



Pullins Responds to Blackwell Subpoena

Scott Pullins, attorney for the Ohio Taxpayers Association (OTA), answered a subpoena for the group's financial records from Secretary of State Ken Blackwell's office with a blizzard of objections and some angry words.

In a letter sent Thursday to Cassandra Hicks of the secretary of state's office, Pullins refused to comply with the demand for financial records by denying that the records (going back to the year 2000) are in the possession of OTA.

"Neither I, nor this office, nor any of our agents, have in our possession any accounting, banking, or any other financial records for the group known as the Ohio Taxpayers Association." Pullins contends that the group now known as OTA is a wholly separate legal entity from the group of that name that existed from 2000 until January of 2002.

Pullins also argued that the records are private and confidential, and are legally and constitutionally protected from public disclosure. Pullins accused the secretary of state of seeking the OTA records "to publicly disclose its membership ... in order to politically intimidate, harass, frighten and ultimately destroy the Ohio Taxpayers Association."

Furthermore, Pullins said, the secretary of state is exceeding his authority in seeking the records. The office has the authority to "investigate complaints concerning violations of Ohio's campaign finance laws," and since the OTA does not "engage in campaign finance activities" it is outside Blackwell's scope of authority. The Ohio Revised Code, Pullins wrote, "does not ... give authority to the secretary of state to investigate any entity for any reason."

The records sought, Pullins argued, are also outside the scope of the case under investigation. The OTA was not named in the original complaint filed by Sen. Greg DiDonato (D-New Philadelphia).

The subpoena also requested that the OTA "provide records of any and all financial records and documentation of donations and/or expenditures relative to the campaigning for, or against, any candidate for any state or local election since 2000."

Pullins responded that the OTA's nonprofit status forbids it from making expenditures for political campaigns, and the OTA PAC's records of contributions "are on file with the office of the Ohio Secretary of State."

In an underlined section of his response, Pullins castigated the secretary of state's office for a "lack of professionalism ... outrageous behavior ... and rude and condescending" office staff.

He said staffers have made "rude and unprofessional" public comments, have "refused to return my repeated phone calls" and have released subpoenas intended for Pullins and OTA to the Statehouse press corps before sending them to him.

Jobless Rate Climbs in August

Ohio's unemployment rate (seasonally adjusted) was 6.3 percent in August, up from the revised July figure of 6.0 percent, according to data released Friday by the Ohio Department of Job and Family Services. The July unemployment rate was initially announced at 5.9 percent, but was later revised upward based on more current data. Ohio's nonfarm wage and salary employment fell 11,800 over the month, from 5,378,400 in July 2004 to 5,366,600 in August.

"There was little change in the overall labor market in Ohio in August," said ODJFS Director Tom Hayes. "The statewide unemployment rate increased during the month largely because gains in employment that typically occur in August were not realized."

The number of workers unemployed in Ohio in August was 370,000, up from 354,000 in July. The

number of unemployed has increased by 10,000 over the past 12 months from 360,000. The August unemployment rate for Ohio was up from 6.1 percent in August 2003.

The U.S. unemployment rate for August was 5.4 percent, down from 5.5 percent in July.

Ohio's nonfarm payroll employment (seasonally adjusted) fell 11,800 over the month, from 5,378,400 in July 2004 to 5,366,600 in August 2004, according to the latest survey conducted by ODJFS.

Service-providing industries, at 4,300,800, fell 6,400 from July. Government dropped 3,400, while trade, transportation, and utilities declined 2,000. Other sectors with reduced employment were professional and business services (-1,000), educational and health services (-600), other services (-500), and information (-400). Leisure and hospitality advanced 800; financial activities added 700 jobs. Goods-producing industries decreased 5,400 to 1,065,800. Losses in manufacturing (-4,100) accounted for most of the decline. Also down were construction (-1,100) and natural resources and mining (-200).

Over the past 12 months, nonagricultural wage and salary employment dropped 37,300. Service-providing employment was down 21,800 due largely to declines of 13,600 in leisure and hospitality and 6,700 in trade, transportation, and utilities. Notable decreases were also seen in government (-4,000), information (-2,300), other services (-1,500), and professional and business services (-200). Gains occurred in educational and health services (+4,500) and financial activities (+2,000). Goods-producing industries fell 15,500 over the year. Manufacturing lost 13,500 jobs, while construction was down 2,200. Natural resources and mining rose 200 over the year.

