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# STATEHOUSE REPORT

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**January 30, 2015**

## **Governor announces new county human services program**

This week, the Kasich Administration announced [major tenets](#) of the SFY16/17 budget proposal, with an emphasis on programmatic and policy shifts intended to “focus on people, not programs, to help Ohioans move up and out of poverty”.

The proposal is intended to move toward a more coordinated case management system for those eligible for Temporary Assistance for Needy Families (TANF) and Workforce Investment and Opportunity Act (WIOA) services. As stated by ODJFS, “this will involve combining TANF and WIOA funding, breaking down silos, and tailoring each individual’s services to his or her specific needs. The goal is to begin serving 16- to 24-year-olds with this model by the end of 2015. Later, by July 2016, it will be expanded to all eligible individuals.”

As stated by the Governor in remarks made yesterday to the Ohio Association of Community Action Agencies, “We’re going to tell the commissioners that you are going to designate a lead agency and someone will be in charge of coordinating everything that involves the person who is in need.”

Under the proposal, the designated agency would, in addition to coordinating multiple programs for individuals, serve as the fiscal agent for streamlined Temporary Assistance for Needy Families (TANF) and Workforce Innovation and Opportunity Act (WIOA) funds.

While details of the proposal have yet to be released, the intent of the Administration is to begin the focus on coordinated, person-centric case management.

The Governor’s public unveiling of the proposal also included mention of to-be-developed performance measures which will measure the efficacy of such programming, and in regard to any counties who do not meet expected measures or get on board with the programming, he said:

“We are going to take every dime of TANF money out of that county and give it to a county that wants to do it or we will privatize those services or we will take it at the state level because we are going to fix this system.” (Gongwer News Service also included mention of counties facing the loss of WIOA allocations under the proposal.)

In the same appearance, the Governor announced expanding public subsidies for child care from 200% of the federal poverty level (FPL) to 300%.

More details on the proposal are slated to be released Monday. While the tone of the Governor's introductory comments as it related to counties and social services was surprising given the positive briefing CCAO received the day prior to the public announcement, we will continue work with the Administration, legislature, and partner associations in ensuring the best possible outcomes for the individuals in our communities being served - which includes ensuring counties have the capacity, flexibility and resources to be truly responsive while meeting federal and state program and fiscal requirements.

In addition, the Governor's SFY 16/17 budget proposal calls for an overall tax reform package with a net cut of \$500 million over two years. Specifically, the proposal calls for the following:

- Elimination of income tax from small businesses -- pass through entities such as sole proprietorships and S-corp. companies that report income on the owners' individual tax returns.
- Increasing the personal exemption for Ohioans earning less than \$40,000 a year from \$2,200 to \$4,000 in 2015.
- Increasing the personal exemption for Ohioans earning \$40,000 to \$80,000 a year from \$1,950 to \$2,850.

More details on the Governor's budget SFY 16/17 budget proposal will be available Monday, February 2. In addition, individuals can sign up on the Governor's web site to receive email notification of newly released reports at <http://www.blueprint.ohio.gov/>.

Also, the Ohio House Finance Committee announced its proposed hearing schedule for the state budget bill, and you can [access it here](#).

In the meantime, for information about the proposed new county human services program, please contact CCAO Staffer Laura Abu-Absi at (614) 220-7996 or [labu-absi@ccao.org](mailto:labu-absi@ccao.org).

## **Kasich asks general assembly to convene in Clinton County for annual state of the state address**

In his annual letter to the General Assembly requesting a joint session for his State of the State address, Governor John R. Kasich once again asked legislative leaders to take state government on the road, this time to Wilmington on Tuesday, February 24.



"The story of Wilmington is, in many ways, the story of Ohio. Hit with hard times and an unemployment rate of 14.4 percent just four years ago, the people of Wilmington and Clinton County came together and persevered, attracting new business, growing their economy and reducing unemployment to just 5.8 percent today. The governor is excited to highlight their story and recognize his partnership with the General Assembly by travelling to the district of the new Speaker of the House Cliff Rosenberger," said Rob Nichols, the governor's press secretary.

