation projects.

The development of mega sites offers an interesting model for the role of government in 2024 for developing public infrastructure tied to job creation and capital investment. There is no single definition for a mega site, but it refers to a large plot — one common threshold is 1,000 acres — tied to transport, low-cost and preferably renewable energy, and a nearby supply of skilled labor. Local economic development agencies and states have long cultivated big industrial developments by assembling land and installing utilities in the hope of luring the next big auto assembly or steel plant with the promise of fast-track building.

Ohio is preparing to launch its mega site development program known as the All Ohio Future Fund Program. Key elements of the All-Future Ohio Fund include:

- $750 M Ohio Department of Development program with rolling application for loans and grants for job-ready site development;
- The Ohio Department of Development will administer the program in coordination with the Office of Budget and Management. Development released detailed guidelines on the program today, including project requirements and eligibility;
- Funding will primarily come in the form of 0% interest loans that may be partially forgivable;
- Awardees will be expected to find site occupants within five years;
- The Ohio Department of Development will provide an Indication of Interest outline for interested applicants to use in early 2024;
- "Eligible applicants" are counties, municipalities, townships, port authorities, community improvement corporations, conservancy and park districts land reutilization corporations, nonprofit organizations, and private developers;
- "Eligible costs" include infrastructure such as public roadwork, water, wastewater, design and engineering, demolition, wetland mitigation, utility connection, and other one-time site enhancement that are one-time local infrastructure costs that are necessary to prepare sites for future economic development projects;
- Award factors include the strength of the expected economic impact of a project site, the local community's ability to support the project site, the quality of expected jobs created at the project site, the importance of the project site to the region's economic development, public ownership and local control of the land to be improved; and any other factors deemed appropriate; and
- Reporting required and loans secured by a mortgage, assignment, pledge, or lien.

Ohio also offers the Ohio Department of Development Rural Industrial Park Loan Program which provides $30 Million in low-interest direct loans for industrial park development. Eligible applicants include counties, municipalities, townships, non-profit organizations, port authorities, community improvement corporations, and private developers and the loans can finance up to 75% of allowable project costs with loan amounts from $500,000 to $2,500,000. A minimum of 10% equity contribution from the borrower is required with at least 50% of the outstanding loan balance being forgiven upon successful completion of the project as described in the application and loan agreement. There is a non-refundable $1,500 application, a fee commitment fee of $12,500, and an annual servicing fee equal to ¼ of 1% (.25%) of the outstanding principal.

2024 will also see the Ohio General Assembly spend nearly $1 B on the state of Ohio capital budget community projects and Community Investment Fund legislation to support the development of a wide range of community, arts, sports, infrastructure, workforce, parks and recreation and other projects that bring substantial community support. The Ohio House of Representatives applications for these projects were due on December 18, 2023, and the Ohio Senate applications are due in April. There is the potential of separate efforts in the Ohio House and Ohio Senate with the funding divided between the two houses which would be unprecedented and could lead to a complicated lobbying process, but the money will flow either way. The funding requests for this unprecedented community funding will be high and the competition for dollars fierce.

The Ohio Department of Development and Ohio Housing Financing Agency will implement $3.5 B in the state of Ohio's economic development program spending.

Ohio's $3.5 B Economic Development Programs

- Brownfield Remediation Program
- Site Demolition and Revitalization Program
- Single Family Housing Tax Credit Program
- Welcome Home Program
- Transformational Mixed Use Development Program
- Connect4Ohio Program
- All Future Ohio Fund
- Ohio Broadband Fund
- Community Investment Fund Legislation
- Rural Industrial Loan Program
- State Capital Budget Legislation

From Brownfields to building demo to housing, rural transportation, site development broadband and community projects, 2024 will see billions in state of Ohio expenditure driven by the state's operating budget passed during 2023. Look for funding applications and lobbying efforts to gain this important funding.

Transportation funding will be another big focus in 2024. New growth and development bring the need for additional transportation spending as hot markets like Central Ohio struggle to keep up with roadway improvements and the development of potentially a commerce connector well outside of the current I-270 outer belt. Regions like Northwest Ohio struggle to build transportation corridor connections to the announced Intel facility in New Albany, Ohio and are focused on addressing this major challenge. Major tourist destinations around Lake Erie are also searching for better transportation linkage to Ohio and the Great Lakes states. How and how much money the Ohio Department of Transportation spends its money still matters and will remain a policy topic in 2024.

Gaining funding for site development, community, and transportation projects will remain a big focus for companies and communities in 2024.

HEALTHCARE, HOUSING, AND ENERGY TO REMAIN AN OHIO PUBLIC POLICY BATTLEFIELD IN 2024

The policy issues of healthcare, housing, and energy will involve high-profile policy debates in the Ohio Statehouse in 2024.

