CORRECTED VERSION*

Ohio Legislative Service Commission

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131st General Assembly
(As Passed by the Senate)

Reps. R. Smith, Amstutz, Anielski, Baker, Blessing, Boose, Brown, Buchy, Burkley, Dovilla, Ginter, Green, Hackett, Hagan, Hambley, Hill, Kraus, Maag, McClain, Perales, Reineke, Romanchuk, Scherer, Sears, Sprague, Rosenberger

Sens. Oelslager, Balderson, Beagle, Burke, Coley, Eklund, Faber, Hite, Lehner, Manning, Peterson, Uecker, Widener

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This analysis is arranged by state agency, beginning with the Department of Administrative Services and continuing in alphabetical order. Items that do not directly involve an agency are located under the agency that has regulatory authority over the item, or otherwise deals with the subject matter of the item. The analysis also includes a category for the state retirement systems and, at the end, a Local Government category and a Miscellaneous category.

Within each agency and category, a summary of the items appears first (in the form of dot points), followed by a discussion of their content and operation. Items generally are presented in the order in which they appear in the Revised Code.

* This version of the analysis corrects two items. First, under the Department of Administrative Services, it removes a dot point referencing public safety answering point operational standards. Secondly, it addresses the ethics filings required of the trustees and director of the Southern Ohio Agricultural and Community Development Foundation.

DEPARTMENT OF ADMINISTRATIVE SERVICES

Public Employees Health Care Plan Program

- Requires the Department of Administrative Services (DAS) to study and release standards that may be considered best practices for certain public employer health care plans, instead of adopting and releasing a set of standards that must be considered best practices for those plans.

- Permits health care plans for certain public employees to consider best practices established by the former School Employees Health Care Board or identified by DAS.

- Removes a provision that permits a political subdivision, upon consulting with DAS, to adopt a delivery system of benefits that is not the best practices.

- Requires DAS to study instead of publish information regarding the health care plans offered by certain public employers and consortiums.

- Requires DAS to provide representative cost estimates of options for health care plans instead of assisting in the design of the plans for certain public employers.

- Removes a requirement that DAS prepare and release an annual report on health plan sponsors' compliance with best practices, reducing insurance premium increases, employee expenses, and improving health.

- Removes DAS' authority to adopt rules for the enforcement of health plan sponsors' compliance with best practices.

- Allows the Director of DAS to convene a Public Health Care Advisory Committee, and removes requirements that the Committee make recommendations to DAS relating to best practices; that there are certain appointees; and that members serve without compensation.

- Eliminates the Public Employees Health Care Fund, which DAS uses to carry out the provisions related to public employee health care plans.

- Authorizes DAS, in a reverse auction or competitive sealed bidding process, to deliver notice to a nonresponsive, nonresponsible low bidder by electronic means.

Veteran-Friendly Business Procurement Program

- Requires the Director of Administrative Services and the Director of Transportation to establish and maintain the Veteran-Friendly Business Procurement Program.

Job classification plans

- Authorizes the Director of DAS to assign and modify job classification plans, and to establish experimental classification plans, without adopting rules.

Pay for employee assigned to higher level

- Authorizes an appointing authority, whether or not a vacancy exists, to assign an exempt employee to work in a higher level position for a continuous period of more than two weeks but not more than two years.

- Specifies that such an employee's pay must be established at a rate that is approximately 4% above the employee's current base rate for the period of temporary assignment.

Collective bargaining with the state

- Prohibits the state from collectively bargaining with individuals who are excluded from coverage under the Public Employees' Collective Bargaining Law and the federal National Labor Relations Act.

- Specifies that the prohibition does not apply with respect to individuals who are exempt from the Public Employees' Collective Bargaining Law but with whom the state may elect to collectively bargain under current law.

Fund closures

- Abolishes the Cost Savings Fund.

- Abolishes the Departmental MIS Fund and redirects the Fund's revenue to the Information Technology Fund.

State agency procurement procedures

Preference review

- Requires state agencies subject to DAS procurement policies to submit a purchase request to DAS when seeking to purchase supplies or services.

- Requires DAS to determine whether the purchase may be made from specified first or second requisite procurement programs that represent programs for which the law confers requisite preference status for state purchasing.

- Requires DAS to grant a requesting state agency a waiver when the purchase cannot be made from a first or second requisite procurement program, and a release and permit for a state agency to make the purchase directly except when the purchase is for telephone, other telecommunications, and computer services.

- Specifies that a release and permit for telephone, other telecommunications, and computer services must be provided in accordance with policies established by the Office of Information Technology within DAS.

- Authorizes DAS to adopt rules to provide for the manner of carrying out the functions and the powers and duties vested in and imposed upon the Director under the centralized procurement preference review authority.

Competitive selection threshold

- Eliminates certification authority for state agencies to purchase supplies or services costing between $25,000 and $50,000, and provides, instead, for a single competitive bidding threshold of $50,000.

- Confers rule-making authority on DAS for making purchases by competitive sealed bid.

- Applies the statutory notice provision to "competitive sealed bid" procedures only, instead of to all forms of "competitive selection."

- Eliminates notice by mail of proposed purchases, and provides that any form of electronic notice the director considers appropriate to sufficiently notify competing persons of the intended purchase is sufficient.

Competitive selection notification list

- Eliminates DAS' authority to divide the state into purchasing districts, and eliminates the ability for persons to be placed on or removed from the competitive selection notification list, which the bill also eliminates.

Supplies and services

- Reorganizes the State Procurement Law and clarifies that DAS must establish contracts for supplies and services (including telephone, telecommunications, and computer services) for the use of state agencies, and may do so for certain political subdivisions.

- Eliminates the specific authority of DAS to enter into a contract to purchase bulk long distance telephone services for members of the immediate family of deployed persons.

- Clarifies the state entities exempt from the State Procurement Law and DAS.
- Permits the exempt entities to request DAS assistance with procurement of supplies and services and, upon DAS's approval, to participate in contracts awarded by DAS.

Release and permit

- Requires DAS to grant a release and permit if DAS determines that it is not possible or advantageous for DAS to make a purchase.
- Requires DAS to adopt rules regarding circumstances and criteria for a state agency to obtain a release and permit.
- Permits DAS to grant a blanket release and permit for a state agency for specific purchases.

Purchasing agreements

- Permits DAS to enter into cooperative purchasing agreements with certain other state entities.
- Permits the federal government, other states, other purchasing consortia, or any interstate compact authority to purchase supplies or services from DAS contracts.
- Permits DAS to allow state institutions of higher education and governmental agencies to participate in DAS contracts.
- Requires DAS to include in its annual report an estimate of the purchases made by other entities from DAS contracts.

Financial assurance

- Permits DAS to require that all bids and proposals be accompanied by a performance bond or other financial assurance, instead of a performance bond or other cash surety.

Meat and poultry

- Specifies, for meat products and poultry products, who are eligible vendors.
- Repeals the requirement that DAS establish and maintain a list of approved meat and poultry vendors.

Produced or mined in U.S.

- Requires DAS and other state agencies first to consider bids that offer products that have been or that will be produced or mined in the U.S.

Exemptions removed

- Requires the Workers' Compensation Administrator to make purchases for supplies and services in accordance with the State Procurement Law.
- Eliminates the Administrator's authority to make contracts for and supervise the construction of any project or improvement, or the construction or repair of buildings, under the Bureau's control.
- Eliminates the Administrator's authority to transfer surplus computers and computer equipment directly to an accredited public school.
- Removes State Procurement Law exemptions for the Ohio Tuition Trust Authority, and instead states that Law does not apply to contracts approved under the Ohio Tuition Trust Authority Board's powers.

Transportation contracts

- Allows the Director of Transportation to permit a state agency to participate in contracts the Director has entered into for purchases of machinery, materials, supplies, or other articles.

Emergency procedures

- Repeals and reenacts continuing law authorizing DAS to suspend normal contracting requirements for the Emergency Management Agency or any other state agency involved in response and recovery activities during a declared emergency period.
- Provides that state agencies acting under this emergency authority are exempt from the requirement for Controlling Board approval to contract without competitive selection, but requires these agencies to file a report with the Board's President describing all such purchases made during the period of the declared emergency.
- Requires the Director of DAS to notify the Director of Budget and Management and the Controlling Board members of the Director's approval of a request for suspension during a declared emergency period, and precludes purchases under the suspension authority until after the notice is sent.

Purchase of recycled products

- Specifies that state entities and offices may purchase recycled products under rules adopted by the Director that establish guidelines and removes the specific requirements that the guidelines must include.

- Eliminates the specific authority for the Director to adopt rules establishing a maximum percentage by which the cost of purchased recycled products may exceed the cost of comparable products.

- Eliminates the requirement that DAS and the Environmental Protection Agency must annually prepare and submit a report that describes the value and types of recycled products that the various state entities and offices purchase with state moneys.

Excess and surplus supplies

- Requires state agencies to provide the Director with a list of its excess and surplus supplies, including the supplies' location and whether the agency has control of the supplies.

- Requires the Director to take immediate control of excess and surplus supplies and to make arrangements for their disposition, except for excess or surplus supplies that are part of an approved interagency transfer or that are donated food.

- Prohibits the Director from charging a fee for the collection or transportation of excess and surplus supplies.

- Requires the Director to post on a public website a list of the excess and surplus supplies available for acquisition.

- Removes the requirement that the Director dispose of excess and surplus supplies in a specific order of priority and instead permits the Director to dispose of excess and surplus supplies in any of the enumerated manners.

- Eliminates a prohibition that certain entities sell, lease, or transfer excess or surplus supplies acquired to private entities or the general public at a price greater than the price it originally paid for those supplies.

- Removes an exemption that allows the Department of Youth Services to transfer its excess or surplus supplies to community corrections facilities.

Funding of building operation and maintenance

- Modifies the manner in which DAS seeks reimbursement from state agencies for space occupied in state buildings and funds the maintenance and improvement of those buildings.
- Abolishes the Building Operation Fund.
- Expands the use of the Building Improvement Fund to any facility maintained by DAS.

Ohio Geographically Referenced Information Program Council

- Revises the membership of the Ohio Geographically Referenced Information Program Council by removing all members appointed by the Governor and replacing those members with specified officials and the executive directors of specified local government associations.
- Stipulates that Council members serve without compensation.

State printing and forms management

- Eliminates the Statewide Forms Management Program within DAS.
- Modifies the public printing responsibilities of DAS.
- Places public printing for the Bureau of Workers' Compensation under DAS's supervision.
- With respect to certain state publications, eliminates the requirement that each copy indicate the total number of copies produced and the cost of each copy.

Administration of 9-1-1 funding

- Gives the 9-1-1 Program Office oversight over the administration of three different funds related to 9-1-1 law, rather than administrative authority over one of those funds.
- Repeals a requirement that, although unclear under current law, appears to require the Statewide Emergency Services Internet Protocol Network Steering Committee to annually transfer excess funds remaining in the Wireless 9-1-1 Program Fund to the Next Generation 9-1-1 Fund.

Electronic record certificate of authenticity

- Eliminates a requirement that a state agency, if it alters the format of an electronic record, create a certificate of authenticity for each set of records that is altered.
- Eliminates a complementary requirement that DAS adopt rules to establish methods for creating certificates of authenticity.
- Removes a provision that allows DAS to permit a state agency to deviate from the rules adopted by DAS regarding electronic records and signatures.

Enterprise Information Technology Strategy

- Requires the Director to implement strategies that benefit enterprise information technology solutions by improving efficiency, reducing costs, or enhancing the capacity of information technology services.

Vehicle Management Commission

- Effective January 1, 2016, eliminates the Vehicle Management Commission, which is in the Department of Administrative Services and is required to periodically review the implementation of the Department's fleet management program.

Public Employees Health Care Plan Program

(R.C. 9.901, 9.833, and 9.90)

Under the bill, the Department of Administrative Services (DAS) is no longer required to adopt and release a set of standards of best practices for certain public employee health care plans. Correspondingly, the health care plans provided by public employers[1] are no longer required to provide health care plans that contain best practices established by DAS or the former School Employees Health Care Board.

Instead, the bill permits health care plans that provide benefits to those public employees, and all policies or contracts for health care benefits that are issued or renewed after the expiration of any applicable collective bargaining agreement, to consider best practices identified by DAS or established by the former School Employees Health Care Board. The bill removes a provision that permits a political subdivision, upon consulting with DAS, to adopt a delivery system of benefits that is

[1] As used in this provision, "public employer" means political subdivisions, public school districts, and state institutions of higher education.

not the best practices if DAS considers it to be most financially advantageous to the political subdivision.

The bill generally modifies DAS's duties related to public employee health care plans by:

--Requiring DAS to study instead of publish information regarding the health care plans offered by certain public employers and consortiums;

--Requiring DAS to provide representative cost estimates of options for health care plans instead of assisting in the design of the plans for certain public employers;

--Requiring DAS to study and release standards that may be considered best practices for certain public employer health care plans instead of adopting and releasing a set of standards that must be considered best practices for those plans;

--Removing a requirement that DAS prepare and release an annual report on the status of health plan sponsors' effectiveness in complying with best practices and in making progress to reduce the rate of insurance premium increases and employee out-of-pocket expenses, as well as progress in improving the health status of employees and their families; and

--Removing the authority of DAS to adopt rules for the enforcement of health plan sponsors' compliance with the best practices standards.

DAS continues to have duties under ongoing law relating to health care plans for public employers, including identifying strategies to manage health care costs.

The Director of DAS may convene a Public Health Care Advisory Committee to assist in studying the issues discussed in the law described here. The bill removes the following related to the Committee: that the Committee make recommendations to the Director of DAS or the Director's designee on the development and adoption of best practices; that the Committee consist of 15 members with five each appointed by the Speaker of the House, the Senate President, and the Governor; that appointees include representatives from state and local government employers and employees, insurance agents, health insurance companies, and joint purchasing arrangements; and that the members serve without compensation.

Finally, the bill eliminates the Public Employees Health Care Fund, which DAS uses to carry out the provisions relating to public employee health care plans and related administrative costs.

Notification to low bidder

(R.C. 9.312)

The bill authorizes DAS to provide notice by electronic means to a nonresponsive, nonresponsible low bidder in a reverse auction or competitive sealed bidding process. DAS can provide this notice alternatively by first class mail. Under prior law, first class mail was the only means authorized.

Veteran-Friendly Business Procurement Program

(R.C. 9.318)

The bill requires the Director of Administrative Services and the Director of Transportation to establish and maintain the Veteran-Friendly Business Procurement Program. The Director of Administrative Services must adopt rules to administer the program for all state agencies except the Department of Transportation, and the Director of Transportation must adopt rules to administer the program for the Department of Transportation. The rules must be adopted under the Administrative Procedure Act. The rules, as adopted separately by but with the greatest degree of consistency possible between the two directors, must do all of the following:

(1) Establish criteria, based on the percentage of an applicant's employees who are veterans, that qualifies an applicant for certification as a veteran-friendly business enterprise;

(2) Establish procedures by which a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture may apply for certification as a veteran-friendly business enterprise;

(3) Establish procedures for certifying a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture as a veteran-friendly business enterprise;

(4) Establish standards for determining when a veteran-friendly business enterprise no longer qualifies for certification as a veteran-friendly business enterprise;

(5) Establish procedures, to be used by state agencies or the Department of Transportation, for the evaluation and ranking of proposals, which provide preference or bonus points to each certified veteran-friendly business enterprise that submits a bid or other proposal for a contract with the state or an agency of the state other than the Department of Transportation, for the rendering of services, or the supplying of

materials, or for the construction, demolition, alteration, repair, or reconstruction of any public building, structure, highway, or other improvement;

(6) Implement an outreach program to educate potential participants about the Veteran-Friendly Business Procurement Program;

(7) Establish a process for monitoring overall performance of the Veteran-Friendly Business Procurement Program.

Because of the dual rule-making authority in the bill, the criteria, procedures, standards, programs, and processes that will apply to the Department of Transportation may not be the same as those that apply to the state and other state agencies.

Definitions

For purposes of the Veteran Friendly Business Procurement Program:

"Armed forces" means (1) the U.S. armed forces, including the Army, Navy, Air Force, Marine Corps, Coast Guard, or any reserve component of those forces, (2) the national guard of any state, (3) the commissioned corps of the U.S. Public Health Service, (4) the merchant marine service during wartime, (5) such other service designated by Congress, and (6) the Ohio organized militia when engaged in full-time national guard duty for a period of more than 30 days.

"State agency" means every organized body, office, or agency established by the laws of the state for the exercise of any function of state government. "State agency" does not include the nonprofit corporation formed as JobsOhio.

"Veteran" means any person who has completed service in the armed forces who has been honorably discharged or discharged under honorable conditions or who has been transferred to the reserve with evidence of satisfactory service.

"Veteran-friendly business enterprise" means a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture that meets veteran employment standards established by the Director of Administrative Services and the Director of Transportation.

Job classification plans

(R.C. 124.14 and 124.15; Sections 690.10 (repealing Section 701.61 of H.B. 59 of the 130th G.A.) and 701.20)

The bill authorizes the Director of DAS to assign and modify job classification plans, and to establish experimental classification plans, without adopting rules. The

Director currently may take these actions without adopting rules under temporary authority that expires July 1, 2015. The bill specifies that the Director may take these actions without adopting rules on a permanent basis.

Under current law that will resume when the temporary authority expires, when the Director proposes to modify a classification or the assignment of classes to pay ranges, the Director must send written notice of the proposed rule to the appointing authorities of the affected employees 30 days before a hearing on the proposed rule. The appointing authorities must notify the affected employees regarding the proposed rule. The Director also must send these appointing authorities notice of any final rule that is adopted within ten days after adoption.

The bill instead requires the Director to notify the appointing authorities of the affected employees before implementing a modification in a classification or in the assignment of classes to pay ranges. The notice must include the effective date of the modification. The appointing authorities must notify the affected employees regarding the modification.

Pay for employee temporarily assigned to a higher level

(R.C. 124.181; Section 690.10 (repealing Section 701.10 of H.B. 59 of the 130th G.A.))

The bill authorizes an appointing authority, whether or not a vacancy exists, to assign an employee to work in a higher level position for a continuous period of more than two weeks but not more than two years. The bill requires the employee's pay to be established at a rate that is approximately 4% above the employee's current base rate for the period of temporary assignment.

Under current law, whenever an employee is assigned to work in a higher level position for a continuous period of more than two weeks but not more than two years because of a vacancy, the employee's pay may be established at a rate that is approximately 4% above the employee's current base rate for the period of temporary assignment. When a vacancy does not exist, an appointing authority, with an exempt employee's written consent, may assign the duties of a higher classification to the exempt employee for not more than two years, and the exempt employee is entitled to compensation at a rate commensurate with the duties of the higher classification.

Collective bargaining with the state

(R.C. 4113.81)

The bill prohibits the state from engaging in collective bargaining with individuals who are excluded from coverage under the Public Employees Collective

Bargaining Law (PECBL) and the federal National Labor Relations Act. The bill does not apply the prohibition to individuals who are specifically not public employees under the PECBL but with whom the PECBL allows the state to elect to collectively bargain.

Fund closures

(R.C. 124.392; Section 610.40 (amending Section 20.15 of H.B. 215 of the 122nd G.A.))

The bill abolishes the Cost Savings Fund, which consists of savings accrued through employee participation in the Mandatory Cost Savings Program and mandatory cost savings days. The Fund may be used to pay employees who participated in the Program and the costs savings days.

The bill also abolishes the Departmental MIS Fund. DAS is currently required to establish charges for recovering the costs of management information systems activities and deposit those charges to the credit of the Fund. Under the bill, the charges are to be deposited into the existing Information Technology Fund[2] instead.

State agency procurement procedures

(R.C. 9.83, 113.07, 122.87, 125.02, 125.03, 125.035, 125.04, 125.041, 125.05, 125.061, 125.07, 125.08, 125.081, 125.10, 125.11, 125.45, 125.48, 125.52, 125.601, 125.607, 125.609, 918.41, 1349.04, 3334.08, 4121.03, 4121.121, 4123.322, 5147.07, 5162.11, and 5513.01; R.C. 125.021, 125.022, 125.023, 125.03, 125.051, 125.06, and 125.17 (all repealed))

Procurement preference review

The bill establishes a centralized procurement preference review process whereby state agencies that are subject to DAS procurement policies must submit a purchase request to DAS when seeking to purchase supplies or services. Under the preference review, DAS must ascertain whether the purchase can be made from Ohio Penal Industries or the Community-based Rehabilitation Program (referred to as the first requisite procurement programs) or specified "second requisite procurement programs."

DAS must direct the requesting agency to use one of the first requisite programs or provide the agency with a waiver from one of the first programs. DAS then must determine whether the purchase can be fulfilled by a second requisite procurement program. DAS must generally complete its determination within five business days after receipt of the agency request; if no program responds concerning its ability to

[2] R.C. 125.15, not in the bill.

fulfill the request, the requesting agency is authorized to use its direct purchasing authority to obtain the services or supplies, subject to the requirements of the release and permit and applicable competitive bidding thresholds.

The bill authorizes DAS to adopt rules under the Administrative Procedure Act to provide for the manner of carrying out the functions and the powers and duties contemplated by the procurement review process. It specifies that the procurement review process also applies to agency purchases *below* the competitive bid threshold.

Competitive selection threshold and notice

The bill eliminates current certification authority for state agencies to purchase supplies and services that cost more than $25,000 but less than $50,000, and instead adopts a single $50,000 threshold. So, state agencies may, without competitive selection, make purchases below $50,000 after complying with the new DAS preference review. For purchases of $50,000 or more, the agency must purchase through DAS unless a waiver or release and permit is granted in conjunction with the review.

The bill confers rule-making authority on DAS for making purchases by competitive sealed bid, but specifies that contracts are to be awarded as provided in continuing law to the lowest responsive and responsible bidder and according to the criteria and procedures affording a preference for U.S. and Ohio products. The bill limits current laws' notice provision for "competitive selection" to competitive sealed bids. Under current law, "competitive selection" includes competitive sealed bidding, competitive sealed proposals, and reverse auctions. Current law requires DAS to adopt rules regarding notice for competitive sealed proposals but is silent about notice for reverse auctions; so, presumably, DAS may adopt rules under its current rule-making authority for reverse auctions but is not required to do so.

The bill eliminates the requirement for notice by mail and provides that the manner of providing notice of a purchase by DAS by competitive sealed bid may be in any electronic form the director considers appropriate to sufficiently notify competing persons of the intended purchases. The bill removes the requirement for DAS to make a public posting of notice on a bulletin board, and the complementary penalty of invalidating all proceedings and any contract entered into for a failure to post.

Competitive selection notification list

The bill eliminates DAS authority to divide the state into purchasing districts, and eliminates the ability for persons to be placed on or removed from the competitive selection notification list, which the bill also eliminates. Similarly, the bill removes authority for DAS to charge an annual registration fee of not more than $10 for the listing privilege.

The bill retains current authority for persons certified as a minority business enterprise to be placed on a special minority business enterprise notification list. Presumably, the requirements for maintaining this list may be provided in rules because the bill eliminates the current direction for the list to be maintained in similar fashion to the competitive selection notification list that the bill eliminates.

Contracts for supplies and services

Generally, the bill reorganizes the State Procurement Law and clarifies that DAS must establish contracts for supplies and services (including telephone, telecommunications, and computer services) for the use of state agencies, and may do so for certain political subdivisions. The bill eliminates the specific authority of DAS to enter into a contract to purchase bulk long distance telephone services for members of the immediate family of deployed persons. Therefore, the Attorney General is no longer charged with expediting cases or issues that relate to this telephone service for members of deployed persons' families.

The bill clarifies the state entities that are exempt from the requirement described above. The exempt entities are the Adjutant General for military supplies and services, the General Assembly, the judicial branch, state institutions of higher education, certain state elected officials,[3] and the Capitol Square Review and Advisory Board. These are largely the same as current law, but the bill adds state elected officials into the exception and further clarifies the application of the exception to state institutions of higher education; current law applies to institutions administered by boards of trustees. However, the bill permits the exempt entities to request DAS assistance with procurement of supplies and services and, upon DAS's approval, to participate in contracts awarded by DAS. Additionally, the bill specifies that nothing in the provision exempting certain state elected officials from following certain State Procurement Law provisions prevents those officials from complying with or participating in any aspect of that Law through DAS.

Release and permit

An agency that has been granted a release and permit for a purchase may make the purchase without competitive selection, and DAS must grant a release and permit if DAS determines that it is not possible or advantageous for DAS to make the purchase. DAS must adopt rules regarding circumstances and criteria for a state agency to obtain a release and permit to make a purchase not under DAS. Upon request, DAS can grant a blanket release and permit for a state agency for specific purchases. A blanket release and permit runs for a fiscal year or for a biennium, as determined by the DAS Director.

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[3] The Attorney General, Auditor of State, Secretary of State, and Treasurer of State.

Purchasing agreements and participation in DAS contracts

Under the bill, DAS can enter into cooperative purchasing agreements with certain other state entities.[4] Under continuing law, DAS also may enter into purchasing agreements with other states, the federal government, other purchasing consortia, and political subdivisions. Additionally, the bill permits the federal government, other states, other purchasing consortia, or any interstate compact authority to purchase supplies or services from contracts entered into by DAS.

The bill permits DAS to allow state institutions of higher education and governmental agencies[5] to participate in DAS contracts. Under ongoing law, DAS may charge an entity a reasonable fee to cover the administrative costs incurred because an entity participates in a DAS contract. An entity desiring to participate in a DAS contract must file certain documents with DAS. A governmental agency desiring to participate in a DAS contract must file a written request for inclusion in the contract. A state institution of higher education desiring to participate in a DAS contract must file a certified copy of a resolution of the board of trustees or similar authorizing body. The resolution must request that the state institution of higher education be authorized to participate in the contracts.

DAS must include in its annual report an estimate of the purchases made by other entities from DAS contracts. Under current law, the annual report has to include an estimate of the cost DAS incurs by permitting other entities to participate in DAS contracts.

Financial assurance

The bill makes a slight change in that it permits DAS to require that all bids and proposals be accompanied by a performance bond or other financial assurance. Current law allows DAS to require that bids and proposals be accompanied by a performance bond or other cash surety.

Meat and poultry

The bill specifies, for meat products and poultry products, that only bids received from vendors under inspection by the U.S. Department of Agriculture or that are licensed by the Ohio Department of Agriculture are eligible for acceptance. Current

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[4] The Adjutant General, the General Assembly, the judicial branch, state institutions of higher education, the Attorney General, Auditor of State, Secretary of State, and Treasurer of State.

[5] A political subdivision or special district in Ohio, or any combination of these entities; the federal government; other states or groups of states; other purchasing consortia; and any agency, commission, or authority established under an interstate compact or agreement.

law requires only those bids received from vendors offering products from establishments on the DAS's current list of meat and poultry vendors are eligible. However, the bill repeals the requirement that DAS establish and maintain a list of approved meat and poultry vendors.

Produced or mined in the U.S.

The bill requires DAS and other state agencies first to consider bids that offer products that have been or that will be produced or mined in the U.S. Contrarily, current law requires DAS and other state agencies first to remove bids that offer products that have not been or that will not be produced or mined in the U.S.

Exemptions removed

The bill requires the Workers' Compensation Administrator to make purchases for supplies and services in accordance with the State Procurement Law, and removes the Administrator's authority to purchase supplies and services, make contracts for telecommunications services, and perform office reproduction services; thereby requiring the Bureau to use DAS for these services. Further, the bill eliminates the Administrator's authority to make contracts for and supervise the construction of any project or improvement, or the construction or repair of buildings, under the Bureau's control. The bill also eliminates the Administrator's authority to transfer surplus computers and computer equipment directly to an accredited public school.

The bill removes exemptions for the Ohio Tuition Trust Authority that state that the State Procurement Law does not apply to the Authority, and instead states that the Law does not apply to contracts approved under the Ohio Tuition Trust Authority Board's powers. The bill further eliminates the requirement that DAS, upon the Authority's request, act as the Authority's agency for the purchase of equipment, supplies, insurance, or services, or the performance of administrative services under the State Procurement Law.

Transportation contracts

Under the bill, the Director of Transportation, in addition to other entities under continuing law,[6] can permit a state agency to participate in contracts the Director has entered into for purchases of machinery, materials, supplies, or other articles. These purchases are exempt from competitive bidding requirements.

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[6] The Ohio Turnpike and Infrastructure Commission, any political subdivision, and any state university or college.

Emergency procurement procedures

The bill repeals but reenacts law that authorizes DAS to suspend normal contracting and purchasing requirements for the Emergency Management Agency and other state agencies engaged in response and recovery activities during the period of an emergency declared by the Governor or the President of the United States.[7] The bill specifies that purchases made under the emergency authority are exempt from the requirement for Controlling Board approval for an exemption from competitive selection, but requires state agencies making such purchases to make a report to the President of the Controlling Board describing all such purchases made during the emergency period. The report must be filed within 90 days after the declaration of emergency expires.

The bill provides that before any purchases may be made under the emergency authority, the Director of DAS must send notice of the Director's approval of the suspension to the Director of Budget and Management and to the members of the Controlling Board. The notice must provide details of the request for suspension and a copy of the Director's approval.

Purchase of recycled products

(R.C. 125.082)

The bill specifies that state entities and offices[8] may purchase recycled products under rules adopted by the Director that establish guidelines. Further, the bill removes the specific requirements that the guidelines: (1) are consistent with and substantially equivalent to certain regulations adopted by the U.S. Environmental Protection Agency, (2) establish the minimum percentage of recycled materials the products must contain, and (3) incorporate specifications for recycled-content materials. The bill eliminates the specific authority for the Director to adopt rules establishing a maximum percentage by which the cost of purchased recycled products may exceed the cost of comparable products made of virgin materials.

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[7] Continuing law specifies that the Director of Public Safety or the Executive Director of the Emergency Management Agency must request the suspension from DAS at the same time either requests the Governor or U.S. President to declare an emergency. The Governor must include, in any proclamation issued by the Governor declaring an emergency, language requesting the suspension during the emergency period.

[8] The General Assembly, the offices of all elected state officers, all departments, boards, offices, commissions, agencies, institutions, including state institutions of higher education, and other Ohio instrumentalities, the Supreme Court, all courts of appeals, and all common pleas courts.

Additionally, the bill eliminates the requirement that DAS and the Environmental Protection Agency must annually prepare and submit a report that describes the value and types of recycled products that are purchased with state moneys by the various state entities and offices.