Since coming into office in 2011, Kasich has broken with the practice of previous governors by

taking the State of the State address out of the Statehouse and to communities across Ohio, with previous addresses being given in Steubenville, Lima and Medina.

## **Caucuses beginning to put forth their priorities for the 131<sup>st</sup> General Assembly**

### **Senate Republicans –**

The Senate Republican Majority held a news conference this week to present their priorities for the new legislative session. Topping the list is a call for state colleges and universities to find ways to become more efficient and reduce operating costs in order to decrease students' costs. Senate [President Keith Faber](#) (R-Celina) indicated that his caucus is for working on a plan that would require the state's higher education institutions to reduce their students' overall costs, including tuition, fees and other expenses, by 5% over the next biennium. "Higher education is rapidly pricing itself out of the marketplace for average Ohioans. We've got to stop that trend," Faber said.

In an effort to contain the state's prison system costs, President Faber said the caucus plans to push for legislation requiring the Department of Rehabilitation and Correction to convert an existing prison into a special facility to deal with the overwhelming number of inmates with substance abuse problems. The idea for the drug prison came from discussions with Ohio Supreme Court Chief Justice Maureen O'Connor, the Senate president said. Faber noted that, "It's time to develop a drug facility where inmates can get appropriate treatment and hopefully come out with an opportunity to lead a clean and healthy life."

Key issues covered during the news conference included:

**Toxic Algae:** The Senate is also planning quick action on toxic algal blooms. [Sen. Randy Gardner](#) (R-Bowling Green) said he believes the General Assembly could pass legislation next month that is similar to provisions in HB 490 which was considered last session. The Senate Agriculture Committee will hold two hearings on the measure next week which Gardener noted to be an enhanced version of last year's bill so that much of the bill's provisions have already vetted.

**Education:** The Senate will pursue "deregulation" legislation to grant more flexibility for high-performing school districts to deviate from state-imposed rules on things like testing and teacher licensure and a proposal to limit student testing time. Education Committee Chairwoman [Sen. Peggy Lehner](#) (R-Kettering) said the Senate will take due and deliberate consideration on legislation to improve accountability for charter schools with the goal of helping high performing charter schools expand while improving or shutting down problem schools.

**Medicaid:** Taking a tack similar to the House Republicans, the Senate will focus on containing costs and making the Medicaid system become sustainable into the future. "Medicaid has been expanded in Ohio and so now the question is: 'What do you do about it?'" Faber said. "The Senate has been focused on making sure that it's effective, efficient and sustainable."

**State Government Efficiency:** While the Sunset Review Committee is to meet this session to review the hundreds of boards and commissions in the state, the Senate will seek to have a

broader assessment of state government. "We're going to expand that evaluation to look at all state agencies. Look, we got 23 cabinet officers in this state. Most of us believe that that's probably too many. It's time for us to look at streamlining the effectiveness and efficiency of state government just like we've asked our local government partners to do as well," Faber said.

**Workforce Training:** The Senate wants to coordinate workforce development for welfare recipients to align training with job opportunities. The chamber will also work to expand the Workforce Development Revolving Loan Fund created last year and create tax credits designed to keep STEM graduates in Ohio.

Other top issues the Senate Republicans intend to consider include:

- Proposing a constitutional amendment to authorize an elected official pay raise commission.
- Allowing first responders suffering from PTSD to receive workers' compensation.
- Providing benefits for volunteer police officers killed in the line of duty.
- Increasing the statute of limitations for rape cases.
- Requiring GPS tracking devices for violent sexual predators.
- Deliberating on further revisions of the clean energy law through the Energy Mandates Study Committee.
- Increasing the college savings credit.
- Curbing the infant mortality rate.
- Aligning veterans' benefits with other social services.
- Authorizing unemployment compensation for military spouses.
- Regulating powdered caffeine.

### **House Republicans –**

A higher education workforce grant program, charter school overhaul proposal and new business fee cuts were among priority initiatives laid out this week by the majority House Republicans. The caucus will focus on four policy "pillars": energy, education, competitiveness and health care. Speaker Rosenberger (R-Clarksville) said that focusing on the four policy areas will help keep Ohio strong and feed into the caucus's long-term vision, which he dubbed "Ohio 2020."