Healthcare will continue to be a hot Ohio policy topic in 2024. Healthcare, as the largest line item in Ohio's budget through the Medicaid program, will continue to make headlines in 2024 as state policymakers debate a range of hot-button scope of practice and transparency issues.

Medicaid is the single largest state government program eating up half of the state operating budget funded in large part by federal funding. Medicaid expansion in Ohio seems to be safe but the implementation of the Medicaid program is undergoing changes and will do so in 2024. The Ohio Department of Medicaid is in the process of implementing the Next Generation program. The Next Generation program kicked off in July 2022 with the launch of OhioRISE, the specialized program aimed at providing coordinated care for multi-system youth.

Phase 2 followed in October of that year with the implementation of centralized credentialing to reduce the administrative burden on providers, as well as the single pharmacy benefit manager. The Next Generation Managed Care Plans, the Electronic Data Interchange, and the Fiscal Intermediary all went live as part of Phase 3 in February of this year., and the Ohio Department of Medicaid is currently in Phase 4 for final IT systems implementation.

As always seems to happen, the back half of this General Assembly session will have its share of the scope of practice battles where healthcare professionals work to expand the services they can provide. Also, pushing hospitals to adopt state standards for price transparency is another legislative topic of debate coming in 2024:

- SB 81, sponsored by Senator Mark Romanchuk, would authorize certain clinical nurse specialists, certified nurse-midwives, and certified nurse practitioners to sign documents related to hospital patient admission, treatment, and discharge, and was passed by the Ohio Senate by a 29-1 vote.
- HB 177, sponsored by Representative Susan Manchester, addresses co-pay accumulator adjustment programs and seeks to ensure Ohioans receive the total value of prescription drug assistance to afford their treatments to thwart drug manufacturers' efforts to force people to pay for more expensive brand medications and disregard formularies offered by a plan sponsor and the bill has kicked up a hornet's nest with health plans, and was introduced in May of 2023 and is being debated in the Ohio House of Representatives Public Health Policy Committee.
- HB 49, sponsored by Representatives Ron Ferguson and Tim Barhorst, would codify federal provisions regarding hospital price transparency into the Ohio Revised Code, and prohibit hospitals that are not in compliance with these federal provisions from hiring debt collectors, utilizing the court system, or filing credit reports against patients with outstanding medical bills, and HB 49 was passed by the Ohio House by an 88-4 margin and is pending in the Ohio Senate.
- HB 102, sponsored by Representative Tom Young and Marilyn John, would create a process to license advanced practice respiratory therapists, and the bill is pending in the Ohio House Health Provider Services Committee.
- HB 141, sponsored by Representatives Jeff LaRe and Monica Robb Blasdel, would restrict what insurance companies require patients to pay in copays, coinsurance or deductibles for occupational therapy, physical therapy, and chiropractor services, and the bill passed the Ohio House by an 80-8 vote and is pending in the Ohio Senate.
- HB 285, sponsored by Representatives Haraz Ghanbari and Elgin Rogers, would require hospitals to establish registered nurse staffing plans that protect patient safety, and to create the Nursing Student Loan-to-Grant Program, and the bill is pending in the House Health Provider Services Committee.

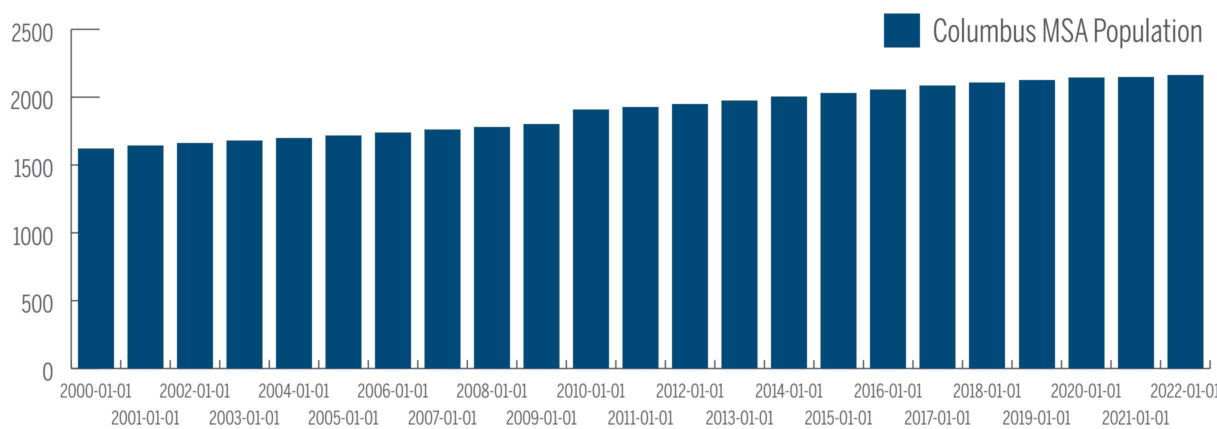
Healthcare policy will remain a hot topic in the Ohio General Assembly during 2024 more related to how the system operates than funding and will continue headed debates between medical professions as well as the health plans versus health care providers.

