June 05, 2015

Senate Republicans to unveil their budget on Monday

The Senate plans to roll out details of its substitute version of HB 64, the biennial state budget bill, during a news conference next Monday. A substitute bill will then be offered in the Senate Finance Committee and the Committee will hear testimony on the proposal on Tuesday, Wednesday and Thursday of next week. CCAO Executive Director Suzanne Dulaney will testify before the committee on Tuesday to highlight key issues for the counties.

An omnibus amendment will then be adopted before the Senate Finance Committee reports the bill for a Senate vote which is currently anticipated on June 17. After the Senate passes its version, the House will refuse to concur in the Senate amendments and set the stage for the House/Senate Conference Committee to resolve the differences between the two houses. The conference committee will probably be comprised of the chairs, vice chairs, and ranking members of the House and Senate Finance Committees. These six members will be tasked with determining the wills of their caucuses and negotiating a compromise acceptable to a majority of the members of both the House and Senate, enabling the bill to pass and be sent to the governor for his review, exercise of his line-item veto authority and signature on HB 64 before July 1st, which is the start of the new state fiscal year.

Faber says judges to get raises in Senate budget

Salaries for judges, prosecutors and sheriffs will be increased in the Senate version of the budget, the chamber leader revealed Wednesday. Speaking with reporters after session, Senate President Keith Faber announced that development and a few others but withheld most details of budget negotiations including where the chamber is heading on tax policy - except to reiterate that the tax cuts in the measure (HB 64) will be increased. Gov. John Kasich included judicial pay raises in his version of the bill only to see the House remove it. Sen. Faber couldn't say specifically how much the raises would cost the state, but described it as “fairly small” in the context of the billions in spending in the measure.
Separate legislation that passed the House last year (HB661, 130th General Assembly) would have appropriated about $2.6 million this fiscal year to pay for the judicial raises.

Asked why the three groups of elected officials were singled out for raises, Sen. Faber said: "Those all have a state component; the state pays part of their salary."

"The chief justice requested judges. I think there's a compelling case that judges are under-compensated," he said. "The others are law enforcement. There's an argument (for them): we've got a heroin epidemic. Frankly, it's very difficult to argue why a sheriff should make less than some of his deputies."

The prosecutors and sheriffs will not get raises until 2017 under the language, but judicial pay would be impacted immediately.

Despite the inclusion of salary hikes for some elected officials in the Senate plan, Mr. Faber said he was optimistic that the House would move his preferred system for such changes - a constitutional pay commission (SJR 1). He said he expected that issue to be on the November ballot.

"My conversations with the speaker have been very positive on this topic," he said, adding the House may have different ideas on the makeup of the commission.

The Ohio Council of County Officials is planning to testify Tuesday before the Senate Finance Committee on the compensation issue within the state budget urging equal treatment for ALL county elected officials and election officials.

Commissioners are encouraged to contact their state senators to ask them to include all officials whose salary is set by the legislature in any pay proposal included within the state budget.

Commissioners and other county officials are encouraged to attend the hearing to show support for a compensation proposal that addresses the need for all officials to receive a compensation adjustment.

CCAO Executive Director Suzanne Dulaney will be testifying before the Senate Finance Committee on Tuesday on matters of direct interest to counties.

Commissioners who wish to discuss the elected officials' compensation issue are encouraged to contact CCAO Managing Director of Policy Cheryl Subler at csubler@ccao.org.
House panel starts deliberations on elected official pay commission

*Senate President Keith Faber* pitched his proposal to shift responsibility for setting elected officials' salaries levels to an independent commission during a hearing of the House Government Accountability & Oversight Committee Tuesday.

Sen. Faber (R-Celina) said he believed voters would be willing to approve the constitutional amendment (SJR 1) in November to make Ohio one of 19 other states that have established commissions to set public officials' compensation.

"I urge adoption of this legislation for the simple fact I believe it is time to take politicians out of the business of giving each other pay raises," he said.