While acknowledging that House Republicans will work with the Senate and the governor's administration, the speaker said the chamber "is an institution that will lead on its own and have an agenda to push forward for the right things to put Ohio on the right path." Saying that all members' bills will be priorities, Speaker Cliff Rosenberger (R-Clarksville) said the caucus must focus on how the legislature can continue to sustain the state and help Ohioans achieve mobility. He added that the caucus will also work on helping the minority community and empowering women.

Key issues covered during the news conference included:

**Competitiveness:** House Finance Committee Chairman Rep. Ryan Smith (R-Bidwell) said the caucus will look at tax issues, transportation and infrastructure and other areas in which Ohio can improve its competitiveness - especially in terms of economic development. To help improve entrepreneurship in the state, he said, Republicans will seek to lower the new business filing fee collected by the secretary of state's office from \$125 to \$99. Secretary of State Jon Husted lauded the proposal (HB 3), calling it "a success dividend", noting that similar fees can

be as high as \$500 in other states. The caucus will also look at revising OhioMeansJobs and is working with the administration to identify ways in which the website's functionality can be improved to better connect employers with job seekers. House Republicans are further working to identify areas of the Ohio Business Gateway that can be enhanced and streamlined, particularly in terms of current redundancies, he said.

**Education:** Rep. Ron Amstutz (R-Wooster), speaker pro tem, said the caucus will examine how the private sector can work with the education community to examine how to make that partnership work more effectively. House Republicans have prioritized legislation (HB 1) which would create the Ohio Higher Education Workforce Grant Program to match students with in-demand jobs in the state and (HB 2 which would overhaul charter schools in the state.

**Energy:** Rep. David Hall (R-Millersburg) said the caucus will look at how Ohio can ensure it provides reliable, affordable and safe energy. House Republicans intend to introduce bills dealing with technology, regulations and issues that surfaced in the last General Assembly - particularly in regards to provisions of HB 490 from last session. House Republicans will also look at the ad valorem tax, which is assessed on oil and gas reserves beneath landowners' producing properties. The caucus also remains committed to improving water quality and looking at ways to reduce toxic algal blooms in Lake Erie and will use feedback gathered through hearings held outside of Columbus by the House Agriculture & Rural Development Committee hearings to craft legislation.

**Health Care:** Rep. Barbara Sears (R-Sylvania) said "it's critically important" that the legislature examine how it can improve access to coverage within Medicaid and the workers' compensation systems, as well as to private insurance policies. Ohio wants to ensure that it's creating policies and an atmosphere that allow creativity and innovation to come to the state, Rep. Sears said. As such, lawmakers should gear policies towards having measurable outcomes so the state can know taxpayer money is used effectively. House Republicans intend to work with public and private partners to remove "silos" and instead create "cylinders of excellence," she said. The caucus will also continue to look at ways to encourage Ohioans to move off the Medicaid program.

Other focus areas will include: infant mortality; unemployment insurance; the workers' compensation program; and combating the state's opiate epidemic through legislation (HB 4) that would modify Naloxone protocols so that the heroin antidote can be more easily available.

## **House Democrats -**

Democrats on the House Finance & Appropriations Committee held a news conference this week to promote their priorities for the next biennial budget. Rep. Denise Driehaus (D-Cincinnati), ranking minority member of the Finance Committee, said Democrats are hopeful Gov. Kasich won't try again to fund another income tax cut by hiking the "very regressive" sales tax. "We are hopeful that we don't see more reductions to the income tax, which tends to favor the wealthiest amongst us," she said. While Republicans believe the transition to consumption-based taxation will ultimately improve the state's economy, Democrats say it is increasingly costing lower- and middle-class Ohioans more of their pay.

**Tax Policy:** Noting that the state's budgetary outlook is quite positive, with tax revenues flowing in at a healthy rate, Rep. Jack Cera (D-Bellaire) indicated there is no need to rush to alter our tax structure in Ohio when it seems to be working pretty well. Cera said. "We should be making taxes fair again so middle class families can take home more and spend less sending their kids

to school or fixing the minivan.” The Democrats suggested that Ohio's tax shifting has been nothing but a shell game where untargeted tax cuts increase other taxes, like the sales tax, property taxes at the local level, and taxes on Ohio businesses, like the CAT tax." Rep. Alicia Reece (D-Cincinnati) said Republicans' "trickle down taxation" scheme has afflicted local governments, which have lost nearly half a billion dollars in cuts to the Local Government Fund. "That pain at home has been real," she said.