Among the state's 88 counties, the August 2004 unadjusted unemployment rates ranged from a low of 3.0 percent in Holmes County to a high of 15.9 percent in Meigs County. Rates decreased in 58 of the counties. The comparable rate for Ohio in August was 5.8 percent.

Eleven counties had unemployment rates at or below 4.3 percent in August. The counties with the lowest rates, other than Holmes, were: Delaware and Union, 3.6; Geauga and Warren, 4.0; Butler, Logan, and Mercer, 4.1; Hancock, Pickaway, and Wayne, 4.3 percent.

Seven counties had unemployment rates at or above 9.0 percent during August. The counties with the highest rates, other than Meigs, were: Morgan, 15.8; Vinton, 11.3; Adams, 10.9; Jefferson, 9.5; Perry, 9.4; and Coshocton, 9.0 percent.

Policy Matters: Ohio Trailing Nation in New Job Creation

According to Policy Matters' JobWatch project, job figures released Friday show Ohio's sputtering recovery has produced fewer than 12,000 new jobs since the state's recent low point in employment last December.

"According to the latest seasonally adjusted payroll numbers issued September 17 by the Ohio Department of Job & Family Services, Ohio continues to trail the nation in generating new jobs. (See related story.)

"While the country has produced 1.7 million new jobs in the past year, a figure that is hardly robust, Ohio has lost 37,000 jobs during that time.

"Ohio had 224,800 fewer jobs in August than it did when the recession officially began in March 2001. That represents a decline of 4.0 percent. At this point after the early 1990s recession started, 76,700 jobs had been created in Ohio, an increase of 1.6 percent.

"Monthly data is later revised and must be treated with caution; the ODJFS adjusted its July count of non-farm wage and salary employment up, by 4,000. However, its report of a loss of 11,800 jobs in August continues the pattern cited by Ohio Office of Budget & Management (OBM) in its recent monthly financial report, which reviewed the numbers through July.

"So far this year, OBM noted, Ohio employment "has failed to increase for two months in a row.

"The August job loss wipes out nearly half the state's job gains since the beginning of the year, leaving an overall increase of just two-tenths of one percent in a labor force of more than five million. ([article continues](#))

"The agency also reported from a separate survey of households that the Ohio unemployment rate rose to 6.3 percent from 6.0 percent in July (the July number was revised upward from the 5.9 percent initially reported). The August increase was based on an increase in the number of unemployed and a decrease in employment. The following table by the Economic Policy Institute and Policy Matters Ohio puts the latest Ohio employment numbers in perspective:

"Since the recession officially ended in November 2001, Ohio has lost 119,400 jobs, a drop of 2.2 percent. At the comparable point after the early 1990s recession, the state had gained 164,100 jobs, a gain of 3.4 percent. The latest ODJFS employment report showed a decline in manufacturing jobs, which are only a few hundred above the all-time low reported in June. Overall, Ohio has lost 159,400 manufacturing jobs, or 16.2 percent of its total, since the recession began."

Blue Ribbon Members Examine Draft Proposals

Two committees of the Governor's Blue Ribbon Tax Force on Funding Student Success held the first in a series of joint meetings Friday to attempt to knit together the two groups' proposals for funding public K-12 education.

Members of the Funding for Success and Revenue and Taxation committees, in the first of four joint meetings, heard presentations of the two groups' proposals, (see related story) reacted to them and addressed unresolved issues.

Members of one committee critiqued the presentation of the other. Sen. C.J. Prentiss (D-Cleveland) and Richard Stoff urged the Task Force to take a more "holistic" approach to education reform, using the resources of departments other than education.

"We're deluding ourselves if we don't take a more holistic approach," Stoff said, as he urged the Task Force to go to line items in the Ohio Department of Job and Family Services and Department of Health budgets for funding.

Prentiss offered other suggestions including a reprioritization of the Funding for Success Committee's list of "additional building blocks." The committee had placed funding for community engagement ahead of funding for preschool or class-size reduction. Prentiss sought agreement on putting community engagement last and received it.