Excess and surplus supplies

(R.C. 125.13 and 5139.03)

The bill requires state agencies to provide the Director with a list of its excess and surplus supplies, including the supplies' location and whether the agency has control of the supplies. Current law requires a state agency to provide a list of its excess and surplus supplies and an appraisal value upon the Director's request.

Upon receipt of notification and at no cost to the state agency, the Director must take immediate control of the excess and surplus supplies and make arrangements for their disposition. However, the Director must not take immediate control of excess or surplus supplies that are part of an approved interagency transfer or that are donated food. The bill allows excess and surplus supplies of food to be donated directly to nonprofit food pantries and institutions without notification to the Director.

Also, the Director cannot charge a fee for the collection or transportation of excess and surplus supplies. The Director must post on a public website a list of the excess and surplus supplies available for acquisition.

The bill removes the requirement that the Director dispose of excess and surplus supplies in a specific order of priority and instead permits the Director to dispose of excess and surplus supplies in any of the following ongoing manners: (1) to state agencies, (2) to state-supported or state-assisted institutions of higher education, (3) to tax-supported agencies, municipal corporations, or other Ohio political subdivisions, private fire companies, or private, nonprofit emergency medical service organizations, (4) to nonpublic elementary and secondary schools chartered by the State Board of Education, (5) to the general public by auction, sealed bid, sale, or negotiation. In addition to ongoing manners of disposal, the bill permits the Director to dispose of excess and surplus supplies by interagency trade or to a 501(c)(3) nonprofit organization that also receives state funds or has a state contract.

The bill eliminates a current law prohibition that no state-supported or state-assisted institution of higher education, tax-supported agency, municipal corporation, or other Ohio political subdivision, private fire company, or private, nonprofit emergency medical service organization is to sell, lease, or transfer excess or surplus supplies acquired to private entities or the general public at a price greater than the price it originally paid for those supplies.

Finally, the bill removes an exemption that allows the Department of Youth Services to transfer its excess or surplus supplies to community corrections facilities, which remain the Department's property for five years and then become the facility's property. Presumably, the Department would be required to follow the normal procedures for disposition of these excess or surplus supplies.

Funding of building operation and maintenance

(R.C. 125.27 and 125.28)

The bill modifies the manner in which DAS seeks reimbursement from state agencies for space occupied in state buildings and funds the maintenance and improvement of those buildings, as follows:

--It removes the specific provisions detailing how state agencies funded in whole or in part by non-GRF money are to reimburse the state for the cost of occupying space in state facilities. It retains, however, the current requirement that the DAS Director determine the reimbursable cost of space in state-owned or state-leased facilities and collect reimbursements for that cost.

--It abolishes the Building Operation Fund; consequently, *all* money collected by DAS for operating expenses of facilities owned or maintained by DAS is to be deposited into the existing Building Management Fund.

--It removes the requirement that all money collected by DAS for debt service be deposited into the GRF.

--It eliminates the current funding source for the Building Improvement Fund and, instead, requires that money collected from state agencies for depreciation and related costs be deposited into the Fund *or* deposited into the Building Management Fund and then transferred to the Building Improvement Fund. Under the bill, the Building Improvement Fund is to be used for major maintenance or improvements required in any facility maintained by DAS, rather than just the Rhodes or Lausche state office towers, Toledo Government Center, Ocasek Government Office Building, and Vern Riffe Center for Government and the Arts, as provided under current law.

Ohio Geographically Referenced Information Program Council

(R.C. 125.901; Section 701.40)

The bill revises the membership of the Ohio Geographically Referenced Information Program Council in DAS by removing all members appointed by the Governor and replacing those members with all of the following or their designees:

(1) The Chancellor of the Board of Regents (whom the bill renames the Chancellor of Higher Education);

(2) The Chief of the Division of Oil and Gas Resources Management in the Department of Natural Resources;

(3) The Director of Public Safety;

(4) The Executive Director of the County Auditors' Association;

(5) The Executive Director of the County Commissioners' Association;

(6) The Executive Director of the County Engineers' Association;

(7) The Executive Director of the Ohio Municipal League;

(8) The Executive Director of the Ohio Townships Association.

Continuing law requires the Council to develop and annually update a real property management plan containing specified information and a real property inventory, both regarding state-owned property. Excluded from the plan and inventory is property owned by the General Assembly and legislative agencies, any court or judicial agency, and the offices of the Secretary of State, Auditor of State, Treasurer of State, and Attorney General.

The bill retains as members of the Council the state chief information officer, the Directors of Natural Resources, Transportation, Environmental Protection, and Development Services, and the Treasurer of State or their designees. Currently, the members appointed by the Governor must represent county auditors, county commissioners, county engineers, regional councils, municipal corporations, regulated utilities, and a public university. The bill states that the Council as revised by the bill constitutes a continuation of the existing Council rather than a new council.

Finally, the bill stipulates that Council members serve without compensation.

State printing and forms management

Statewide Forms Management Program

(R.C. 125.91, 125.92, 125.93, 125.96, and 125.98 (all repealed))

The bill eliminates the State Forms Management Control Center under the supervision of DAS. The Center is tasked with developing and maintaining a Statewide

Forms Management Program designed to simplify, consolidate, or eliminate, where possible, forms, surveys, and other documents used by state agencies.

Public printing

(R.C. 125.31, 125.36, 125.38, 125.39, 125.42, 125.43, 125.45, 125.49, 125.51, 125.58, 125.76, and 5709.67; R.C. 125.32, 125.37, 125.47, 125.48, 125.50, 125.52, 125.53, 125.54, 125.55, 125.57, 125.68, and 149.13 (repealed))

The bill modifies the public printing responsibilities of DAS, as follows:

--It replaces the term "paper" with the term "printing goods and services" and updates other references with respect to the printing process.

--It provides for the use of requests for proposals in addition to invitations to bid on printing contracts.

--It places public printing for the Bureau of Workers' Compensation under DAS's supervision.

--It permits DAS to advertise an invitation to bid or request for proposal for the purchase of printing goods and services a second time, if the bids or proposals are rejected the first time as not being in the interest of the state.

--It eliminates the requirement that printing for the state be divided into four classes and separate contracts be entered into for each class.

--It eliminates specific duties of DAS with respect to the determination of paper to be used and provisions for the binding of publications.

Lastly, the bill removes the requirement that each copy of certain state publications indicate the total number of copies produced and the cost of each copy.

Administration of 9-1-1 funding laws

(R.C. 128.40 and 128.54(A)(5))

9-1-1 Program Office: fund administration

The bill requires the 9-1-1 Program Office to oversee the administration of three different funds related to 9-1-1 law, whereas current law requires the Office to "administer" only the Wireless 9-1-1 Government Assistance Fund. Under the bill, the Office must oversee the administration of not only the Wireless 9-1-1 Government Assistance Fund, but also the Wireless 9-1-1 Program Fund and the Next Generation

9-1-1 Fund. The 9-1-1 Program Office is not specifically authorized to make deposits into, or transfers out of, any of these funds.

Under continuing law, the Wireless 9-1-1 Government Assistance Fund is used by the Tax Commissioner to make monthly disbursements to county 9-1-1 systems. The fund is populated by a 25-cent monthly charge on Ohio wireless subscribers, as well as a charge of 0.5% of the sale price of prepaid wireless services.[9] Most of the charges collected go to the Wireless 9-1-1 Government Assistance Fund. Two per cent of the charges go to the Wireless 9-1-1 Program Fund, which is an administrative fund used by the Statewide Emergency Services Internet Protocol Network Steering Committee to defray the committee's costs in carrying out its duties. The Next Generation 9-1-1 Fund is funded by other sources, and goes toward costs associated with phase II wireless systems and a county's migration to next generation 9-1-1 systems and technology.[10]

Transfers to the Next Generation 9-1-1 Fund

The bill repeals a requirement that, although unclear under current law, appears to require the Statewide Emergency Services Internet Protocol Network Steering Committee to annually transfer excess funds remaining in the Wireless 9-1-1 Program Fund to the Next Generation 9-1-1 Fund. The reason this requirement is unclear is because the Tax Commissioner and the Steering Committee, after paying administrative costs, are required under current law to transfer any excess remaining in "the administrative funds" to the Next Generation 9-1-1 Fund. This probably means that the Tax Commissioner and the Steering Committee must transfer the excess remaining in *each entity's respective administrative* fund – the Wireless 9-1-1 Administrative Fund (Tax Commissioner) and the Wireless 9-1-1 Program Fund (Steering Committee) – to the Next Generation 9-1-1 Fund. But because the names of these funds are not spelled out, the requirement is unclear.

Under the bill, the Tax Commissioner, and not the Steering Committee, is clearly required to annually transfer any excess remaining in the Wireless 9-1-1 Administrative Fund to the Next Generation 9-1-1 Fund. The only other source of funding for the Next Generation 9-1-1 Fund would be assessments for unpaid wireless charges.[11] If the Next Generation 9-1-1 Fund is currently funded by excess transfers from the Wireless 9-1-1 Program Fund, the bill would change that.

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[9] R.C. 128.42, not in the bill.

[10] R.C. 128.022, not in the bill.

[11] R.C. 128.46(E)(4), not in the bill.

Electronic record certificate of authenticity

(R.C. 1306.20)

The bill removes provisions regarding a certificate of authenticity that must be created by a state agency when the state agency alters the format of an electronic record. Currently, a state agency that retains an electronic record may choose to retain it in a format that is different from the format in which the record was originally created, used, sent, or received. If a state agency alters the format, it must create a certificate of authenticity for each set of records that is altered. The bill removes this requirement. The bill also removes a complementary provision requiring DAS, in consultation with the State Archivist, to adopt rules that establish the methods for creating a certificate of authenticity.

Current law requires a state agency that creates, uses, or receives an electronic signature, or creates, uses, receives, or retains an electronic record, to do so in compliance with rules adopted by DAS, unless DAS has authorized noncompliance upon written request of the state agency. The bill removes the ability of a state agency to request, and DAS to authorize, noncompliance.

Enterprise information technology strategy implementation

(Section 207.230)

The bill establishes a policy of modernizing the state's information technology (IT) management and investment practices by shifting away from a limited, agency-specific IT focus toward a statewide method supporting development of enterprise IT solutions.[12] In furtherance of this policy, the bill requires the Director to determine and implement strategies that will benefit the enterprise IT shift by improving efficiency, reducing costs, or enhancing the capacity of IT services.

These improvements and efficiencies may result in the consolidation and transfer of IT services. Notwithstanding any law to the contrary, as determined to be necessary for successful implementation of these enterprise IT shift improvements and efficiencies, the Director may request the Director of Budget and Management to consolidate or transfer IT-specific budget authority between agencies or within agencies as necessary to implement enterprise IT cost containment strategies and related efficiencies. When the Director of Budget and Management is satisfied that the proposed consolidations and transfers are cost advantageous to the enterprise IT shift, the Director may transfer appropriations, funds, and cash as needed to implement the

[12] Section 207.210 of the bill.

enterprise IT shift. The establishment of any new fund or additional appropriation is subject to approval by the Controlling Board.

The Director of Budget and Management and Director of DAS may transfer any employees and any assets and liabilities, including, but not limited to, records, contracts, and agreements, in order to facilitate improvements required by the enterprise IT shift.

Vehicle Management Commission

(R.C. 125.833; Section 106.01)

The bill eliminates the seven-member Vehicle Management Commission, which is in the Department of Administrative Services, effective January 1, 2016. The Commission is required to periodically review the Department's implementation of its fleet management program and may recommend to the Department and the General Assembly modifications to Department procedures and functions and other statutory changes.

- Requires the Legislative Service Commission to serve as the fiscal agent for the Joint Committee on Agency Rule Review instead of the Chief Administrative Officer of the House or the Clerk of the Senate.
- Clarifies that rules adopted by the Department of Taxation are subject to periodic, five-year review.

Fiscal agent

(Section 307.10)

The bill requires the Legislative Service Commission to act as the fiscal agent for the Joint Committee on Agency Rule Review. Currently, the Chief Administrative Officer of the House and the Clerk of the Senate determine, by mutual agreement, which of them acts as the JCARR fiscal agent.[13]

Tax rules subject to periodic review

(R.C. 119.04)

The bill clarifies that rules adopted by the Department of Taxation are subject to periodic, five-year review by removing a sentence that was overlooked when H.B. 487 of the 129th General Assembly in 2012 made tax rules subject to that review. Tax rules originally were exempt from periodic, five-year review, and the overlooked sentence suggests erroneously that there is an exemption for those rules.

[13] Section 303.10 of H.B. 59 of the 130th General Assembly.

- Beginning July 1, 2016, increases to $350 (from $300) the fee charged to certain long-term care facilities for the Ohio Long-term Care Consumer Guide.
- Changes (from 90 days to a period specified in rules) the period for which an applicant for the Medicaid-funded component of the PASSPORT program may participate in the state-funded component of the PASSPORT program.
- Makes a corresponding change to the period for which an individual may participate in the state-funded component of the Assisted Living Program.
- Repeals a provision that grants eligibility for the state-funded component of the PASSPORT program to an individual no longer eligible for the Medicaid-funded component of the PASSPORT program.
- Permits an individual enrolled in the Medicaid-funded component of the Assisted Living Program to choose a single occupancy room or, subject to an approval process to be established in rules, a multiple occupancy room.
- Makes technical corrections to statutory cross-references in the law governing the state-funded component of the PASSPORT and Assisted Living Programs.

Long-term Care Consumer Guide fee increase

(R.C. 173.48)

Beginning July 1, 2016, the bill increases to $350 (from $300) the fee charged to long-term care facilities that are residential facilities for the Ohio Long-term Care Consumer Guide. The Guide is developed and published by the Department of Aging for individuals and their families to use in considering long-term care facility admission.[14]

State-funded component of PASSPORT

(R.C. 173.522)

The bill changes the period of time for which an individual may participate in the state-funded component of the PASSPORT program, which provides home and

[14] R.C. 173.46, not in the bill.

community-based services as an alternative to nursing facility placement for eligible individuals who are aged and disabled. PASSPORT has both a Medicaid-funded component and a state-funded component.[15] Currently, an applicant for the Medicaid-funded component of PASSPORT may participate in the state-funded component for 90 days. The bill changes that period to a period to be specified by the Director of Aging in rules.

The bill also repeals a provision in current law that provides state-funded component eligibility to an individual who is no longer eligible for the Medicaid-funded component of PASSPORT but still needs home and community based services to protect the individual's health and safety.

State-funded component of Assisted Living Program

(R.C. 173.543)

The bill changes the period of time for which an individual may participate in the state-funded component of the Assisted Living Program. Current law provides for an Assisted Living Program to deliver assisted living services to eligible individuals. The Program consists of a Medicaid-funded component and a state-funded component.[16] Eligible individuals may participate in the state-funded component for up to 90 days. The bill instead requires the Director to adopt rules specifying how long an individual may participate in the state-funded component.

Medicaid-funded component of Assisted Living Program

(R.C. 173.548)

The bill permits an individual enrolled in the Medicaid-funded component of the Assisted Living Program to choose a single occupancy room or multiple occupancy room in the residential care facility in which the individual resides. The choice of a multiple occupancy room is to be subject to approval pursuant to a process that the bill requires the Director of Aging to establish in rules.

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[15] R.C. 173.51, not in the bill.

[16] R.C. 173.51, not in the bill.

Technical correction

(R.C. 173.523, 173.544, and 173.545)

The bill makes technical corrections to statutory cross-references in the law governing the state-funded component of the PASSPORT and Assisted Living Programs.

DEPARTMENT OF AGRICULTURE

Transfer of Agricultural Soil and Water Conservation Program

- Transfers, effective January 1, 2016, the administration of the Agricultural Soil and Water Conservation Program from the Division of Soil and Water Resources in the Department of Natural Resources to the Department of Agriculture, and retains all of the components of the Program.

- Effects the transfer by doing, in part, both of the following:

  --Requiring the Directors of Natural Resources and Agriculture to enter into a memorandum of understanding regarding the transfer of the Program and requiring the Director of Agriculture to adopt rules relating to the Program that are identical to existing rules adopted by the Director of Natural Resources;

  --Stipulating that all operation and management plans developed under current law continue in effect as if they were developed under the bill.

State matching funds for soil and water conservation districts

- Generally requires money to be paid in each calendar year by the state to each soil and water conservation district in an amount of up to $1 for each $1 received by a district pursuant to a contract entered into with a board of county commissioners under which the soil and water conservation district will conduct storm water projects and activities.

- Authorizes a board of county commissioners to enter into such a contract with a public agency under which the public agency will conduct projects and activities for the purpose of complying with the requirements of phase II of the federal storm water program.

- Limits the amount of state money that may be paid to a district to match money received by the district pursuant to such a contract in calendar years 2015, 2016, and 2017, and stipulates how the amount received is to be determined.

Elimination of Agricultural Financing Commission

- Eliminates the Agricultural Financing Commission, which is required to make recommendations to and advise the Director of Agriculture concerning the Family Farm Loan Program, which was repealed in 2007.

Review compliance certificates

- Eliminates provisions governing review compliance certificates issued under the Concentrated Animal Feeding Facilities Law, the operation of which has expired.

County payment for injury or loss of animals by dogs

- Eliminates requirements and procedures in current law under which a board of county commissioners must reimburse the owner of an animal that has been killed or injured by a dog not belonging to the owner.

Wine tax diversion

- Extends through June 30, 2017, the extra 2¢ per-gallon earmark of wine tax revenue that is credited to the Ohio Grape Industries Fund.

Exceptions to auctioneer licensure

- Does both of the following regarding exemptions from licensure under the Auctioneers Law:

  --Adds an exemption for sales at an auction sponsored by a tax-exempt organization such as a business league, chamber of commerce, or board of trade when certain conditions apply;

  --Revises the existing exemption for a bid-calling contest conducted to advance or promote the auction profession in Ohio by allowing any type of compensation to be paid to the event's sponsor or participants.

Transfer of Agricultural Soil and Water Conservation Program

(R.C. 121.04, 305.31, 505.101, 717.01, 901.08, 901.21, 901.22, 903.082, 903.11, 903.25, 905.31, 905.323, 931.01, 931.02, 939.01, 939.02, 939.03, 939.04, 939.05, 939.06, 939.07, 939.08, 939.09, 939.10, 940.01, 940.02, 940.03, 940.04, 940.05, 940.06, 940.07, 940.08, 940.09, 940.10, 940.11, 940.12, 940.13, 940.14, 940.15, 940.16, 940.17, 940.18, 940.19, 940.20, 940.21, 940.22, 940.23, 940.24, 940.25, 940.26, 940.27, 940.28, 940.29, 940.30, 940.31, 940.32, 940.33, 940.34, 940.35, 941.14, 953.22, 1501.011, 1501.04, 1511.01 (repealed), 1511.04 (repealed), 1511.06 (repealed), 1511.07 (repealed), 1511.08 (repealed), 1511.99 (repealed), 3714.073, 3718.03, 3734.02, 3734.029, 3734.901, 3745.70, 4115.03, 5301.68, 5301.69, 5537.05, 5705.19, 6111.01, 6111.03, 6111.04, 6111.12, 6111.44, and 6131.23; Sections 709.20, 709.30, 709.40, and 709.50)

The bill transfers, effective January 1, 2016, the administration of the Agricultural Soil and Water Conservation Program from the Division of Soil and Water Resources in the Department of Natural Resources to the Department of Agriculture and retains all of the components of the Program. The bill effects the transfer by doing, in part, all of the following:

(1) Requiring the Director of Natural Resources and the Director of Agriculture to enter into a memorandum of understanding regarding the transfer of the Program, requiring the Director of Natural Resources to identify in the memorandum all applicable rules regarding the Program, and requiring the Director of Agriculture to adopt rules that are identical to the rules that are identified in the memorandum;

(2) Stating that, subject to the layoff provisions of the law governing state and local personnel or the applicable collective bargaining agreement, all of the Division's employees relating to the Program are transferred to the Department and retain their same positions and all benefits accruing to them;

(3) Stipulating that all operation and management plans developed under current law continue in effect as if they were developed under the bill;

(4) Transferring from the Chief to the Director of Agriculture responsibility for administering the Agricultural Pollution Abatement Fund, which is used to pay the costs of investigating or abating water degradation caused by agricultural pollution or an unauthorized discharge of manure or residual farm products into or on the environment that requires emergency action to protect public health.

The bill authorizes the Director to enforce the law governing the Agricultural Soil and Water Conservation Program, including taking corrective actions, imposing civil and administrative penalties, and seeking injunctive relief. Currently, the Chief enforces that law by issuing orders requiring compliance with specified rules relating to the abatement of the degradation of the waters of the state by agricultural pollution. If a person fails to comply with those orders, the Chief may seek a court order requiring the person to cease the violation and remove the agricultural pollutant.

State matching funds for soil and water conservation districts

(R.C. 940.15 and 6117.021)

The bill requires money to be paid in each calendar year to each soil and water conservation district, within the limits of funds appropriated to the Department of Agriculture and the Soil and Water Conservation District Assistance Fund, in an amount not to exceed one dollar for each one dollar received by a district pursuant to a contract entered into with a board of county commissioners that has formed a county sewer district under which the soil and water conservation district will conduct projects and activities for the purpose of complying with the requirements of phase II of the federal storm water program. The bill also authorizes such a board of county commissioners to enter into such a contract with a public agency, on terms and for the period of time that are mutually agreed on.

As part of the bill's transfer of the Agricultural Soil and Water Conservation Program from the Department of Natural Resources to the Department of Agriculture, the bill transfers the administration of the state matching funds to the latter. It retains other sources of money that may be matched in existing law, the annual maximum state match of $8,000, and authority for the Ohio Soil and Water Conservation Commission to approve payment to a district in an amount in excess of $8,000 in any calendar year upon receipt of a request and justification from the district.

In addition, the bill limits the amount of money that may be paid by the Department to a district to match money received by the district pursuant to a contract discussed above in calendar years 2015, 2016, and 2017 to the amount that was paid to the district as a match during calendar year 2013 that resulted from the board of county commissioners' having used the proceeds of a contract entered into between the board and a district of a type similar to that authorized by the bill, directly or indirectly, for matching funds in calendar year 2013, but authorizes the state match to exceed that amount to the extent that other sources of local matching funds are used by the district for local matching funds in state fiscal years 2015, 2016, and 2017.

Elimination of Agricultural Financing Commission

(R.C. 901.61, 901.62, 901.63, and 901.64 (repealed) and 902.01)

The bill eliminates the Agricultural Financing Commission, which is required to make recommendations to and advise the Director of Agriculture concerning the Family Farm Loan Program, which was repealed in 2007.

Review compliance certificates

(R.C. 903.01, 903.03, 903.07, 903.09, 903.10, 903.11, 903.12, 903.13, 903.16, 903.17, and 903.25; R.C. 903.04 (repealed))

The bill eliminates provisions governing review compliance certificates issued under the Concentrated Animal Feeding Facilities Law, the operation of which has expired. S.B. 141 of the 123rd General Assembly, which took effect in 2001, transferred the regulation of animal waste disposal at concentrated animal feeding facilities (CAFFs) from the Environmental Protection Agency to the Department of Agriculture. The act required the Director of Agriculture to finalize a program under which the Director was given the authority to issue, in part, permits to install and permits to operate for CAFFs. The Director finalized the program in August, 2002. Prior to the finalization, the Director of Environmental Protection issued installation permits for the installation or modification of disposal systems for animal waste that involved 1,000 or more animal units or any parts of those disposal systems in compliance with the Federal Water Pollution Control Act.

Current law specifies that on and after the date that is two years after the date on which the Director of Agriculture finalized the program for the issuance of permits to install for CAFFs, which was in August, 2004, and until the issuance of a permit to operate, no person lawfully could operate a CAFF in existence prior to August, 2004, unless the person applied for a review compliance certificate issued by the Director. Upon the Director's review of specified information concerning a facility and inspection of the facility, the Director had to issue a review compliance certificate to the facility if the Director determined that it satisfied certain criteria. A permit to operate had to be obtained prior to expiration of the review compliance certificate, which was valid for five years. Because the above deadlines have passed, the statutes governing review compliance certificates are obsolete.

County payment for injury or loss of animals by dogs

(R.C. 955.29 (repealed), 955.12, 955.121, 955.14, 955.15, 955.20, 955.27, 955.30 (repealed), 955.32 (repealed), 955.35 (repealed), 955.351 (repealed), 955.36 (repealed), 955.37 (repealed), and 955.38 (repealed))

The bill eliminates requirements and procedures in current law under which a board of county commissioners must reimburse the owner of an animal that has been killed or injured by a dog not belonging to the owner. Accordingly, the bill repeals provisions:

--Allowing an owner of an animal that the owner believes has a fair market value of $10 or more to make a claim for the injury or loss of that animal and to submit additional information demonstrating the animal's lines of breeding, age, and other matters;

--Requiring a board of county commissioners to hear a claim and, if the dog warden has determined that the claim is valid, pay the claim from the dog and kennel fund or from the county general fund;

--Requiring statements and testimony regarding the loss or injury of an animal to be on forms prepared by the Secretary of State;

--Allowing an owner of an animal that has been killed or injured by a dog to appeal a final allowance made by a board of county commissioners; and

--Requiring a probate court to hear an appeal by an owner of an animal that has been killed or injured by a dog and determine the fair market value of that animal and the limit on relief.

The bill also makes conforming changes in the Dogs Law.

Wine tax diversion to Ohio Grape Industries Fund

(R.C. 4301.43)

The bill extends through June 30, 2017, the extra 2¢ per-gallon earmark of wine tax revenue that is credited to the Ohio Grape Industries Fund. Continuing law imposes a tax on the distribution of wine, vermouth, and sparkling and carbonated wine and champagne at rates ranging from 30¢ per gallon to $1.48 per gallon. From the taxes paid, a portion is credited to the fund for the encouragement of the state's grape and wine industry, and the remainder is credited to the GRF.

Under current law, the amount credited to the Ohio Grape Industries Fund is scheduled to decrease from 3¢ to 1¢ per gallon on July 1, 2015. The extra 2¢ earmark began in July 1995 and originally was scheduled to terminate in June 2001, but has been extended by two-year intervals since July 2001.

Exceptions to auctioneer licensure

(R.C. 4707.02)

The bill does both of the following regarding exemptions from the existing prohibition against acting as an auction firm, auctioneer, or apprentice auctioneer within Ohio without a license issued by the Department of Agriculture:

(1) Adds an exemption for sales at an auction that is (a) sponsored by an organization that is tax exempt under subsection 501(c)(6) of the Internal Revenue Code, e.g., a business league, chamber of commerce, or board of trade, and (b) a part of a national, regional, or state convention or conference that advances or promotes the auction profession in Ohio, when the property to be sold is donated to or is the property of the organization and the proceeds remain within the organization or are donated to a nonprofit charitable organization;

(2) Revises the existing exemption for a bid-calling contest conducted to advance or promote the auction profession in Ohio by allowing any type of compensation to be paid to the event's sponsor or participants. Under current law, no compensation may be paid other than a prize or award for winning the contest.

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

- Provides for the Energy Strategy Development Program, to be monitored by the Ohio Air Quality Development Authority, to develop energy initiatives, projects, and policy that align with Ohio's energy policy.

Energy Strategy Development Program

(Section 213.20)

The bill requires the Energy Strategy Development Program to develop energy initiatives, projects, and policy that align with the energy policy of Ohio. Although the Revised Code and the bill do not expressly create this Program, apparently this requirement implicitly does. In addition, the bill requires the Ohio Air Quality Development Authority to be responsible for monitoring the Program.

The bill provides that the issues addressed by the Program are not to be limited to those provided for under Ohio law governing the Authority.[17] The bill also provides that the Program pays for costs associated with the administration of the outstanding loans (apparently those made by the Authority under R.C. 166.30 and 3706.27) and working with outside parties associated with the loans.

For purposes of funding the Program, the bill creates, by uncodified law, the Energy Strategy Development Fund in the state treasury. The Fund is to consist of money credited to it and *money obtained for advanced energy projects from federal or private grants, loans, or other sources* (with respect to the italicized language, the bill is not clear as to what this money is or where it comes from). The bill further provides for the transfer of cash to the Fund on July 1 of each fiscal year in the upcoming biennium from various other funds. The bill also provides that all cash credited to the Fund be transferred on July 1, 2017 to the GRF and that the Fund be abolished after the transfer.

[17] R.C. Chapter 3706., not in the bill.

OHIO ATHLETIC COMMISSION

- Alters the membership of the Ohio Athletic Commission (OAC).
- Enables an OAC member whose term has ended to continue to serve as a commissioner until a replacement has been appointed for an indefinite period, as opposed to a current maximum of 60 days.
- Specifies that a majority of voting members is needed for any action to be taken by the OAC, as opposed to three of the five voting members under current law.
- Specifies that individuals participating in mixed martial arts events or other unarmed combat sports overseen by the OAC are subject to licensing requirements.
- Removes the requirement that a person wishing to participate as a contestant in an event overseen by the OAC submit with the license application a certified copy of a physical examination.
- Removes the requirement that a person seeking a referee's license pass an examination administered by the OAC.
- Alters the form and content of a license issued by the OAC.

Ohio Athletic Commission

(R.C. 3773.33, 3773.41, and 3773.42)

Commission membership and voting

The bill revises the membership of the Ohio Athletic Commission (OAC). The OAC consists of five voting members and two nonvoting members. The bill replaces the current membership requirements with a requirement that two voting members must be knowledgeable in boxing and mixed martial arts; the bill would specify no required qualifications for the other members. Current law requires two voting members be knowledgeable in boxing, at least one be knowledgeable and experienced in high school athletics, one be knowledgeable and experienced in professional athletics, and at least one be knowledgeable and experienced in collegiate athletics.

The bill removes the 60-day limitation for members continuing in office after the member's term ends. Under current law, a member continues in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of 60 days has elapsed, whichever occurs first.

As under continuing law, three voting members constitute a quorum, and the affirmative vote of three voting members is necessary for any action taken by the OAC. The bill changes the terminology for votes needed to be taken from three (of five) voting members being needed to a majority of voting members being needed.

Licensure

Mixed martial arts

The bill subjects individuals involved in mixed martial arts events and other unarmed combat sports to OAC regulation.

Contestants

The bill removes the requirement that an application for a contestant's license, or renewal of that license, also include the results of a physical examination of the applicant conducted by a specified health care practitioner within 60 days of applying.