**Health care:** The committee members also discussed the importance of extending health care coverage to the uninsured. Covering the uninsured allows working class Ohioans to focus on their families and their education that could help lead to better jobs, Rep. Nickie Antonio (D-Lakewood) said, claiming that, "Families would be devastated and countless tax dollars would be wasted if these families suddenly found themselves without access to health care."

**Education:** Rep. Dan Ramos (D-Lorain) said the House Democrats will focus on ways to reduce college tuition costs and improve K-12 funding. According to Ramos college tuition has outpaced inflation by more than 1,000% since the late 1970s and the cost has increasingly transitioned from the state to students and their families. In addition, policymakers have not complied with Ohio Supreme Court rulings that found the school funding system was overly dependent on property taxes for funding K-12 education and instead have shifted responsibility to pay for school on the local taxpayer by eliminating the state's 12.5% property tax rollback for new and replacement school levies.

Although the smallest minority in recent history, Democrat House members desire to work with Republicans to advance some of their priorities and are hopeful that they can influence the outcome of the budget.

## Both legislative chambers have made toxic algae a priority

The House and the Senate have indicated that they will introduce legislation to curb toxic algal blooms. The House Agriculture Committee, Chaired by [Rep. Brian Hill](#) (R-Zanesville), held its first hearing this Thursday in Van Wert with water quality as its only agenda item.

The hearing allowed members to hear testimony from farmers and industry leaders who might be affected by water quality legislation. The committee met at Cooper Farms, a major farm and food supplier located in the Committee's Vice Chairman [Rep. Tony Burkley](#) (R-Paulding) district. The House committee has scheduled an additional water quality hearing in Sylvania on Feb. 12.

Representatives [Jim Buchy](#) (R-Greenville) and [Dave Hall](#) (R-Millersburg) have been tapped as lead sponsors on soon to be introduced legislation. Rep. Buchy indicated at the hearing that HB 490 would be the starting point for any new legislation, but some of the provisions could change. HB 490, the Agriculture MBR (130<sup>th</sup> General Assembly), passed the House but stalled in the Senate late last year.



L-R; Rep Andy Thompson, Rep Tony Burkley, Chairman Brian Hill, Legislative Aide Brandon Ogden, Rep Jim Buchy and Rep John Patterson



In an interview with Gongwer News, Rep. Hall said that he believes the MBR amendments that sought to prohibit spreading livestock manure and fertilizer on frozen ground in the Western Lake Erie Basin are still "workable," although the proposal could see some tweaks. Other provisions of the MBR that could be included in the legislation would impose new regulations on dumping dredging material in the lake and its tributaries and require wastewater treatment facilities to monitor the levels of phosphorous they discharge into the water.

The Senate will begin its work on water quality next Tuesday when the Senate Agriculture Committee will hold an informal hearing on the "Clean Lake Erie" bill. [Sen. Bob Peterson](#) (R-Sabina) and [Sen. Randy Gardner](#) (R-Bowling Green) will be the sponsors.

For additional information on water quality please contact CCAO staffer Brian Mead at [bmead@ccao.org](mailto:bmead@ccao.org) or 614-220-7982.

## Bills Introduced

[HB 1](#)      **WORKFORCE GRANTS** ([Schuring, K.](#), [Manning, N.](#)) To establish the Workforce Grant Program, to authorize an income tax credit equal to 25% of the student loan payments a grant recipient makes per year, and to make an appropriation. Am. 5747.98 and to enact sections 3333.92 and 5747.78

[HB 4](#)      **OVERDOSE DRUGS** ([Sprague, R.](#), [Rezabek, J.](#)) Regarding authority to furnish or dispense naloxone to a person who may be at risk of an opioid overdose or a person who may be in a position to assist a person who is at risk. Am. 2925.61, 4729.29, and 4731.94 and to enact sections 4729.44 and 4731.941