She further suggested that the committee's list of additional building blocks be included in foundation cost so that funding for the items would not "be at the whim of the Legislature." That suggestion will receive further discussion.

She also noted that the state's current school building and district report card system does a clumsy job of recognizing the fine work that many do, and because of these report cards, districts will be subject to state prescriptions for improvement under the committee recommendations. Prentiss said schools that are working hard and creatively to bring children along should be permitted to continue doing what they are doing.

Stoff suggested that the final report place more emphasis on the needs of high school students and address the problem of dropouts. He also suggested that the Task Force document emphasize math and science education.

Rep. Chuck Calvert (R-Medina) said the recommendations should include a trigger indicating when a high-poverty district reaches the desired academic target and is no longer eligible for the extra funding granted to high-poverty schools.

He also questioned whether the committee had any evidence that teachers need more professional development to teach children in poverty. Several other committee members mentioned that a plethora of national studies exists to back up this assertion.

Rep. Jim Hoops (R-Napoleon) asked whether the Revenue and Taxation Committee had investigated separating the property tax on residential and agricultural land. Dick Maxwell seconded him saying further

discussion on the topic is needed because the two "do not move in tandem." He added that separating them would require a constitutional amendment.

Prentiss asked whether the Revenue and Taxation Committee's plan would meet the requirements of the Ohio Supreme Court's DeRolph decisions. She questioned whether the final report should include a preface indicating "we are addressing the Court's concerns."

Revenue and Taxation Vice-Chairman Dan Navin said the committee had not attempted to "couch its recommendations within the dictates of DeRolph." Barb Shaner explained that the committee had attempted to draft a proposal that would meet the Court's directives in this sense, "A child cannot be penalized for where they live."

The committee members explained that the plan was intended to guarantee that every community that paid a uniform, minimum tax (22 mills) would be given enough money, by the state, to educate its children.

Blue Ribbon Committee Draft Proposals

The Funding for Success Committee recommended:

Building Blocks -

- The committee recommended replacing the outcomes-based model with an inputs-based (building blocks) approach. The advantages are: it allows for focus on successful practices; provides a common level of inputs across similar districts; and makes the policy discussion more meaningful.
- The foundational building blocks should be given reasonable inflationary increases so districts can be competitive with other professions and general operating needs can be met.
- In addition to the foundational building blocks, other blocks are necessary for children's academic success. These include, in priority funding order: data-based decision making; professional development; student intervention; community engagement; preschool; and class-size reduction.
- Additional building blocks should be linked to increases in the foundational blocks so that adequate growth is realized into the future.
- All recommended subsidies should be translated into what inputs districts could buy with the funding so that meaningful policy discussion can take place.
- Some of the building blocks should be provided for all students, some targeted to high-poverty districts and some for both.

Generalized Funding for All Students -

- Data-based decision making would allow districts to participate in student-level detail (DASL) and district-level achievement detail (Battelle for Kids).
- Professional development in data-based decision making would be provided for all principals and assistant principals and 20 percent of all teachers statewide.
- Seventy percent of teachers statewide would receive one day of general professional development.
- Funding to provide 25 hours of intervention for large groups (at least 20) of students.
- Data-based decision making should be used for a narrow list of tools to permit cross-district training and comparisons.
- Ongoing statewide professional development efforts in math and literacy should continue.
- The state should provide tools, such as a database of best educational practices for teachers, which will help school districts spend resources more effectively.

Poverty-Based Assistance -

- The committee's principal focus was to address the needs of children living in high-poverty districts. "Improving the academic performance of these children is the state's most pressing

educational need." The committee recommended the following specific subsidies to address these issues:

- General professional development subsidy for poverty. Poverty districts to receive up to one additional day of professional development for the majority of their teachers.
 - Intervention funding for poverty students. In addition to generalized intervention funding, 12 to 200 hours of intervention per medium to small group intervention for poverty students (Medium group, 10:1, Small group, 5:1).
 - Urban 21 program. Safety and security equipment and personnel and one community liaison or attendance person for every 1,000 children.
 - All-day kindergarten. Ability for qualifying districts to provide full-day instruction for all kindergarten students.
 - Class-size reduction. Ability for districts to reduce class sizes from 20 to 15 district-wide or concentrate efforts in high-poverty buildings.
 - Preschool.
- Any buildings benefiting from class-size reduction funding should be required to have class sizes reduced to 15:1.
 - Allocation methodologies for poverty should avoid cliffs whereby districts just meeting the threshold receive substantially more funding than those just below the threshold.
 - Consideration should be given to reallocating funds (e.g. the cost-of-doing-business factor) to support additional funding for districts with high concentrations of poverty after a hold-harmless guarantee. Subsidies that do not align with the committee's principles should be considered for reallocation.
 - The committee supports the use of the poverty indicator developed by the Legislation Office of Education Oversight for driving funding.
 - Consideration should be given to changing the definition of what constitutes class-size reduction to be less flexible so that smaller classes are realized. The Ohio School Facilities Commission's design manual specifications should align with any changes made to this definition.

Other Recommendations -

- The committee recommends continued use of Average Daily Membership (ADM) for base-cost funding, and a return to three-year averaging of enrollments for districts experiencing enrollment decline.
- The state should be less prescriptive in districts' use of state resources for those districts that are making satisfactory progress and more prescriptive in the use of state resources that are not.
- Any new school funding system needs to be phased in over some period of years, with appropriate funding guarantees during the transition.

The Revenue and Taxation Committee presented its proposal as well:

Approach to Real Property Taxes -

- Each district would have a 22-mill growing levy on real property.
- The 22-mill levy would replace 22 existing Class 1 and Class 2 operating mills, including emergency levies. If 22 mills are not in place, but there is a current-expense income tax, the 22 mills would replace all existing current expense property taxes plus 0.25 percent of the income tax. Districts with fewer than 22 operating mills would have their tax rates raised to 22 mills.
- Effective millage above 22 would remain in place, fully restricted by reduction factors with no floor.

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- Growth on the 22-mill levy would be restricted annually by a statewide uniform reduction in the millage rate.
- The percentage growth in the 22-mill levy should be tied to the percentage growth in base cost.
- Real property tax relief should be expanded beyond the current homestead exemption program.

Approach to the Charge-Off -

- The charge-off for real property would be 22 mills.
- The charge-off for tangible property would be the lesser of 40 mills or all current-expense tangible property taxes.
- The charge-off on real property would be reduced annually so that the charge-off moves in tandem with the tax rate on the growing levy, thus eliminating phantom revenue.

Approach to Tangible Property Taxes -

- The assessment rate on machinery and equipment tangible property would be cut in about half.
- The 10 percent rollback on commercial and industrial real property would be repealed to pay for the cost of the reduction on machinery and equipment.
- The Department of Taxation would work together with the business community to develop statutory definitions of patterns, jigs and dies.

Other Features -

- Smooth out the reappraisal cycle and move to either annual or biennial updates of values.
- Recognized value would be eliminated and gap aid may be able to be eliminated.
- New emergency levies could no longer be enacted. Existing ones could not be renewed as emergency levies; they could only be renewed as current-expense levies.
- Most or all current guarantees in the funding formula would be eliminated and replaced with a single transitional hold harmless that would be based on the changes to both the revenue and expenditure portions of school funding.
- A constitutional amendment would be necessary to implement the real property tax changes in this proposal.

Texas Judge to Speak at AG's Law Enforcement Conference

Texas Judge Ted Poe opens the 2004 Conference on Law Enforcement sponsored by Attorney General Jim Petro on Thursday, October 14. In addition, Homeland Security Secretary Tom Ridge has been asked to speak at the Thursday luncheon.

The conference runs both Thursday and Friday, October 14 and 15 at the Columbus Hyatt Regency Hotel. It also includes 30 workshops on a variety of law enforcement issues such as the following:

- Investigating Child Abuse.
- Public Records Update.
- Ohio's Concealed Carry Law.
- Drug Courts.
- Response to HAZMAT Incidents.
- Gangs.
- Dealing with the Mentally Ill.
- Amber Alert Update

Poe, a felony court judge, will open the conference speaking on the "creative justice" practices he has developed in sentencing criminals. His innovative punishments have included ordering thieves to carry signs in front of the stores they stole from; ordering sex offenders to place warning signs on their homes; and ordering murderers to securely place a photo of their victims on the walls of their prisons cells.