Referees

One of the requirements for a referee's license is that the applicant is qualified to hold the license by reason of the applicant's knowledge and experience. The bill removes one of the criteria an applicant must meet to be determined to possess the knowledge and experience necessary: the person has obtained a passing grade on an examination administered by the OAC and designed to test the examinee's knowledge of the rules of the particular sport, the applicable OAC rules, and other appropriate aspects of officiating. The remaining criteria remain: the person must (1) complete OAC referee training requirements and (2) meet OAC experience requirements.

License

The bill replaces the requirement that each license the OAC issues bear a serial number with a requirement that the license bear a number, and removes the requirement that the license bear the correct ring of the licensee, the OAC seal, and the signature of the OAC chairperson.

- Specifies that an active duty member of the U.S. armed forces who is at least 18:

  --Does not need a concealed handgun license to carry a handgun concealed if the member is carrying valid military identification and a certificate indicating successful small arms qualification; and

  --May be sold or furnished a handgun if the member has received military or equivalent small arms training.

- Repeals the journalist access exception to the general prohibition against the release of confidential records a sheriff keeps relative to the issuance, renewal, suspension, or revocation of a concealed handgun license.

- Requires the Attorney General to adopt rules governing the training of peace officers on companion animal encounters and behavior and specifies what the rules must include.

- Requires the peace officer basic training program and the Ohio Peace Officer Training Academy to include training on companion animal encounters and behavior.

- With respect to entities that receive state economic development awards, requires the Attorney General to determine compliance with the terms of the award, including the performance metrics, at the end of the year by which the entity is required to meet one of those metrics, rather than annually, as required under current law.

- Requires the Attorney General to enter into an agreement with the U.S. Secretary of the Treasury to participate in the federal Treasury Offset Program for the collection of outstanding state income tax and unemployment debts.

Handguns – active duty armed forces member with small arms training

(R.C. 1547.69, 2923.12, 2923.121, 2923.122, 2923.123, 2923.126, 2923.16, and 2923.21)

Concealed handguns

The bill makes the following changes in the law related to concealed handguns, regarding a person who is an active duty member of the U.S. armed forces, is 18 or older, and is carrying a valid military identification card and a certificate issued by the person's applicable service branch indicating that the person has successfully completed small arms qualification (hereafter, a "qualifying active member of the military"):

(1) It specifies that a qualifying active member of the military has the same right to carry a concealed handgun in Ohio as a person who was issued a standard concealed handgun license and is subject to the same restrictions as apply under the Concealed Handgun Law to a person who was issued such a license. Under continuing law, a concealed handgun licensee generally may carry a concealed handgun anywhere in Ohio if the licensee also carries a valid license and valid identification when in possession of the concealed handgun. But a license does not authorize a licensee to carry a concealed handgun in any manner prohibited under the offenses of "carrying concealed weapons" or "improperly handling firearms in a motor vehicle," or into any of a list of specified prohibited places, including, for example, specified law enforcement premises; a school safety zone, courthouse, institution of higher education, a place of worship, specified day-care premises, or an aircraft or government facility.

(2) It expands exemptions in certain criminal offenses that currently apply to a concealed handgun licensee so that the exemptions also apply to a qualifying active member of the military. The exemptions currently specify that a person who is carrying a handgun, is carrying a valid concealed handgun license, is not in a prohibited place (see above), and in most cases satisfies one or more other specified criteria of an offense is not subject to the offense. The offenses that provide such an exemption are: knowingly transporting or having a loaded firearm in a vessel; "carrying concealed weapons" involving a handgun other than a dangerous ordnance; "illegal possession of a firearm in liquor permit premises"; "illegal conveyance or possession of a deadly weapon or dangerous ordnance in a school safety zone"; "illegal conveyance of a deadly weapon or dangerous ordnance into a courthouse"; "illegal possession or control of a deadly weapon or dangerous ordnance in a courthouse"; and "improperly handling firearms in a motor vehicle" involving the transportation or possession of a loaded firearm in a motor vehicle.

(3) It expands, so that they apply to a qualifying active member of the military: special penalties under the offense of "carrying concealed weapons" that currently apply to a person who has been issued, but cannot immediately produce, a concealed handgun license; special duties imposed upon a person who has been issued a concealed handgun license, has a loaded handgun in a motor vehicle, and is approached by a law enforcement officer after a law enforcement stop; and penalties that apply to person who violates any of those special duties.

Improperly furnishing firearms to a minor

The bill specifies that the existing prohibitions against selling a firearm to a person who is under 18 or selling a handgun to a person who is under 21 do not apply to the sale or furnishing of a handgun to a person who is at least 18 and under 21 if the person to whom the handgun is furnished is an active member of the U.S. armed forces who has received small arms training from the armed forces or the equivalent small arms training. Continuing law provides an exemption from the prohibitions for a law enforcement officer in specified circumstances, and specifies that a violation of either prohibition is the offense of "improperly furnishing firearms to a minor," a fifth degree felony.

Concealed Handgun Law – repeal of journalist access exception

(R.C. 2923.129)

The bill repeals a provision of existing law that, in specified circumstances, provides an exception to the general prohibition against release of records that a sheriff keeps with respect to concealed handgun licenses. Under the exception, a "journalist" may view the name, county of residence, and date of birth of each person to whom the sheriff has issued, renewed, or issued a replacement for, or for whom the sheriff has suspended or revoked, a standard or temporary emergency concealed handgun license (CHL).

Currently, notwithstanding the state's Public Records Law but subject to the journalist's access exception described below, the records that a sheriff keeps relative to the issuance, renewal, suspension, or revocation of a CHL are confidential and are not public records. Except with respect to the journalist's access exception, no person may release or otherwise disseminate any such confidential records unless required to do so pursuant to a court order. A violation of the prohibition is "illegal release of confidential concealed handgun license records," a fifth degree felony with a possible separate $1,000 civil fine and authorized civil action in specified circumstances.

Under the existing journalist's access exception, a journalist (see below) may submit to a sheriff a signed, written request to view the name, county of residence, and date of birth of each person to whom the sheriff has issued, renewed, issued a replacement for, or for whom the sheriff has suspended or revoked, a CHL. The request must include the journalist's name and title and the name and address of the journalist's employer, and state that disclosure of the information sought would be in the public interest. Upon receipt of the request, the sheriff must grant it. The journalist may not copy the name, county of residence, or date of birth of a person to or for whom the sheriff has issued, suspended, or revoked a CHL. As used in the exception, "journalist" means a person engaged in, connected with, or employed by any news medium, including a newspaper, magazine, press association, news agency, or wire service, a radio or television station, or a similar medium, for the purpose of gathering, processing, transmitting, compiling, editing, or disseminating information for the general public.

Training of peace officers on companion animal encounters

(R.C. 109.747, 109.77, and 109.79)

The bill requires the Attorney General to adopt administrative rules governing the training of peace officers on companion animal encounters and behavior. The rules must include all of the following:

(1) A specified amount of training that is necessary for satisfactory completion of basic training programs at approved peace officer training schools, other than the Ohio Peace Officer Training Academy;

(2) The time within which a peace officer is required to receive that training, if the peace officer is appointed as a peace officer before receiving that training;

(3) A requirement that the training include training in all of the following:

- Handling companion animal-related calls or unplanned encounters with companion animals, with an emphasis on canine-related incidents and the use of nonlethal methods and tools in handling an encounter with a canine;
- Identifying and understanding companion animal behavior;
- State laws and municipal ordinances related to companion animals;
- Avoiding a companion animal attack;
- Using nonlethal methods to defend against a companion animal.

The bill also requires that the training provided in the peace officer basic training program and provided by the Ohio Peace Officer Training Academy include training on companion animal encounters and behavior.

Monitoring compliance with economic development awards

(R.C. 125.112)

Under current law, entities that receive a state award for economic development (such as a grant, loan, or other similar form of financial assistance or a contract, purchase order, or other similar transaction) must comply with certain terms and conditions, including performance metrics. The Attorney General is required to monitor the compliance of such entities with the terms and conditions of their awards and submit an annual report to the General Assembly regarding the level of compliance of each entity.

The bill would eliminate the requirement that compliance by such entities be monitored annually. Instead, the Attorney General must determine the extent to which an entity has complied with the terms and conditions of its award, including the performance metrics, *at the end of the calendar year by which the entity is required to meet a performance metric under the award* (referred to as the "closeout year.") Annually, the Attorney General would report on the compliance levels of only those entities.

Treasury Offset Program

(R.C. 131.025)

The bill requires the Attorney General to enter into an agreement with the U.S. Secretary of the Treasury to participate in the federal Treasury Offset Program for the collection of state income tax obligations and unemployment compensation debts that have been certified to the Attorney General for collection pursuant to continuing law.

Under the Treasury Offset Program, an individual's or an entity's federal tax refund can be reduced by the amount the individual or entity owes for specified government debt, including unemployment compensation debt and state income tax obligations.[18]

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[18] 26 U.S.C. 6402(e) and (f) and 31 Code of Federal Regulations (C.F.R.) 285.8.

AUDITOR OF STATE

- Authorizes the Auditor of State to conduct a performance audit of a municipal corporation, county, or township that is under a fiscal caution, a fiscal watch, or a fiscal emergency.
- Authorizes the Controlling Board to provide sufficient funds for purposes of such a performance audit.
- Requires the Auditor of State to declare that a fiscal emergency condition exists in a municipal corporation, county, or township that has not taken reasonable action to discontinue or correct its fiscal watch condition.
- Terminates this provision two years after its effective date.
- Reduces the amount of time a municipal corporation, county, or township for which a fiscal watch has been declared is given to submit to the Auditor of State its financial recovery plan.
- Allows the Auditor of State to receive a share of the proceeds of property that is forfeited as part of a law enforcement investigation when the Auditor is substantially involved in the seizure of the property.
- Creates the Auditor of State Investigation and Forfeiture Trust Fund to receive those forfeiture proceeds and requires the Auditor to follow certain administrative procedures in managing and using the Fund.

Performance audits of local governments in fiscal distress

(R.C. 118.04 and 118.041)

The bill authorizes the Auditor of State, on the Auditor of State's initiative, to conduct a performance audit of a financially distressed municipal corporation, county, or township that is under a fiscal caution, a fiscal watch, or a fiscal emergency.

All expenses incurred by the Auditor of State relating to a determination or termination of one of these three conditions, including providing technical and support services, must be reimbursed from an appropriation for that purpose. The bill specifies that expenses incurred for conducting a performance audit also must be reimbursed from the appropriation.

Auditor of State to declare fiscal emergency condition

(R.C. 118.023; Sections 115.10 to 115.12)

The bill requires the Auditor of State to declare that a fiscal emergency condition exists in a municipal corporation, county, or township if the municipal corporation, county, or township in which a fiscal watch exists has not made reasonable proposals or otherwise taken action to discontinue or correct the fiscal practices or budgetary conditions that prompted the declaration of fiscal watch and the auditor determines a fiscal emergency declaration is necessary to prevent further decline. This provision is in effect for only two years after its effective date.

The bill also reduces, from 120 to 90 days, the amount of time a municipal corporation, county, or township for which a fiscal watch has been declared is given to submit to the Auditor of State its financial recovery plan.

Forfeiture proceeds

(R.C. 117.54 and 2981.13)

The bill allows the Auditor of State to receive a share of the proceeds of property that is forfeited as part of a law enforcement investigation when the Auditor is substantially involved in the seizure of the property. Under continuing law, other law enforcement agencies may receive forfeiture proceeds in this manner.

The bill also creates the Auditor of State Investigation and Forfeiture Trust Fund to receive forfeiture proceeds. Under the bill, the Auditor must follow the same procedures in managing and using the Fund as other law enforcement agencies that receive forfeiture proceeds. The Auditor must adopt a written internal control policy to ensure that the proceeds are used only for law enforcement purposes. And, not later than January 31 of every year, the Auditor must file a report with the Attorney General to verify that the fund was used only for those purposes.

STATE BOARD OF BARBERS AND COSMETOLOGY

- Merges the State Barber Board and the State Board of Cosmetology into the State Board of Barbers and Cosmetology, maintaining all responsibilities of the respective boards.

State Board of Barbers and Cosmetology

(R.C. 4709.04 (repeal), 4709.06 (repeal), and 4713.02, conforming changes in 125.22, R.C. Chapters 4709. and 4713.; Sections 747.30 and 747.40)

The bill merges the State Barber Board and the State Board of Cosmetology into the State Board of Barbers and Cosmetology. The bill combines the membership of the two boards, removing one barber representative and adding a representative of the tanning industry. The bill maintains all responsibilities and duties of both boards. The bill mandates that the State Board of Barbers and Cosmetology is the successor to, assuming the obligations and assets of, both the State Barber Board and State Board of Cosmetology. Any business that is left uncompleted by the two boards is to be completed by the new board. All of the individual boards' rules, orders, and determinations are to continue in effect until modified or rescinded by the State Board of Barbers and Cosmetology. The bill requires the Director of Budget and Management to determine the amount of unexpended balances in the appropriation accounts that pertain to the State Barber Board and the State Board of Cosmetology and is to then recommend to the Controlling Board that they be transferred to the appropriation accounts that pertain to the State Board of Barbers and Cosmetology. The individual boards are required to provide the information needed to complete this transfer. The bill specifies that any reference to either the State Barber Board or the State Board of Cosmetology is to be deemed as referring to the State Board of Barbers and Cosmetology. Any action or proceeding pending on the effective date of the bill is to be prosecuted or defended in the name of the State Board of Barbers and Cosmetology.

OFFICE OF BUDGET AND MANAGEMENT

- Increases the amount of money intended to be maintained in the Budget Stabilization Fund from 5% to 8.5% of General Revenue Fund revenues for the preceding fiscal year.
- Permits a state agency to certify to the Office of Budget and Management (OBM) the amount due for a service subscription provided to a state agency for which an ongoing service was initiated but payment was not received.
- Authorizes the Director of OBM to transfer from the receiving agency to the providing agency the amount that should have been paid for the service subscription.
- Defines a service subscription as an ongoing service provided to a state agency by another state agency for which an estimated payment is made in advance and final payment due is determined based on actual use.
- Permits the Director, under certain circumstances, to transfer interest earned by any state fund to the GRF.
- Authorizes the Director, in each fiscal year, to transfer up to $60 million in cash to the GRF from non-GRF funds that are not constitutionally restricted to ensure that GRF receipts and balances are sufficient to support GRF appropriations.
- Permits the Director to issue guidelines to agencies applying for federal money made available to the state for fiscal stabilization and recovery purposes.
- Appropriates any money the Controlling Board approves for expenditure, or any increase in appropriation the Controlling Board approves, pursuant to existing law.
- Abolishes various uncodified funds.

Budget Stabilization Fund transfer

(R.C. 131.43 and 131.44)

The bill increases the amount of money intended to be maintained in the Budget Stabilization Fund (BSF) from 5% of General Revenue Fund revenues for the preceding fiscal year to an amount equal to 8.5% of such revenues. The bill also modifies the definition of "required year-end balance" to account for the change in the amount to be maintained in the BSF. Under current law, the Director of Budget and Management is required to calculate the state's surplus revenue by July 31 each year, and transfer amounts in excess of one-half of 1% of the GRF revenues of the preceding fiscal year as follows:

(1) To the BSF, an amount necessary to bring the BSF balance to equal 5% of GRF revenues of the preceding fiscal year;

(2) To the Income Tax Reduction Fund, any amounts remaining of surplus revenue.

State agency service subscription late payment transfer authorization

(R.C. 131.34)

The bill authorizes any state agency that has provided a service subscription to another state agency to certify to the Director of Budget and Management (1) that the service subscription has been initiated and (2) the amount due for the service subscription. The agency providing the service subscription may make a certification only if it does not receive payment from the agency receiving the service subscription within 30 days after the providing agency initiates the service subscription and submits an invoice requesting payment for it. After determining what part of the certified amount should have been paid by the receiving agency and that the receiving agency has an unobligated balance in an appropriation for the payment, the Director may transfer the amount that should have been paid from the appropriate fund of the receiving agency to the appropriate fund of the providing agency. The transfer must be made on an intrastate transfer voucher.

Under the bill, a service subscription is an ongoing service provided to a state agency by another state agency for which an estimated payment is made in advance and the final payment due is determined based on actual use.

Under current law a providing agency that has provided goods and services to a receiving agency may follow a similar process to recover payment.

Transfers of interest to the GRF

(Section 512.10)

The bill permits the Director, through June 30, 2017, to transfer interest earned by any state fund to the GRF as long as the source of revenue of the fund is not restricted or protected under the Ohio Constitution or federal law.

Transfers of non-GRF funds to the GRF

(Section 512.20)

The bill authorizes the Director, in both fiscal year 2016 and 2017, to transfer up to $60 million in cash to the GRF from non-GRF funds that are not constitutionally restricted. These transfers are to be made to ensure that available GRF receipts and balances are sufficient to support GRF appropriations in each fiscal year.

Federal money for fiscal stabilization and recovery

(Section 521.60)

To ensure the level of accountability and transparency required by federal law, the bill permits the Director to issue guidelines to any agency applying for federal money made available to the state for fiscal stabilization and recovery purposes and to prescribe the process by which agencies are to comply with any reporting requirements established by the federal government.

Expenditures and appropriation increases approved by Controlling Board

(Section 503.100)

The bill states that any money the Controlling Board approves for expenditure, or any increase in appropriation the Controlling Board approves, as permitted under existing law[19] is hereby appropriated for the period ending June 30, 2017.

Various uncodified funds abolished

(Section 512.60)

The bill requires the OBM Director to abolish various uncodified funds pertaining to certain state agencies, as indicated in the bill, after (1) transferring their cash balances to other funds, and (2) cancelling and reestablishing encumbrances. The amendment or repeal of any Revised Code sections that create any of the abolished funds is addressed in other parts of this analysis.

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[19] R.C. 127.14, 131.35, and 131.39, not in the bill.

- Extends the permit period for an agent representing a career college or school, from one year to up to two years.

Career college agent permit

(R.C. 3332.10)

The bill extends the permit period for an agent representing a career college or school, from one year to up to two years. Such agents distribute literature and information on behalf of such institutions. They also solicit fee-based career college programs.

CASINO CONTROL COMMISSION

Appeals from Commission orders

- Requires an appeal from an Ohio Casino Control Commission order to be taken to the Franklin County Court of Common Pleas.
- Authorizes the court to suspend a Commission order, and to fix the terms of the suspension under certain circumstances.
- Specifies the maximum time for termination of any order issued by a court of common pleas or a court of appeals suspending the effect of a Commission order generally relating to an applicant, licensee, or person excluded or ejected from a casino facility.
- Requires the court of common pleas, or the court of appeals on appeal, to render judgment in the matter within six months after the filing date of the Commission's record.
- Prohibits a court of appeals from issuing an order suspending the effect of an order that extends beyond six months after the filing date of the Commission's record.
- Specifies that an appeal of the Commission's order must be set down for hearing at the earliest possible time and must be given precedence over all other actions.

Casino Law

- States that the Commission has jurisdiction over all persons conducting or participating in the conduct of skill-based amusement machine operations.
- Grants the Commission authority to adopt rules related to the operation of skill-based amusement machines.
- Expands the Commission's authority relating to gaming agents to include employing and assigning gaming agents to assist the Commission in carrying out its duties under the Gambling Law.
- Gives the Commission and gaming agents authority to detect, investigate, seize evidence, and apprehend and arrest persons allegedly committing violations of gambling offenses under the Gambling Law, and grants the Commission access to skill-based amusement machine facilities.
- Creates a criminal penalty under the Casino Law for a person who purposely or knowingly operates a skill-based amusement machine operation in a manner other

than the manner required under the Gambling Law, and states that such premises are a nuisance subject to abatement.

- Changes the mental state throughout the Casino Law penalty provisions that must accompany certain violations from knowingly or intentionally to purposely or knowingly.

- Removes a deadline by which the Commission must have adopted initial casino-related rules.

Commissioner salary

- Adjusts a Commissioner's salary on the effective date of the bill and on July 1, 2016, and July 1, 2017.

Appeals from Commission orders

(R.C. 119.12)

The bill requires an appeal from an order of the Ohio Casino Control Commission to be taken to the Court of Common Pleas of Franklin County. Under continuing law, generally, a party adversely affected by an order of an agency may appeal to the Court of Common Pleas of the county of residence. However, appeals from orders of certain state agencies, including the Liquor Control Commission, the State Medical Board, the State Chiropractic Board, and the Board of Nursing, also must be taken to the Court of Common Pleas of Franklin County.

The bill authorizes the court to suspend an order of the Commission, and to fix the terms of the suspension, if it appears to the court that (1) an unusual hardship to the appellant will result from execution of the order pending determination of the appeal and (2) the health, safety, and welfare of the public will not be threatened by suspension of the order. Continuing law includes the same authorization for a court with respect to an appeal from an order of the State Medical Board and the State Chiropractic Board.

The bill specifies that any order issued by a court of common pleas or a court of appeals suspending the effect of an order of the Commission that limits, conditions, restricts, suspends, revokes, denies, not renews, fines, or otherwise penalizes an applicant, licensee, or person excluded or ejected from a casino facility must terminate within six months after the date of the filing of the Commission's record with the clerk of the court of common pleas. The bill prohibits a court from extending such a suspension.

The bill also requires the court of common pleas, or the court of appeals on appeal, to render judgment in the matter within six months after the date the Commission's record is filed with the clerk of the court of common pleas. A court of appeals is prohibited from issuing an order suspending the effect of an order that extends beyond six months after the date on which the Commission's record is filed with the clerk of a court of common pleas.

Finally, the bill specifies that an appeal of the Commission's order is to be set down for hearing at the earliest possible time and is to be given precedence over all other actions. Continuing law gives precedence to hearings on appeals from orders of the Liquor Control Commission, the State Medical Board, and the State Chiropractic Board.

Casino Law

(R.C. 3772.03 and 3772.99)

Skill-based amusement machine operations

To ensure the integrity of skill-based amusement machine operations, the bill states that the Commission has jurisdiction over all persons conducting or participating in the conduct of skill-based amusement machine operations, including having the authority to license, regulate, investigate, and penalize those persons in a manner consistent with the Commission's authority to do the same for casino gaming. The bill grants the Commission the authority to adopt rules under the Administrative Procedure Act, including rules establishing fees and penalties, related to the operation of skill-based amusement machines.

The bill expands the Commission's authority related to gaming agents to include employing and assigning gaming agents to assist the Commission in carrying out its duties under the Gambling Law. Under continuing law, the Commission may employ and assign gaming agents to assist the Commission is carrying out its duties under the Casino Law. Additionally, the bill states that the Commission and its gaming agents have authority with regard to the detection and investigation of, the seizure of evidence allegedly relating to, and the apprehension and arrest of persons allegedly committing violations of the Casino Law, gambling offenses under the Gambling Law, or violations of any other Ohio law that may affect the integrity of casino gaming or the operation of skill-based amusement machines. The Commission may access casino facilities and skill-based amusement machine facilities to carry out the requirements of those laws.

The bill states that a person who purposely or knowingly operates a skill-based amusement machine operation in a manner other than the manner required under the Gambling Law commits a felony, and states that the premises used or occupied in such a manner is a nuisance subject to abatement. (The felony is of the fifth degree on a first offense and of the fourth degree on subsequent offenses.)

Under current law, the Commission was to assume jurisdiction over and oversee the regulation of skill-based amusement machines under Ohio law beginning on July 1, 2011. Under continuing law, a skill-based amusement machine is a mechanical, video, digital, or electronic device that rewards players with merchandise prizes or with redeemable vouchers for merchandise prizes. Generally, a merchandise prize and a redeemable voucher awarded for any single play may not exceed a $10-value. The vouchers or prizes must be distributed at the site of the skill-based amusement machine at the time of play. The games are not to be determined by chance, but rather by achieving the object of the game.

Other Commission provisions

Throughout the Casino Law penalty provisions, the bill changes the mental state that must accompany certain violations from knowingly or intentionally to purposely or knowingly.

The bill also removes a deadline by which the Commission must have adopted initial casino-related rules within six months of September 10, 2010, that is, by March 10, 2011. Under the bill, the Commission must continue to adopt the rules on the enumerated topics.

Commissioner salary

(R.C. 3772.02)

The bill adjusts a Commissioner's salary as indicated in the following table:

Current law	As of provision's effective date	As of July 1, 2016	As of July 1, 2017
$30,000 per year	$50,000 per year	$40,000 per year	$30,000 per year

The bill also removes a provision requiring a Commissioner's salary to be paid in monthly installments. Under continuing law, each Commissioner also receives actual and necessary expenses incurred in the discharge of the Commissioner's official duties.

DEPARTMENT OF COMMERCE

U.S. savings bonds as unclaimed funds

- Creates a presumption that a U.S. savings bond constitutes unclaimed funds under the Unclaimed Funds Law.

Securities Law

- Exempts certain persons from the dealer license requirement.
- Modifies the definition of "institutional investor."

Small Government Fire Department Services Loan Program

- Creates the Small Government Fire Department Services Revolving Loan Fund.
- Permits the State Fire Marshal to loan money from the Fund for purposes of the existing Small Government Fire Department Services Revolving Loan Program.

State Liquor Regulatory Fund

- Generally requires all money collected under the Liquor Control Law to be credited to the existing State Liquor Regulatory Fund, rather than the Liquor Control Fund as required under current law.

Liquor permitting provisions

- Expands the affirmative defense for a violation of the law prohibiting the sale of alcohol to an underage person by allowing a liquor permit holder to claim the defense after acceptance of an out-of-state identification card or a U.S. or foreign passport.
- Alters the required population range of one type of municipal corporation where a D-5j liquor permit may be issued in a community entertainment district by specifying that the municipal corporation must have a population between 7,000 and 20,000, rather than between 10,000 and 20,000 as under current law.
- Allows the Division of Liquor Control to issue a D-5j permit to an establishment that is located in a municipal corporation that has created a community entertainment district if certain criteria apply to the municipal corporation, including:

  --It has a population of less than 3,000 according to the most recent federal decennial census; and

--It was incorporated as a village prior to 1812 and currently has a historic district of at least 40 acres.

- Authorizes the Division of Liquor Control to issue a D-5l liquor permit (for sales of beer and intoxicating liquor in a revitalization district) to a premises that is located in a township with a population density of less than 450 people per square mile.

- Requires the D-6 liquor permit (Sunday sales of beer and intoxicating liquor) to be issued to a D liquor permit holder that is a retail food establishment or food service operation and is located in a state park that has a working farm on its property.

- Establishes requirements and procedures to allow specified liquor permit holders to serve beer or intoxicating liquor until 4 a.m. during a major event, rather than until 1 a.m. or 2:30 a.m. as provided under current law.

- Describes a major event as an event that meets certain conditions, including it is scheduled to occur in a municipal corporation with a population of 350,000 or more on or after the bill's effective date.

Sale of tasting samples, growlers

- Allows the holder of both a C-1 and C-2 liquor permit, or the holder of a C-2x liquor permit, that is the owner of a retail store within a municipal corporation or township with a specified population to obtain a D-8 liquor permit for purposes of the sale of tasting samples of beer, wine, and mixed beverages and the sale of growlers of beer.

Merchandise as gift with purchase of alcoholic beverage

- Allows a manufacturer, supplier, or solicitor of alcoholic beverages to give merchandise or another thing of value to a personal consumer in connection with the purchase of an alcoholic beverage under specified circumstances.

Real estate licenses

- Increases, from $10,000 per year to $25,000 per fiscal year, the amount of loans the Real Estate Education and Research Fund may advance annually to applicants for salesperson licenses.

- Permits a licensed real estate broker or salesperson whose license is on deposit as an armed serviceperson to take up to the longer of 12 months after the licensee's first birthday after discharge or the amount of time the licensee spent on active duty to complete continuing education requirements.

- Permits a licensee who is the spouse of a member of the armed forces an extended time period to renew the license and to complete continuing education requirements.

- Specifies that "armed forces" in the context of the licensure of real estate brokers and salespersons includes the Ohio National Guard and any other state's national guard.

Real estate appraiser assistants

- Requires that, in accordance with federal law, real estate appraiser assistants complete 14 classroom hours of continuing education instruction annually, without existing law's two-year grace period.

- Exempts real estate appraisers who have obtained a temporary certification or license from existing law's continuing education requirements.

Fireworks

- Extends a moratorium on issuing new fireworks manufacturer licenses, new fireworks wholesaler licenses, and the geographic transfer of either of these license types, from December 15, 2015, to December 15, 2017.

- Permits individuals to purchase and possess fireworks without completing a purchaser's form that contains an acknowledgement of responsibility and identifying information.

School door barricade devices

- Requires the Board of Building Standards to adopt rules for a staff member of a public or private school or institution of higher education to use a device that prevents both ingress and egress through a door in a school building, for a finite period of time and in an emergency situation.

- Requires each public and private school and institution of higher education to train its staff members on the use of the barricade device and to maintain a record verifying this training.

- Prohibits the State Fire Code from containing any provision that prohibits the use of a barricade device that is operated in accordance with the Board's rules.

U.S. savings bonds as unclaimed funds

(R.C. 169.051)

The bill creates a presumption that a U.S. savings bond constitutes unclaimed funds under the Unclaimed Funds Law if all of the following apply:

(1) The bonds are held or owing in Ohio by any person, or issued or owed in the course of a holder's business, or by a governmental entity;

(2) The bond owner's last known address is in Ohio;

(3) The bond has remained unclaimed and unredeemed for three years after final maturity.

Bonds that are presumed abandoned and constitute unclaimed funds escheat to the state (that is, become property of the state) three years after becoming abandoned and unclaimed property. The Director of Commerce must commence a civil action for a determination that the bond escheats and for title to the bond. After that judicial determination, the Director must redeem the bonds. After paying the costs of collection, the remaining proceeds are disposed of in the same manner as other unclaimed funds.

The bill also creates a procedure by which persons claiming the escheated bond, or the proceeds from the bond, may seek payment. In the Director's discretion, the Director may pay the claim less expenses and costs the state incurred in securing full title to the bond.

Securities Law – "institutional investors" and dealer license exemption

(R.C. 1707.01 and 1707.14)

The bill exempts from the dealer license requirement persons who have no Ohio place of business, are federally registered, and effect transactions in Ohio only with institutional investors.

The bill also modifies the definition of "institutional investor" under the Ohio Securities Law to more specifically identify the types of entities included and, for many institutional investors, create an asset threshold of $10,000,000.