The Senate unanimously adopted the proposed constitutional amendment addressing the touchy subject of politician pay increases in April, but the House hasn't taken up the resolution until now. *Chairman Rep. Tim Brown (R-Bowling Green)* told reporters that he would prefer a direct pay raise bill, like the one the House passed last year, but he agrees with Sen. Faber's view that an independent commission would be more politically palatable.

"I think the president of the Senate makes a very compelling case for how we can fix a problem that has been lingering for a number of years in Ohio. The legislature has the duty and responsibility, in my opinion, to set pay for local elected officials and we've been derelict in that duty," he said.

"So if this is a way that we can remove the politics and create a separate commission that may or may not recommend adjustments to elected officials' pay, then we certainly should give that full consideration," he said.

Part of the problem in passing a pay raise measure is constitutional language prohibiting legislators from getting appointed to another job for which they voted to set compensation levels, Rep. Brown said.

"I don't think when that language was put in the constitution in the 1800s anyone foresaw that we would have term limits and members jumping back and forth and all over the place to the degree that they do today," he said.

"It virtually renders the capability of the legislature to pass a pay raise to being near zero. I mean there's always going to be some member somewhere that's probably going to be opposed to the concept because they are likely to be appointed up or down the line somewhere."
Sen. Faber’s proposed Public Office Pay Commission would consist of nine voting members, including: two appointed by the governor; two by the Senate president; two by the House speaker; one by the Senate minority leader; one by the House minority leader, and one selected by the Ohio Supreme Court chief justice.

After public hearings, the commission would prepare a final report by Dec. 31 of each even numbered year. The recommendations would take effect on July 1 of the following year unless the General Assembly, by a three-fifths vote of each chamber, adopts a concurrent resolution overriding one or more of the panel’s compensation levels.

If you have questions about the proposal, feel free to contact CCAO Managing Director of Policy Cheryl Subler at csubler@ccao.org or at 614-220-7980.

Public testimony continues on case management proposals in House

In advance of the Senate’s unveiling of its budget recommendations next week, the House is continuing to encourage stakeholder dialogue on HB 196. The measure includes a slightly modified version of the Administration's comprehensive case management and employment program as well as provisions around county JFS prevention, retention and contingency programming. It also would strengthen the state-level Ohio Healthier Buckeye Council as well as mandate the development of local healthier buckeye councils.

The House Community and Family Advancement Committee heard from several stakeholders in its Tuesday hearing on the measure, from current providers of services, to advocate and policy groups, to private non-profits seeking state support and legislative authority to further their own case management initiatives. (To view the testimony submitted on HB 196, click here and then click on the "June 2" tab.)

Separately, the CCAO Health and Human Services Committee yesterday convened to discuss the legislation and recommended that local healthier buckeye councils continue to remain permissive to establish in statute, rather than mandatory.

For additional information on these issues, please contact Laura Abu-Absi at labu-absi@ccao.org or (614) 221-5627.

SB 310 Energy Mandate Study Committee - Update

The Energy Mandates Study Committee heard conflicting testimony this week as it continues gathering input. The state’s utility customer advocate, Ohio Consumers’ Counsel Bruce Weston, recommended to lawmakers that they allow Ohio’s energy efficiency requirements resume after
the two-year freeze ends next year. Members also heard from several witnesses representing power plant owners who said renewable energy requirements skew the competitive market.

Mr. Weston said the state’s requirement for utilities to help customers reduce electricity consumption 22% by 2027 has saved Ohioans money, despite the riders they pay for energy efficiency programs. He pointed to data that showed American Electric Power Ohio customers saved an average of $1.90 for each dollar they paid for EE programs during 2014. Ratepayers in Duke Energy Ohio’s territory saved $3 per dollar spent, according to the OCC data. Furthermore, reinstating the EE standards will help Ohio comply with the U.S. Environmental Protection Agency’s pending restrictions on carbon dioxide pollution from power plants, referring to the so-called 111(d) rules.