HOUSING WILL BE A MAJOR 2024 POLICY TOPIC.

Housing will see a rise as a major policy issue in 2024 as rising interest rates impact the development of housing that has struggled to keep pace with increasing economic investment. The availability of housing impacts a company's decision to grow as a 1.5% drop-in US labor participation rate after COVID is making the recruitment of workers an even tougher task, and residential building permits remain below 2005 levels illustrating a housing shortage nationally. No housing for a limited pool of workers does not spell good news for communities seeking to retain or attract employers.

Benchmarking the challenges and opportunities in Ohio offers an illustration of why housing will be a hot policy topic in 2024. Central Ohio is driving Ohio's economic growth but not keeping up with Southern competitors and their population growth has slowed in recent years due to a lack of housing supply. Central Ohio's population grew by 17.4% over the last decade but is behind Austin at 40%, Indianapolis at 21%, Charlotte at 56% and Nashville at 28% and has slowed to growth of 1% annually over the last three years based upon a lack of housing. However, Ohio's population only grew 1.89% compared to nearly 20% for Texas, 10% for Tennessee and 11% for North Carolina. Ohio's GDP growth over the last decade is over 10% behind Tennessee, North Carolina, and Texas. From a demographic and economic standpoint, Ohio is growing but battling Southern states for economic supremacy.

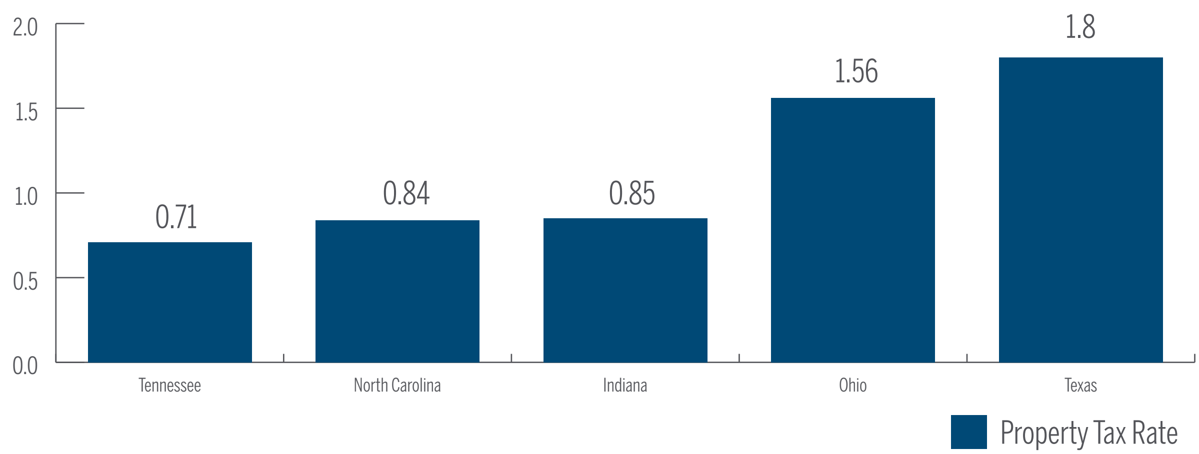
Columbus MSA Population



Of greater concern is that Ohio is not meeting the current housing demand. Central Ohio needs 18,000 new residential permits but is only creating 13,000 permits annually driving up housing costs with listing price increases higher than Austin, Nashville, and Charlotte. Rural Ohio counties are experiencing a -2.4% population decline creating challenges in recruiting housing developers even though they lead the state in manufacturing jobs.

Ohio's tax and land use regulation hurts residential development. Ohio's property tax rates are almost double the rates of Indiana, North Carolina, and Tennessee. Columbus's effective property tax rate is higher than in Indianapolis, Nashville, and Charlotte. Ohio is among a minority of states to have townships and permit them to regulate zoning and permit zoning referendums.