OHFA Sets Public Hearings on Housing Credit Plan

The Ohio Housing Finance Agency (OHFA) has two more public hearings set on its proposed 2005 Housing Credit Qualified Allocation Plan. Both hearings are to run 2 to 4 p.m. as follows:

Date	City	Location
Wed., Sept. 22	Cincinnati	Raymond Walters College 157 Muntz Hall 9555 Plainfield Rd.
Thurs., Sept. 23	Norton	Akron-Summit County Public Library Norton Branch 3930 S. Cleveland-Massillon Rd.

The draft plan is available on OHFA's website at www.homebuyerohio.com. Written comments will also be accepted through Wednesday, October 6 and should be sent to OHFA, 57 E. Main St., Columbus 43215-5135, Attn.: Kevin Clark.

Bills Effective

HB215 MEDICAL CLAIMS (SCHMIDT, J) To require medical claims against healthcare providers to be reviewed by a medical review panel prior to the claim proceeding in court. Effective 9/13/04

HB219 AIR BAGS (SCHLICHTER, J) To prohibit any person from installing in any motor vehicle any air bag other than one designed in accordance with and meeting federal law standards for the make, model, and model year of the vehicle. Effective 9/16/04

HB230 DEPARTMENT OF PUBLIC SAFETY (REINHARD, S) To revise and clarify the laws governing the Department of Safety, including the Bureau of Motor Vehicles and the State Highway Patrol, to make changes and corrections to the motor vehicle certificate of title law. Effective 9/16/04

HB252 PROSECUTING ATTORNEY REMOVAL (CATES, G) To regulate when motions to dismiss and motions for summary judgment may be filed in actions to remove a prosecuting attorney. Effective 9/16/04

HB278 OIL/GAS WELLS (NIEHAUS, T) To declare that the Division of Mineral Resources Management in the Department of Natural Resources has exclusive authority to regulate the permitting, location, and spacing of oil and gas wells in the state, and to revise the laws governing the drilling of oil and gas. Effective 9/16/04

HB392 ANATOMICAL GIFTS (WAGNER, J) To permit a declarant of a declaration or living will to make an anatomical gift in the declaration. Effective 9/16/04; Other Provisions 12/15/04

SB79 SCHOOL BOARD CANDIDATES (Stivers, S) To permit boards of education and governing boards of educational service centers to adopt, for the purpose of nominating candidates for those boards, a charter municipal corporation's procedures for nominating candidates, if that municipal corporation is located wholly or partially within the school district. Effective 9/16/04

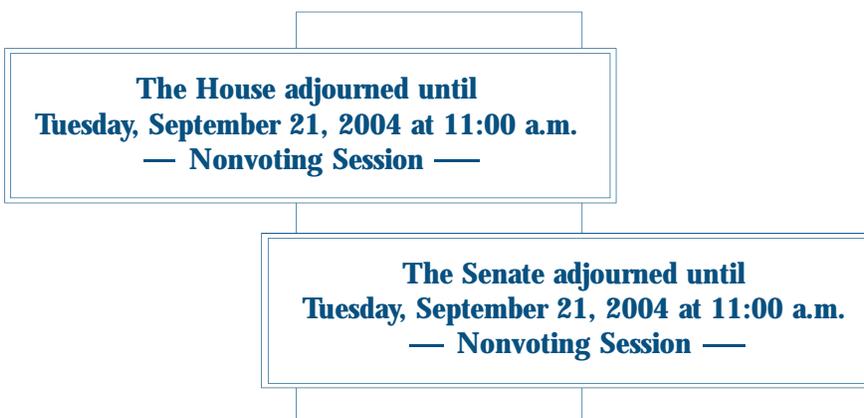
SB133 STATE RETIREMENT SYSTEMS (WACHTMANN, L) Modify the governance of the five state retirement systems. Effective 9/15/04; Some Sections Other Dates

SB179 CONTRACTORS LICENSES (NEIN, S) To provide for the licensure of backflow contractors and prefabricated fireplace contractors, to change the name of the Ohio Construction Industry Examining Board to the Ohio Construction Industry Licensing Board, and to make other changes related to that board. Effective 9/16/04