"Our preliminary assessment is that resuming the mandates could have a very significant impact toward achieving compliance with the expected regulations. And, therefore, resuming the mandates could have a very significant impact toward minimizing the cost to consumers for compliance with the U.S. EPA's regulations," Mr. Weston said.

Dean Ellis, vice president of regulatory affairs for Dynegy Inc., told the committee that he agreed with the legislature’s move to review the renewable portfolio standard several years after it took effect. Renewable requirements should be recalibrated periodically to take into account unforeseen developments in the competitive market, he said, citing falling prices for solar panels, changes to the federal wind production tax credit and the low price of natural gas.

Dynegy supports the integration of renewable energy and energy efficiency measures into the competitive electricity market, he said, adding, "The mandates should be as competitively neutral as possible."

Members also heard an opposing view from the American Wind Energy Association’s Tom Vinson. "The potential for wind energy in Ohio is enormous," he said, adding that Ohio trails all the neighboring states in installed wind capacity with the exception of Kentucky. Ohio currently receives less than 1% of its electric generation from wind energy.

Meanwhile, the cost of wind energy has declined 58% since 2009, he said. Furthermore, with long-term power purchase agreements, wind offers price certainty and provides valuable hedge against volatility in the market, he added.

Mr. Vinson told the panel that wind energy and the state's RPS could help Ohio comply with the U.S. EPA's carbon rules. Citing the U.S. Energy Information Administration's analysis, he said turbines are the most cost effective option for compliance across a wide range of different scenarios, particularly in the region that includes Ohio. With zero carbon emissions, wind energy can give states flexibility to make fewer changes in the rest of their utility system, such as retiring fewer coal facilities.
Co-Chairman Sen. Troy Balderson (R-Zanesville) asked Mr. Vinson why 11 proposed wind farms have been certified in Ohio, but only two facilities were operational. Mr. Vinson said increases in Ohio's required setback distances for wind turbines made construction of wind farms economically unfeasible. "The setback issue is a big one," he said, and then cited lawmakers' move to freeze renewable energy standards. "I think the freezing of the RPS sent a signal about the development of wind and renewables in Ohio - it's not particularly welcome."

Co-Chairwoman Rep. Kristina Roegner (R-Hudson) said the committee would hold one final meeting in July before the Sept. 30 deadline to issue recommendations. The members are considering the possibility of extending the two-year freeze on green energy standards that the legislature adopted last year.

All testimony given to the committee is available on the committee’s new website. For additional information, please contact CCAO staffer Brian Mead at bmead@ccao.org or 614-220-7982.

Statehouse Etc.

House Unveils New Efforts to Combat Opiate Epidemic. House members unveiled a bipartisan effort to continue legislative efforts to help curb Ohio’s opiate epidemic earlier this week. Rep. Robert Sprague (R-Findlay) and Rep. Denise Driehaus (D-Cincinnati), who respectively chaired and served on a 2013 summer opiate abuse study committee, together announced four forthcoming proposals to further combat drug addictions in the state.

They said the proposed bills, to be introduced in the coming days, would: provide immunity for most drug users seeking emergency help for an overdose; require Medicaid and insurance companies to cover narcotics with abuse deterrent formulas; require medical necessity checks for narcotic prescriptions; and ensure continuity of care as the state looks to transition behavioral health into Medicaid managed care.

Stay tuned for more information once the bills are introduced.