State Property Tax Rate Comparison



Ohio is a strong Home Rule state that pushes land use regulation to Home Rule cities, and Ohio offers residential economic development incentives but empowers local school boards to stop development. Local Ohio communities can provide residential property tax abatements, public infrastructure development through Tax Increment Financing and New Community Authorities, and construction materials sales tax exemptions but require schools' approval for use of certain tax abatements and TIFs. The state of Ohio offers Opportunity Zone, New Markets, Historic, Low-Income Housing, Single Family Housing, and Transformational Mixed Use District tax credits; however, these local and state housing economic development incentive programs are not helping Ohio meet its demand for housing.

As part of a Business and Industry Association Study for Central Ohio Foundation study, the Montrose Group created a recommended state of Ohio public policy agenda.

Leadership alone will not solve Ohio or any state's housing challenges, but it cannot hurt. Ohio should establish by a Governor's Executive Order the Governor's Housing Council consisting of housing developers, local government, business, and community leaders to advise the Governor on how Ohio can meet the current housing crisis, establish housing is a matter of statewide concern, and Ohio needs to adopt a comprehensive strategy for the development of housing in rural, suburban and urban communities. Also, Ohio should coordinate an annual Governor's Housing Summit in partnership with local government, housing, and business trade associations to discuss the challenges, opportunities, and solutions for housing development in Ohio.

States cannot fix housing issues on their own. The federal government should help. Several pieces of federal legislation can support the development of additional housing and should be supported. The Revitalizing Downtowns Act (S. 2511 and H.R.4759) should be supported as it would create an office conversion tax credit for commercial office buildings built at least 25 years before their conversion, and as should federal legislation to promote the use of Community Development Block Grant (CDBG) for residential development.

Local business leadership can have an impact on the development of housing as in the case of the Greater Cleveland Partnership supporting the development of housing and development in the region. Based upon this Cleveland model, Central Ohio should create a New Markets Tax Credit Community Development Entity focused on residential development.

State funding is a part of the solution for the development of additional housing. State funding recommendations for Ohio's housing policy agenda include:

- Ohio should renew the Transformational Mixed Use District Program and increase the tax credit spending cap to $400 M annually to spur residential development.
- Ohio should expand the Ohio New Markets Tax Credit Program to $50 M and focus the benefits of this program on residential development to catch up with states like Indiana that have a $100 M NMTC program.

- Ohio should expand the Ohio Historic Preservation Tax Credit Program to $50 M and focus the benefits of this program on residential development.
- Ohio should create the $50M Ohio Rural Residential Development Loan program to provide forgivable loans to developers creating housing development in rural Ohio counties.

While Ohio and other states operate economic development incentive programs to support housing, more flexibility needs to be added to state housing incentives to maximize their benefit. Ohio should create a 100%, 15-year property residential tax abatement program without requiring the approval of the local school boards as done in Indiana, expand the authority of local Tax Increment Financing programs to directly fund housing development, and not require school board approval as done in Indiana.

How local governments regulate land use and zoning has a major impact on housing development. Ohio should permit residential development as a matter of right that meets density, setback, parking, and other restrictions to be located with only an architectural review by local governments for sites that are currently zoned for commercial, office, retail, and industrial to transform dead strip malls into residential development. Ohio should further regulate non-Limited Home Rule township zoning at the state government or county level and eliminate zoning referendums to build a predictable land use model as is done in Indiana, North Carolina, Texas, and twenty-two total U.S. states. Finally, on the land use front, Ohio should create a state Zoning Density Bonus Infrastructure Program to fund public infrastructure for local governments for residential developments that meet zoning density and multi-family requirements.

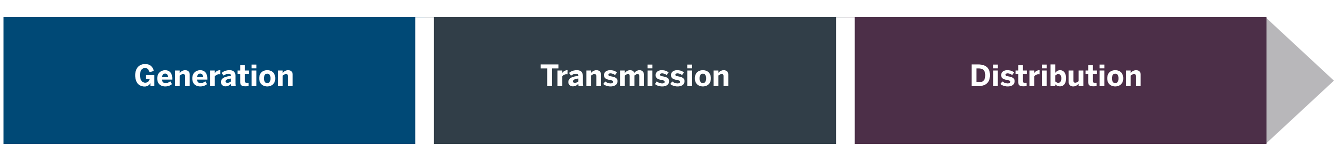
Ohio's high rate of property tax and unpredictable property tax appraisal process need to be reformed. Ohio needs to continue efforts to streamline the property value appraisal process to build a more predictable process to encourage economic investment by limiting property tax appeals to only property owners, not disclosing the value of the land purchase, and exempting from property tax the value of unimproved land subdivided for residential development more than the fair market value of the property for up to eight years or until construction begins or the land is sold.

State housing challenges driven by a lack of housing supply will not solve themselves. States hoping to lead an economic renaissance need to make tough policy decisions that encourage housing investment and drive economic growth.

