



# HICKS PARTNERS

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POWERFUL RESULTS

# Agenda



- Introduction
- DeWine-Husted Administration Priorities
- Legislative Leadership & Priorities
- Budget Overview
- Political Outlook
- Q&A



# Overview



*Hicks Partners, LLC is a multidisciplinary business consulting firm providing public relations, government affairs and business development services.*

*We deliver powerful results for clients seeking to enhance their image, impact public policy and grow their bottom line.*



## PUBLIC RELATIONS

*Increase awareness, build credibility, and open doors to new opportunities.*



## GOVERNMENT AFFAIRS

*Be informed, impact important issues and navigate government efficiently.*



## BUSINESS DEVELOPMENT

*Market your company, attract investors, secure public funding, and create value-added partnerships.*



# Our Clients

*Hicks Partners serves Fortune 500 companies,  
non-profits and entrepreneurs.*



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OHIO  
UNIVERSITY

Blackstone



MARBURN  
ACADEMY



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RECORDER'S  
ASSOCIATION



OHIO DEPARTMENT OF  
TRANSPORTATION



Society of  
NeuroInterventional  
Surgery



Gannett Fleming



Ohio  
Association of County Behavioral Health Authorities



Stark State  
COLLEGE



# DeWine-Husted Administration

- DeWine Administration – 100+ days in
  - Governor's staff and cabinet
    - Laurel Dawson, chief of staff
    - Dan McCarthy, legislative director
    - LeeAnn Cornyn, director of children's initiatives
    - Alisha Nelson, director of RecoveryOhio
    - Jeff McLain, Department of Taxation
    - Kim Murnieks, Office of Budget and Management
    - Stephanie McCloud, Bureau of Workers Compensation
    - J.P. Nauseef, JobsOhio



- Lt. Governor Jon Husted
  - InnovateOhio
    - Improve government services to customers
    - Use data to develop new solutions to longstanding problems
  - Office of Workforce Transformation



# DeWine-Husted Priorities

- Gas Tax/Infrastructure Funding
  - 10.5 cents/gallon - gas; 19 cents/gallon - diesel - July 1
  - \$865 million annually
    - \$524 million for ODOT projects
    - \$381 million for local projects
- Children's Initiatives
  - \$550 million over two years for “wrap-around” services for at-risk students—after-school programs, mental and physical health services
  - Lead-paint removal
  - Increased home visits for pregnant women and young mothers
  - Crisis stabilization funds for families, children in need
- H2Ohio Fund - \$900 million to clean Lake Erie and other waterways
- Managed Care Rebid/Reform; PBM Reform
- Opioids – RecoveryOhio office



# House Leadership

## *Ohio House of Representatives*



- Rep. Larry Householder (R-Glenford) - Ohio House Speaker
  - Householder won 26 of 60 GOP votes and 26 of 38 Dem votes
    - Speaker Householder becomes first in modern history to reclaim Speaker's gavel and first to win post with a minority of majority party
    - Democrats (labor unions) to have more influence

- Rep. Emilia Strong Sykes (D-Akron) - Minority Leader



# Senate Leadership

## *Ohio Senate*

- Senate leadership largely unchanged:
  - Sen. Larry Obhof (R-Medina) – President
  - Sen. Bob Peterson (R-Washington CH)  
- President Pro Tempore
- Sen. Matt Dolan (R-Cleveland) – Finance Chair
- Minority Leadership
  - Kenny Yuko (D-Cleveland) Minority Leader
  - Sean O’Brien (D-Warren) Minority Whip
  - Sandra Williams (D-Cleveland) Assistant Minority Whip





# Legislative Priorities

## Ohio House of Representatives

- Budget
- School Funding Reform
  - Reps. Bob Cupp (R-Lima) and John Patterson (D-Ashtabula): new school-funding formula based on 60% property tax and 40% income tax/wealth
    - More than \$1 Billion over two years
    - **Likely Delayed**
- HB 6 – Clean Air Program
- Congressional Redistricting by June 14?