Bills Introduced

SB 174 LAW ENFORCEMENT OFFICERS (Tavares, C.) To grant a person the right to lawfully record any incident involving a law enforcement officer and to impose civil liability upon the state or a local law enforcement agency if a law enforcement officer employed by the state or local law enforcement agency interferes with the recording of the incident, destroys the recording, seizes the recording without a warrant or subpoena or the person's consent, or retaliates against the person who recorded the incident. Am. 2315.18, 2323.43, 2744.02, 2744.03, 2744.04, and 2744.05 and to enact sections 2743.021, 2744.021, and 2744.022

HB 236 PROFESSIONAL ENGINEERS (Landis, A., Blessing, L.) To require professional engineers to
complete continuing professional development hours in professional ethics or rules relevant to engineering or surveying practices. Am. 4733.151

**HB 239** **CORRECTIONS FUNDS** (Sears, B.) To allow the Director of Budget and Management to transfer funds from the Adult and Juvenile Correctional Facilities Bond Retirement Fund to any fund created in the state treasury administered by the Department of Rehabilitation and Correction or the Department of Youth Services, to create the Community Programs Fund, and to authorize the conveyance of state owned real property. Am. 5120.092 and to enact section 5120.80

**HB 240** **CORONER LAW** (Huffman, S., Johnson, T.) To recognize that coroners include medical examiners; to change the qualifications for holding office as a coroner of a charter county; to require, under certain conditions, and to authorize, under other conditions, supplemental compensation for coroners who are forensic pathologists; to revise how the office of coroner is filled when a vacancy cannot be filled by election or appointment; to specify the disposition of a firearm when a person meets death under certain circumstances; to specify who pays for the autopsy of an inmate of a state correctional facility; and to make other changes to the coroners' law. Am. 9.15, 313.01, 313.02, 313.04, 313.05, 313.14, 313.161, and 325.15 and to repeal section 313.141.

**Hearing Schedule**

**Tuesday, June 9**

**House Insurance** (Committee Record), (Chr. Hackett, B., 466-1470), Rm. 121, 9:00 am

**HB 205** **SELF-INSURING EMPLOYERS** (Henne, M., Retherford, W.) To modify the requirements for an employer to become a self-insuring employer for purposes of the Workers' Compensation Law, to transfer authority over the workers' compensation self-insurance program to the Superintendent of Insurance, and to allow certain employers and groups of employers to obtain workers' compensation coverage from a private workers' compensation insurer. **--1st Hearing-Sponsor**

**HB 207** **WORKERS COMPENSATION** (Henne, M., McColly, R.) To allow a state fund employer to have a workers' compensation claim that is likely to be subrogated by a third party paid from the surplus fund account in the state insurance fund rather than charged to the employer's experience **--1st Hearing-Sponsor**

**House Agriculture & Rural Development** (Committee Record), (Chr. Hill, B., 644-6014), Rm. 116, 11:00 am

**HB 60** **COMPANION ANIMAL ABUSE** (Hall, D., Patmon, B.) To revise provisions and penalties regarding treatment of companion animals, to revise the definition of "companion animal" in the Offenses Relating to Domestic Animals Law, and to provide a state collaborative effort to assist veterinarians in identifying clients who may use their animals to secure opioids for abuse. **--3rd Hearing-All testimony-Possible amendment**

**House Commerce & Labor** (Committee Record), (Chr. Young, R., 644-6074), Rm. 122, 1:00 pm

**HB 180** **CONTRACTOR LABOR** (Maag, R.) To prohibit a public authority from requiring a contractor to employ a certain percentage of individuals from the geographic area of the public authority for the construction or professional design of a public improvement. **--3rd Hearing-All testimony-Possible vote**

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

**HB 176** **GASEOUS FUEL VEHICLES** (Hall, D., O'Brien, S.) To create the Gaseous Fuel Vehicle Conversion Program, to allow a credit against the income or commercial activity tax for the purchase or conversion of an alternative fuel vehicle, to reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to $500, to apply the motor fuel tax to the distribution or sale of compressed natural gas, to authorize a temporary, partial motor fuel tax exemption for sales of compressed natural gas used as motor fuel, and to make an appropriation. **--2nd Hearing-Proponent**