Under current law, "institutional investor" means:	Under the bill, "institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity:
A bank.	A bank or international banking institution.
An insurance company.	An insurance company. A separate account of an insurance company.
Pension fund or pension fund trust, employees' profit-sharing fund, or employees' profit-sharing trust.	An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $10,000,000 or its investment decisions are made by certain types of fiduciaries. Certain plans established and maintained by a state or local government for the benefit of its employees, if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a duly designated public official or by a certain type of fiduciary.
Any trust in respect of which a bank is trustee or cotrustee.	A trust, if it has total assets in excess of $10,000,000, its trustee is a bank, and its participants are exclusively plans of the types described in the cell above, regardless of the size of their assets, except a trust that includes as participants certain similar self-directed plans.
Any association engaged, as a substantial part of its business or operations, in purchasing or holding securities.	An investment company as defined in the federal Investment Company Act.
	A federally registered broker-dealer or a state licensed dealer.
	A 501(c)(3) organization or specified type of business form with total assets in excess of $10,000,000.
	A licensed small business investment company with total assets in excess of $10,000,000.
	A private business development company with total assets in excess of $10,000,000.
	A federal covered investment adviser acting for its own account.
	A "qualified institutional buyer."
	A "major U.S. institutional investor."

Under current law, "institutional investor" means:	Under the bill, "institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity:
A corporation. "Institutional investor" does not include any business entity formed for the primary purpose of evading the Ohio Securities Law.	Any other person, other than an individual, of institutional character with total assets in excess of $10,000,000 not organized for the specific purpose of evading the Ohio Securities Law.
	Any other person specified by rule adopted or order issued under the Ohio Securities Law.

Small Government Fire Department Services Revolving Loan Program

(R.C. 3737.17)

The bill creates the Small Government Fire Department Services Revolving Loan Fund and permits the State Fire Marshal to loan moneys from the Fund for the purposes of the Small Government Fire Department Services Revolving Loan Program. Under continuing law, the Program administers loans to qualifying small governments to expedite purchases of major equipment for fire fighting, ambulance, emergency medical, or rescue services, and to expedite projects for the construction or renovation of fire department buildings.

The Fund will consist of moneys from repaid loans under the Program, investment earnings on money in the Fund, and moneys appropriated to the Fund.

State Liquor Regulatory Fund

(R.C. 4301.12)

The bill generally requires all money collected under the Liquor Control Law to be credited to the existing State Liquor Regulatory Fund rather than the Liquor Control Fund as provided under current law. Finally, the bill removes a provision regarding the use of money in the Liquor Control Fund for paying the operating expenses of the Liquor Control Commission.

Affirmative defense to sale of alcohol to a minor

(R.C. 4301.61 and 4301.639)

The bill expands the affirmative defense to a violation of the Alcoholic Beverage Control Law for which age is an element of the offense. Under current law, no permit holder, agent or employee of a permit holder, or any other person may be found guilty of a violation of the Alcoholic Beverage Law for which age is an element of the offense if the Liquor Control Commission or a court finds all of the following:

(1) That the person buying the alcohol exhibited to the permit holder, the agent or employee of the permit holder, or the other person a driver's or commercial driver's license, an identification card issued by the Registrar of Motor Vehicles, or a military identification card issued by the U.S. Department of Defense that displays a picture of the individual for whom the license or card was issued and shows that the person buying was then at least 21 years of age if the person was buying beer or intoxicating liquor, or that the person was then at least 18 years of age if the person was buying any low-alcohol beverage;

(2) That the permit holder, the agent or employee of the permit holder, or the other person made a bona fide effort to ascertain the true age of the person buying the alcohol by checking the identification presented, at the time of the purchase, to ascertain that the description on the identification compared with the appearance of the buyer and that the identification presented had not been altered in any way;

(3) That the permit holder, the agent or employee of the permit holder, or the other person had reason to believe that the person buying was of legal age.

The bill expands the types of identification that may be checked for purposes of claiming the affirmative defense above to include an identification card issued by another state and a U.S. or foreign passport.

D-5j liquor permit population requirements

(R.C. 4303.181)

The bill alters the population requirements for one type of municipal corporation in which a D-5j liquor permit may be issued. It also adds another type of municipal corporation in which such a permit may be issued. A D-5j liquor permit generally authorizes the permit holder to sell beer, wine, mixed beverages, and spirituous liquor by the individual glass or container for consumption on the permit premises and sell beer, wine, and mixed beverages for off-premises consumption. Under current law, the Division of Liquor Control may issue a D-5j liquor permit in certain municipal corporations or townships in which a community entertainment district has been established and that meet certain criteria. Under one set of criteria, a D-5j liquor permit may be issued in a municipal corporation to which all of the following apply:

(1) The municipal corporation has a population between 10,000 and 20,000;

(2) The municipal corporation was incorporated as a village prior to calendar year 1860 and currently has a historic downtown business district;

(3) The municipal corporation is located in the same county as another municipal corporation with at least one community entertainment district.

The bill alters the population requirement by specifying that such a municipal corporation must have a population between 7,000 and 20,000.

Additionally, the bill allows the Division to issue a D-5j permit to an establishment that is located in a municipal corporation to which all of the following apply:

(1) It has a population of less than 3,000 according to the most recent federal decennial census;

(2) It was incorporated as a village prior to 1812 and currently has a historic district of at least 40 acres;

(3) It is located in a county that does not have a municipal corporation with a population of more than 7,500 according to the most recent federal decennial census;

(4) It is not the county seat, but was the county seat prior to 1860.

D-5l liquor permit population requirements

(R.C. 4303.181)

The bill modifies the population requirements for issuance of a D-5l liquor permit. A D-5l liquor permit generally authorizes the holder to sell beer and intoxicating liquor at retail by the individual drink for on-premises consumption and to sell certain types of beer and intoxicating liquor for off-premises consumption in specified quantities. Under current law, a D-5l liquor permit may be issued to a premises to which all of the following apply:

(1) The premises has gross annual receipts from the sale of food and meals that constitute not less than 75% of its total gross annual receipts.

(2) The premises is located within a revitalization district.

(3) The premises is located in a municipal corporation or township in which the number of D-5 permits issued equals or exceeds the quota limit for those permits that may be issued in the municipal corporation or township.

(4) The premises meets any of the following qualifications:

--It is located in a county with a population of 125,000 or less according to the population estimates certified by the Development Services Agency (DSA) for calendar year 2006.

--It is located in the municipal corporation that has the largest population in a county, if the municipal corporation is wholly located in a county and if the county has a population between 215,000 and 225,000 according to the population estimates certified by the DSA for calendar year 2006.

--It is located in the municipal corporation that has the largest population in a county, if the municipal corporation is wholly located in a county and the county has a population between 140,000 and 141,000 according to the population estimates certified by the DSA for calendar year 2006.

The bill modifies the fourth requirement by allowing a permit to also be issued to a premises that is located within a township with a population density of less than 450 people per square mile.

D-6 liquor permit for certain state parks

(R.C. 4303.182)

The bill requires the Division of Liquor Control to issue a D-6 liquor permit to the holder of any D liquor permit for a premises that is:

(1) Licensed as a retail food establishment or food service operation; and

(2) Located in a state park that is established or dedicated under state law and has a working farm on its property.

Under the bill, the D-6 permit authorizes Sunday sales of beer or intoxicating liquor at the D liquor permit premises between 10 a.m. and midnight regardless of whether the sales have been authorized by a local option election.

Currently, the Division must issue a D-6 permit to certain A (manufacturers of beer, wine, mixed beverages, or spirituous liquor), C (retailers of beer or intoxicating liquor for off-premises consumption), and D liquor permit holders. Those liquor permit holders may sell beer, wine, mixed beverages, or spirituous liquor, as applicable, on Sunday under the D-6 permit. Sales must take place on Sunday between the hours of 10 a.m. to midnight or 11 a.m. to midnight depending on the local option held to authorize Sunday sales.

Waiver to serve beer or intoxicating liquor until 4 a.m.

(R.C. 4301.83)

The bill authorizes a qualified permit holder, upon issuance of a waiver by the Division of Liquor Control, to serve beer, intoxicating liquor, or both between 5:30 a.m. and 4 a.m. the following day during a major event. A qualified permit holder is a person to which both of the following apply: (1) the person is the holder of an A-1, A-1-A, A-1c, A-2, or D liquor permit and (2) the location of the premises for which the person has been issued a liquor permit is in a county in which a major event will occur or in a county contiguous to the county in which a major event will occur. A major event is an event that meets all of the following conditions:

(1) It is scheduled to occur in a municipal corporation with a population of 350,000 or more on or after the bill's effective date;

(2) It is expected to attract not less than 3,000 visitors;

(3) It is scheduled to have a duration of not less than one day and not more than ten days.

Not later than 120 days prior to the commencement of a major event, a qualified permit holder may file an application for a waiver with the chief executive officer of the municipal corporation in which the permit holder's premises is located or the fiscal officer of the township in which the permit holder's premises is located. The Division must establish the form of the application and make it available for use by qualified permit holders. The qualified permit holder must include in the application both of the following:

(1) The name and address of the qualified permit holder;

(2) The name and address of the premises that is the subject of the application.

Not later than 90 days prior to the commencement of the major event, the chief executive officer of the municipal corporation or the fiscal officer of the township that receives an application from a qualified permit holder must review all applications received and compile a list of the applicants. In compiling the list, the chief executive officer or fiscal officer must consult with the chief law enforcement officer of the municipal corporation or township to determine whether to retain each applicant on the list.

Not later than 60 days prior to the commencement of the major event, the chief executive officer of the municipal corporation or the fiscal officer of the township that compiles a list of qualified permit holders must submit the list to the Division. The Division must review the list and determine whether to retain each qualified permit holder on the list. The Division may remove the name of a permit holder from the list for good cause. After review, the Division must certify the list.

Not later than 30 days prior to the commencement of the major event, the Division must do both of the following:

(1) Return the certified list to the chief executive officer of the municipal corporation or the fiscal officer of the township that submitted the original list;

(2) Issue a waiver to each permit holder on the list that allows the permit holder to serve beer, intoxicating liquor, or both between 5:30 a.m. and 4 a.m. the following day during the major event.

Current law prohibits the sale of beer, wine, mixed beverages, and spirituous liquor from Monday to Saturday between either 1 a.m. and 5:30 a.m. or 2:30 a.m. and 5:30 a.m., depending on the type of liquor permit involved. Additional restricted hours apply to Sunday sales of beer, wine, mixed beverages, and spirituous liquor.

Sale of tasting samples, growlers

(R.C. 4303.184)

The bill allows the holder of both a C-1 and C-2 liquor permit, or the holder of a C-2x liquor permit, that is the owner of a retail store within a municipal corporation or township with a population of 15,000 or less to obtain a D-8 liquor permit. Thus, as the holder of a D-8 permit, the C-1 and C-2 permit holder or C-2x permit holder may sell both of the following:

(1) Tasting samples of beer, wine, and mixed beverages for on-premises consumption under specified circumstances;

(2) Beer that is dispensed only in glass containers whose capacity does not exceed one gallon (growler) for off-premises consumption, provided the containers are sealed, marked, and transported in accordance with current law.

Under current law, the C-1 permit authorizes the sale of beer for off-premises consumption and the C-2 permit authorizes the sale of wine and mixed beverages for off-premises consumption. The C-2x permit allows the sale of beer, wine, and mixed beverages for off-premises consumption.

Merchandise as gift with purchase of alcoholic beverage

(R.C. 4301.243)

The bill allows a manufacturer, supplier, or solicitor of alcoholic beverages, or an agent or employee of a manufacturer or supplier, that is registered with the Division of Liquor Control under current law to give merchandise or another thing of value to a personal consumer in connection with the purchase of an alcoholic beverage provided that both of the following apply:

(1) The value of the merchandise or other thing of value does not meet or exceed the retail price of the alcoholic beverage purchased by the personal consumer;

(2) The merchandise or other thing of value is not made by or awarded through a liquor distributor or retail liquor permit holder.

The bill excludes a liquor distributor and a retail liquor permit holder from the above provisions. Further, under the bill, a "personal consumer" is an individual who is at least 21 years of age, does not hold a liquor permit issued under the Liquor Control Law, and intends to use a purchased alcoholic beverage for personal consumption only and not for resale or other commercial purposes.

Real estate licenses

Real Estate Education and Research Fund

(R.C. 4735.06)

The bill increases, from $10,000 per year to $25,000 per fiscal year, the overall limit of the amount of loans the Real Estate Education and Research Fund is permitted to lend to applicants for salesperson licenses. Under continuing law, these individual loans, not exceeding $2,000, may be used by applicants to complete education requirements for licensure.

Real estate broker and salesperson licenses – military

(R.C. 4735.13 and 4735.141)

The bill changes the time period within which a licensed real estate broker or salesperson who is a member of the armed forces must complete existing continuing education requirements. Specifically, the bill permits a broker or salesperson whose license is on deposit as an armed serviceperson to take up to the longer of 12 months after the broker's or salesperson's first birthday after discharge (continuing law) or the amount of time equal to the total number of months the licensee spent on active duty (added by the bill). The bill states that this extension must not exceed the total number of months that the licensee served in active duty. The broker or salesperson must submit proper documentation of active duty service and the length of that service to the Superintendent of the Division of Real Estate and Professional Licensing.

Similarly, the bill permits a licensee, who is the spouse of a member of the armed forces whose service results in the licensee's absence from Ohio (or in the case of a licensee who holds a license through a reciprocity agreement, the spouse's service results in the licensee's absence from the licensee's state of residence), to take up to the same amount of time as described in the paragraph above to complete continuing education requirements. The bill requires the licensee to submit proper documentation of the spouse's active duty service and the length of that service. The bill also extends the time period within which such a licensee must renew the license to the renewal date that follows the date of the spouse's discharge from the armed forces.

The bill specifies that "armed forces" means the U.S. armed forces, a reserve component of the U.S. armed forces, the Ohio National Guard, and the national guard of any other state.

Real estate appraiser assistants – continuing education

(R.C. 4763.01 and 4763.07)

The bill requires, in accordance with federal law, that each state-registered real estate appraiser assistant annually complete, and submit proof of successfully completing, a minimum of 14 classroom hours of continuing education instruction in courses or seminars approved by the Real Estate Appraiser Board. Current law exempts an appraiser assistant from these requirements for the first two years of being classified as an appraiser assistant. The bill removes this grace period.

Continuing law requires the completion of 14 hours of continuing education instruction for state-certified general real estate appraisers, state-certified residential real estate appraisers, and state-licensed residential real estate appraisers. The bill exempts appraisers with a certification or license from another state that is temporarily recognized in Ohio.

The bill removes "appraisal consulting" and "appraisal consulting service" from the Real Estate Appraiser Law, as these terms appear to no longer be used in the industry.

Fireworks

(R.C. 3743.07, 3743.20, 3743.44, 3743.45, 3743.63, and 3743.75)

The bill extends a moratorium on issuing new fireworks manufacturer licenses, new fireworks wholesaler licenses, and the geographic transfer of either of these license types, from December 15, 2015, to December 15, 2017.

The bill enables individuals to purchase and possess fireworks without completing a purchaser's form that contains an acknowledgement of responsibility and identifying information. The bill does not change any other requirements relating to the purchase and possession of fireworks.

School door barricade devices

Board of Building Standards rules

(R.C. 3781.106; Section 737.20)

The bill requires the Board of Building Standards to adopt rules under the Administrative Procedure Act for the use of a device by a staff member of a public[20] or private school[21] or institution of higher education[22] that prevents both ingress and egress through a door in a school building,[23] for a finite period of time, in an emergency situation, and during active shooter drills. These rules must be adopted not later than 180 days after the effective date of the act. The rules must provide that (1) the use of a device is permissible only if the device requires minimal steps to remove it after it is engaged, and (2) the administrative authority of a building must notify the police chief, or equivalent, of the law enforcement agency that has jurisdiction over the building, and the fire chief, or equivalent, of the fire department that serves the political subdivision in which the building is located, prior to the use of the device in a building.

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[20] "Public school" means any school operated by a school district board of education, any community school established under R.C. Chapter 3314., any STEM school established under R.C. Chapter 3326., and any college-preparatory boarding school established under R.C. Chapter 3328.

[21] "Private school" means a chartered nonpublic school or a nonchartered nonpublic school.

[22] "Institution of higher education" means a state institution of higher education as defined in R.C. 3345.011, a private nonprofit college or university located in this state that possesses a certificate of authorization issued by the Ohio Board of Regents pursuant to R.C. Chapter 1713., or a school located in this state that possesses a certificate of registration and one or more program authorizations issued by the State Board of Career Colleges and schools under R.C. Chapter 3332.

[23] "School building" means a structure used for the instruction of students by a public or private school or institution of higher education.

Also, the rules may require that the device be visible from the exterior of the door. The bill requires that the Board of Building Standards, in consultation with the State Board of Education and the Chancellor of Higher Education, determine and include in the rules a definition of "emergency situation." These rules must apply to both existing and new school buildings.

The bill prohibits mounting a device permanently to a door.

The bill requires that each public and private school and institution of higher education provide its staff members in-service training on the use of the device, and maintain a record on file verifying this training.

State Fire Code

(R.C. 3737.84; Section 737.30)

The bill prohibits the State Fire Code from containing a provision that prohibits the use of a device described above that is used in accordance with rules adopted by the Board of Building Standards. Furthermore, the bill states that any provision of the State Fire Code that is in conflict with this provision is unenforceable.

OHIO CONSUMERS' COUNSEL

- Permits the Consumers' Counsel to assist consumers calling with utility complaints or forward their calls to the PUCO call center instead of requiring the calls to be forwarded to the call center.

Assistance with consumer complaints

(R.C. 4911.021)

Regarding any calls received by the Consumers' Counsel (OCC) concerning consumer complaints, the bill permits OCC to assist consumers with their complaints or forward their calls to the PUCO call center. Current law requires the calls to be forwarded to the PUCO call center. Continuing law prohibits the OCC from operating a telephone call center for consumer complaints.

CONTROLLING BOARD

- Limits the Controlling Board's authority to approve the expenditure of certain federal and nonfederal funds that (1) are received in excess of the amount appropriated or (2) are not anticipated in the current biennial appropriations act.

Authority regarding unanticipated revenue

(R.C. 131.35)

The bill imposes a limitation on the Controlling Board's authority to approve the expenditure of certain federal and nonfederal funds.

Federal funds

The federal funds to which the bill applies are those received into any state fund from which transfers may be made by the Controlling Board under continuing law. Currently:

(1) If the federal funds received are greater than the amount of such funds appropriated by the General Assembly for a specific purpose, the Board may authorize the expenditure of those excess funds.

(2) If the federal funds received are not anticipated in an appropriations act for the biennium in which the new revenues are received, the Board may create funds for those revenues and authorize expenditures from those additional funds during that biennium.

The bill stipulates that the amount of any expenditure authorized by the Board under (1) or (2), above, for a specific or related purpose or item in any fiscal year cannot exceed an amount greater than 1% of the General Revenue Fund (GRF) appropriations for that fiscal year.

Nonfederal funds

The nonfederal funds to which the bill applies are those received into any state fund from which transfers may be made by the Controlling Board,[24] as well as the Waterways Safety Fund and the Wildlife Fund.

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[24] R.C. 127.14(D), not in the bill.

Currently:

(1) If the nonfederal funds received are greater than the amount of such funds appropriated, the Board may authorize the expenditure of those excess funds.

(2) If the nonfederal funds received are not anticipated in an appropriations act for the biennium in which the new revenues are received, the Board may create funds to receive those revenues and authorize expenditures from those additional funds during that biennium.

The bill stipulates that the amount of any expenditure authorized by the Board under (1) or (2), above, for a specific or related purpose or item in any fiscal year cannot exceed an amount greater than 1% of the GRF appropriations for that fiscal year.

DEVELOPMENT SERVICES AGENCY

Tax credit transparency

- Requires the Director of Development Services to make available to the public an estimate of total revenue that will be foregone by the state as a result of each tax incentive approved by the Tax Credit Authority within 30 days after the Authority approves the incentive.

Lakes in Economic Distress Revolving Loan Program

- Creates the Lakes in Economic Distress Revolving Loan Program to assist businesses and other entities that are adversely affected due to economic circumstances that result in the declaration of a lake as an area under economic distress, and requires the Director of Development Services to administer the Program.

- Requires the Director of Natural Resources to declare a lake as an area under economic distress based on environmental or safety issues and subsequently declare it as an area no longer under economic distress when those issues have been resolved.

- Creates the Lakes in Economic Distress Revolving Loan Fund, requires the Director of Development Services to use the Fund to make loans, and stipulates that the loans must be zero interest loans during the time that a lake has been declared an area under economic distress.

- Requires the Director to adopt rules that establish requirements and procedures for the making of loans such as eligibility criteria and criteria for repayment of the loans.

Abandoned Gas Station Cleanup Grant Program

- Creates the Abandoned Gas Station Cleanup Grant Program for the cleanup and remediation of Class C release sites, and authorizes the Director of Development Services to award grants to specified political subdivisions and organizations owning public land for property assessments and cleanup and remediation of sites.

- Requires a grant applicant to certify that the applicant did not cause or contribute to a prior release of petroleum or other hazardous substances on the site.

- Creates the Abandoned Service Station Cleanup Fund, and authorizes the Director of Budget and Management to transfer to it not more than $20 million from the Clean Ohio Revitalization Fund.

Third Frontier Internship Program

- Requires the Third Frontier Commission to operate, for fiscal years 2016 and 2017, an Ohio Third Frontier Internship Program.

Fund closures

- Abolishes the Motion Picture Tax Credit Program Operating Fund and redirects the Fund's revenue to the Business Assistance Fund.

- Abolishes the Industrial Site Improvements Fund and the Rural Industrial Park Loan Fund.

Report deadlines

- Changes, from August 1 to October 1, the due date of the annual report that must be prepared by the Development Services Agency (DSA) regarding its bond financed economic assistance programs.

- Moves from January 7 to August 1 of each year the date by which DSA must submit a report regarding the Career Exploration Internship Program to the Governor and General Assembly leaders.

Housing Trust Reserve Fund

- Creates the Housing Trust Reserve Fund in the state treasury.

- Provides that the Reserve Fund is to consist of specified housing trust fund fees received each year by the Treasurer of State.

- Permits the Director to request the Director of Budget and Management to transfer money from the Reserve Fund to the Low- and Moderate-Income Housing Trust Fund if money in the Fund falls below a certain level.

Entrepreneurial business incubators report

- Requires DSA to produce and post on its website by December 31, 2015 a report that maps and reviews entrepreneurial business incubators in Ohio.

Housing Trust Fund fee distribution

- Requires that half of the fees collected by county recorders for the Housing Trust Fund to be returned to the county for the purpose of housing.

- Requires the county to distribute funds with preference for projects serving persons at 35% of the median household income or below.

Tax credit transparency

(R.C. 122.942; Sections 803.310 and 803.340)

The bill requires the Director of Development Services to estimate the total revenue that will be foregone by the state as a result of each tax incentive approved by the Tax Credit Authority. The Director must base the estimate on the monetary value of the tax incentive and not on potential economic growth. The Director must make each estimate, along with the name and address of the taxpayer that will receive the tax incentive, available to the public within 30 days after the Authority approves the incentive. The bill generally defines "tax incentive" as an exemption, either in whole or in part, of the income, goods, services, or property of a taxpayer from the effect of taxes levied by or under the Revised Code. Further, the bill authorizes the Director to adopt rules in accordance with the Administrative Procedure Act for the purpose of implementing the preparation and issuance of such estimates.

Lakes in Economic Distress Revolving Loan Program

(R.C. 122.641)

The bill creates the Lakes in Economic Distress Revolving Loan Program to assist businesses and other entities that are adversely affected due to economic circumstances that result in the declaration of a lake as an area under economic distress by the Director of Natural Resources under the bill (see below). The Director of Development Services must administer the Program.

The bill requires the Director of Natural Resources to do both of the following:

(1) Declare a lake as an area under economic distress based solely on environmental or safety issues, including the closure of a dam for safety reasons;

(2) Subsequently declare a lake as an area no longer under economic distress when the environmental or safety issues have been resolved.

The bill then creates the Lakes in Economic Distress Revolving Loan Fund. The Director of Development Services must use money in the Fund to make loans under the bill. A loan must be a zero interest loan during the time that a lake has been declared an area under economic distress. The Fund is to consist of money appropriated to it, payments of principal and interest on loans made from the Fund, and investment earnings on money in it.

The Director must adopt rules that establish both of the following:

(1) Requirements and procedures for the making of loans such as eligibility criteria, a stipulation that an applicant must demonstrate that the loan will help to achieve long-term economic stability in the area, and criteria for repayments of the loans, including the establishment of an interest rate that does not exceed two points less than prime after a lake has been declared as an area no longer under economic distress;

(2) Any other provisions necessary to administer the Program.

Finally, the Director must assist businesses and other entities in determining the amount of loans needed.

Abandoned Gas Station Cleanup Grant Program

(Section 610.20)

The bill creates the Abandoned Gas Station Cleanup Grant Program in the Development Services Agency for the purpose of cleanup and remediation of Class C release sites to provide for and enable the environmentally safe and productive reuse of publicly owned lands. Grants may be used for both of the following:

(1) The cleanup or remediation, or planning and assessment for that cleanup or remediation, of contamination;

(2) Addressing property conditions or circumstances that may be deleterious to public health and safety or the environment or that preclude or inhibit environmentally sound or economic reuse of the property as authorized by the constitutional provisions governing the Clean Ohio Program.

Under the bill, grants may be awarded to a property owner, defined as a county, municipal corporation, township, or port authority or an organization that owns publicly owned lands. Publicly owned lands include land that is owned by an organization that has entered into a relevant agreement with such a political subdivision.

Cleanup or remediation is any action at a Class C release site to contain, remove, or dispose of petroleum or other hazardous substances or remove underground storage tanks used to store petroleum or other hazardous substances. A Class C release is a release of petroleum occurring or identified from an underground storage tank system that is subject to the Underground Storage Tanks Law for which the person responsible for the release is specifically determined by the State Fire Marshal not to be a viable person capable of undertaking or completing the corrective actions required under that Law. A Class C release also includes any release designated as such in accordance with rules adopted by the State Fire Marshal under that Law.

Under the program, the Director of Development Services may do either or both of the following:

(1) Award a grant of not more than $100,000 to a property owner for a property assessment on a Class C release site;

(2) Award a grant of not more than $500,000 to a property owner for cleanup or remediation of a Class C release site.

For the bill's purposes, a property assessment is a property assessment conducted in accordance with the Voluntary Action Program Law or a corrective action process or source investigation process under the State Fire Marshal's rules governing petroleum underground storage tanks.

A property owner must use the grant to create a site that provides opportunities for economic impact through redevelopment. The Director may consult with the Environmental Protection Agency, the State Fire Marshal, the Ohio Water Development Authority, and the Ohio Public Works Commission in connection with the bill's grant program and the awarding of the grants. The bill states that the statutes governing Clean Ohio grants and loans for brownfield revitalization projects do not apply to the grant program.

Under the bill, an authorized representative of the property owner must sign and submit an affidavit with a grant application certifying that the property owner did not cause or contribute to any prior release of petroleum or other hazardous substances on the site. If the Director approves an application, the Director may enter into an agreement with the property owner to award a grant to the property owner. The agreement must be executed prior to paying or disbursing any grant funds approved by the Director under the bill.

Abandoned Service Station Cleanup Fund

The bill creates the Abandoned Service Station Cleanup Fund in the state treasury. Money in the Fund must be used to award grants pursuant to the Abandoned Gas Station Cleanup Grant Program. At the request of the Director of Development Services, the Director of Budget and Management may transfer not more than $20 million from the Clean Ohio Revitalization Fund to the Abandoned Service Station Cleanup Fund as needed to provide for grants awarded under the bill.

Third Frontier Internship Program

(Section 701.90)

Requires the Third Frontier Commission to operate, for fiscal years 2016 and 2017, an Ohio Third Frontier Internship Program. The Program is to contribute to the expansion of a technologically proficient workforce in Ohio, and is to encourage the retention in Ohio of highly knowledgeable and talented students through employing upon graduation at for-profit companies doing business in Ohio.

The Third Frontier Commission in the Development Services Agency coordinates and administers science and technology programs to promote the economic growth of the state. The Commission approves funding from the state's Third Frontier Research and Development Fund to support the Internship Program, which is administered by the Ohio Development Services Agency's Business Services Division.

Fund closures

Motion Picture Tax Credit Program Operating Fund

(R.C. 122.174 and 122.85)

The bill abolishes the Motion Picture Tax Credit Program Operating Fund. The Fund consists of application fees paid by motion picture companies applying for certification of a motion picture as a tax credit-eligible production and all grants, gifts, fees, and contributions made to the Director of Development Services for marketing and promotion of the motion picture industry in Ohio. Money in the Fund is used to cover administrative costs of the Motion Picture Tax Credit Program and the Ohio Film Office.

Under the bill, the revenue currently required to be deposited into the Fund is to be deposited into the existing Business Assistance Fund instead. The Business Assistance Fund is used by the Director to pay expenses related to the administration of the Business Services Division of DSA.

Industrial Site Improvements Fund

(R.C. 122.95 and 122.951; R.C. 122.952 (repealed))

Under current law, the Director may make grants from the Industrial Site Improvement Fund to eligible counties for the purpose of acquiring commercial or industrial land or buildings and making improvements to commercial or industrial areas within a county, if the grant would create new jobs or preserve existing jobs. The Fund consists of money appropriated to it by the General Assembly.

The bill abolishes the Fund, but retains the grant program.

Rural Industrial Park Loan Fund

(R.C. 122.26 (repealed))

The bill abolishes the Rural Industrial Park Loan Fund, which is currently used by the Director to provide financial assistance in the form of loans and loan guarantees for the development or improvement of industrial parks. The Rural Industrial Park Loan Program, however, is retained under the bill.

Report deadlines

Annual financial report regarding economic assistance programs

(R.C. 122.64)

The Director is currently required to make a report of the activities and operations of DSA's bond financed economic assistance programs for the preceding fiscal year and submit that report to the Governor and General Assembly by August 1 of each year. The bill changes the due date to October 1.

Career Exploration Internship Program report deadline

(R.C. 122.177)

The bill moves from January 7 to August 1 of each year, until 2017, the date by which DSA must submit a report regarding the Career Exploration Internship Program to the Governor and General Assembly leaders. Under current law, DSA administers the Program to award grants to businesses that employ a student intern in a career exploration internship.