## Ohio Senate

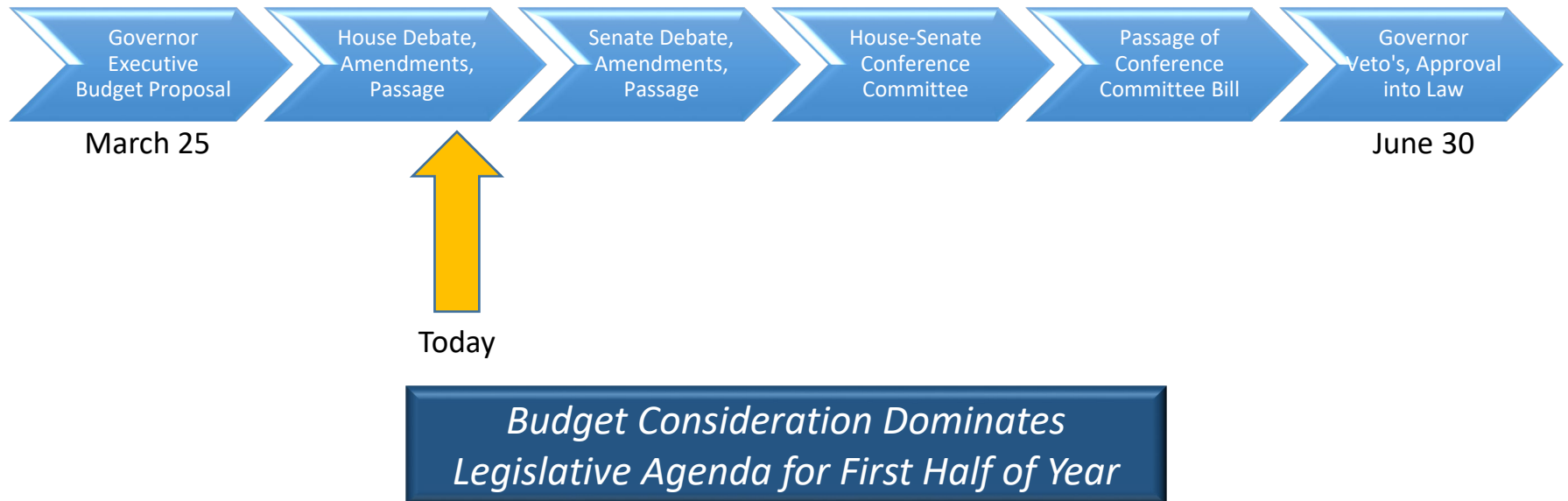
- Budget
- Regulatory Reform – eliminate 2 rules for every 1 created
- SB 3 – reform drug laws so low-level drug possession is a misdemeanor not felony; focus on treatment not incarceration
- Congressional Redistricting?



# Budget Overview

## Process

**FY 2020-2021**



# Budget Overview



## *Governor DeWine's Budget*

- \$69.55 Billion “all-funds” spending in FY20; \$71.28 Billion in FY21
  - Revenue Assumptions: \$48.4 billion in revenue over the next two years
  - LCS Revenue Assumption: \$47.9 billion in revenue  
= \$500 million difference
- \$2.8 Billion in new spending from previous budget. Paid for by growing economy.
- Significant investment in children’s services, education, family support
- Increase LGF from \$377.7 million in FY19 to \$412 million in FY20 and \$419 million in FY21
- H2Ohio fund – “frontloaded” through appropriations, unspent funds in current FY
- No major tax cuts or changes



# Budget Overview

## *Ohio House of Representatives – Sub HB 166*

- Revenue Side
  - Split the difference on revenue estimates
  - New Tax Cuts
    - Eliminates personal income tax for those earning less than \$22,500 a year
    - Cut taxes by 4.7% for those earning between \$22,500 and \$88,800
  - Eliminate or Reduce Tax Breaks
    - Reduce from \$250k to \$100k exemption for “pass-through entities” ( partnerships, LLCs, sole proprietorships, etc.)
      - small business owners will pay nearly \$200 million more per year
    - Eliminate tax credits for motion pictures, political contributions, corporate aircrafts
    - Requires ride-sharing companies to collect sales taxes
    - *Wayfair* standards—essentially requires on-line sellers and “marketplace facilitators” (i.e. Amazon, eBay, etc.) to collect sales tax
- Increase taxes on business by \$423 million; lowers taxes on individuals by \$500 million



# Budget Overview

- Sub HB 166 – Spending
  - \$69.71 Billion “all-funds” spending in FY20; \$71.66 Billion in FY21.
    - Increase of \$487.2 Million over Executive Proposal
  - \$125 million more for education “wrap-around” services
  - \$60 million more children’s services
  - \$20 million for school buses
  - Increase from \$16 million to \$23 million funding for Ohio technical colleges
  - Increase primary higher education funding by \$22 million in FY20; \$20 million in FY21
    - Freeze tuition and general fees for incoming freshmen at four-year universities
  - Funds H2Ohio with \$85 million over two years. House looking at separate bonding entity to fully fund program
    - House paid for \$300 million in tax cuts and \$487 million in more spending by gutting H2Ohio fund
  - No changes to LGF
- Raise the age to buy cigarettes and other tobacco products from 18 to 21 years
- Require Medicaid to select one PBM



*More Changes to Come!*



*“I think there is only one thing in the world I can’t understand, and that is Ohio politics.”*