SB187 INDIVIDUAL DEFERRED ANNUITIES (NEIN, S) To adopt a new formula for determining the minimum nonforfeiture value of an individual deferred annuity, to require insurance companies to obtain the Superintendent of Insurance's approval prior to deferring the payment of a cash surrender benefit, and to prohibit the delivery or use of an annuity contract and its related endorsements for thirty days after the form of the contract or endorsement is filed with the Superintendent, unless earlier approved by the Superintendent. Effective 9/13/04; Certain Sections 9/13/06

Meeting Announcements

- The Ohio Board of Regents on Thursday, September 23 at Central State University.
- The Ohio Tax Credit Authority will meet at 10 a.m. on Monday, September 27, 31 st. Fl., Riffe Center, 77 S. High St., Columbus.



Week In Review

Friday - September 17, 2004



BUSINESS

- "I can think of no company that has a greater beneficial impact on Ohio than Honda," Gov. Bob Taft said as he honored the company's 25-year-long presence in Marysville. Taft said the Honda facility, which now employs 16,000 workers and has invested \$6.1 billion in its Ohio operations, is "an exemplary corporate citizen, supporting schools and other worthwhile community projects."
- With all 60 members of the upcoming trade mission to Japan and Taiwan present, Gov. Bob Taft and officials from the Ohio Department of Development gave an overview of the mission and reminded each member that they were ambassadors of Ohio and their job was to "sell, sell, and sell."

ECONOMY

- According to the Ohio Department of Job and Family Services, the composite index of leading economic indicators for Ohio decreased 0.4 percent in July to 96.6. The composite index had a decline in July similar to that of the last two years, anticipating falling employment during the winter. Initial claims for unemployment insurance increased, while the valuation of permits for new housing construction and the average workweek of production workers in manufacturing decreased in July.
- The U.S. Labor Department's Employment and Training Administration awarded \$18.6 million to 37 states (including Ohio), the District of Columbia and the Virgin Islands for unemployment insurance system improvements. The funds will make tax and wage reporting easier for employers, ensure employees get the benefits to which they are entitled, protect the security of information the states collect and prevent fraud and abuse.

EDUCATION

- The chances of young people in Ohio going to college are only fair when compared with top states, according to a national report card on higher education released by the independent, nonpartisan National Center for Public Policy and Higher Education. In addition, Ohio's performance is mediocre in preparing students for college, and the state has lost ground in making college affordable for students and families.
- Support for early education programs is on the rise in 15 states that increased funding for preschool programs by \$205 million according to a new legislative report released by The Trust for Early Education, a project of The Pew Charitable Trusts and other funders.
- Ohioans believe that education is essential to a democratic society and a healthy economy and want it to be the state's top spending priority, according to results of the statewide Ohio's Education Matters Poll.

ELECTIONS

- The Ohio Chamber of Commerce announced that Citizens for a Strong Ohio, an issue advocacy group, began running statewide radio advertisements related to the Ohio Supreme Court. Their press release said the ads are of "an educational nature."
- Both political parties are promoting the use of absentee balloting in this November's general election as a way to secure votes early in the hotly contested presidential race, but a patchwork of laws in the states and the extent to which political operatives are involved, has some election officials worried, except for Ohio, where they say they have "never seen widespread vote fraud or abuse," perhaps because "election fraud in Ohio is a 5th degree felony." (elections continues)

- Andrew B. Clubok, an attorney representing individuals who are protesting signatures on petitions to place Ralph Nader on the Ohio election ballot, said that the Nader campaign has committed the "most systematic and widespread fraud this state has ever seen."
- The Ohio Ethics Commission is reminding all candidates for any city or county elected office in the November 2 election that the deadline for filing a personal financial disclosure statement is Monday, October 4.
- Secretary of State J. Kenneth Blackwell, who conducted two public meetings recently offering citizens an opportunity to comment on to-be-developed standards for Voter Verified Paper Audit Trails came under fire from some witnesses and a state senator for not doing enough to ensure the safety of voting when electronic voting machines become operational in 2005, as required by **HB262**.