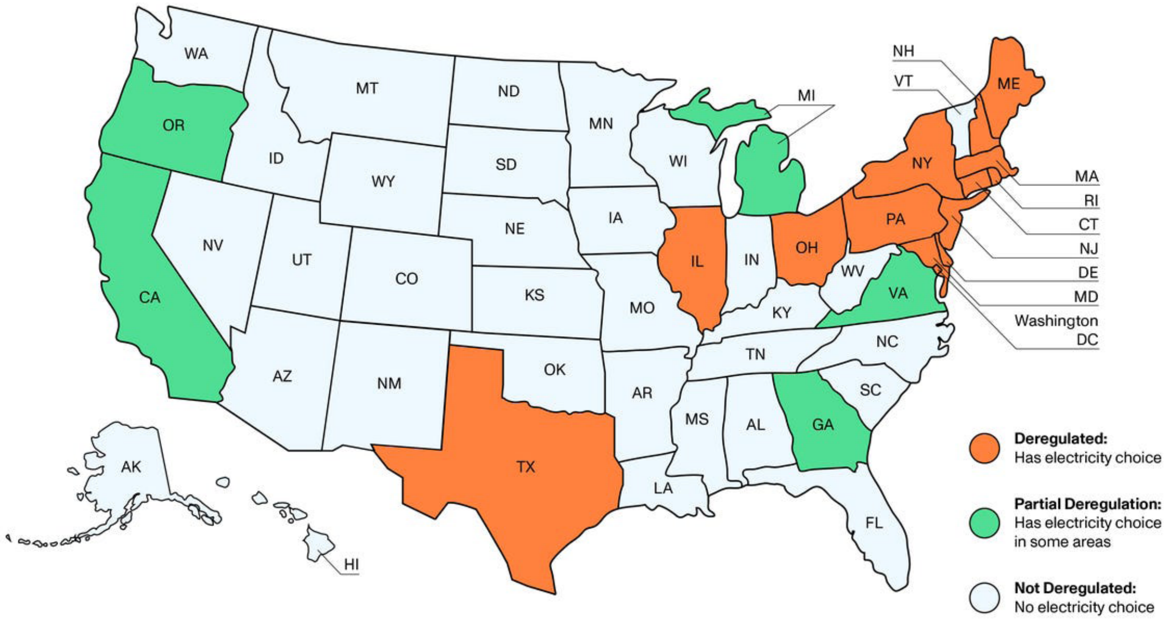
ENERGY MOVING BACK TO THE FRONT OF 2024 STATE POLICY AGENDA.

Energy will be another hot policy topic in 2024 as energy-intensive industries such as data centers push the U.S. energy grid to its max at the same time as supply chain challenges impact electric distribution networks and electric generation tries to keep pace with less coal and struggles to site renewable energy projects.

Electricity Delivery System



Electricity is delivered to customers through a system of generation, transmission, and distribution. Electricity generation is the process of converting primary energy sources such as coal, natural gas, or wind into electrical power. Transmission and distribution refer to the various stages of carrying electricity over poles and wires from generators to a home or a business. Transmission is the "interstate highway" of electricity delivery. It refers to the part of electricity delivery that moves bulk electricity from the generation sites over long distances to substations closer to areas of electricity demand. If transmission is the interstate highway of the grid, distribution is the city street. It is the last leg of the delivery of electrical power from generation to the consumer. *Regulated v. Deregulated.* State governments can regulate the provision of electric and natural gas services. In "traditional" regulated energy states, there is one utility for your location, and they cover everything from the service through the lines and poles to the billing to the customer service. Residents do not get any choice in the matter. If your home or business is in their service area, they are your utility. Some states have deregulated energy, allowing for competition among various energy providers. In these deregulated energy states, there will still be the one utility that oversees transmitting the energy through their lines and poles, but customers can choose from several available providers for the billing and customer service at the distribution level. Electric generation can be provided by electric utilities or merchant energy companies that do nothing but provide energy generation.