[HB 5](#)      **BUSINESS CASE STUDIES** ([Kunze, S.](#), [Koehler, K.](#)) To allow the Auditor of State to conduct business case studies regarding the efficiency of local public offices and state agencies, to authorize the Auditor of State to establish a shared equipment service agreement program among political subdivisions, and to specify that a political subdivision that uses the loaned equipment has potential liability for its use under the Political Subdivision Tort Liability Law. Am. 117.47 and to enact sections 117.473, 117.48, and 2744.11

[HB 6](#)      **SEX OFFENSES** ([LaTourette, S.](#), [Kunze, S.](#)) To extend the period of limitations for commencing a rape or sexual battery prosecution against a person who is implicated in the offense by DNA analysis. Am. 2901.13

[HB 8](#)      **OIL & GAS LAW** ([Hagan, C.](#), [Ginter, T.](#)) To revise provisions in the Oil and Gas Law governing unit operation, including requiring unit operation of land for which the Department of Transportation owns the mineral rights, and to specify that the discounted cash flow formula used to value certain producing oil and gas reserves for property tax purposes is the only method for valuing all oil and gas reserves. Am. 1509.28 and 5713.051

[HB 9](#)      **TAX EXPENDITURES** ([Boose, T.](#)) To create a Tax Expenditure Review Committee for the purpose of periodically reviewing existing and proposed tax expenditures. Am. 5703.95

[HB 11](#)     **DELAWARE COURT** ([Brenner, A.](#), [Ruhl, M.](#)) To create a domestic relations division of the Delaware County Court of Common Pleas and to create a judgeship for that division. Am. 2151.07, 2301.02, and 2301.03

[HB 12](#)     **TIF CREATION** ([Butler, J.](#), [Burkley, T.](#)) To establish a procedure by which political subdivisions proposing a tax increment financing (TIF) incentive district are required to

provide notice to the record owner of each parcel within the proposed incentive district before creating the district, and to permit such owners, under specific conditions, to exclude their parcels from the incentive district by submitting a written response. Am. 5709.40, 5709.73, 5709.77, 5709.78, and 5709.911

**HB 13** **PUBLIC SAFETY REVENUES** (**Butler, J., Burkley, T.**) To require reimbursement of police and fire levy revenue foregone because of the creation of a tax increment financing incentive district. Am. 5709.40, 5709.73, and 5709.78

**HB 16** **IMITATION FIREARMS** (**Reece, A.**) To regulate the commercial sale, modification, and public display of imitation firearms and the disguising of a firearm as an imitation firearm. En. 2923.51 to 2923.55

**HB 17** **VOLUNTEER IMMUNITY** (**Blessing, L., Landis, A.**) To provide civil immunity for architects, contactors, engineers, surveyors, and tradespersons providing volunteer services during a declared emergency. Am. 2305.2310

**HB 18** **FLAG DISPLAY** (**Gonzales, A., Ginter, T.**) To prohibit manufactured homes park operators, condominium associations, neighborhood associations, and landlords from restricting the display of blue star banners, gold star banners, and other service flags, and to prohibit manufactured homes park operators and landlords from restricting the display of the United States flag. Am. 5301.072 and 5311.191 and to enact sections 4781.401 and 5321.131

**HB 19** **TAX LAWS** (**Scherer, G.**) To expressly incorporate changes in the Internal Revenue Code since March 22, 2013 into Ohio law and to declare an emergency. Am. 5701.11

**HB 20** **HANDGUN LICENSES** (**Gonzales, A., Koehler, K.**) To expand and clarify the authority of a concealed handgun licensee to possess a handgun in a school safety zone. Am. 2923.122

**HB 23** **TAX LAWS** (**Amstutz, R.**) To use one-half of any income from oil and gas leases on state land to fund temporary income tax reductions, to modify the law governing the use of new Ohio use tax collections from remote sellers for income tax reductions, and to require the Director of Budget and Management to recommend whether or not income tax rates should be permanently reduced after the Director certifies a temporary rate reduction resulting from the accrual of money in the Income Tax Reduction Fund. Am. 131.44, 1509.73, 5741.01, 5741.03, and 5741.032