Housing Trust Reserve Fund

(R.C. 174.02, 174.09, and 319.63)

The bill creates the Housing Trust Reserve Fund in the state treasury. It is to consist of specified housing trust fund fees collected by county recorders under existing law and paid to the Treasurer of State. Currently, the Treasurer of State deposits the first $50 million of those housing trust fund fees received each year in the Low- and Moderate-Income Housing Trust Fund and deposits any amounts in excess of $50 million into the GRF. Under the bill, any amounts received in excess of $50 million are to be deposited into the Reserve Fund *unless* the cash balance of the Reserve Fund is greater than $15 million. In that event, the Treasurer of State must deposit any amounts received in excess of $50 million into the GRF.

If, in the prior fiscal year, the Treasurer of State received less than $50 million of housing trust fund fees, the Director may request the Director of Budget and Management to transfer money from the Reserve Fund to the Low- and Moderate-Income Housing Trust Fund. Based on the information provided by the DSA Director regarding the transfer request, the OBM Director is to determine the amount to be transferred. However, the amount transferred, when combined with the housing trust fund fees received by the Treasurer of State in the prior fiscal year, cannot exceed $50 million.

Housing Trust Fund fee distribution

(R.C. 317.36 and 319.63)

The bill requires that half of the housing trust fund fees collected by county recorders to be paid to the board of county commissioners of the county from which they were collected for the purpose of housing in that county for the homeless, including homeless youth and homeless prevention, low income housing, and housing assistance for people with disabilities, the elderly, youth in need, people in recovery, and people in need of alternatives to institutional settings.

In addition, the bill adds the requirement that when the county distributes the funds, it must give preference to projects serving persons with an annual household income at 35% of the state median household income or below. Under current law, the Treasurer of State deposits the first $50 million of housing trust fund fees collected by the county recorders into the Low and Moderate Income Housing Trust Fund and any excess amount into the GRF.

Entrepreneurial business incubators report

(Section 257.90)

Under the bill, DSA must produce a report mapping and reviewing entrepreneurial business incubators (EBIs) in Ohio. An EBI is an entity supporting startup companies, offering a collaborative environment, and providing access to support services, technical expertise, and business assistance resources to help innovators grow their business ideas into independent job-creating companies. The report must be produced and made publicly available on the DSA website by December 31, 2015.

The report must:

- Identify locations and available support services, unmet service areas, and duplication of service at EBIs;
- Classify the industry of member entrepreneurs receiving services by the following categories: advanced manufacturing, aerospace and aviation, agribusiness, food processing, automotive supply chain, biohealth, energy, information technology, polymers, chemicals, and additional industry sectors, as determined by DSA;
- Gather data on member entrepreneurs based on jobs, capital investment, and sales; and
- Describe characteristics of EBIs that successfully graduate companies to be independent job creators for Ohio.

DEPARTMENT OF DEVELOPMENTAL DISABILITIES

Closure of developmental centers

- Modifies the procedures to be followed by the Governor when announcing an intent to close a developmental center.
- Provides for the creation of a developmental center closure commission to make recommendations to the General Assembly regarding the closure.
- Repeals a requirement that the Legislative Service Commission prepare a report addressing issues related to the closure of a developmental center.
- Applies the modified closure process to pending closures that have not been completed on the effective date of the modified process.

Medicaid services provided by sheltered workshops

- Requires a Medicaid waiver component administered by the Ohio Department of Disabilities (ODODD) that covers adult day services provided by sheltered workshops on the provision's effective date to continue covering the services.
- Requires that the Medicaid payment rates for adult day services provided by sheltered workshops during fiscal years 2016 and 2017 be no less than the June 30, 2015, Medicaid payment rates for those services.
- Prohibits a sheltered workshop with a Medicaid provider agreement to provide adult day services from decreasing the number of Medicaid recipients it is willing and able to serve.
- Specifies the General Assembly's intent that individuals currently being served through the existing array of adult day services be fully informed of any new home and community-based services and continue receiving services in a variety of settings.

Supported living certificates

- Provides that a person or government entity's authority to provide Medicaid-funded supported living under a supported living certificate is revoked automatically or is to be denied renewal if the person or government entity's Medicaid provider agreement to provide supported living is revoked or denied revalidation.

- Increases to five years (from one year) the period during which a person or government entity is prohibited from applying for a supported living certificate following an order refusing to issue or renew the certificate.

Residential facility licensure

- Repeals certain provisions related to the licensure of residential facilities by ODODD.

- Permits the ODODD Director to assign the responsibility for conducting surveys and inspections to the Ohio Department of Health (ODH).

- Authorizes the renewal of interim licenses for 180 (rather than 150) days.

- Requires a licensee to transfer records to the new licensee or management contractor when the identity of the licensee or contractor changes significantly.

Incentives to convert ICF/IID beds

- Permits the Director to forgive the outstanding balance a county board of developmental disabilities (CBDD) or nonprofit, private agency otherwise owes under an agreement regarding the construction, acquisition, or renovation of a residential facility if certain conditions are met.

- Permits the Director to change the terms of an agreement with a CBDD or private, nonprofit agency regarding the construction, acquisition, or renovation of a residential facility if certain conditions are met.

Consent for medical treatment

- Authorizes a guardian (or court in the absence of a guardian) of a resident of an institution for the mentally retarded who is physically or mentally unable to receive information or who has been adjudicated incompetent to give informed consent to an experimental procedure on the resident's behalf.

- Eliminates provisions requiring informed consent before a resident of an institution for the mentally retarded receives convulsive therapy, major aversive interventions, or unusual or hazardous treatment procedures.

ICF/IID's Medicaid rates for low resource utilization residents

- Specifies the Medicaid rate paid to an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) in peer group 1 for a Medicaid recipient who is admitted to the ICF/IID on or after July 1, 2015, and is placed in the chronic behaviors and typical adaptive needs classification or the typical adaptive needs and nonsignificant behaviors classification.

Efforts to reduce the number of ICF/IID beds

- Specifies interim benchmarks that ODODD must strive to achieve in converting ICF/IID to be used for home and community-based services (HCBS).

Admissions to ICFs/IID

- Prohibits, with certain exceptions, an ICF/IID with more than eight beds from admitting an individual as a resident unless specified conditions are met.

Enrolling ICF/IID residents

- Requires ODODD to develop and make available to all ICFs/IID a written pamphlet that describes the services that Medicaid covers under the ICF/IID benefit and the HCBS covered by ODODD-administered Medicaid waiver programs.

- Requires ICFs/IID to provide the pamphlet to residents and their guardians, to discuss the pamphlet with them at certain times, and to refer to CBDDs those residents who indicate interest in enrolling in an ODODD-administered Medicaid waiver program.

- Requires a CBDD to enroll the resident in an ODODD-administered Medicaid waiver program if specified conditions are met.

- Makes ODODD responsible for the nonfederal share of the Medicaid expenditures for the HCBS received by such an ICF/IID resident so enrolled in an ODODD-administered Medicaid waiver program.

ICF/IID sleeping room occupancy

- With certain exceptions, prohibits an ICF/IID from allowing more than two residents to share a sleeping room.

- Requires an ICF/IID in which more than two residents share a sleeping room to submit to ODODD a plan to come into compliance with the occupancy limit by June 30, 2025.

Medicaid rates for certain ICFs/IID

- Provides for certain modifications in an ICF/IID's Medicaid payment rate for a certain period following the ICF/IID (1) downsizing, (2) partially converting to a provider of home and community-based services, or (3) beginning to participate in Medicaid after obtaining beds from certain downsized ICFs/IID.

Service and support administrators

- Prohibits service and support administrators for county boards of developmental disabilities from providing programs or services to individuals with mental retardation or developmental disabilities through self-employment.

ICF/IID franchise permit fees

- Reduces the per bed per day franchise permit fee charged to ICFs/IID from $18.17 to $18.07 for fiscal year 2016 and to $18.02 for fiscal year 2017 and thereafter.

- Requires ODODD to notify, electronically or by U.S. Postal Service, ICFs/IID of (1) the amount of their franchise permit fees and (2) the date, time, and place of hearings to be held for appeals regarding the fees.

Conversion of beds

- Provides that the Medicaid Director is not required to conduct an adjudication when (1) terminating an ICF/IID's provider agreement due to the ICF/IID converting all of its beds to providing HCBS or (2) amending an ICF/IID's provider agreement to reflect its reduced capacity resulting from a conversion of some of its beds.

- Provides that the prohibition against making a Medicaid payment to an ICF/IID for the day a Medicaid recipient is discharged does not apply if the recipient is discharged because all of the beds in the ICF/IID are converted to providing HCBS.

- Revises the requirements and procedures for ODODD to terminate the franchise permit fee of an ICF/IID that converts its beds to providing HCBS.

Priority status for residents

- Specifies that a resident of a nursing facility or ICF/IID receives priority status on the waiting list for home and community-based services provided by a county board of developmental disabilities.

FY 2016 and 2017 Medicaid rates for ICF/IID services

- Modifies the formula to be used in determining the fiscal year 2016 Medicaid payment rates for ICFs/IID in peer groups 1 and 2.

- Provides for the fiscal year 2016 total Medicaid rate paid to an ICF/IID in peer group 1 for services provided to a low resource utilization resident admitted to the

ICF/IID on or after July 1, 2015, to be the lesser of the rate determined with the modifications or a specified flat rate.

- Requires ODODD, if the fiscal year 2016 mean total per Medicaid day rate for ICFs/IID in peer groups 1 and 2 is other than $283.32, to adjust the total rate by a percentage that equals the percentage by which the mean rate is greater or less than that amount.

- Modifies the formula to be used in determining the fiscal year 2017 Medicaid payment rates for ICFs/IID in peer groups 1 and 2.

- Requires ODODD, if the fiscal year 2017 mean total per Medicaid day rate for ICFs/IID in peer groups 1 and 2 is other than $288.27 or a larger amount determined by ODODD, to adjust the total rate by a percentage that equals the percentage by which the mean rate is greater or less than that amount.

- Provides for an ICF/IID in peer group 3 that obtained an initial Medicaid provider agreement during fiscal year 2015 to continue to be paid, for services provided during fiscal year 2016, the ICF/IID's total per Medicaid day rate in effect on June 30, 2015.

ICF/IID Medicaid Rate Workgroup

- Requires the ICF/IID Medicaid Rate Workgroup to assist ODODD with its evaluation of revisions to the formula used to determine Medicaid payment rates for ICF/IID services during fiscal years 2016 and 2017.

Medicaid rates for homemaker/personal care services

- Provides for the Medicaid rate for each 15 minutes of routine homemaker/personal care services provided to a qualifying enrollee of the Individual Options (IO) waiver program to be, for 12 months, 52¢ higher than the rate for such services provided to an IO enrollee who is not a qualifying enrollee.

- Permits the Medicaid rate for routine homemaker/personal care services covered by ODODD-administered Medicaid waiver programs and provided during the period beginning January 1, 2016, and ending June 30, 2017, to be, subject to available funds, 6% higher than the rate in effect on June 30, 2015.

ICF/IID payment methodology transformation

- Requires ODODD, not later than July 31, 2015, to issue a request for proposals for an entity to develop a plan to transform the Medicaid payment formula for ICF/IID services with a goal of beginning implementation of the transformation by July 1, 2017.

Quality Incentive Workgroup

- Requires the Director to create the ICF/IID Quality Incentive Workgroup to study the issue of establishing, as part of the Medicaid payment formula for ICF/IID services, accountability measures that act as quality incentives.

County board share of expenditures

- Requires the Director to establish a methodology to be used in fiscal years 2016 and 2017 to estimate the quarterly amount each CBDD is to pay of the nonfederal share of the Medicaid expenditures for which the CBDD is responsible.

Developmental centers

- Permits a developmental center to provide services to persons with mental retardation and developmental disabilities living in the community or to providers of services to these persons.

Innovative pilot projects

- Permits the Director to authorize, in fiscal years 2016 and 2017, innovative pilot projects that are likely to assist in promoting the objectives of state law governing ODODD and CBDDs.

Use of county subsidies

- Requires, under certain circumstances, that the Director pay the nonfederal share of a claim for ICF/IID services using subsidies otherwise allocated to CBDDs.

Updating statute citations

- Provides that the Director is not required to amend any rule for the sole purpose of updating the citation in the Ohio Administrative Code to its authorizing statute to reflect that the bill renumbers the authorizing statute or relocates it to another Revised Code section.

Closure of developmental centers

(R.C. 5123.032; Section 803.360)

The bill modifies the procedures for closing a developmental center run by the Ohio Department of Developmental Disabilities (DODD). It repeals a requirement that the Legislative Service Commission, when the Governor announces an intent to close a developmental center, conduct an independent study and prepare a report regarding issues related to the closure of the developmental center. The bill also repeals existing procedures regarding the Governor's notice to the General Assembly of that intent.

Instead, under the bill, if the Governor determines that one or more developmental centers should be closed, the Governor must notify the General Assembly and DODD of that determination and its rationale. If the rationale for the closure is expenditure reductions or budget cuts, the notice must specify the anticipated savings to be obtained. Under the bill, "closure" is defined as a situation in which a developmental center ceases operations or DODD transfers control of a developmental center to a private entity.

The bill specifies that the modified closure process established by the bill applies to a developmental center for which the Governor has given notice of the Governor's intention to close the developmental center, but for which the closure of the center has not been completed. And, the bill requires the officials who are to appoint members to a developmental center closure commission to appoint those members not later than seven days after the effective date of the modified closure process.

Creation and duties of developmental center closure commission

Within seven days of the Governor's notice of the intended closure, a developmental center closure commission is to be created.

The commission must meet as often as necessary to make its determination, and may take testimony and consider all relevant information. Within 90 days after the Governor's notice, the commission must prepare and provide to the General Assembly, the Governor, and DODD a report containing its recommendations regarding the developmental center. In making its recommendations, the commission must consider the following:

(1) Whether there is a need to reduce the number of developmental centers;

(2) The availability of alternate facilities;

(3) The cost effectiveness of the developmental center;

(4) The opportunities for, and barriers to, transitioning staff to other appropriate employment;

(5) The geographic factors associated with the center and its proximity to other similar facilities;

(6) The utilization and maximization of resources;

(7) Continuity of the staff and the ability to serve the center's population;

(8) Continuing costs following closure of the center;

(9) The impact of the closure on the local economy;

(10) Alternatives and opportunities for consolidation with other centers or facilities;

(11) Any other factors the commission considers appropriate.

The commission may recommend closure for expenditure reductions or budget cuts only if the anticipated savings is approximately the same as the anticipated savings in the Governor's notice. If the Governor identifies more than one facility for closure, the Commission must list them in order of its preference for closure. Upon providing the report, the commission ceases to exist.

Action on receipt of report

Upon receipt of a report recommending closure, the Governor may close developmental centers that are identified in the commission's recommendation. The bill prohibits the Governor from closing any developmental center that is not listed in the recommendation, and from closing multiple centers in any order other than as specified by the commission. If the Governor determines that a significant change in circumstances makes the commission's recommendation infeasible, the Governor may call for a new commission regarding the developmental center. The new commission must be created and function in the same manner as the initial commission.

Membership

Appointments to a commission must be made within seven days after the Governor's notice, and the commission must meet as soon as possible after the appointments. Each commission consists of 13 members as follows: (1) three members of the House, with two members of the House majority political party appointed by the Speaker and one member of the House minority political party appointed by the House Minority Leader, (2) three members of the Senate, with two members of the Senate majority political party appointed by the Senate President and one member of the Senate minority political party appointed by the Senate Minority Leader, (3) the Director of Budget and Management, (4) the Director of Developmental Disabilities, (5) four members with experience in the work of DODD, with one being appointed by the Speaker of the House, one being appointed by the House Minority Leader, one being appointed by the Senate President, and one being appointed by the Senate Minority Leader, and (6) one representative of the employees' association representing the largest number of DODD employees, as certified by the Director, appointed by the president of that association. Of the four members having experience in the work of DODD, one such member must be a family member of a person living in the developmental center. This family member is deemed, because of that familial connection, to have met the experience requirement.

The commission members serve without compensation. At the commission's first meeting, the members must organize and appoint a chairperson and vice-chairperson.

Medicaid services provided by sheltered workshops

(R.C. 5123.621 and 5166.24; Section 259.290)

The bill requires Medicaid programs administered by the Ohio Department of Developmental Disabilities (DODD) to continue covering adult day services provided by sheltered workshops if the program covers those services on the provision's effective date. Additionally, the Medicaid payment rates for adult day services provided by sheltered workshops from July 1, 2015 through June 30, 2017, are required to be no less than the payment rates for those services on June 30, 2015.

The bill prohibits a sheltered workshop with an agreement to provide adult day services from decreasing the number of Medicaid recipients it is willing and able to serve.

The bill specifies the General Assembly's intent that individuals currently being served through the existing array of adult day services (including those delivered in sheltered workshops) (1) be fully informed of any new home and community-based services and their option to receive those services and (2) continue receiving services in a variety of settings if those settings offer opportunities for community integration.

Supported living certificates

(R.C. 5123.1610 (primary), 5123.033, 5123.16, 5123.161, 5123.162, 5123.163, 5123.164, 5123.166, 5123.167, 5123.169, and 5123.1611)

Continuing law prohibits a person or government entity from providing supported living without a valid supported living certificate issued by the Ohio Department of Developmental Disabilities (ODODD) Director. Supported living providers also may have a Medicaid provider agreement with the Ohio Department of Medicaid (ODM) to provide supported living under the Medicaid program.

Automatic suspensions and revocations

The bill provides that both of the following apply if ODM terminates or refuses to revalidate a Medicaid provider agreement that authorizes a person or government entity to provide supported living under the Medicaid program:

(1) In the case of a terminated provider agreement, the person or government entity's authority to provide Medicaid-funded supported living under a supported living certificate is automatically revoked on the date that the provider agreement is terminated.

(2) In the case of a provider agreement that expires because ODM refuses to revalidate it, the person or government entity's authority to provide Medicaid-funded supported living under a supported living certificate is automatically revoked on the date that the provider agreement expires, unless the expiration date of the provider agreement is the same as the expiration date of the supported living certificate, in which case the ODODD Director must refuse to renew the person or government entity's authority to provide Medicaid-funded supported living under the certificate.

The bill provides that the ODODD Director is not required to issue an adjudication order in accordance with the Administrative Procedure Act (R.C. Chapter 119.) to do either of the following pursuant to this provision of the bill:

(1) Revoke a person or government entity's authority to provide Medicaid-funded supported living;

(2) Refuse to renew a person or government entity's authority to provide Medicaid-funded supported living.

The bill provides that this provision does not affect a person or government entity's authority to provide non-Medicaid funded supported living under a supported living certificate.

Reapplication period for supported living certificate

The bill increases to five years the period during which a person or government entity, and a related party of the person or government entity, is prohibited from applying for a supported living certificate following an adjudication order issued by the ODODD Director in which the Director refused to issue or renew a supported living certificate. The bill makes this provision consistent with an existing provision that applies when a supported living certificate is revoked. Under current law, a person or government entity, and a related party of the person or government entity, cannot apply for a supported living certificate for a one-year period following the Director's refusal to issue or renew the certificate.

The bill also provides that, if a person or government entity's authority to provide Medicaid-funded supported living is revoked or renewal of the authority is refused, neither the person or government entity nor a related party of the person or government entity may apply for authority to provide Medicaid-funded supported living within five years after the date the authority is revoked or expired.

Residential facility licensure

(R.C. 5123.19, 5123.196, and 5123.198)

The bill makes several changes to the law governing the licensure of residential facilities by ODODD. The bill repeals provisions that require ODODD to do all of the following:

(1) Establish procedures for public notice of certain actions taken by the Director;

(2) Adopt rules establishing certification procedures for licensees and management contractors and requirements for the training of facility personnel;

(3) Perform surveys when multiple facilities that are owned or operated by the same person or entity are not in compliance with the law;

(4) Establish procedures to notify interested parties regarding facilities that are closing or losing their license.

The bill permits the Director to assign the responsibility for conducting residential facility surveys and inspections to the Ohio Department of Health (ODH). Current law allows the Director to assign the responsibility to county boards of developmental disabilities only.

The bill prohibits a person or government entity and related parties whose application for a license has been denied from applying for a license within five years of the denial. Current law prohibits application within one year of the denial.

The bill requires a licensee to transfer records to the new licensee or management contractor when the identity of the licensee or management contractor changes significantly.

Incentives to convert ICF/IID beds

(R.C. 5123.376)

Continuing law authorizes ODODD to assist with construction projects regarding services to individuals with developmental disabilities. The assistance is provided in accordance with an agreement between the ODODD Director and a county board of developmental disabilities (CBDD) or private, nonprofit agency incorporated to provide developmental disability services. Generally, the agreement may provide for ODODD to pay 90% of the total project cost where circumstances warrant.[25]

The bill authorizes the ODODD Director to make changes to the terms of an agreement regarding the construction, acquisition, or renovation of a residential facility for individuals with developmental disabilities if certain conditions are met, including all of the following conditions:

(1) The agreement must have been entered into during the period beginning January 1, 1975, and ending December 31, 1984.

(2) The agreement must require the CBDD or private, nonprofit agency to use the residential facility as a residential facility for at least 40 years.

(3) The agreement must concern a residential facility that is an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) with a Medicaid-certified capacity of at least 16.

(4) The CBDD or private, nonprofit agency must apply to the ODODD Director for the change in the agreement's terms.

The ODODD Director may authorize a CBDD or private, nonprofit agency not to repay the amount of an outstanding balance otherwise owed pursuant to the agreement if the CBDD or agency meets the following additional condition: the residential facility must have converted all of its ICF/IID beds to beds that provide home and community-

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[25] R.C. 5123.36, not in the bill.

based services under an ODODD-administered Medicaid waiver program. The ODODD may change other terms in the agreement, including terms regarding the length of time the residential facility must be used as a residential facility, if the CBDD or private, nonprofit agency meets the following additional condition: the residential facility must have converted at least 50% of its ICF/IID beds to beds that provide home and community-based services under an ODODD-administered Medicaid waiver program.

Consent for medical treatment

(R.C. 5123.86)

Current law authorizes the guardian of a resident of an institution for the mentally retarded who is physically or mentally unable to receive information or who has been adjudicated incompetent to receive information on and consent to surgery on the resident's behalf. If the resident lacks a guardian, current law authorizes a court to receive the information and give the consent. If a court consents, it must notify the Ohio protection and advocacy system and the resident of the right to consult with legal counsel and the right to contest the recommendation of the institution's chief medical officer.

The bill extends a guardian's or court's authority to give consent on a resident's behalf, under the conditions described above, to those procedures that are experimental in nature. Under current law, only the resident may consent to experimental procedures.

The bill also eliminates provisions requiring informed consent before a resident receives convulsive therapy, major aversive interventions, or unusual or hazardous treatment procedures. According to ODODD staff, those therapies, interventions, and procedures are no longer available to residents.[26]

Finally, the bill eliminates a provision prohibiting an Ohio Department of Mental Health and Addiction Services (ODMHAS) or ODODD employee or official who serves as a resident's guardian from giving consent to a resident's surgery.

ICF/IIDs' Medicaid rates for low resource utilization residents

(R.C. 5124.155 (primary) and 5124.15)

The bill establishes a potentially lower Medicaid payment rate for ICF/IID services provided by an ICF/IID in peer group 1 to a Medicaid recipient who is

[26] Telephone interview with Ohio Department of Developmental Disabilities staff (January 28, 2015).

admitted to the ICF/IID on or after July 1, 2015, and is placed in the chronic behaviors and typical adaptive needs classification or the typical adaptive needs and nonsignificant behaviors classification established for the grouper methodology that is used in determining ICF/IIDs' rates for direct care costs. The Medicaid payment rate for ICF/IID services provided by an ICF/IID in peer group 1 to such a recipient is to be the lesser of the regular rate for ICF/IID services determined in accordance with statutory formula or the following flat rate:

(1) $206.90 in the case of ICF/IID services the ICF/IID provides to a recipient in the chronic behaviors and typical adaptive needs classification;

(2) $174.88 in the case of ICF/IID services the ICF/IID provides to a recipient in the typical adaptive needs and nonsignificant behaviors classification.

Efforts to reduce the number of ICF/IID beds

(R.C. 5124.67; Section 803.05)

Continuing law requires ODODD to strive to achieve, not later than July 1, 2018, the following statewide reductions in ICF/IID beds:

(1) At least 500 beds in ICFs/IID that, before downsizing, have 16 or more beds;

(2) At least 500 beds in ICFs/IID with any number of beds that convert some or all of their beds from providing ICF/IID services to providing home and community-based services (HCBS) under an ODODD-administered Medicaid waiver program.

The bill requires ODODD to strive to achieve the reductions in beds through the conversion process in accordance with the following interim time frames:

(1) At least 250 ICF/IID beds converted by June 30, 2016;

(2) At least 125 additional ICF/IID beds converted by June 30, 2107 (for a total of at least 350 beds converted by that date).

Admissions to ICFs/IID in peer group 1

(R.C. 5124.68)

Prohibition

The bill prohibits, with certain exceptions, an ICF/IID with a Medicaid-certified capacity exceeding eight (i.e., an ICF/IID in peer group 1) from admitting an individual as a resident unless all of the following apply:

(1) The ICF/IID provides written notice about the individual's potential admission, and all information about the individual in the ICF/IID's possession, to the CBDD serving the county in which the individual resides at the time the notice is provided.

(2) The CBDD has provided to the individual and ODODD a copy of the findings about the individual that the bill requires the CBDD to make.

(3) Not later than seven business days after the ICF/IID provides the CBDD notice about the individual's potential admission, ODODD determines that the individual chooses to receive ICF/IID services from the ICF/IID after being fully informed of all available alternatives.

The bill permits an ICF/IID to provide a CBDD written notices about multiple individuals' potential admissions at the same time.

CBDD evaluations and findings

A CBDD must do both of the following not later than five business days after receiving notice about an individual's potential admission to an ICF/IID in peer group 1:

(1) Using information included in the notification and additional information, if any, ODODD is authorized to specify, evaluate the individual and counsel the individual about the nature, extent, and timing of the services that the individual needs and the least restrictive environment in which the individual could receive the needed services.

(2) Using a form ODODD is required to prescribe, make findings about the individual based on the evaluation and counseling and provide a copy of the findings to the individual and ODODD.

Exceptions

The bill provides that the prohibition regarding admissions to ICFs/IID in peer group 1 does not apply under the following circumstances:

(1) When the individual seeking admission is a Medicaid recipient receiving ICF/IID services on the date immediately preceding the date the individual is admitted to the ICF/IID.

(2) When the individual seeking admission is a Medicaid recipient returning to the ICF/IID following a temporary absence for which the ICF/IID, pursuant to continuing law, is paid to reserve a bed for the individual or during which the individual received rehabilitation services in another health care setting.

(3) When ODODD, despite receiving the CBDD's findings about the individual within the required time, fails to meet the deadline for making a determination of whether the individual seeking admission chooses to receive ICF/IID services from the ICF/IID after being fully informed of all available alternatives.

Enrolling ICF/IID residents in ODODD Medicaid waiver programs

(R.C. 5124.69 and 5126.0510)

The bill requires ODODD to develop and make available to all ICFs/IID a written pamphlet that describes all of the items and services covered by Medicaid as ICF/IID services and as HCBS available under ODODD-administered Medicaid waiver programs. ODODD must develop the pamphlet in consultation with persons and organizations interested in matters pertaining to individuals eligible for ICF/IID services and HCBS.

Each ICF/IID is required to provide the pamphlet to its residents who receive ICF/IID services and the guardians of such residents. An ICF/IID must discuss the items and services described in the pamphlet with those residents and their guardians (1) at least annually, (2) any time the resident or guardian requests to receive the pamphlet and to discuss the items and services described in it, and (3) any time the resident or guardian expresses to the ICF/IID an interest in HCBS.

If an ICF/IID resident who receives ICF/IID services, or the resident's guardian, indicates to an ICF/IID an interest in enrolling the resident in an ODODD-administered Medicaid waiver program that covers HCBS, the ICF/IID is required by the bill to refer the resident or guardian to the CBDD serving the county in which the resident would reside while enrolled in the Medicaid waiver program. The CBDD, not later than 30 days after being contacted by the resident or guardian and notwithstanding its waiting list for the Medicaid waiver program, must enroll the resident in the program if all of the following apply:

(1) The resident is eligible and chooses to enroll in the program;

(2) The program has an available slot;

(3) The ODODD Director determines that ODODD has the funds necessary to pay the nonfederal share of the Medicaid expenditures for the HCBS provided to the resident under the program.

A CBDD is required, under certain circumstances, to pay the nonfederal share of Medicaid expenditures for HCBS provided under an ODODD-administered Medicaid waiver program to an individual the CBDD determines is eligible for CBDD services.

The circumstances include when the CBDD provides the HCBS and when the HCBS are provided by another provider to an individual for whom there is in effect an agreement between the CBDD and ODODD for the CBDD to pay the nonfederal share. The bill provides that a CBDD is not required to pay the nonfederal share when the HCBS are provided to an individual who enrolls in the Medicaid waiver program pursuant to a referral made under this provision of the bill. Under continuing law, ODODD is to be responsible for the nonfederal share instead.[27]

ICF/IID sleeping room occupancy

(R.C. 5124.70)

The bill prohibits, with limited exceptions, an ICF/IID from allowing more than two residents to share a sleeping room. The bill specifically exempts those ICFs/IID that, by January 1, 2015, reduced their Medicaid-certified capacities by 20% by becoming either a downsized ICF/IID or a partially converted ICF/IID. An ICF/IID's sleeping room is also exempt if (1) all of the sleeping room's residents are under age 21 and (2) the parents or guardians of the residents consent to the residents sharing a sleeping room with two or more other residents.

If more than two ICF/IID residents share a sleeping room on the effective date of the occupancy limit, the ICF/IID may continue to allow the residents to share the sleeping room until January 1, 2016. To permit the residents to continue sharing a sleeping room on and after that date, the ICF/IID must submit, by December 31, 2015, a plan to ODODD detailing how the ICF/IID will come into compliance with the limit by June 30, 2025. The residents may continue to share a sleeping room until June 30, 2025, if ODODD has not yet decided whether to approve the plan or ODODD has approved the plan and the ICF/IID is complying with it. After June 30, 2025, the ICF/IID may permit more than two residents to continue sharing a sleeping room if ODODD waives the occupancy limit. ODODD must waive the limit if (1) more than two residents share the sleeping room on June 30, 2025, (2) the same residents have continuously resided in the sleeping room since the effective date of this provision of the bill, and (3) ODODD determines that at least three of the residents want to continue to share the same sleeping room.