ENERGY, ENVIRONMENT AND UTILITIES

- A public comment period on some controversial proposed Ohio EPA rules has been extended until October 13, after environmental groups applied pressure for the extension. The comment period was to have ended Sunday, September 12. Environmentalists contend that the new rules "significantly roll back the agency's regulation of air pollution sources" and that the rules were "drafted over the past two years by a coalition of industry and manufacturing groups."
- Janine Migden-Ostrander, Ohio Consumers' Counsel, told the Public Utilities Commission of Ohio that her office would continue to press for a rehearing of FirstEnergy's rate stabilization plan, a plan she described as severely flawed. The PUCO, while not rejecting requests by the OCC and other interested parties to rehear the plan, decided to postpone a decision on it.
- The Ohio Consumers' Counsel said that an obscure telecommunications concept is being used to justify increased rates for common telephone services charged to consumers who have no choice of local phone providers. Elective alternative regulation allows local telephone companies to raise rates for commonly used features while agreeing to cap the rates of basic local service.
- Amtrak is having an impact in Ohio far beyond the number of people who ride it. An estimated \$10 million is spent by the nation's rail passenger carrier in Ohio each year and that's a direct and positive economic benefit for the state's companies.
A plan by the Ohio Rail Development Commission to refinance the debt on a state-owned line has fallen through, according to commission staff who reported to the full body during a recent meeting that there would be no cost savings for the commission or the state if they refinanced the line.

HEALTH AND HUMAN SERVICES

- The federal Centers for Medicare and Medicaid Services (CMS) will hold a free, all-day seminar on the "Next Wave of HIPAA Regulations" on Monday, September 27 in Ohio at the Quest Conference Centers.
- "Hard choices" and "political will" were recurring themes at a meeting of the Ohio Commission to Reform Medicaid (OCRM) in Cleveland as members discussed the findings and preliminary recommendations from the three subcommittees. In many areas, the subcommittees have discovered that there is significant room for improvement in current Medicaid programs when compared with how other states are doing. However, many of those changes would require legislative support --support that has not been there in the past when the governor has suggested similar approaches.
- "Catastrophic for all other state programs ... If Medicaid spending continues to outpace state revenue growth, it will have a devastating impact on other areas of state spending. It will even force an absolute decline in state aid for education." That's how Gov. Bob Taft characterized the impact of the continuing "explosive growth" in the state's Medicaid budget reform Medicaid."

(health & human services continues)

- The Ohio Department of Job and Family Services announced that it was closing enrollment for the state's Disability Medical Assistance program effective immediately -- a surprise, given the program was reopened just two months ago.

JUSTICE AND THE COURTS

- The 2004 Ohio Supreme Court Candidate Voter Guide is ready, highlighting the fact that Ohio's status as a presidential battleground state is overshadowing the fact that four Court seats are in play in this year's general election on November 2.
- A federal district judge issued a preliminary injunction prohibiting the Ohio Supreme Court's disciplinary counsel from enforcing portions of its judicial canons on the basis that they are likely to be found unconstitutional. The case involved Judge William O'Neill who is running for Supreme Court justice.
- The Ohio Supreme Court heard oral arguments in the case of All Kelley & Ferraro Asbestos Cases. The case involves a settlement agreement between approximately 15,000 personal injury plaintiffs represented by the law firm of Kelley & Ferraro and the Center for Claims Resolution, a consortium of 21 current and former asbestos producers and distributors set up to defend or settle asbestos injury cases.

LEGISLATION AND LEGISLATORS

- Rep. Charlie Wilson (D-St. Clairsville), who appears likely to become the next senator for the 30th Senate District, believes elected public officials from Appalachia must concentrate on economic development to surmount the 29-county region's historic poverty and lack of education. Wilson said the Appalachian Delegation, a loose-knit, informal coalition of public officials, must be a voice for the area.
- The House Ways & Means Committee reported out **HB407**-Gibbs that will create an exclusion from the Streamlined Sales Tax Project for small businesses that have less than \$5 million in gross receipts and that do not have a "fiscal presence," defined as an employee or other physical assets, in another state. Former Senate President Richard Finan said a bill that creates a small business exclusion from the streamlined sales tax project (SSTP) will give Ohio a "black eye" with other members of the project and may cause Ohio to drop out of the project, unless the bill isn't rewritten.
- The Ohio Manufacturers' Association applauded Sen. Kirk Schuring (R-Canton) for introducing **SB265**, which seeks to develop an energy policy for the state of Ohio.
- Sen. Marc Dann (D-Liberty Township) has asked the Ohio Ethics Commission to investigate Gov. Bob Taft's former chief of staff, Brian Hicks, regarding his lobbying activities since he left Taft and started his own firm in 2003.
- As a supporter of a plan to put a proposal for universal health care before the General Assembly, Sen. Hagan responded to one of his critics, by saying, "The Ohio State Medical Association has had time to fix the health care crisis in Ohio but they haven't and won't because they clearly care more about the bottom-line of the insurance industry than the health and well-being of Ohioans."