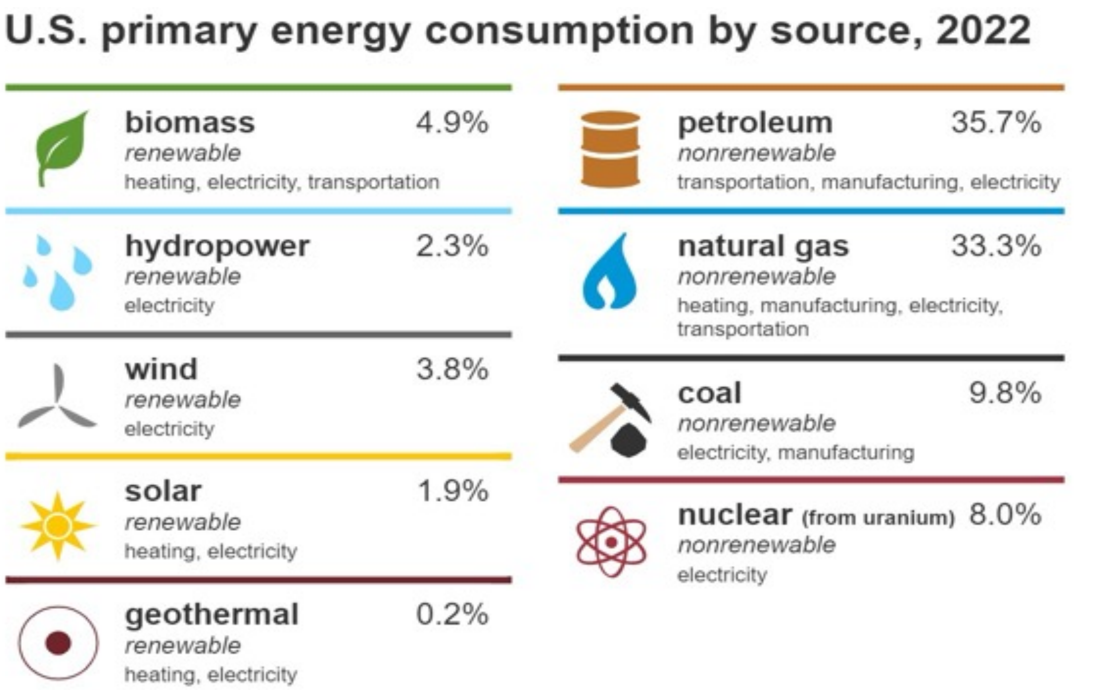
Source: CNET

Cost of Power. The cost of power is a substantial public policy issue. According to the U.S. Department of Energy's Energy Information Administration, increases in retail electric prices from 1997 to 2021 were about half a cent more in states with deregulated electric markets than in regulated states, though regulated states had a slightly higher percentage increase in prices. Rates increased significantly in all states from 2020 to 2021, attributable to a rise in natural gas prices. Average total rates increased by six-tenths of a cent, or 5.7%. Average rates in regulated states increased by 5.3% (from 9.5 cents to ten cents), compared to a 6.7% increase in deregulated states (from twelve cents to 12.8 cents), and, since 2012, residential rates in deregulated states have increased by 2.5 cents, compared to a 1.4 cent increase in regulated states.

Energy Efficiency. The Ohio House of Representatives will continue to debate energy efficiency legislation in 2024. Utilities and consumer groups relayed their support Wednesday for legislation to allow for the development of voluntary energy efficiency programs. HB 79 would permit electric distribution utilities to establish energy efficiency and demand reduction portfolios and is sponsored by Representatives Bill Seitz and Rose Bride Sweeney. Backed by investor-owned utilities, the bill is pending in the Ohio House Public Utilities Committee and is being actively opposed by a range of groups and is sure to be a hot topic in 2024.

Energy Infrastructure Riders. Natural gas companies were recently successful with their legislative advocacy efforts to expand the Infrastructure Development Rider mechanism by directing the public utilities commissions to authorize recovery for development projects backed by state and regional economic development organizations in states with competitive natural gas markets. This allows the utility to charge customers for the development of natural gas infrastructure for existing but also speculative development. More forward-looking policies like this will be up for debate in 2024.

Renewables v. non-renewables. If the U.S. is divided between red and blue states politically, the U.S. is also divided between states that embrace renewables and those that do not. Renewable and nonrenewable energy sources can be used as primary energy sources to produce useful energy such as heat, or they can be used to produce secondary energy sources such as electricity and hydrogen. About 60% of this electricity generation was from fossil fuels—coal, natural gas, petroleum, and other gases. About 18% was from nuclear energy, and about 21% was from renewable energy sources. Concern over climate change and a desire to build energy independence in the United States has led a global movement to shift away from carbon-heavy coal and toward wind, solar, biomass, and other renewable sources of energy. As the U.S. Department of Energy graphic illustrates below, petroleum is the largest energy source in the U.S. followed by natural gas and then coal. Renewable energy sources, such as biomass, geothermal resources, sunlight, water, and wind, are natural resources that can be converted into these types of clean, usable energy through bioenergy, geothermal energy, hydropower, marine energy, solar energy, and wind energy.



Data source: U.S. Energy Information Administration, *Monthly Energy Review,* Table 1.3 and 10.2, April 2023, preliminary data
Note: Sources not included above are net electricity imports and coal coke, which accounted for less than 1% of U.S. energy consumption in 2022. The sum of individual percentages may not equal 100% because of independent rounding.