An ICF/IID's plan to come into compliance with the occupancy limit must include the following:

(1) Detailed descriptions of the actions that will be taken to come into compliance, including a plan to reduce the ICF/IID's Medicaid-certified capacity either

[27] R.C. 5123.047, not in the bill.

by downsizing its capacity or converting some of its beds to providing HCBS under the Individual Options (IO) waiver;

(2) A discharge planning process that provides residents with information regarding HCBS;

(3) The ICF/IID's projected Medicaid-certified capacity for each year covered by the plan, which must demonstrate that the ICF/IID will make regular progress toward coming into compliance;

(4) Additional interim steps the ICF/IID will take to demonstrate the ICF/IID is making regular progress toward coming into compliance;

(5) The date by which the plan is to be completed, which is to be no later than June 30, 2025.

The plan cannot include the creation of a new ICF/IID that has a Medicaid-certified capacity that is greater than six unless ODODD determines that a new ICF/IID would need a larger Medicaid-certified capacity to be financially viable. Such a new ICF/IID cannot have a Medicaid-certified capacity that is greater than eight.

The bill requires ODODD to review each plan it receives from an ICF/IID. In deciding whether to approve a plan, ODODD is to consider whether the plan includes the required information and whether the plan's successful implementation is feasible. If ODODD approves an ICF/IID's plan, the ICF/IID must submit to ODODD annual reports regarding the plan's implementation.

The bill permits ODODD to issue a written order to an ICF/IID suspending new admissions to the ICF/IID if ODODD has approved the ICF/IID's plan and the ICF/IID fails to (1) submit an annual report or (2) meet, to ODODD's satisfaction, the projected Medicaid-certified capacity for the ICF/IID for a year as specified in the plan and the failure is due to factors within the ICF/IID's control.

Medicaid rates for downsized, partially converted, and new ICFs/IID

(R.C. 5124.101 and 5124.15)

Continuing law establishes conditions under which an ICF/IID in peer group 1 or peer group 2 that, on or after July 1, 2013, becomes a downsized ICF/IID, partially converted ICF/IID, or new ICF/IID may file with ODODD a Medicaid cost report sooner than it otherwise would. A downsized ICF/IID is an ICF/IID that permanently reduced its Medicaid-certified capacity pursuant to a plan approved by ODODD. A partially converted ICF/IID is an ICF/IID that converted some, but not all, of its beds to home and community-based services beds under the Individual Options Medicaid waiver program. Peer group 1 consists of ICFs/IID with more than eight beds. Peer group 2 consists of ICFs/IID with no more than eight beds, other than ICFs/IID in peer group 3. Peer group 3 consists of ICFs/IID (1) that are first certified after July 1, 2014, (2) that have a Medicaid-certified capacity not exceeding six, (3) that have contracts with ODODD that are for 15 years and include a provision for ODODD to approve all admissions to, and discharges from, the ICF/IID, and (4) whose residents are admitted directly from a developmental center or have been determined by ODODD to be at risk of admission to a developmental center.

For a downsized or partially converted ICF/IID to be allowed to file a Medicaid cost report sooner than it otherwise would, the ICF/IID must have, as of the day it downsizes or partially converts, (1) a Medicaid certified capacity that is at least 10% less than its Medicaid-certified capacity on the day immediately before the day it downsizes or partially converts or (2) at least five fewer ICF/IID beds than it had on the day immediately before the day it downsizes or partially converts. For a new ICF/IID to be allowed to file a Medicaid cost report sooner than it otherwise would, the ICF/IID's beds must be from a downsized ICF/IID that has, as of the day it downsizes or partially converts, (1) a Medicaid-certified capacity that is at least 10% less than its Medicaid-certified capacity on the day immediately before the day it downsizes or (2) at least five fewer ICF/IID beds than it had on the day immediately before the day it downsizes.

The bill requires ODODD to make certain modifications to the formula used to determine an ICF/IID's Medicaid payment rate when it accepts from the ICF/IID a Medicaid cost report that the ICF/IID is allowed to file sooner than it otherwise would be allowed to file. The modifications apply to the direct care and capital costs components of the formula.

The modification with respect to direct care costs concerns the case mix score that is a factor in determining an ICF/IID's payment rate for direct care cost. In place of the annual average case mix score that would otherwise be used, an ICF/IID's case mix score in effect on the last day of the calendar quarter that ends during the period the Medicaid cost report covers (or, if more than one calendar quarter ends during that period, the last of those calendar quarters) is to be used.

The modification with respect to capital costs is to be made only for downsized and partially converted ICFs/IID (not for new ICFs/IID) and concerns limits on costs of ownership, capitalized costs of nonextensive renovations, and efficiency incentives. A downsized or partially converted ICF/IID is not to be subject to the limit on the costs of ownership per diem payment rate or the limit on the payment rate for per diem capitalized costs of nonextensive renovations that otherwise would apply. However, the ICF/IID, regardless of whether it is in peer group 1 or peer group 2, is to be subject to the limit on the total payment rate for costs of ownership, capitalized costs of nonextensive renovations, and efficiency incentive that applies only to ICFs/IID in peer group 2 under current law.

The modifications to the payment formula are to be used to determine the Medicaid rates to be paid for ICF/IID services provided during the period that begins and ends as follows:

(1) In the case of a downsized or partially converted ICF/IID:

(a) The beginning date is the day that the ICF/IID downsizes or partially converts if that day is the first day of the month or, if not, the first day of the month immediately following the month that the ICF/IID downsizes or partially converts;

(b) The ending date is the last day of the fiscal year that immediately precedes the fiscal year for which the ICF/IID is to file its first regular Medicaid cost report after downsizing or partially converting.

(2) In the case of a new ICF/IID:

(a) The beginning date is the day that the ICF/IID's Medicaid provider agreement takes effect.

(b) The ending date is the last day of the fiscal year that immediately precedes the fiscal year for which the ICF/IID is to file its first regular Medicaid cost report.

Service and support administrators – county boards

(R.C. 5126.15 and 5126.202)

Under continuing law not modified by the bill, county boards of developmental disabilities are authorized, and in certain instances required, to provide service and support administration to individuals with mental retardation or developmental disabilities (MR/DD). Service and support administrators are required to assist individuals in receiving services, including assessing individual needs for services, establishing an individual's eligibility for services, and ensuring that services are effectively coordinated. They are prohibited from being employed by or serving in a decision-making or policy-making capacity for any other entity that provides programs or services to individuals with MR/DD. The bill also prohibits service and support administrators from providing programs or services to individuals with MR/DD through self-employment.

ICF/IID franchise permit fees

Permit fee rate

(R.C. 5168.60)

Continuing law imposes an annual assessment on ICFs/IID. The assessment is termed a "franchise permit fee." Revenue raised by the franchise permit fee is to be used for the expenses of the programs ODODD administers and ODODD's administrative expenses.[28]

The bill reduces the rate at which the ICF/IID franchise permit fee is assessed. Under current law, the rate is $18.17 per bed per day. Under the bill, the rate is $18.07 for fiscal year 2016 and $18.02 for fiscal year 2017 and thereafter.

Notice of fees

(R.C. 5168.63 and 5168.67)

Under current law, ODODD is required to mail each ICF/IID notice of the amount of its franchise permit fee not later than the first day of each September. If an ICF/IID requests an appeal regarding its franchise permit fee, ODODD must mail a notice of the date, time, and place of the hearing to the ICF/IID.

The bill requires that these notices be provided electronically or by the U.S. Postal Service.

Conversion of ICF/IID beds to HCBS beds

(R.C. 5124.60, 5124.61, 5164.38, and 5168.64)

Continuing law includes provisions aimed at increasing the number of slots for HCBS that are available under ODODD-administered Medicaid waiver programs. An ICF/IID is permitted to convert some or all of its beds from providing ICF/IID services to providing HCBS if a number of requirements are met. For example, the ICF/IID must provide its residents certain notices, provide the ODH Director and ODODD Director at least 90 days' notice of the intent to convert the beds, and receive the ODODD Director's approval. An individual who acquires, through a request for proposals issued by the ODODD Director, an ICF/IID for which a residential facility license was previously surrendered or revoked also may convert all or some of its beds if similar requirements are met.

[28] R.C. 5168.69, not in the bill.

ODM adjudication not required

Continuing law requires the ODH Director, when an ICF/IID converts some or all its beds under the provisions discussed above, to (1) terminate the ICF/IID's Medicaid certification if all of the ICF/IID's beds are converted or (2) reduce the ICF/IID's Medicaid certified-capacity by the number of beds converted if some but not all of the ICF/IID's beds are converted. The ODH Director is required to notify the Medicaid Director when terminating an ICF/IID's Medicaid certification or reducing an ICF/IID's Medicaid certified-capacity. On receipt of the ODH Director's notice, the Medicaid Director must (1) terminate the ICF/IID's Medicaid provider agreement if the ODH Director terminated the ICF/IID's Medicaid certification or (2) amend the ICF/IID's provider agreement to reflect the ICF/IID's reduced Medicaid-certified capacity if the ODH Director reduces the ICF/IID's capacity.

Current law provides that an ICF/IID is not entitled to notice or a hearing under the Administrative Procedure Act (R.C. Chapter 119.) before the Medicaid Director terminates the ICF/IID's Medicaid provider agreement following the ICF/IID's total conversion. Current law also provides, in the case of an ICF/IID that is acquired through a request for proposals issued by the ODODD Director following the surrender or revocation of the ICF/IID's residential facility license, that the ICF/IID is not entitled to notice or a hearing before the Medicaid Director amends the ICF/IID's provider agreement to reflect its reduced Medicaid-certified capacity resulting from the ICF/IID's partial conversion. The bill provides instead that the Medicaid Director is not required to conduct an adjudication in accordance with the Administrative Procedure Act when terminating an ICF/IID's provider agreement following the ICF/IID's total conversion or when amending an ICF/IID's provider agreement to reflect its reduced Medicaid-certified capacity resulting from a partial conversion. This is to apply regardless of whether the ICF/IID was acquired through a request for proposals issued by the ODODD Director following the surrender or revocation of the ICF/IID's residential facility license.

Medicaid payment to an ICF/IID for day of discharge

Current law prohibits a Medicaid payment from being made to an ICF/IID for the day a Medicaid recipient is discharged from the ICF/IID. The bill provides that this prohibition does not apply if the Medicaid recipient is discharged because all of the ICF/IID's beds are converted to providing HCBS under the provisions discussed above.

Termination or redetermination of fee after a conversion

The bill revises the law governing the termination or redetermination of an ICF/IID's franchise permit fee when it converts to providing HCBS. Under current law, ODODD is required to terminate or redetermine an ICF/IID's franchise permit fee if it converts one or more of its beds to providing HCBS during the period beginning on the first day of May of a calendar year and ending on the first day of January of the immediately following calendar year. ODODD must terminate the ICF/IID's franchise permit fee if the ICF/IID's Medicaid certification is terminated because of the conversion. The termination is to take effect on the first day of the quarter immediately following the quarter in which ODODD receives ODH's notice of the conversion. ODODD must redetermine the ICF/IID's franchise permit fee if the ICF/IID's Medicaid certified capacity is reduced because of the conversion. The redetermination applies for the second half of the fiscal year for which the franchise permit fee is assessed.

ODODD is required by the bill to terminate an ICF/IID's franchise permit fee if all of the ICF/IID's beds are converted to providing HCBS and its Medicaid provider agreement is terminated as a consequence. ODODD must terminate the franchise permit fee regardless of when the conversion takes place. The termination is to take effect on the first day of the quarter immediately following the quarter in which the conversion takes place.

Under current law, the requirement to terminate or redetermine an ICF/IID's franchise permit fee because of a conversion does not apply when the conversion occurs under the statute regarding an ICF/IID that was acquired, through a request for proposals issued by the ODODD Director, after the ICF/IID's residential facility license was previously surrendered or revoked. The bill makes the termination and redetermination requirement also apply when the conversion occurs under that statute.

Priority status for residents of ICFs/IID and nursing facilities

(R.C. 5126.042)

Current law requires that a CBDD establish a waiting list for home and community-based services if it determines that available resources are insufficient to meet the needs of all individuals who request those services. Under existing law, the following individuals receive priority status on the waiting list: (1) an individual who has an emergency status, (2) an individual who is receiving supported living, family support services, or adult services for which no federal financial participation is received under the Medicaid program, (3) an individual whose primary caregiver is at least 60 years of age, and (4) an individual who has intensive needs as determined by the ODODD. The bill provides that an individual who resides in a nursing facility or an ICF/IID also receive priority status on the waiting list.

FY 2016 and 2017 Medicaid rates for ICF/IID services

(Sections 259.160, 259.170, and 259.180)

ICFs/IID are placed in three different peer groups for the purpose of Medicaid payment rates. Peer group 1 consists of ICFs/IID with a Medicaid-certified capacity exceeding eight. Peer group 2 consists of ICFs/IID with a Medicaid-certified capacity not exceeding eight, other than ICFs/IID in peer group 3. Peer group 3 consists of ICFs/IID (1) that are first certified after July 1, 2014, (2) that have a Medicaid-certified capacity not exceeding six, (3) that have contracts with ODODD that are for 15 years and include a provision for ODODD to approve all admissions and discharges, and (4) whose residents are admitted directly from a developmental center or have been determined by ODODD to be at risk of admission to a developmental center.

Fiscal year 2016 Medicaid rates for ICFs/IID in peer groups 1 and 2

The bill includes provisions governing the fiscal year 2016 Medicaid payment rates for ICFs/IID in peer groups 1 and 2. The provisions make modifications to the statutory formula used to determine the rates, provide for the rates for ICF/IID services provided to low resource utilization residents not to exceed certain amounts, require ODODD to adjust rates if the mean rate for the ICFs/IID is other than a certain amount, and requires ODODD to reduce the rates if CMS requires the ICF/IID franchise permit fee to be reduced or eliminated.

Modifications to rate formula

The bill requires ODODD to modify the formula used in determining the fiscal year 2016 Medicaid payment rates for ICFs/IID in peer groups 1 and 2. One set of modifications applies to existing ICFs/IID (i.e., ICFs/IID that have valid Medicaid provider agreements on June 30, 2015 and during fiscal year 2016 and ICFs/IID that undergo a change of operator that takes effect during fiscal year 2016, for which the exiting operators have valid provider agreements on the day immediately preceding the effective date of the change of operator, and for which the entering operators have valid provider agreements during fiscal year 2016). Another set of modifications applies to new ICFs/IID for which initial provider agreements are obtained during fiscal year 2016.

An existing ICF/IID's rate is to be adjusted as follows:

(1) The efficiency incentive for capital costs is to be reduced by 50%.

(2) In place of the maximum cost per case-mix unit established for its peer group, the maximum costs per case-mix unit is to be an amount ODODD is to determine. In

making this determination, ODODD is required to strive to the greatest extent possible to avoid rate reductions under the bill's provision regarding rate adjustments (see "**Adjustment to rates if mean is other than a certain amount for fiscal year 2016**," below) and to have the amount so determined result in payment of all desk-reviewed, actual, allowable direct care costs for the same percentage of Medicaid days for ICFs/IID in peer group 1 as for ICFs/IID in peer group 2 as of July 1, 2015, based on May 2015 Medicaid days.

(3) In the place of the inflation adjustment otherwise calculated in determining its rate for direct care costs, an inflation adjustment of 1.014 is to be used.

(4) In place of the efficiency incentive otherwise calculated in determining its rate for indirect care costs, its efficiency incentive is to be $3.69 if it is in peer group 1 and $3.19 if it is in peer group 2.

(5) In place of the maximum rate for indirect care costs established for its peer group, the maximum rate is to be $68.98 if it is in peer group 1 and $59.60 if it is in peer group 2.

(6) In place of the inflation adjustment otherwise calculated in determining its rate for indirect care costs, an inflation adjustment of 1.014 is to be used.

(7) In place of the inflation adjustment otherwise made in determining its rate for other protected costs, its other protected costs (excluding the franchise permit fee component of those costs) from calendar year 2014 are to be multiplied by 1.014.

A new ICF/IID's rate is to be adjusted as follows:

(1) In place of the initial rate for direct care costs otherwise determined for it when there is no cost or resident assessment data for it, its initial rate for direct care costs is to be determined as follows:

(a) The median of the costs per case-mix units is to be determined for each peer group.

(b) The median determined above for its peer group is to be multiplied by the median annual average case-mix score for its peer group for calendar year 2014.

(c) The product determined above is to be multiplied by 1.014.

(2) In place of the initial rate for indirect care costs otherwise determined for it, its initial rate for indirect care costs is to be $68.98 if it is in peer group 1 or $59.60 if it is in peer group 2.

(3) In place of the initial rate for other protected costs otherwise determined for it, its initial rate for other protected costs is to be 115% of the median fiscal year 2016 rate determined for existing ICFs/IID.

The bill provides that a new ICF/IID's initial rate for fiscal year 2016 is to be adjusted in accordance with continuing law governing the adjustment of initial rates. If the adjustment affects the new ICF/IID's fiscal year 2016 rate, the modifications made under the bill to the rates of existing ICFs/IID are to apply to the new ICF/IID's adjusted rate.

Low resource utilization residents

Under the bill, the total per Medicaid day rate for ICF/IID services an ICF/IID in peer group 1 provides in fiscal year 2016 to a low resource utilization resident admitted to the ICF/IID on or after July 1, 2015, is to be the lesser of the rate determined with the modifications discussed above or a certain flat rate. A low resource utilization resident is a resident who is placed in the chronic behaviors and typical adaptive needs classification or the typical adaptive needs and nonsignificant behaviors classification established for the grouper methodology used in determining rates for direct care costs. The following are the flat rates:

(1) $206.90 for ICF/IID services the ICF/IID provides to a Medicaid recipient in the chronic behaviors and typical adaptive needs classification;

(2) $174.88 for ICF/IID services the ICF/IID provides to a Medicaid recipient in the typical adaptive needs and nonsignificant behaviors classification.

Adjustment to rates if mean is other than a certain amount for fiscal year 2016

If the mean total per Medicaid day rate for all ICFs/IID in peer groups 1 and 2, weighted by May 2015 Medicaid days and determined in accordance with the modifications and limits discussed above as of July 1, 2015, is other than $283.32, ODODD must adjust, for fiscal year 2016, the total per Medicaid day rate for each ICF/IID in peer group 1 or 2 by a percentage that is equal to the percentage by which the mean total per Medicaid day rate is greater or less than $283.32.

Rate reduction if franchise permit fee is reduced or eliminated

The bill requires ODODD, if CMS requires that the ICF/IID franchise permit fee be reduced or eliminated, to reduce the amount it pays ICFs/IID in peer groups 1 and 2 for fiscal year 2016 as necessary to reflect the loss to the state of the revenue and federal financial participation generated from the franchise permit fee.

Fiscal year 2017 Medicaid rates for ICFs/IID in peer groups 1 and 2

The bill includes provisions governing the fiscal year 2017 Medicaid payment rates for ICFs/IID in peer groups 1 and 2. The provisions make modifications to the statutory formula used to determine the rates, require ODODD to adjust rates if the mean rate for the ICFs/IID is other than a certain amount, and require ODODD to reduce the rates if CMS requires the ICF/IID franchise permit fee to be reduced or eliminated.

Modifications to rate formula

The bill requires ODODD to modify the formula used in determining the fiscal year 2017 Medicaid payment rates for ICFs/IID in peer groups 1 and 2. One set of modifications applies to existing ICFs/IID (i.e., ICFs/IID that have valid Medicaid provider agreements on June 30, 2016 and during fiscal year 2017 and ICFs/IID that undergo a change of operator that takes effect during fiscal year 2017, for which the exiting operators have valid provider agreements on the day immediately preceding the effective date of the change of operator, and for which the entering operators have valid provider agreements during fiscal year 2017). Another set of modifications applies to new ICFs/IID for which initial provider agreements are obtained during fiscal year 2017.

An existing ICF/IID's rate is to be adjusted as follows:

(1) The efficiency incentive for capital costs is to be reduced by 50%.

(2) In place of the maximum cost per case-mix unit established for its peer group, the maximum costs per case-mix unit is to be the maximum amount ODODD determines for the ICF/IID's peer group for fiscal year 2016. (See "**Fiscal year 2016 Medicaid rates for ICFs/IID in peer groups 1 and 2**," above.)

(3) In the place of the inflation adjustment otherwise calculated in determining its rate for direct care costs, an inflation adjustment of 1.014 is to be used.

(4) In place of the efficiency incentive otherwise calculated in determining its rate for indirect care costs, its efficiency incentive is to be $3.69 if it is in peer group 1 and $3.19 if it is in peer group 2.

(5) In place of the maximum rate for indirect care costs established for its peer group, the maximum rate is to be $68.98 if it is in peer group 1 and $59.60 if it is in peer group 2.

(6) In place of the inflation adjustment otherwise calculated in determining its rate for indirect care costs, an inflation adjustment of 1.014 is to be used.

(7) In place of the inflation adjustment otherwise made in determining its rate for other protected costs, its other protected costs (excluding the franchise permit fee component of those costs) from calendar year 2015 are to be multiplied by 1.014.

(8) After all of the modifications specified above have been made, its total per Medicaid day rate is to be increased by the direct support personnel payment. The direct support personnel payment is to be a percentage, as determined by ODODD, of the ICF/IID's direct care costs. In determining the percentage, ODODD must, to the greatest extent possible, avoid rate reductions under the bill's provision regarding rate adjustments (see "**Adjustments to rates if mean is other than a certain amount for fiscal year 2017**," below) and use the same percentage for all ICFs/IID in peer groups 1 and 2.

A new ICF/IID's rate is to be adjusted as follows:

(1) In place of the initial rate for direct care costs otherwise determined for it when there is no cost or resident assessment data for it, its initial rate for direct care costs is to be determined as follows:

(a) The median of the costs per case-mix units is to be determined for each peer group.

(b) The median determined above for its peer group is to be multiplied by the median annual average case-mix score for its peer group for calendar year 2015.

(c) The product determined above is to be multiplied by 1.014.

(2) In place of the initial rate for indirect care costs otherwise determined for it, its initial rate for indirect care costs is to be $68.98 if it is in peer group 1 or $59.60 if it is in peer group 2.

(3) In place of the initial rate for other protected costs otherwise determined for it, its initial rate for other protected costs is to be 115% of the median fiscal year 2017 rate determined for existing ICFs/IID.

(4) After all of the modifications specified above have been made, its initial total per Medicaid day rate is to be increased by the median direct support personnel payment for all ICFs/IID in peer groups 1 and 2. (See (8) above in the discussion of how an existing ICF/IID's rate is to be adjusted for fiscal year 2017.)

The bill provides that a new ICF/IID's initial rate for fiscal year 2017 is to be adjusted in accordance with continuing law governing the adjustment of initial rates. If the adjustment affects the new ICF/IID's fiscal year 2017 rate, the modifications made under the bill to the rates of existing ICFs/IID are to apply to the new ICF/IID's adjusted rate.

Adjustment to rates if mean is other than a certain amount for fiscal year 2017

If the mean total per Medicaid day rate for all ICFs/IID in peer groups 1 and 2, weighted by May 2016 Medicaid days and determined in accordance with the modifications discussed above as of July 1, 2016, is other than $288.27 or a larger amount that ODODD, in its sole discretion, decides to use for this purpose, ODODD must adjust, for fiscal year 2017, the total per Medicaid day rate for each ICF/IID in peer group 1 or 2 by a percentage that is equal to the percentage by which the mean total per Medicaid day rate is greater or less than $288.27 or the larger amount ODODD may use. In determining whether to use an amount larger than $288.27, ODODD may consider any of the following:

(1) The reduction in the total Medicaid-certified capacity of all ICFs/IID that occurs in fiscal year 2016, and the reduction that is projected to occur in fiscal year 2017, as a result of ICFs/IID downsizing or ICFs/IID converting beds to providing HCBS under the IO Medicaid waiver program;

(2) The increase in Medicaid payments made for ICF/IID services provided during fiscal year 2016, and the increase that is projected to occur in fiscal year 2017, as a result of the modifications of the payment rates made under the bill's provision discussed above under the heading "**Medicaid rates for downsized, partially converted, and new ICFs/IID**";

(3) The total reduction in the number of ICF/IID beds that occurs pursuant to continuing law that requires ODODD to strive to achieve statewide reductions in ICF/IID beds (see "**Efforts to reduce the number of ICF/IID beds**," above);

(4) Other factors ODODD determines to be relevant.

Rate reduction if franchise permit fee is reduced or eliminated

The bill requires ODODD, if CMS requires that the ICF/IID franchise permit fee be reduced or eliminated, to reduce the amount it pays ICFs/IID in peer groups 1 and 2 for fiscal year 2017 as necessary to reflect the loss to the state of the revenue and federal financial participation generated from the franchise permit fee.

Fiscal year 2016 Medicaid rates for ICFs/IID in peer group 3

The bill provides for ICFs/IID in peer group 3 that obtained initial Medicaid provider agreements during fiscal year 2015 to continue to be paid, for services provided during fiscal year 2016, their total per Medicaid day rates in effect on June 30,

2015. However, if CMS requires that the ICF/IID franchise permit fee be reduced or eliminated, ODODD is required to reduce the amount it pays such ICFs/IID for fiscal year 2016 as necessary to reflect the loss to the state of the revenue and federal financial participation generated from the franchise permit fee.

ICF/IID Medicaid Rate Workgroup

(Section 259.200)

For fiscal years 2016 and 2017, the bill retains the previously created ICF/IID Medicaid Rate Workgroup to assist ODODD with its evaluation of revisions to the formula used to determine Medicaid payment rates for ICF/IID services. ICF/IID services include items and services furnished in an intermediate care facility for individuals with intellectual disabilities if certain conditions specified in federal law are met.[29]

The bill requires ODODD and the Workgroup to (1) focus on serving individuals with complex challenges that ICFs/IID are eligible to meet and pursue, and (2) try to reduce the Medicaid-certified capacity of individual ICFs/IID and the total number of ICF/IID beds in the state in order to increase service choices and community integration of individuals eligible for ICF/IID services. The Workgroup is no longer required to consider the impact of exception reviews conducted under Ohio law on ICFs/IID's case-mix scores.

Medicaid rates for homemaker/personal care services

(Sections 259.213 and 259.220)

Rates for services provided to qualifying enrollees

The bill requires that the total Medicaid payment rate for each 15 minutes of routine homemaker/personal care services that a Medicaid provider provides to a qualifying enrollee of the Individual Options (IO) Medicaid waiver program to be, for 12 months, 52¢ higher than the rate for services that a Medicaid provider provides to an IO enrollee who is not a qualifying enrollee. The higher rate is to be paid for the first 12 months, consecutive or otherwise, that the provider provides the services to the qualifying IO enrollee during the period beginning July 1, 2015, and ending June 30, 2017.

An IO enrollee is a qualified IO enrollee for the purpose of this provision of the bill if all of the following apply:

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[29] R.C. 5124.01(Y) and 42 Code of Federal Regulations 440.150, not in the bill.

(1) The enrollee resided in a developmental center, converted ICF/IID,[30] or public hospital immediately before enrolling in the IO Medicaid waiver program.

(2) The enrollee did not receive before July 1, 2011, routine homemaker/personal care services from the Medicaid provider that is to receive the higher Medicaid rate.

(3) The ODODD Director has determined that the enrollee's special circumstances (including the enrollee's diagnosis, service needs, or length of stay at the developmental center, converted ICF/IID, or public hospital) warrants paying the higher Medicaid rate.

General rate increase

The bill permits the Medicaid payment rate for routine homemaker/personal care services covered by ODODD-administered Medicaid waiver programs and provided during the period beginning January 1, 2016, and ending June 30, 2017, to be 6% higher than the rate in effect on June 30, 2015. The increase is subject to the availability of funds. The increase, if any, is in addition to the rate increase discussed above for such services provided to qualifying enrollees under the IO Medicaid waiver program.

ICF/IID payment methodology transformation

(Section 259.260)

The bill requires ODODD to issue a request for proposals (RFP) for an entity, pursuant to a contract with ODODD, to develop a plan to transform the formula used to determine Medicaid payment rates for ICFs/IID services. The RFP must be issued not later than July 31, 2015. Any contract ODODD enters into under the RFP is to require all of the following:

(1) That the plan include quality incentive measures, have payments be based on health outcomes, promote ICF/IID services that are provided in the most integrated setting appropriate to the needs of each Medicaid recipient receiving the services, and include recommendations for specific changes to the resident assessment instrument and the grouper methodology which are used in determining Medicaid payment rates for the direct care costs of ICFs/IID;

[30] A converted ICF/IID is an ICF/IID, or former ICF/IID, that converted some or all of its beds to providing HCBS under the IO Medicaid waiver program.

(2) That the entity developing the plan consider the recommendations of the ICF/IID Medicaid Rate Workgroup[31] and the ICF/IID Quality Incentive Workgroup (see "**ICF/IID Quality Incentive Workgroup**," below);

(3) That the plan be developed with the goal of beginning implementation of the transformation on July 1, 2017.

ICF/IID Quality Incentive Workgroup

(Section 259.270)

The bill requires the ODODD Director to create the ICF/IID Quality Incentive Workgroup to study the issue of establishing, as part of the Medicaid payment formula for ICF/IID services, accountability measures that act as quality incentives for ICFs/IID. The Director, or the Director's designee, is to be the Workgroup's chairperson. The Director is permitted to appoint one or more ODODD staff members to also serve on the Workgroup and is required to appoint to the Workgroup one or more persons with developmental disabilities who advocate for such persons and representatives of the following:

(1) The Ohio Centers for Intellectual Disabilities formed by the Ohio Health Care Association;

(2) The Values and Faith Foundation;

(3) The Ohio Association of County Boards Serving People with Developmental Disabilities;

(4) The Ohio SIBS;

(5) The Arc of Ohio;

(6) The Ohio Provider Resource Association.

Members of the Workgroup are to serve without compensation or reimbursement, except to the extent that serving on the Workgroup is considered part of their usual job duties.

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[31] The ICF/IID Medicaid Rate Workgroup was created to assist with a study of ICF/IID issues mandated by H.B. 153 of the 129th General Assembly. H.B. 59 of the 130th General Assembly required ODODD to retain the workgroup for the purpose of a study of the Medicaid program's rate formula for ICF/IID services.

The bill requires the Workgroup to complete its study, and complete a report with recommendations regarding accountability measures for ICFs/IID, not later than November 4, 2015. The Workgroup must submit copies of the report to the Governor and General Assembly.