PEOPLE

- Hamilton County Prosecutor Mike Allen has taken his name off the ballot for Hamilton County prosecutor and State Treasurer Joe Deters has filed for the position as a write-in candidate.
- The chairman of the National Governors' Association (NGA), Virginia Gov. Mark Warner, has named Gov. Bob Taft to a task force that will attempt a redesign of the nation's high schools. The task force will be comprised of Gov. Mike Huckabee of Arkansas, Gov. John Baldacci of Maine, Taft and Warner.
- Ann Husted will join Hicks Partners, LLC, as vice president for public relations in October. Husted currently serves as Gov. Bob Taft's communications director.
- The former secretary of the Henry County Agricultural Society stole more than \$18,000 from the society for her own personal use said an audit report released this week by Auditor of State Betty Montgomery.

(people continues)

- Although he became a member of the State Teachers Retirement System at the start of September, John Lazares, one of the two new members of the STRS board was officially sworn in, with the assistance of former Senate President Richard Finan, Sen. Robert Schuler and Rep. Michelle Schneider.
- Chuck Gossett, 53, president of the Ohio Association of School Business Officials and treasurer and chief financial officer of West Clermont Local Schools, died recently as the result of a brain tumor diagnosed in July.

STATEWIDE OFFICES AND AGENCIES

- Richland County appears to be weathering the economic downturn better than similar-sized counties in Ohio, as assessment contained in a new performance management report released by Auditor of State Betty Montgomery. The report is the first of seven being conducted by Montgomery's office as part of the ground-breaking Performance Management Project.
- Gov. Bob Taft announced that disaster assistance is available through the Ohio Department of Job and Family Services for victims of the recent floods and severe weather in nine additional counties: Belmont, Guernsey, Harrison, Jefferson, Morgan, Muskingum, Noble, Perry, and Tuscarawas. Victims in Columbiana County were declared eligible for assistance August 31. Gov. Bob Taft declared a State of Emergency in four additional counties: Carroll, Monroe, Stark and Trumbull counties. Residents of these counties are now eligible for state assistance in the wake of extensive damage from heavy rains and flooding on September 8 and 9.
- The Multi-Agency Radio Communication System again came under intense questioning from members of the Controlling Board who sought answers from representatives of the Department of Administrative Services about how much the system would eventually cost, and whether local participants who are not a part of it now would or could afford to be part of it in the future.
- Under a settlement reached between the state and a prisoner advocate group, the Ohio Department of Rehabilitation and Correction and the Adult Parole Authority will be responsible for informing all released felons, including those still under some form of supervision, of their right to vote.
- The William Howard Taft hearing room was dedicated on the former Ohio president's 147th birthday. The ceremony, which celebrated the Taft family's contribution to Ohio politics was lighthearted in tone, thanks to Gov. Bob Taft's stories of his larger than life great-grandfather.
- Auditor of State Betty Montgomery placed the village of West Elkton (Preble County) in fiscal emergency. A fiscal analysis was completed by Montgomery's Local Government Services Section at the request of Mayor Charles Pennington.

STUDIES AND REPORTS

- Employer-sponsored health insurance premiums increased an average of 11.2 percent in 2004 according to the Annual Employer Health Benefits Survey by the Kaiser Family Foundation and Health Research and Educational Trust. While less than last year's 13.9 percent increase, it is still the fourth consecutive year of double-digit growth. The premium increases also outpaced increases of both inflation (2.3 percent) and workers' earnings (2.2 percent) by about five times.
- Sport utility vehicle (SUV) registrations in Ohio increased 85 percent between 1997 and 2002, the U.S. Census Bureau reported. SUV registrations jumped from 476,900 in 1997 to 881,700 in 2002.