Solar and Wind Farm Bans. States like Ohio have pushed the location of solar and wind farms to local governments. Renewable energy projects have encountered significant opposition in at least forty-five states, and, in addition, at least 228 local laws, ordinances, and policies have been enacted in thirty-five states to restrict renewable energy projects, according to a Columbia Law School report. Media reports indicate that 52 Ohio local government jurisdictions have banned solar and/or wind projects. Expect an Ohio Statehouse policy debate on the merits of SB 52 enacted during the last Ohio General Assembly which has abdicated state renewable energy production policy to local townships and counties.

Renewable Portfolio Standards. States may enact renewable portfolio standards or goals to promote the use of renewables. A renewable portfolio standard (RPS) typically requires that a percentage of the electric power sales in a state come from renewable energy sources. Some states have specific requirements, and some have voluntary goals, within a specified time frame, for the share of electricity generation or sales in a state that comes from renewable energy. Compliance with RPS policies may require or allow utilities to trade renewable energy certificates.
Renewable Energy Certifications. Financial products are available for sale, purchase, or trade that allow a purchaser to pay for renewable energy production without directly producing or purchasing the renewable

energy. The most widely available products are renewable energy certificates, or credits (RECs). These products may also be called green tags, green energy certificates, or tradable renewable certificates, depending on the entity that markets them. Electric utilities can use RECS to comply with state renewable energy portfolio standards. Many companies use RECS or related products to meet their voluntary targets or goals to reduce greenhouse gas emissions in their operations.

Net Metering. Net metering allows electric utility customers to install qualifying renewable energy systems on their properties and to connect them to an electric utility's distribution system (or grid). These state-based programs vary, but in general, electric utilities bill their net metering customers for the net electricity their customers use during a defined period. Net electricity is the customer's total electricity consumption minus the electricity that their renewable energy system generates and delivers to the grid. According to the U.S. Department of Energy, forty-four states and the District of Columbia have some form of state net metering policy. Two states (Idaho and Texas) do not have statewide rules, but several utilities in those states allow net metering. Most net-metered systems are solar photovoltaic (PV) systems.

Feed-in-Tariffs. Several states and individual electric utilities have established special rates for purchasing electricity from certain types of renewable energy systems. These rates, sometimes known as feed-in tariffs (FITs), are higher than electricity rates otherwise available to the generator. FITs are intended to encourage new projects for specific types of renewable energy technologies.

Utility Infrastructure Delays. For the last several years electric utilities throughout the United States have been facing COVID-19-based supply chain challenges for the materials needed to distribute electricity to customer sites. Some of the primary areas of concern include distribution transformers, conductors, utility poles, and large transformers. According to Deloitte, a combination of disruptors is driving supply chain gridlock and impacting end-to-end operations in the electric power sector. California is even considering state legislation that would mandate utilities to connect development projects to the electric grid within eight weeks.

EV Networks. The share of U.S. electricity consumed in the transportation sector is also increasing as electric vehicles enter the marketplace. In 2022, electric vehicles made up about a 6%–7% share of the U.S. vehicle market. As the adoption of EVs increases, electricity purchased for transportation reaches between about 0.6 quads and 1.3 quads in 2050, from 0.1 quads of purchased electricity in 2022, about a 900% to 2,000% increase across all cases. States are faced with determining how to build a network of EV charging stations as the transition to EVs happens.

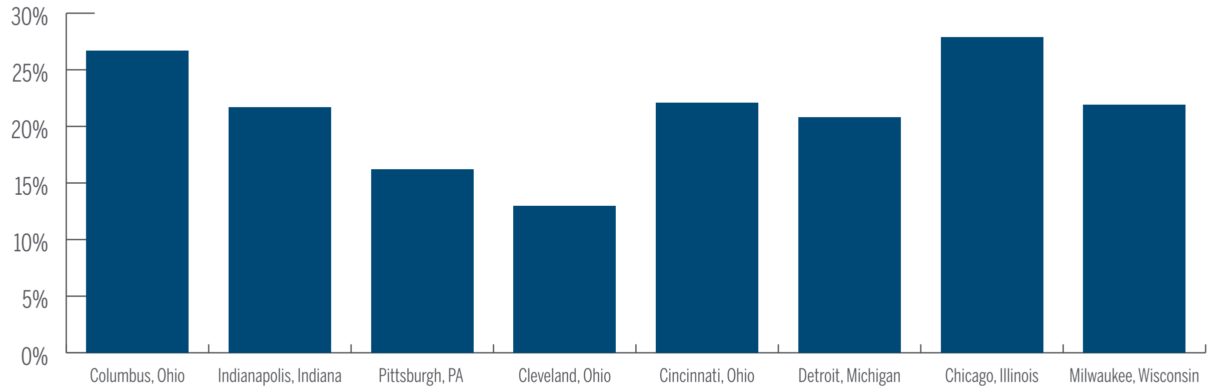
State policymakers will have a wide range of energy issues to determine in 2024 as demands surge as the battle over supply continues.