County board share of nonfederal Medicaid expenditures

(R.C. 5126.0510; Section 259.60)

The bill requires the ODODD Director to establish a methodology to be used in fiscal years 2016 and 2017 to estimate the quarterly amount each CBDD is to pay of the nonfederal share of the Medicaid expenditures for which the CBDD is responsible. With certain exceptions, continuing law requires the CBDD to pay this share for home and community-based services provided to an individual who the CBDD determines is eligible for CBDD services. ODODD was similarly required to establish the methodology for fiscal years 2014 and 2015 under H.B. 59 of the 130th General Assembly.

Each quarter, the Director must submit to the CBDD written notice of the amount for which the CBDD is responsible. The notice must specify when the payment is due.

Developmental center services

(Section 259.130)

The bill permits an ODODD-operated residential center for persons with mental retardation and developmental disabilities (i.e., a developmental center) to provide services to persons with mental retardation and developmental disabilities living in the community or to providers of services to these persons. ODODD is permitted to develop a method for recovery of all costs associated with the provision of the services. A similar provision was included in H.B. 59 of the 130th General Assembly.

Innovative pilot projects

(Section 259.150)

For fiscal years 2016 and 2017, the bill permits the ODODD Director to authorize the continuation or implementation of innovative pilot projects that are likely to assist in promoting the objectives of state law governing ODODD and CBDDs. Under the bill, a pilot project may be implemented in a manner inconsistent with the laws or rules governing ODODD and CBDDs; however, the Director cannot authorize a pilot project to be implemented in a manner that would cause Ohio to be out of compliance with any requirements for a program funded in whole or in part with federal funds. Before authorizing a pilot project, the Director must consult with entities interested in the issue of developmental disabilities, including the Ohio Provider Resource Association, Ohio Association of County Boards of Developmental Disabilities, Ohio Health Care Association Ohio Centers for Intellectual Disabilities, the Values and Faith Alliance, and ARC of Ohio. A similar provision was included in H.B. 59 of the 130th General Assembly.

Use of county subsidies to pay nonfederal share of ICF/IID services

(Section 259.210)

The bill requires the ODODD Director to pay the nonfederal share of a claim for ICF/IID services using funds otherwise appropriated for subsidies to CBDDs if (1) Medicaid covers the ICF/IID services, (2) the ICF/IID services are provided to a Medicaid recipient who is eligible for the ICF/IID services and the recipient does not occupy a bed in the ICF/IID that used to be included in the Medicaid-certified capacity of another ICF/IID certified by the Director of Health before June 1, 2003, (3) the ICF/IID services are provided by an ICF/IID whose Medicaid certification by the Director of Health was initiated or supported by a CBDD, and (4) the provider of the ICF/IID services has a valid Medicaid provider agreement for the services for the time that the services are provided. A similar provision was included in H.B. 59 of the 130th General Assembly.

Updating authorizing statute citations

(Section 259.230)

The bill provides that the ODODD Director is not required to amend any rule for the sole purpose of updating the citation in the Ohio Administrative Code to the statute that authorizes the rule to reflect that the bill renumbers the authorizing statute or relocates it to another Revised Code section. The citations must be updated as the Director amends the rules for other purposes.

DEPARTMENT OF EDUCATION

I. School Financing

- Specifies a formula amount of $5,900, for fiscal year 2016, and $6,000, for fiscal year 2017.

- Revises the calculation of a district's "state share index" by:

  --Calculating an "income index" that is based on both a district's median Ohio adjusted gross income and average federal adjusted gross income; and

  --Revising the calculation of a district's "wealth index" factor of the computation by basing it on a district's "median income index" (as under current law) and a district's "income index."

- Revises the calculation of targeted assistance supplemental funding by providing this funding to districts with more than 10% agricultural real property but not to those with 10% or less agricultural real property, as well as making other changes to the formula.

- Removes a requirement that districts must receive targeted assistance funding (which is based on a district's value and income) in order to receive targeted assistance supplemental funding.

- Revises the dollar amounts for each category of special education services.

- Revises the dollar amounts for the calculation of kindergarten through third-grade literacy funds.

- Maintains the dollar amount for economically disadvantaged funds from fiscal year 2015 for both years of the biennium, and revises the calculation of the "economically disadvantaged index for a school district" that is used as a factor in the computation of economically disadvantaged funds.

- Maintains the dollar amounts for each category of limited English proficient students from fiscal year 2015 for both years of the biennium.

- Maintains the dollar amount for gifted identification funds and for each gifted unit from fiscal year 2015 for both years of the biennium.

- Revises the dollar amounts for each category of career-technical education programs and career-technical associated services.

- Removes a provision of current law that requires a joint vocational school district to spend at least 75% of its career-technical education funding on costs directly associated with career-technical education programs and not more than 25% on personnel expenditures.

- Requires the Department to make an additional payment of "capacity aid" funds to city, local, and exempted village school districts based on how much 1 mill of taxation will raise in revenue.

- Requires the Department to make an additional "graduation bonus" payment to each city, local, and exempted village school district, joint vocational school district, community school, and STEM school based on how many students graduate from the district or school.

- Requires the Department to make an additional "third-grade reading bonus" payment to each city, local, and exempted village school district and community school based on how many of its third grade students score at a proficient level or higher on the English language arts assessment.

- Requires the Department to make an additional "technology supplement" payment to each school district based on the district's rider density.

- Specifies that a school district's transportation funding be calculated using a multiplier that is the greater of 50% (rather than 60% as under current law) or the district's state share percentage (as calculated under the bill's provisions).

- Requires the Department to pay each school district a transportation supplement based on the district's rider density.

- Removes the requirement that each city, local, and exempted village school district report all data used to calculate funding for transportation through the Education Management Information System (EMIS).

- Removes the requirement that a community school governing authority that enters into an agreement to transport students or accepts responsibility to transport students must provide or arrange transportation free of charge for each of its enrolled students who would otherwise be transported by the students' school districts under those districts' transportation policies.

- Clarifies that payments made to a community school for transporting students must be calculated on a "per rider basis."

- Specifies that a city, local, or exempted village school district's aggregate amount of core foundation funding, excluding specified payments, and pupil transportation funding may not increase to more than 7.5% of the previous year's state aid in each fiscal year of the biennium.

- Specifies that a joint vocational school district's aggregate amount of core foundation funding, excluding specified payments, may not increase to more than 7.5% of the previous year's state aid in each fiscal year of the biennium.

- Guarantees that all districts receive at least the same amount of state aid in each fiscal year of the biennium as in fiscal year 2015, other than career-technical and career-technical associated services received in fiscal year 2017.

- Guarantees that all districts receive in total per-pupil state operating funding at least 15%, for fiscal year 2016, and 25% for fiscal year 2017, of 20% of the formula amount in each year of the biennium.

- Specifies that the amount a school district or community school must pay to a joint vocational school district providing special education and related services to a student of the district or school for costs that exceed the amount the joint vocational district receives under the funding formula must be calculated using a formula approved by the Department.

- Specifies that a city, local, or exempted village school district may enroll under its interdistrict open enrollment policy an adjacent or other district student who is a preschool child with a disability.

- Requires the Department of Education to pay to a district that enrolls under its open enrollment policy an adjacent or other district student who is a preschool child with a disability, and to deduct from the state education aid of the student's resident district, $4,000 for that student.

- Specifies that, if a preschool child with a disability who is a resident of one district receives special education from another district under an agreement between the districts, the district providing the education may require the child's district of residence to pay the full amount (rather than half) of the tuition of the district providing the education, as calculated in accordance with existing law.

- Modifies the permitted uses of Auxiliary Services Funds.

- Specifies that if the appropriation for nonpublic school administrative cost reimbursement is sufficient, the Department may pay up to $420 per pupil for each school year, rather ($360 per pupil as under current law).

II. Community Schools

- Requires an educational service center sponsoring a conversion school to be approved as a sponsor by the Department of Education.
- Changes the definition of "Internet- or computer-based community school" to assure inclusion of a school that offers career-technical education, even if that instruction provides some classroom-based instruction.
- Permits a community school that is sponsored by an entity that is rated "exemplary" by the Department of Education to be licensed by the Department to operate a preschool program and to admit individuals who are general education preschool students (preschool students who are not receiving special education) to that program.
- Requires a community school that operates a preschool program that is licensed by the Department to comply with the same licensing and operational standards that apply to preschool programs operated by school districts, eligible nonpublic schools, and county DD boards under current law.
- Specifies that a community school that operates a preschool program that is licensed by the Department may not receive state community school operating funding for students enrolled in that program, but authorizes the program to apply for early childhood education funding.
- Permits a community school sponsor or operator that has a contract with the school to provide a written guarantee of payment (in place of the surety bond required under current law) that obligates the sponsor or operator to pay the costs of audits conducted by the Auditor of State up to the amount of $50,000.
- Establishes the five-year Parental Engagement Pilot Program with the Dayton Early College Academy Prep, Inc. (DECA Prep) community school to provide and study the effects of parent engagement on the performance of low-performing students.

Access to school district property and exceptions

- Requires a school district, when it decides to sell real property, to first offer it to high-performing community schools and newly established community schools with a community school model that has a track record of high quality academic performance.

- Requires a school district, when it is required to offer unused school facilities for lease or sale, to first offer the facilities for sale or lease to high-performing community schools sponsored by the district.

- Prohibits community schools and college-preparatory boarding schools from selling any property purchased from a school district by way of mandatory sale within five years of purchasing that property, unless the sale is to another community school or college-preparatory boarding school located in the district.

- Temporarily permits a city school district to offer for purchase district property to a professional sports museum located in the same municipal corporation, instead of offering a right of first refusal to community schools or college-preparatory boarding schools and sale by auction.

- Extends the expiration date of a provision of current law that temporarily permits a school district to offer highest priority to purchase an athletic field to the current leaseholder from December 31, 2015, to December 31, 2017, and exempts that provision from the change made by the bill that gives first priority to high-performing community schools when a district decides to sell a parcel of property.

III. State Testing and Report Cards

State assessments

- Prohibits funds appropriated from the General Revenue Fund from being used to purchase an assessment developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) for use as the state elementary and secondary achievement assessments.

- Prohibits federal Race to the Top program funds from being used for any purpose related to the state elementary and secondary achievement assessments.

- Requires the Superintendent of Public Instruction to verify, within 30 days after the bill's effective date, that:

  --The state elementary and secondary achievement assessments that are administered in the 2015-2016 school year will be administered once each year, not over multiple testing windows, and in the second half of the school year; and

  --The length of those assessments will be reduced as compared to the assessments that were administered in the 2014-2015 school year, "in order to provide more time for classroom instruction and less disruption in student learning."

- If the 2015-2016 state achievement assessments do not meet the conditions described above, requires the state Superintendent to take the steps necessary to find and contract with one or more entities to develop and provide assessments that meet the prescribed conditions.

- Applies to the 2015-2016 school year, the current prohibition in effect for the 2014-2015 school year only that:

  --Prohibits school districts and schools from being required to administer the state achievement assessments in an online format;

  --Permits a district or school to administer such assessments in any combination of online and paper formats at the discretion of the district board or school governing authority; and

  --Requires the Department of Education to furnish, free of charge, all required state assessments for the school year.

- Revises the deadline by which the scores on state elementary and secondary achievement assessments must be sent to school districts and schools beginning with the 2015-2016 school year.

- Makes eligible for high school graduation an individual who entered ninth grade for the first time *prior* to the 2014-2015 school year, if that person completes one of the three graduation pathways otherwise required for high school students who began ninth grade after that date.

- Makes eligible for high school graduation a person who entered ninth grade for the first time *prior* to the 2014-2015 school year, and who has not passed all areas of the Ohio Graduation Tests (OGT), if the person meets a graduation requirement (established by rules adopted by the State Board of Education) that combines partial passage of the OGT and completion of a graduation pathway.

- Exempts students enrolled in a chartered nonpublic school that is accredited through the Independent School Association of the Central States (ISACS) from:

  --The requirement to complete one of three prescribed pathways for high school graduation; and

  --The requirement to take the high school end-of-course examinations.

- Removes a current law provision that delays a separate conditional exemption for chartered nonpublic schools until October 1, 2015, unless the General Assembly does not enact different requirements regarding end-of-course examinations for chartered nonpublic schools that are effective by that date, thus setting into effect that exemption for non-ISACS chartered nonpublic schools on the bill's effective date.

- Creates an additional pathway for high school graduation for students enrolled in a non-ISACS school by authorizing such a student to graduate if the student attains a designated score on an alternative assessment approved by the Department of Education and selected by the student's school.
- Requires the reading skills assessments administered under the Third-Grade Reading Guarantee to be completed annually by September 30 starting with the 2015-2016 school year.

State report cards

- Requires the State Board of Education to establish proficiency percentages to meet each report card indicator that is based on a state assessment and sets deadlines by which the proficiency percentages must be established.
- Makes permissive, rather than mandatory as under current law, the development of the high school student academic progress measure as a part of the state report card by the State Board of Education.
- Specifies that the grade for the high school student academic progress measure, if developed by the State Board, not be reported sooner than the 2017-2018 school year.
- Specifies that the high school academic progress measure not be included in determining a district or school's overall report card grade.
- Changes the school year by which overall letter grades on the state report card must be first issued from the 2015-2016 school year, as under current law, to the 2016-2017 school year.
- Extends through the 2015-2016 school year the provision (currently in effect for the 2014-2015 school year only) that prohibits the Department of Education from assigning an overall letter grade for a school district or school.
- Extends through the 2015-2016 school year the provision (currently in effect for the 2014-2015 school year only) that prohibits districts or schools from utilizing, at any time during a student's academic career, a student's score on any state elementary-level achievement assessment or high school end-of-course examination that is administered in a specified school year as a factor in any decision to (1) retain the student, (2) promote the student to a higher grade level, or (3) grant course credit.

- Extends through the 2015-2016 school year the provision (currently in effect for the 2014-2015 school year only) that prohibits individual student score reports on state assessments administered in a specified school year from being released, except to a student's district or school or to the student or the student's parent or guardian.

- Prohibits, for the 2014-2015 school year only, the Department from assigning a grade for the performance index score for a school district or school.

- Prohibits school districts and schools from using the value-added progress dimension ratings from the 2014-2015 and 2015-2016 school years for:

  --Teacher and principal evaluations; or

  --Making decisions regarding the dismissal, retention, tenure, or compensation of teachers and principals, unless the district or school collectively agrees with its teachers or principals to use the ratings from those school years for those purposes.

- Specifies that, for a teacher of a grade level and subject area for which the value-added progress dimension is applicable and if no other measure is available to determine student academic growth, the evaluation for that teacher or principal must be based solely on teacher or principal performance.

- Repeals the current safe harbor provision (currently in effect for the 2014-2015 school year only) that *authorizes* a district or school to enter into a memorandum of understanding stipulating that it will not use the value-added rating from the assessments administered in the 2014-2015 school year for the purposes described above.

- Requires the Ohio Department of Education to submit a request to the U.S. Secretary of Education for a waiver from provisions of the "No Child Left Behind Act of 2001," to account for the bill's prohibition on using the value-added ratings used to calculate student academic growth for purposes of conducting teacher and principal evaluations based assessments administered in the 2014-2015 and 2015-2016 school years.

- Extends the deadline for the 2014-2015 state report card from September 15, 2015, to January 15, 2016.

- Extends until January 31, 2016, the deadline for the Department of Education's reports regarding students with disabilities for the 2014-2015 school year.

- Requires each school district and school to report to the Department of Education the number of students who did not take a state achievement assessment that was administered in the 2014-2015 school year and who were not excused from taking the assessment, and to report that number as a whole and as a percentage.

- Prohibits, for the 2014-2015 school year only, the Department from ranking school districts, community schools, and STEM schools according to academic performance measures.

- Sets a deadline of January 31, 2016, for the Department to rank districts, community schools, and STEM schools according to expenditures for the 2014-2015 school year.

IV. Educator Licensing and Evaluations

- Modifies the required components of the Ohio Teacher Residency Program to specify that mentoring must be provided by any teacher (rather than a lead professional educator) during only the first two years of the program and that the district or school must determine if counseling is necessary.

- Specifies that one of the required measures of progression through the Ohio Teacher Residency Program must be the performance-based assessment required by the State Board for resident educators in the third year of the program.

- Permits career-technical educators to forgo the first two years of the Ohio Teacher Residency Program.

- Requires the State Board, by July 1, 2016, to adopt rules that exempt consistently high-performing teachers from (1) the requirement to complete additional coursework to renew an educator license and (2) any related requirement prescribed by the district's or school's local professional development committee.

- Modifies the duration for which a pupil-activity program permit is valid (three years under current law) by specifying that, if the applicant holds an educator license, the permit is instead valid for the same number of years as the individual's educator license.

- Prohibits the State Board of Education from requiring any fee to be paid for a license, certificate, or permit issued for the purpose of teaching in a Junior ROTC program.

- Requires the State Board of Education to issue an alternative principal license or an alternative administrator license to an individual who (1) successfully completes the

Bright New Leaders for Ohio Schools Program and (2) satisfies rules adopted by the State Board.

Evaluation of school counselors

- Requires the Educator Standards Board to develop standards for school counselors.

- Requires the State Board of Education to develop, not later than May 31, 2016, a standards-based framework for the evaluation of school counselors that aligns with the standards for school counselors adopted by the Educator Standards Board and satisfies other requirements.

- Requires the State Board to develop specific standards and criteria that distinguish between accomplished, skilled, developing, and ineffective ratings for school counselor evaluations.

- Requires each school district board of education to adopt, not later than September 30, 2016, a standards-based school counselor evaluation policy that conforms to the framework developed by the State Board.

- Requires each district's policy to include procedures for implementing the framework beginning in the 2016-2017 school year and for using the evaluation results beginning in 2017-2018 for decisions regarding the retention and promotion of school counselors and the removal of poorly performing school counselors.

- Requires each district board to annually submit a report to the Department of Education, in a form and manner prescribed by the Department, regarding its implementation of its standards-based school counselor evaluation policy.

Alternative framework for teacher evaluations

- Modifies the alternative framework for teacher evaluations, beginning with the 2015-2016 school year, by increasing (to 50%) the teacher performance measure, decreasing (to 35%) the student academic growth measure, and permitting districts and schools to use a combination of specified components for the remainder of each evaluation.

V. Waivers

- Authorizes community schools, in addition to school districts and STEM schools under current law, to request from the Superintendent of Public Instruction a waiver for up to five school years from (1) administering the state-required achievement assessments, (2) teacher evaluations, and (3) reporting of student achievement data for report card ratings.

- Specifies that school districts, community schools, and STEM schools may submit a request for a waiver during the 2015-2016 school year only.

- Limits, to ten, the total number of school districts, community schools, and STEM schools that may be granted a waiver, based on requests for a waiver received during the 2015-2016 school year.

- Removes a provision requiring a school district to be a member of the Ohio Innovation Lab Network in order to be eligible to submit a request for a waiver.

- Removes STEM schools' current presumptive eligibility for being granted a waiver.

- Removes a provision specifying that a district's or school's waiver application that includes an overview of the district's or school's alternative assessment system must include "links to state-accepted and nationally accepted metrics, assessments, and evaluations."

- Revises the timing of the decision by the state Superintendent on whether to approve or deny a waiver or to request additional information from "not later than 30 days after receiving a request for a waiver" to "upon receipt of a waiver."

- Defines "innovative educational program or strategy," for purposes of a waiver, as a program or strategy that uses a new idea or method aimed at increasing student engagement and preparing students to be college or career ready.

VI. Other Education Provisions

Scholarship programs

- Increases maximum amount of an Ed Choice scholarship that may be awarded to a K-8 student from $4,250 to $4,650 and to a high school student from $5,000 to $6,000.

- Changes the basis for the Ed Choice scholarship according to performance index score ranking of a student's assigned district building, from a ranking based on the performance index scores of all public schools to a ranking based on the performance index scores of all buildings operated by school districts.

- Removes the current limitation on the number of Cleveland Pilot Project scholarships that may be awarded to students who were already enrolled in a nonpublic school when the students applied for the scholarship.

- Increases the maximum amount of a scholarship awarded under the Autism Scholarship Program to $27,000 (from $20,000 under current law).

- Increases the maximum amount of a scholarship awarded under the Jon Peterson Special Needs Scholarship Program to $27,000 (from $20,000 under current law).

College Credit Plus program

- Specifically permits students to participate in the College Credit Plus (CCP) program during the summer term of a public or participating private college or an eligible out-of-state college.

- Requires the Chancellor of Higher Education, in consultation with the state Superintendent, to adopt rules regarding the participation of students in CCP during the summer.

- Specifically prohibits any requirement of the CCP program, or any rule adopted by the Chancellor or the State Board of Education for purposes of the CCP program, to apply to a chartered nonpublic secondary school that chooses not to participate in the program.

- Removes the end date of July 1, 2016, with regard to the exemption from the CCP program for career-technical education programs that grant articulated credit to students.

- Specifies that career-technical education programs that grant transcripted credit to students must be governed by the CCP program.

- Requires the CCP program to be the sole mechanism by which state funds are paid to colleges for students to earn "transcripted" credit, rather than "college-level" credit, while enrolled in high school and college.

- Requires the Chancellor and the Superintendent of Public Instruction to include, in each biennial report on the CCP program, an analysis of quality assurance measures related to the program.

Mathematics curriculum requirement

- Permits students who enter the ninth grade for the first time on or after July 1, 2015, who are pursuing a "career-technical instructional track" to take a career-based pathway mathematics course as an alternative to Algebra II, which is currently required for most students in order to receive a high school diploma.

Credit based on subject area competency

- Requires the State Board of Education, not later than December 31, 2015, to update its statewide plan regarding methods for students to earn high school credit based on subject area competency to also include methods for students enrolled in 7th and 8th grade to meet curriculum requirements based on such competency.

- Requires school districts and community schools, beginning with the 2017-2018 school year, to comply with the updated plan and to permit students enrolled in 7th and 8th grade to meet curriculum requirements accordingly.

- Requires the Department of Education to provide assistance to the State Board for purposes of updating the statewide plan on subject competency, including credit by exam, and to, upon completion of the plan, inform students, parents, and schools of the updated plan.

Competency-Based Education Pilot Program

- Establishes the Competency-Based Education Pilot Program to provide grants to school districts, community schools, STEM schools, and consortia of one or more districts or schools led by one or more educational service centers for designing and implementing competency-based models of education for their students during the 2016-2017, 2017-2018, and 2018-2019 school years.

- Requires districts, schools, or consortia that wish to participate in the pilot program to submit an application to the Department of Education not later than November 1, 2015.

- Requires the Department to select, not later than March 1, 2016, not more than five applicants to participate in the pilot program, and requires the Department to award each district, school, or consortium selected to participate in the pilot program a grant of up to $200,000 for each fiscal year of the biennium.

- Requires each district, school, or consortium selected to participate in the pilot program to satisfy specified requirements for the competency-based education offered by the district, school, or consortium and agree to an annual performance review conducted by the Department.

- Specifies that a district, school, or consortium selected to participate in the pilot program remains subject to all accountability requirements in state and federal law that otherwise apply to it.

- Specifies that a student enrolled in a district or school that is selected to participate in the pilot program, either by itself or as part of a consortium, who is participating in competency-based education must be considered to be a full-time equivalent student while participating in competency-based education for purposes of state funding for that district or school, as determined by the Department.

- Requires the Department to post two reports on its website (the first not later than January 31, 2017, and the second not later than December 31, 2018) regarding the pilot program.

Education and business partnerships

- Specifically permits the Superintendent of Public Instruction to form partnerships with Ohio's business community to implement initiatives that connect students with the business community to increase student engagement and job readiness.

GED tests

- Requires a person who is at least 16 but less than 18 years old, when applying to the Department of Education for permission to take the tests of general educational development (GED), to include a high school transcript with specified information.

- Requires a person who is under 18 years old and who is approved to take the GED tests to remain enrolled in school and maintain at least a 75% attendance rate until (1) the person passes all required sections of the GED, or (2) the person reaches 18 years of age.

- Specifies that a person may take the GED tests, without additional requirements, if the person (1) is or was homeschooled, (2) is excused from attending school due to a physical or mental condition, (3) is moving or has moved out of Ohio, or (4) has an extenuating circumstance.

- Specifies that, for the purpose of calculating graduation rates for districts and schools on the state report cards, the Department must include any person who withdraws from school to take the GED tests (rather than any person who obtains approval to take the GED tests as under current law) as a dropout from the school.

- Specifies that a person who takes the GED tests but fails to attain the required scores must (1) retake only the specific test on which the person did not attain a passing score, and (2) pay only for the cost of the specific test that must be retaken.

Education of older students

- Changes the name of the Adult Career Opportunity Pilot Program to the Adult Diploma Pilot Program and makes changes in the administration of the program.

- Modifies separate provisions of current law that permit an individual age 22 and above who has not received a high school diploma or equivalence certificate to enroll in certain types of public schools and public two-year colleges for the purpose of earning a high school diploma.

Out-of-state STEM school students

- Permits a STEM school to admit out-of-state students and requires a STEM school that admits an out-of-state student to charge tuition for that student in an amount equal to the amount of state funds that the school would have received for that student if that student were a resident of Ohio.

Diplomas for home-schooled and nonchartered nonpublic school students

- Specifies that a home-schooled student may be granted a high school diploma by the student's parent, guardian, or other person having charge or care of a child and clarifies other issues of law regarding high school diplomas of home-schooled students.

- Specifies that a person who has graduated from a nonchartered nonpublic school in the state and who has successfully fulfilled that school's high school curriculum may be granted a high school diploma by the governing authority of that school and clarifies other issues of law regarding high school diplomas of nonchartered nonpublic school students.

Student health services

- Specifically permits the board of education or governing authority of a school district, educational service center, community school, STEM school, or college-preparatory boarding school to enter into a contract with a hospital, an appropriately licensed health care provider, a federally qualified health center, or a federally qualified health center look-alike to provide health services to students.

- Specifies that the employees of any of the specified entities who are providing the services of a nurse under the contract are not required to obtain a school nurse license or school nurse wellness coordinator license, but must hold a credential equivalent to being licensed as a registered nurse or licensed practical nurse.

Student discipline

- Requires each school district board of education, by July 1, 2016, to adopt an updated policy of zero tolerance that provides for tiered responses based upon the nature and severity of the student's behavior.

- Requires the State Board of Education, by February 28, 2016, to adopt a model disciplinary policy that provides for a tiered response to specified behaviors and stresses preventive strategies and alternatives to suspension and expulsion.

- Requires the Department of Education, by May 31, 2016, to (1) provide each district with a copy of the model policy and (2) develop materials to assist districts in providing teacher and staff training on implementation of the policy.

Site-based management councils

- Repeals a provision of current law requiring each school district with a total student count of 5,000 or more to designate one school building to be operated by a site-based management council, unless the district received a specified grade on the most recent report card or the district filed an alternative management structure with the Department.

Student transportation

- Specifies that a school district board of education is not required to transport students to and from a nonpublic or community school on weekends absent an agreement to do so that was entered into before July 1 of the school year in which the agreement takes effect.

- Clarifies that a community school that takes over responsibility to transport a school district's resident students to and from the community school may determine that it is impractical to transport a student using the same procedures, requirements, and payment structure that a school district uses to determine impracticality.

- Removes a provision requiring a district board to submit a resolution declaring impracticality of transportation to the educational service center (ESC) that contains the district's territory and specifying the ESC's required actions upon receiving the resolution.

Other provisions

- Changes the term of office of a joint vocational school district board member to one year, if that member is appointed on a rotating basis by members of the board when there is an even number of member districts under a plan on file with the Department of Education.

- Requires that, if a joint vocational school district gains territory on or after January 1, 2015, due to a specified transfer of the entire territory of a "local" school district to another, contiguous "local" school district, then that JVSD must enter into a two-year transition agreement with the JVSD that lost the territory gained by the other JVSD due to the transfer, including provisions for continuing student enrollments and interdistrict payments.

- Permits the Superintendent of Public Instruction to adopt guidelines identifying the circumstances in which the Department, after consulting with the lead district of a career-technical planning district, may approve or disapprove a city, local, or exempted village school district's, community school's, or STEM school's career-technical education program after the deadline prescribed in current law.

- Prohibits the assessment against any client school districts of an educational service center (ESC) that is abolished by July 1, 2015, of any indebtedness to the Department of Education for expenses related to the dissolution that exceed the available assets of the ESC.

- Prohibits a school district or school from altering, truncating, or redacting any part of a student's record so that any information on the record is rendered unreadable or unintelligible during the course of transferring that record to an educational institution for a legitimate educational purpose.

- Abolishes the Healthy Choices for Healthy Children Council.

- Modifies a provision permitting school districts to contract with public and private entities to provide academic remediation and intervention services to students in grades 1-6 outside of regular school hours by expanding eligibility to students in any grade.

- Permits the State Board of Education to establish an annual Teacher of the Year program, and allows, under the Ethics Law, a teacher recognized as a Teacher of the Year to receive a gift or privilege as part of the program and a person or entity to make a voluntary contribution to the program.

I. School Financing

(R.C. 3313.981, 3314.08, 3314.091, 3317.01, 3317.013, 3317.014, 3317.016, 3317.017, 3317.02, 3317.022, 3317.0212, 3317.0213, 3317.0215, 3317.0216, 3317.0217, 3317.0218, 3317.051, 3317.16, 3317.26, 3323.13, and 3326.33; Sections 263.220, 263.230, and 263.240)[32]

H.B. 59 of the 130th General Assembly (the general operating budget act for the 2013-2015 biennium) enacted a new system of financing for school districts and other public entities that provide primary and secondary education. This system specifies a

[32] R.C. 3317.018 and 3317.019 specify the computation of a district's "capacity measure" for purposes of the phase-out of tangible personal property tax reimbursements. These sections are not used to calculate a district's foundation funding under R.C. Chapter 3317.

per-pupil formula amount and then uses that amount, along with a district's "state share index" (which depends on valuation and, for districts with relatively low median income, on median income), to calculate a district's base payment (called the "opportunity grant"). The system also includes payments for targeted assistance (based on a district's property value and income) and supplemental targeted assistance (based on a district's percentage of agricultural property), as well as categorical payments (which include special education funds, kindergarten through third grade literacy funds, economically disadvantaged funds, limited English proficiency funds, gifted funds, career-technical education funds, and student transportation funds).

The bill makes changes to the current funding system as described below and applies these changes to the core foundation funding formulas for city, local, and exempted village school districts, joint vocational school districts, community schools, and STEM schools. For a detailed analysis of the current funding system and the one proposed by the Governor, see the LSC Redbook for the Department of Education. For a comparison of the Governor's proposal, the school funding system proposed in the House Passed version, and the school funding system proposed in the Senate Passed version, see the LSC Comparison Document for the Department. Both documents are published on the LSC website at http://www.lsc.ohio.gov/. Click on "Budget Bills and Related Documents," then on "Main Operating," and then on "Redbooks" or "Comparison Document."