**HB 150** **HOTEL INTERMEDIARIES** (Grossman, C., Scherer, G.) To require hotel intermediaries to collect and remit applicable sales and use tax on the full amount paid for hotel lodging, to require hotel...
intermediaries to supply customers with itemized invoices, to specify that a hotel intermediary is presumed to have "substantial nexus" with Ohio if the intermediary arranges lodging at Ohio hotels, and to specify that hotels are not liable for the failure of a hotel intermediary to properly collect or remit applicable taxes. -- 2nd Hearing-Opponent

HB 128  TAX CREDITS  (Sears, B., Amstutz, R.) To authorize an income tax credit for donations to the permanent endowment fund of an eligible community foundation and to require the Director of Budget and Management to reimburse the Local Government Fund and the Public Library Fund for revenue lost because of the credit. -- 2nd Hearing-Proponent

House Government Accountability & Oversight (Committee Record), (Chr. Brown, T., 466-8104), Rm. 114, 1:30 pm

HB 233  REDEVELOPMENT DISTRICTS  (Schuring, K.) To authorize municipal corporations to create downtown redevelopment districts and innovation districts for the purposes of promoting the rehabilitation of historic buildings, creating jobs, encouraging economic development in commercial and mixed-use areas, and supporting grants and loans to technology-oriented and other businesses. -- 1st Hearing-Sponsor

HB 239  CORRECTIONS FUNDS  (Sears, B.) To allow the Director of Budget and Management to transfer funds from the Adult and Juvenile Correctional Facilities Bond Retirement Fund to any fund created in the state treasury administered by the Department of Rehabilitation and Correction or the Department of Youth Services, to create the Community Programs Fund, and to authorize the conveyance of state owned real property. -- 2nd Hearing-Proponent

Wednesday, June 10

Senate Ways & Means (Committee Record), (Chr. Peterson, B., 466-8156), South Hearing Rm., 9:30 am

SB 40  CONTRIBUTION TAX CREDITS  (Beagle, B.) To authorize tax credits for contributions of money to economic and infrastructure development projects undertaken by local governments and non-profit corporations. -- 1st Hearing-Sponsor

House Financial Institutions, Housing & Urban Development (Committee Record), (Chr. Terhar, L., 466-8258), Rm. 122, 10:00 am

• Presentations by Presentation by Bill Faith, Coalition on Homelessness and Housing in Ohio; Linda Cook, Ohio Poverty Law Center and Katherine B. Hollingsworth, The Legal Aid Society of Cleveland

HB 134  BLIGHTED PROPERTY FORECLOSURES  (Grossman, C., Curtin, M.) To establish summary actions to foreclose mortgages on vacant and abandoned residential properties, to expedite the foreclosure and transfer of unoccupied, blighted parcels, to make other changes relative to residential foreclosure actions, and to terminate certain provisions of this act on December 31, 2019, by repealing sections 3767.51, 3767.52, 3767.53, 3767.54, 3767.55, and 3767.56 of the Revised Code on that date. -- 4th Hearing-All testimony-Possible substitute & vote

Senate Session, (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 pm

House Session, (Chr. Rosenberger, C., 466-3357), House Chamber, 1:30 pm

House State Government (Committee Record), (Chr. Maag, R., 644-6023), Rm. 121, 2:00 pm or after session

HB 130  DATA OHIO BOARD  (Hagan, C., Duffey, M.) To create the DataOhio Board, to specify requirements for posting public records online, to require the Auditor of State to adopt rules regarding a uniform accounting system for public offices, to establish an online catalog of public data at data.ohio.gov, to establish the Local Government Information Exchange Grant Program, and to make an appropriation. -- 4th Hearing-All testimony-Possible amendment

HB 235  CCW LICENSES  (Terhar, L.) To waive the concealed carry license fee for active members of the armed forces and retired and honorably discharged veterans and to accept military experience with firearms as proof of competency with firearms regardless of when the applicant for a license acquired the experience. -- 1st Hearing-Sponsor

Thursday, June 11

Senate Session, (Chr. Faber, K., 466-4900), Senate Chamber, 11:00 am