OFFICE MARKET COLLAPSE TO SPUR POLICY DEBATE TO SUPPORT OFFICE CONVERSION

The collapse of the office market in 2024 will create an urban and suburban crisis throughout the United States as local and state governments are faced with the prospect of declining revenue as the real estate market faces declining rents and the potential bankruptcy of major office towers. A "Doom Loop" is a downward economic spiral triggered by remote work, which makes office towers less valuable and results in reduced city tax revenues which begins a domino effect in which workers who no longer need to live in a city leave for cheaper housing, causing retail businesses to shutter and city services such as police and utilities are reduced by the cash-strapped municipality, causing even more residents to leave the downtown core.

Downtowns or Central Business Districts that have traditionally housed the white-collar jobs that drive regional economies have office towers in free fall. The Downtown office vacancy rates from Cushman and Wakefield's 2023 analysis as outlined in the chart below in the major urban markets throughout the Great Lakes illustrate substantial struggles with the current Downtown office markets. A recent JLL report found that Columbus' Capitol Square has 1.1 M in vacant office space.[27] Q3, 2023 marks the 15th consecutive quarter of rising vacancy as tenants look to right-size their space needs, and large blocks of new availabilities, coupled with direct lease expirations, drove a net absorption deeper into negative territory at -1,119,059 square feet in the Columbus office market.[28] Sublease space makes up 4.5% of all available space, which is more than double the amount added since 2021, and the flight to quality will continue to place upward pressure on underperforming office space.[29]

Downtown Office Vacancy Rate



Source: Cushman & Wakefield

2024 will be a year when public policymakers are confronted with how to address the Doom Loop hitting office markets in urban, suburban, and rural communities. First, states like Ohio have several local and state economic development programs that can be used to convert struggling office towers into new uses or update existing offices for new, potential office tenants.

Ohio Downtown Development Economic Development Programs

Brownfield Remediation Grant Program	Community Reinvestment Area Tax Abatement	Construction Materials Sales Tax Exemption	Downtown Redevelopment Districts
Historic Preservation Tax Credit	Low Income Housing Tax Credit	New Community Authority	New Markets Tax Credit
Opportunity Zone Tax Credit	Special Improvement District	Tax Increment Financing	Transformational Mixed Use Program

These programs support Brownfield redevelopment, tax abatements for new commercial or residential investments, a construction material sales tax exemption through local port authorities, redevelopment of historic structures through the use of Downtown Redevelopment Districts that capture a share of future property tax increases and permit its use on a certified historic structure or the popular state and federal historic preservation tax credit, low-income and market-rate single family tax credits, New Markets and Opportunity Zone tax credits at the state and federal levels to reward investments in underperforming neighborhoods, assessment programs like Special Improvement Districts that provide capital and operating funding for support in neighborhoods and large scale state tax credit programs that support the development of transformational mixed-used developments.

However, the reality is the list of current programs supporting Downtown office conversion is not enough. 2024 may well prove to be a year when local, state, and federal governments debate and adopt innovative programs to address the Doom Loop before tax receipts fall through the floor. Transitioning struggling office buildings to address regional and state housing needs is an approach for many communities and building owners. State of Ohio policymakers, much like the effort to develop more housing, could make several program and policy changes to support the redevelopment of the Ohio office market. Additional state funding the Ohio Transformational Mixed Use Development program, Ohio New Markets Tax Credit program, Ohio Historic Preservation Tax Credit program, and the creation of an Ohio Rural Residential Development Loan program to provide forgivable loans to developers creating housing development in rural Ohio counties would all help convert struggling office buildings into housing. In addition, expect debate on the role of Ohio's schools in approving tax abatement and tax increment financing districts tied to office development as Ohio may look to how Indiana spurs more development with less school district involvement.

Congress in 2024 could help address the office crisis as well. Several pieces of federal legislation can support the development of additional housing and should be supported. The Revitalizing Downtowns Act (S. 2511 and H.R.4759) should be supported as it would create an office conversion tax credit for commercial office buildings built at least 25 years before their conversion, and as should federal legislation to promote the use of Community Development Block Grant (CDBG) for residential development.

The Doom Loop will be a new term that hits policymakers in 2024 and a solution to this challenge is critical for economic success across the nation.

ENDNOTES

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