- Theodore Roosevelt



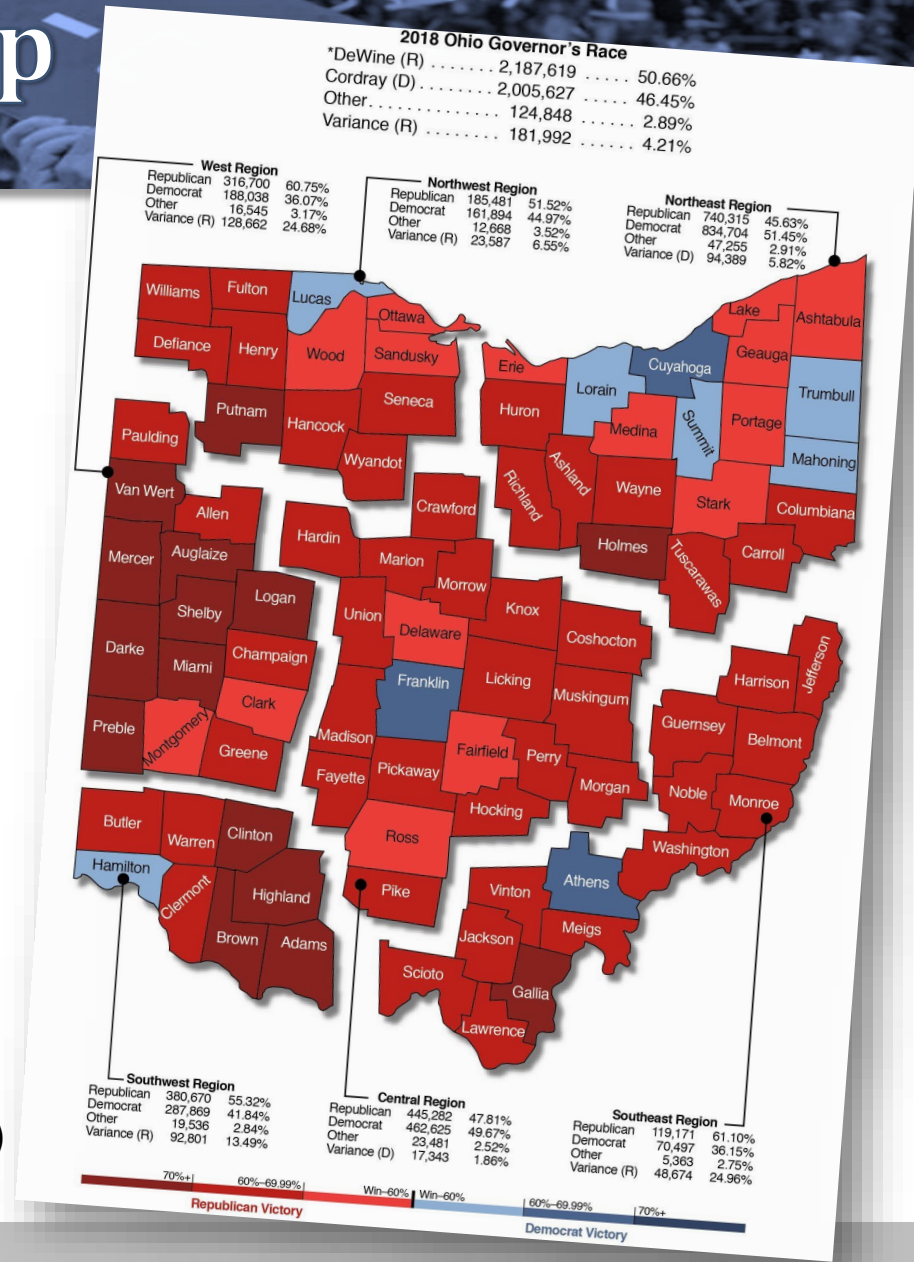
# 2018 Political Recap

## Statewide Election Roundup

Office	Winner	Party
Governor	Mike DeWine	R
Attorney General	Dave Yost	R
Auditor of State	Keith Faber	R
Secretary of State	Frank LaRose	R
Treasurer of State	Robert Sprague	R
US Senate	Sherrod Brown	D

## Statehouse Balance of Power

- GOP controls Ohio Senate (25-8)
- GOP controls Ohio House of Representatives (62-37)



# 2019-2020 Political Outlook

## *Political Environment Generally Positive*

- Ohio is on the “Right Track” – solid majority of Ohioans believe state is heading in right direction
- Governor DeWine entered office with a strong and supportive legislature
- 2019 or 2020 Ballot Issues:
  - Constitutional Protection Measures
  - Recreational Marijuana
- Ohio Presidential Candidates
  - Rep. Tim Ryan – Running
  - Sen. Sherrod Brown – Not Running
  - Former Gov. John Kasich – ???



*546 days before 2020 Presidential Election!*





# Closing Thought

***“The Government You Elect  
is the Government You Deserve”***

**- Thomas Jefferson**

***“While I have a deep and aiding faith in the United States of America and its extraordinary resilience and capabilities, we do not have a divine right to success. Our challenges are significant, and we should not assume they will take care of themselves. Let us all do what we can to strengthen our exceptional union.”***

**- Jamie Dimon, JPMorgan Chase**



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