**HB 24** **ADULT PROTECTIVE SERVICES** (**Retherford, W., Dovilla, M.**) To revise the laws governing the provision of adult protective services. Am. 173.501, 173.521, 173.542, 2317.54, 4715.36, 5101.60, 5101.61, 5101.611, 5101.62 to 5101.64, 5101.66 to 5101.71, 5101.99, 5123.61, and 5126.31; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 5101.61 (5101.63), 5101.611 (5101.64), 5101.62 (5101.65), 5101.63 (5101.651), 5101.64 (5101.66), 5101.65 (5101.68), 5101.66 (5101.681), 5101.67 (5101.682), 5101.68 (5101.69), 5101.69 (5101.70), 5101.70 (5101.71), 5101.71 (5101.61), and 5101.72 (5101.611); and to enact new section 5101.62 and sections 5101.631, 5101.632, 5101.701, 5101.702, 5101.74, and 5101.741

## Hearing Schedule

### Tuesday, February 3

**House Finance & Appropriations**, (Chr. **Smith, R.**, 466-1366), Rm. 313, 9:00 am

- Budget presentation from Director Keen, Office of Budget and Management
- Testimony by the Legislative Service Commission



**Senate Agriculture**, (Chr. **Hite, C.**, 466-8150), South Hearing Rm., 10:00 am

- Informal hearing - sponsor testimony - on "Clean Lake Erie" bill to be introduced by Sens. Gardner & Peterson

**House Financial Institutions, Housing & Urban Development**, (Chr. **Terhar, L.**, 466-8258), Rm. 122, 11:00 am

- Adoption of Rules
- Presentation by Ohio Housing Council
- Presentation by Ohio Home Builders Association
- Presentation by Ohio Housing Finance Agency

**House Ways & Means**, (Chr. **McClain, J.**, 644-6265), Rm. 121, 1:30 pm

**HB 19** **TAX LAWS (Scherer, G.)** To expressly incorporate changes in the Internal Revenue Code since March 22, 2013 into Ohio law and to declare an emergency. **--1st Hearing-Sponsor & proponent**

## Wednesday, February 4

**Senate Agriculture**, (Chr. **Hite, C.**, 466-8150), South Hearing Rm., 9:00 am

- Informal hearing - proponent & opponent testimony - on "Clean Lake Erie" bill to be introduced by Sens. Gardner & Peterson

**House Finance & Appropriations**, (Chr. **Smith, R.**, 466-1366), Rm. 313, 9:00 am

- Testimony by Director Wray, Ohio Department of Transportation
- Testimony by Director Born, Ohio Department of Public Safety
- Testimony by Director Cole, Ohio Turnpike Commission

**House Economic & Workforce Development**, (Chr. **Baker, N.**, 466-0961), Rm. 114, 9:00 am

- Introduction of Committee Members
- Election of Committee Secretary
- Overview of Committee Rules and Procedures

**HB 1** **WORKFORCE GRANTS (Schuring, K., Manning, N.)** To establish the Workforce Grant Program, to authorize an income tax credit equal to 25% of the student loan payments a grant recipient makes per year, and to make an appropriation. **--1st Hearing-Sponsor**

**Senate Transportation, Commerce & Labor**, (Chr. **Manning, G.**, 644-7613), North Hearing Rm., 10:15 am

- Informal hearing - sponsor - on bill from Sen. Patton regarding post-traumatic stress disorder findings for emergency personnel

**Senate Rules & Reference**, (Chr. **Faber, K.**, 466-7584), Majority Conf. Rm., 11:00 am

**Senate Finance Committee**, (Chr. **Oeslager, S.**, 466-0626), Finance Hearing Room, 1:30 pm

**House Finance: Transportation Sub.**, (Chr. **Grossman, C.**, 466-9690), Rm. 122, 2:00 pm

- Budget presentations: Development Services Agency, Public Works Commission

**House Ways & Means**, (Chr. **McClain, J.**, 644-6265), Rm. 116, 2:00 pm

- Committee convenes at 2 pm or at the conclusion of Finance, whichever is later

**HB 19** **TAX LAWS (Scherer, G.)** To expressly incorporate changes in the Internal Revenue Code since March 22, 2013 into Ohio law and to declare an emergency. **--2nd Hearing-All testimony-Possible vote**