Note, as used below, "ADM" means average daily membership. Current law, not affected by the bill, provides that the Department of Education use the student enrollment that a district is required to report three times during a school year (at the end of October, March, and June) to calculate a district's average daily membership for the specific purposes or categories required for the school funding system, including a district's "formula ADM" and "total ADM."[33] The bill clarifies that, in any given fiscal year, prior to school districts submitting the first required student enrollment report for that year (at the end of October), enrollment for the districts must be calculated based on the third report submitted by the districts for the previous fiscal year (at the end of June).

Formula amount

(R.C. 3317.02)

The bill specifies a formula amount of $5,900, for fiscal year 2016, and $6,000, for fiscal year 2017. That amount is incorporated in the school funding system to calculate a district's base payment (the "opportunity grant") and is used in the computation of

[33] R.C. 3317.03, not in the bill.

various other payments. (The formula amount for fiscal year 2015, prescribed by H.B. 59 of the 130th General Assembly, is $5,800.)

State share index

(R.C. 3317.17)

The bill makes revisions to the calculation of the "state share index." Under current law, the "state share index" is an index that depends on valuation and, for city, local, and exempted village school districts with relatively low median income, on median income. It is adjusted for school districts where 30% or more of the potential taxable valuation is exempted from taxation, which reduces the qualifying districts' three-year property valuation in the formula and, thereby, increases their calculated core funding.

The bill revises the computation of the "state share index" by doing both of the following:

(1) Calculating an "income index" that is based on both a district's "median income index" (which is calculated under current law and is equal to the district's median Ohio adjusted gross income divided by the median district's median Ohio adjusted gross income) and a district's three-year average federal adjusted gross income per pupil divided by the statewide average per pupil;

(2) Revising the calculation of the "wealth index" factor of the computation by basing it on both a district's "median income index" (as under current law) and a district's "income index," and by making other changes to the formula.

The "state share index" is a factor in the calculation of the opportunity grant, special education funds, catastrophic cost for special education students, kindergarten through third grade literacy funds, limited English proficiency funds, career-technical education funds, career-technical education associated services funds and the third-grade reading bonus for city, local, and exempted village school districts. It is also a factor in the calculation of additional state aid for preschool special education children that is paid to city, local, and exempted village school districts and institutions (the departments of Mental Health and Addiction Services, Developmental Disabilities, Youth Services, and Rehabilitation and Correction), the calculation of payments to county DD boards that provide special education and related services to children with disabilities, and the criteria for a city, local, exempted village, or joint vocational school district to qualify for a grant program for innovators.

Targeted assistance supplemental funding

(R.C. 3317.0217)

The bill revises the calculation of targeted assistance supplemental funding, which is based on a district's percentage of agricultural property, by doing all of the following:

(1) Basing the "three-year average valuation" on the average of a district's tax valuation for tax years 2012, 2013, and 2014, for fiscal year 2016, and tax years 2013, 2014, and 2015, for fiscal year 2017. Under current law, this valuation remains the same for both years of the biennium rather than changing for each fiscal year.

(2) Providing this funding to districts with more than 10% agricultural real property but not to those districts with 10% or less agricultural real property. Current law provides funding to those districts that have less than 10% (but greater than 0%) agricultural real property in an amount less than that paid to districts with at least 10% agricultural real property, with the amount of funding for districts with greater than 0% but less than 10% agricultural real property varying based on the district's percentage of agricultural real property.

(3) Making other changes to the formula for the computation of this funding.

Additionally, the bill removes a current law requirement that districts must receive targeted assistance funding (which is based on a district's value and income) in order to receive targeted assistance supplemental funding.

Targeted assistance supplemental funding is paid to city, local, and exempted village school districts.

Special education funding

(R.C. 3317.013)

The bill specifies the following dollar amounts for the six categories of special education services, as described in the table below. These amounts are used in the calculation of special education funding for city, local, and exempted village school districts, joint vocational school districts, community schools, and STEM schools. These amounts are increased from the ones specified for fiscal years 2014 and 2015.

Category	Disability	Dollar amount for fiscal year 2016	Dollar amount for fiscal year 2017
1	Speech and language disability	$1,547	$1,578
2	Specific learning disabled; developmentally disabled; other health-impairment minor; preschool child who is developmentally delayed	$3,926	$4,005
3	Hearing disabled; severe behavior disabled	$9,433	$9,622
4	Vision impaired; other health-impairment major	$12,589	$12,841
5	Orthopedically disabled; multiple disabilities	$17,049	$17,390
6	Autistic; traumatic brain injuries; both visually and hearing impaired	$25,134	$25,637

Kindergarten through third grade literacy funds

(R.C. 3314.08(C)(1)(d), 3317.022(A)(4), and 3326.33(D))

The bill revises the dollar amounts for the calculation of kindergarten through third grade literacy funds for city, local, and exempted village school districts and the payment of these funds to community schools and STEM schools.

Economically disadvantaged funds

(R.C. 3314.08(C)(1)(e), 3317.022(A)(5), 3317.16(A)(3), and 3326.33(E))

The bill revises the dollar amounts for the calculation of economically disadvantaged funds for city, local, and exempted village school districts, joint vocational school districts, community schools, and STEM schools.

It also revises the "economically disadvantaged index for a school district" that is used in the factor for the calculation of economically disadvantaged funds as follows:

(1) For a city, local, or exempted village school district, the bill uses the percentage of students in the sum of the total ADM of all city, local, and exempted village school districts who are identified as economically disadvantaged as part of the computation of the index;

(2) For a joint vocational school district, the bill uses the percentage of students in the sum of the formula ADM of all joint vocational school districts who are identified as economically disadvantaged as part of the computation of the index.

Funding for limited English proficient students

(R.C. 3317.016)

The bill specifies the following dollar amounts for categories of limited English proficient students, as described in the table below. These amounts are used in the calculation of funding for limited English proficient students for city, local, and exempted village school districts, joint vocational school districts, community schools, and STEM schools. The amounts are the same as those currently specified for fiscal year 2015.

Category	Type of student under current law	Dollar amount for fiscal year 2016 and for fiscal year 2017
1	A student who has been enrolled in schools in the U.S. for 180 school days or less and was not previously exempted from taking the spring administration of either of the state's English language arts assessments (reading or writing)	$1,515
2	A student who has been enrolled in schools in the U.S. for more than 180 school days or was previously exempted from taking the spring administration of either of the state's English language arts assessments (reading or writing)	$1,136
3	A student who does not qualify for inclusion in categories 1 or 2 and is in a trial-mainstream period, as defined by the Department	$758

Gifted funding

(R.C. 3317.022(A)(7) and 3317.051)

Gifted identification funding

The bill maintains the dollar amount for gifted identification funding ($5.05) from fiscal year 2015 for both fiscal years of the biennium. This funding is paid to city, local, and exempted village school districts.

Gifted unit funding

The bill also maintains the dollar amount for each gifted unit ($37,370) from fiscal year 2015 for both fiscal years of the biennium. The Department must pay gifted unit funding to a district in an amount equal to the dollar amount for each gifted unit times the number of units allocated to a district. Under current law, the Department must allocate funding units to a city, local, or exempted village school district for services to identified gifted students as follows:

(1) One gifted coordinator unit for every 3,300 students in a district's gifted unit ADM (which is the district's formula ADM minus the number of its resident students enrolled in community schools and STEM schools), with a minimum of 0.5 units and a maximum of 8 units for any district.

(2) One gifted intervention specialist unit for every 1,100 students in a district's gifted unit ADM, with a minimum of 0.3 units allocated for any district.

Career-technical education funding

(R.C. 3317.014)

The bill specifies the following dollar amounts for the five categories of career-technical education programs, as described in the table below. These amounts are used in the calculation of career-technical education funding for city, local, and exempted village school districts, joint vocational school districts, community schools, and STEM schools. These amounts are increased from the ones specified for fiscal years 2014 and 2015.

Category	Career-technical education programs[34]	Dollar amount for fiscal year 2016	Dollar amount for fiscal year 2017
1	Workforce development programs in agricultural and environmental systems, construction technologies, engineering and science technologies, finance, health science, information technology, and manufacturing technologies	$4,992	$5,192
2	Workforce development programs in business and administration, hospitality and tourism, human services, law and public safety,	$4,732	$4,921

[34] Continuing law specifies that each career-technical education program must be defined by the Department in consultation with the Governor's Office of Workforce Transformation (R.C. 3317.014).

Category	Career-technical education programs[34]	Dollar amount for fiscal year 2016	Dollar amount for fiscal year 2017
	transportation systems, and arts and communication		
3	Career-based intervention programs	$1,726	$1,795
4	Workforce development programs in education and training, marketing, workforce development academics, public administration, and career development	$1,466	$1,525
5	Family and consumer science programs	$1,258	$1,308

The bill also removes a provision of current law that requires a joint vocational school district to spend at least 75% of its career-technical education funding on costs directly associated with career-technical education programs and not more than 25% on personnel expenditures.[35] The bill does not, however, remove this requirement for city, local, and exempted village school districts, community schools, and STEM schools.[36]

Career-technical associated services funding

(R.C. 3317.014)

The bill specifies the following amount for career-technical education associated services: $236, in fiscal year 2016, or $245, in fiscal year 2017. These amounts are multiplied by a district's total career-technical ADM and a district's state share percentage in order to calculate the district's career-technical education associated services funding. These amounts, too, are increased from those for fiscal years 2014 and 2015.

Capacity aid

(R.C. 3317.0218)

The bill requires the Department to make an additional payment of "capacity aid" funds to school districts based on how much 1 mill of taxation will raise in revenue for the district.

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[35] R.C. 3317.16(D)(2).

[36] R.C. 3314.08(C)(5), 3317.022(E), and 3326.39, latter section not in the bill.

Graduation bonus

(R.C. 3314.085(B)(1), 3317.0215, 3317.16(A)(7), and 3326.41(B))

The bill requires the Department to make an additional "graduation bonus" payment to each city, local, and exempted village school district, joint vocational school district, community school, and STEM school based on how many students graduate from the district or school, as indicated on the district's or school's most recent report card.

Third-grade reading bonus

(R.C. 3314.085(B)(2) and 3317.0216)

The bill requires the Department to make an additional "third-grade reading bonus" payment to each city, local, and exempted village school district and community school based on how many of the district's or school's third grade students score at a proficient level or higher on the district's or school's most recent administration of the English language arts assessment.

Technology supplement

(R.C. 3317.022(A)(13))

The bill requires the Department to make an additional "technology supplement" payment to each city, local, and exempted village school district based on the district's transportation rider density (the total ADM per square mile of the district).

Transportation funding

(R.C. 3317.0212)

The bill specifies that a school district's transportation funding be calculated using a multiplier that is the greater of 50% (rather than 60% as under current law) or the district's state share index.

Additionally, the bill requires the Department to pay each district a transportation supplement that is based on the district's rider density (the total ADM per square mile of the district).

Finally, the bill removes the requirement that each city, local, and exempted village school district report all data used to calculate funding for transportation through the Education Management Information System (EMIS).

Transportation payments to community schools

(R.C. 3314.091)

The bill removes the requirement that a community school governing authority that enters into an agreement to transport students or accepts responsibility to transport students must provide or arrange transportation free of charge for each of its enrolled students who would otherwise be transported by the students' school districts under those districts' transportation policies. However, the bill retains this requirement for the enrolled students who are required to be transported under current law.

The bill also clarifies that payments made to a community school for transporting students must be calculated "on a per rider basis."

Payments prior to bill's 90-day effective date

(Section 263.220)

The bill requires the Superintendent of Public Instruction, prior to the effective date of the bill's school funding provisions (90 days after the bill is filed with the Secretary of State), to make operating payments in amounts "substantially equal" to those made in the prior year, "or otherwise," at the Superintendent's discretion.

Payment caps and guarantees

(R.C. 3317.26; Sections 263.230 and 263.240)

The bill adjusts a city, local, or exempted village school district's aggregate amount of core foundation funding (excluding specified payments listed below) and pupil transportation funding by imposing a cap that restricts the increase in the aggregate amount of funding over the previous year's state aid to no more than 7.5% of the previous year's state aid in each fiscal year of the biennium. For purposes of this provision, "core foundation funding" does not include the district's payments for the following:

--For fiscal years 2016 and 2017, capacity aid, the graduation bonus, the third-grade reading bonus, the technology supplement, and the transportation supplement;

--For fiscal year 2017, career-technical education and career-technical education associated services.

A district's core foundation funding and pupil transportation funding is further adjusted by guaranteeing that all districts receive at least the same amount of state aid in each fiscal year of the biennium as in fiscal year 2015, except that districts are not guaranteed to receive the same amount of career-technical education and career-technical associated services funding for fiscal year 2017 as in fiscal year 2015.

Similarly, joint vocational school districts are guaranteed to receive at least the same amount of state aid in each fiscal year of the biennium as in fiscal year 2015, except they are not guaranteed to receive the same amount of career-technical education and career-technical associated services funding for fiscal year 2017 as in fiscal year 2015. They are also subject to a cap that limits the increase in state aid to no more than 7.5% of the previous year's state aid (excluding specified payments listed below) in each fiscal year of the biennium. For purposes of this provision, "state aid" does not include the district's payments for the following:

--For fiscal years 2016 and 2017, the graduation bonus;

--For fiscal year 2017, career-technical education and career-technical education associated services.

The bill also requires the Department to adjust, as necessary, the transitional aid guarantee base of school districts that participate in the establishment of a joint vocational school district that first begins receiving core foundation funding in fiscal years 2016 or 2017 and to establish, as necessary, the guarantee base of the new joint vocational school district as an amount equal to the absolute value of the sum of the associated adjustments for the participant school districts.

The bill further guarantees that all districts receive in total per-pupil state operating funding at least 15%, for fiscal year 2016, and 25% for fiscal year 2017, of 20% of the formula amount.

Payment of excess cost for special education services

(R.C. 3317.16)

Law not changed by the bill requires a city, local, or exempted village school district or community school to pay a joint vocational school district providing special education and related services to a student of the district or school for the costs that exceed the amount the joint vocational school district receives under the formula for providing those services. Under the bill, the amount of this payment must be calculated using a formula approved by the Department. This replaces the requirement in current law that this amount be calculated by subtracting the formula amount, the amount for the student's special education category, and any additional state aid attributable to the student's special education category from the actual cost to provide special education and related services to the student.

Open enrollment for preschool children with disabilities

(R.C. 3313.981)

The bill permits a city, local, or exempted village school district to enroll under its interdistrict open enrollment policy an adjacent or other district student who is a preschool child with a disability. For each of these students, the Department of Education must pay $4,000 to the district that enrolls the student and deduct that amount from the state education aid of the student's resident district.

Special education provided by another district for preschool children

(R.C. 3323.13)

If a preschool child with a disability who is a resident of one district receives special education from another district under an agreement between the districts, the bill specifies that the district providing the education may require the child's district to pay the tuition of the district providing the education as calculated in accordance with existing law, rather than half of that amount as provided under current law.

Auxiliary Services funds

(R.C. 3317.06)

The bill modifies the permitted uses of Auxiliary Services funds by: (1) specifying that "instructional materials" may include media content that a student accesses through a computer or other electronic devise, (2) permitting the purchase of any mobile application for less than $20 (instead of $10 as under current law), and (3) adding to the definition of "computer hardware and related equipment," that may be purchased or leased, to include any equipment designed to make accessible the environment of a classroom to a student who is physically unable to attend classroom activities by allowing real-time interaction with other students both one-on-one and in group discussion.

School districts receive state Auxiliary Services funds to purchase goods and services for students who attend chartered nonpublic schools located within their territories. Those moneys may be used to purchase, for loan to students of chartered nonpublic schools, such things as textbooks, digital texts, workbooks, instructional equipment including computers, and library materials, or to provide health or special education services.

Nonpublic school administrative cost reimbursement

(Section 263.190)

Each chartered nonpublic school may be reimbursed for administrative and clerical costs incurred as a result of complying with state and federal recordkeeping and reporting requirements. Current permanent law prescribes $360 as the maximum amount per pupil that may be reimbursed to a school each year.[37] The bill specifies in an uncodified provision that if the appropriation for this reimbursement is sufficient, the Department may pay up to $420 per pupil for each school year.

II. Community Schools

Community schools (often called "charter schools") are public schools that operate independently from any school district under a contract with a sponsoring entity. A conversion community school, created by converting an existing school, may be located in and sponsored by any school district or educational service center in the state. On the other hand, a new "start-up" community school may be located only in a "challenged school district." A challenged school district is any of the following: (1) a "Big-Eight" school district (Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, or Youngstown), (2) a poorly performing school district as determined by the school's performance index, value-added progress dimension, or other ratings or grades on the state report card, or (3) a school district in the original community school pilot project area (Lucas County).[38]

The sponsor of a start-up community school may be any of the following:

(1) The school district in which the school is located;

(2) A school district located in the same county as the district in which the school is located has a major portion of its territory;

(3) A joint vocational school district serving the same county as the district in which the school is located has a major portion of its territory;

(4) An educational service center;

(5) The board of trustees of a state university (or the board's designee) under certain specified conditions;

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[37] R.C. 3317.063, not in the bill.

[38] R.C. 3314.02(A)(3).

(6) A federally tax-exempt entity under certain specified conditions;

(7) The mayor of Columbus for new community schools in the Columbus City School District under specified conditions. However, it does not appear that those conditions have been triggered.[39]

Many community school governing authorities contract with an operator to run the day-to-day operations of the school. The school's contract with the operator is separate from the school's contract with its sponsor. Operators may be either for-profit or nonprofit entities.

Educational service center sponsorship of conversion schools

(R.C. 3314.02(B)(2))

Under current law, an educational service center (ESC) may sponsor a conversion community school located within its service territory or in a contiguous county without approval from the Department of Education and without entering into an agreement with the Department regarding the manner in which the ESC will conduct its sponsorship. The bill removes this provision and, instead, requires that any ESC that sponsors a conversion community school must be approved by and enter into an agreement with the Department under the same terms and conditions as all other sponsors.

Definition of Internet- or computer-based community schools ("e-schools")

(R.C. 3314.02(A)(7))

The bill revises the definition of "Internet- or computer-based community school" ("e-school") to assure inclusion of an e-school that offers career-technical education,[40] even if that instruction provides some classroom-based instruction. The bill specifies that such a community school that operates mainly as an e-school but provides some classroom-based instruction is still an Internet- or computer-based community school, so long as it provides instruction electronically under the current definition of an e-school.

Current law defines an e-school as a community school in which the enrolled students work primarily from their residences on assignments in nonclassroom-based learning opportunities provided via an Internet- or other computer-based instructional

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[39] R.C. 3314.02(C)(1)(a) through (g).

[40] R.C. 3314.086, not in the bill.

method that does not rely on regular classroom instruction or via comprehensive instructional methods that include Internet-based, other computer-based, and noncomputer-based learning opportunities.

Preschool programs operated by community schools

(R.C. 3301.52, 3301.53, 3301.541, 3301.55, 3301.56, 3301.57, 3301.58, 3314.03, 3314.06, and 3314.08; Section 263.20)

Preschool program requirements

The bill permits a community school that is sponsored by an entity that is rated "exemplary" by the Department of Education to be licensed by the Department to operate a preschool program for children age three or older.

This program must comply with the same licensing and operational standards that apply to preschool programs operated by school districts, eligible nonpublic schools, and county DD boards under current law.

If a community school operates a preschool program that is licensed by the Department, the bill permits the school to admit individuals who are general education preschool students (preschool students who are not receiving special education) to that program. Otherwise, except for early enrollment of a kindergarten student who is shown to be ready for school by evaluation or under an acceleration policy or for enrollment of a preschool student in a Montessori preschool program, a community school may not enroll students who are not general education preschool students.

Student count

The bill requires the governing authority of a community school to annually report the number of students enrolled in a preschool program operated by the school that is licensed by the Department who are not receiving special education and related services pursuant to an individualized education program (IEP).

Funding

The bill specifies that community schools that operate preschool programs that are licensed by the Department may not receive state community school operating funding for students enrolled in those programs. However, the bill does authorize those programs to apply for early childhood education funding (per pupil funds that the

Department may pay to certain qualified preschool providers for students from families with incomes of not more than 200% of the federal poverty guidelines).[41]

Community school surety bond, cash deposit, or written guarantee

(R.C. 3314.50)

Under current law, a community school may not open for operation unless the governing authority of the school has either: (1) posted a surety bond in the amount of $50,000 with the Auditor of State, to be used in the event the school closes, to pay the Auditor of State any moneys owed by the school for the costs of audits, or (2) deposited with the Auditor of State $50,000 cash as a guarantee of payment. The bill permits a community school sponsor or operator that has a contract with the school to provide a written guarantee of payment, in lieu of a surety bond or cash deposit, that obligates the sponsor or operator to pay up to $50,000 toward the costs of audits conducted by the Auditor of State if the school closes. The bill specifies that any such written guarantee is binding upon any successor entity that enters into a contract to sponsor or to operate the school, and any such entity, as a condition of its undertaking must acknowledge and accept that obligation. The bill adds that the surety, cash deposit, or written guarantee is to be used not only for moneys owed, but for moneys "that become owed" by the school for the costs of the audits. The bill specifically prohibits a community school that is subject to these provisions from maintaining or continuing its operations absent the ongoing provision of a surety bond, a cash deposit, or a written guarantee.

The bill also specifies that, in the event that a sponsor or operator has provided a written guarantee, and later, the governing authority of the school posts a surety bond, or the governing authority of the school, a sponsor, or an operator provides a cash deposit of $50,000, the written guarantee is cancelled. The bill requires the Department of Education to notify the Auditor of State of the proposed initiation of operations of any community school and to provide the Auditor of State with the certification of the sponsor of the community school of the compliance by the community school with all legal preconditions to the initiation of its operations, including the filing of a surety bond, deposit of cash guarantee, or written guarantee of payment. Additionally, the bill requires, when the Auditor of State conducts an audit of a community school that has closed and is subject to the requirements of this provision, the Auditor of State must certify the costs of the audit to the Treasurer of State, who must assess the surety for the

[41] Previous budget acts also enacted similar early childhood education funding provisions. The bill also specifically permits community schools operating a Montessori program in a municipal school district (Cleveland) to apply for early childhood funding for fiscal years 2016 and 2017. Currently, a community school operating a Montessori program in any school district may apply for such funds for fiscal year 2015. (See Section 263.20 of H.B. 59, as amended by H.B. 487, both of the 130th General Assembly.)

costs of the audit, or pay out of the cash deposit the costs of the audit to reimburse the Auditor of State for audit costs. Furthermore, under the bill's provisions, when an entity provides a written guarantee in lieu of a surety bond or cash guarantee, that entity is solely and fully liable for the costs of any audits conducted and must promptly pay those costs up to $50,000.

Finally, the bill specifies that to the extent that the amount of the bond or cash deposit is not needed to cover audit costs, the bond must be cancelled and any cash balance must be refunded by the Treasurer of State to the entity that provided the bond.

Parental engagement pilot program

(R.C. 3314.39; Section 223.10)

The bill establishes a five-year parental engagement pilot project at the Dayton Early College Academy Preparatory, Incorporated (DECA Prep), a community school in Dayton that serves grades kindergarten through six, and earmarks for it up to $100,000 in each of fiscal years 2016 and 2017. The pilot project is a research and development initiative to study the impact of required parental engagement for low-performing students. Under the bill, it will operate from the 2016-2017 school year through the 2020-2021 school year. The pilot project provides additional educational opportunities to students and mandatory coaching for parents and is to be administered by the Auditor of State. The Auditor of State also must certify the amounts to be paid to DECA Prep from funds appropriated by the General Assembly for purposes of the pilot project based on conditions that the Auditor of State develops jointly with the Department of Education and DECA Prep.

The bill requires DECA Prep to work with an institution of higher education in Ohio to design and perform a five-year study on the pilot project. Further, the bill requires that any funds appropriated by the General Assembly for the pilot project be used to pay for additional testing resources to provide additional teaching resources to provide the additional educational opportunities for students and coaching for parents on Saturdays and nonschool hours throughout the week.

The bill permits DECA Prep to require parents of students identified as "low-performing," as defined by the governing authority of DECA Prep using special assessments, to agree to attend coaching classes and ensure that their children complete the additional requirements of the pilot project as a condition of enrollment. A student whose parent fails to comply with the agreement will not be offered admission to the school for the following year.

Finally, the bill specifies that any additional resources and academic support provided by the pilot program is to supplement and not replace academic interventions or accommodations otherwise required and provided under other provisions of law, including a student's IEP (individualized education program).

Community school access to school district property

(R.C. 3313.413 (conforming changes in R.C. 3313.41 and 3313.411))

The bill requires a school district board, when it decides to sell real property, to first offer that property for sale to the governing authorities of high-performing community schools and newly established community schools with a community school model that has a track record of high quality academic performance, as determined by the Department of Education, before offering it to all start-up community schools and any college-preparatory boarding schools located in the district as required under current law.

Additionally, the bill requires a school district board, when it is required under current law to offer unused school facilities for lease or sale, prior to offering those facilities to all start-up community schools and any college-preparatory boarding schools located in the district, to first offer the facilities for sale or lease to the governing authorities of high-performing community schools sponsored by the district.

The bill further specifies that the purchase price of any property or unused facilities sold under those provisions must not be more than the appraised fair market value of that property as determined by an appraisal that is not more than one year old.

High-performing community school

Under the bill "high-performing community school" means a community school that meets one of the following conditions:

(1) The school received a grade of "A," "B," or "C" for the performance index score or has increased its performance index score for the previous three years, and received a grade of "A" or "B" for the value-added progress dimension on its most recent report card rating;

(2) If the school serves only grades K through 3, the school received a grade of "A" or "B" for making progress in literacy on its most recent report card;

(3) If the school is a drop out recovery school, the school received a rating of "exceeds standards" on its most recent report card.

School district property purchased by community school

(R.C. 3313.411)

The bill prohibits the governing authority of a community school or board of trustees of a college-preparatory boarding[42] school from selling any property the school purchased from a school district by way of mandatory sale, unless the property is being purchased by another community school or college-preparatory boarding school located in the district.

Sale of school district property to a pro sports museum

(Section 263.600)

The bill permits the board of education of a city school district, until July 1, 2017, to offer for sale property it owns to a professional sports museum that is located in the same municipal corporation, prior to offering that property for sale according to continuing law.

Sale or lease of school district athletic field

(Sections 610.35 and 610.36 of the bill, amending Section 7 of H.B. 532 of the 129th General Assembly)

The bill makes two changes to a provision of current law that temporarily permits a school district to offer highest priority to purchase an athletic field to the chartered nonpublic school that is the current leaseholder of the property. First it extends the expiration of the provision from December 31, 2015, to December 31, 2017. Second, it exempts that provision from changes made by the bill that gives first priority to high-performing community schools when a school district decides to dispose of a property.[43] (The bill continues the exemption for the authorized sale to the nonpublic school from current right of refusal for other community schools and college-preparatory boarding schools located in the district.)

The current provision of law amended by the bill applies only to a city school district that currently leases an athletic field to the governing authority of a chartered nonpublic school. Under that law, the board of education of such a school district may offer for sale an athletic field that it owns in its corporate capacity to the chartered

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[42] There are no college-preparatory boarding schools operating currently. They are authorized under R.C. Chapter 3328.

[43] R.C. 3313.411.

nonpublic school that is the current leaseholder of the property prior to offering the property for sale in the manner required under continuing law.

Background on access to school district property

Generally, if a school district board decides to sell real property worth more than $10,000, the district board must first offer the property to community schools and college-preparatory boarding schools[44] located within the district's territory. Additionally, if the district owns certain real property that it has not used for two years, the board is required to offer it for sale or lease to such schools. Otherwise, when a district board decides to sell real property it must offer the property at public auction or it may sell the property directly to specified entities. If the property is offered at public auction, but is not sold, the district board may sell it at a private sale.[45]

III. State Testing and Report Cards

Prohibition on use of PARCC assessments

(R.C. 3301.078)

The bill explicitly prohibits funds appropriated from the General Revenue Fund from being used to purchase an assessment developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) for use as the state elementary and secondary achievement assessments. Currently, the assessments developed by PARCC are prescribed as the state's elementary-level assessments in English language arts and mathematics and as the high school end-of-course examinations in English language arts I, English language arts II, Algebra I, and geometry.

Funding for state achievement assessments

(Section 263.283)

The bill prohibits any federal Race to the Top program funds from being used for any purpose related to the state elementary and secondary achievement assessments.

[44] Currently, there are no college-preparatory boarding schools in operation in the state.

[45] R.C. 3313.41 and 3313.411.

Type of state achievement assessments

(Section 263.620)

The bill requires the Superintendent of Public Instruction, within 30 days after the bill's effective date, to verify that the state elementary and secondary achievement assessments that are administered in the 2015-2016 school year will be administered (1) once each year, (2) not over multiple testing windows, and (3) in the second half of the school year (except for end-of-course examinations for courses completed during the first semester of the school year). The state Superintendent must also verify by that same deadline that the length of those assessments will be reduced as compared to the assessments that were administered in the 2014-2015 school year, "in order to provide more time for classroom instruction and less disruption in student learning."

If the state Superintendent verifies that the assessments and their administration do not meet the prescribed conditions, the Superintendent must take the steps necessary to find and contract with one or more entities to develop and provide assessments that meet the prescribed conditions.

The bill also contains a statement specifying that, "(for) the online administration of assessments, a single technology platform is preferred but not required."

Online administration of state assessments

(Section 10 of H.B. 487 of the 130th General Assembly, as amended in Sections 610.17 and 610.18)

The bill applies to the 2015-2016 school year, the current prohibition now in effect for the 2014-2015 school year only that (1) prohibits school districts and schools from being required to administer the state elementary and secondary achievement assessments in an online format, (2) permits a district or school to administer such assessments in any combination of online and paper formats at the discretion of the district board or school governing authority, and (3) requires the Department of Education to furnish, free of charge, all required state assessments for the school year.

The bill also states that "school districts and schools are encouraged to administer the assessments in an online format."

Delivery of assessment scores to districts and schools

(R.C. 3301.0711(G))

Current law prescribes a deadline by which the individual scores of state assessments must be sent to school districts and schools (see "**Background**" below).

Beginning with the 2015-2016 school year, the bill revises that provision by requiring the Department of Education, or an entity with which it contracts for the scoring of state achievement assessments, to send to each school district and school a list of individual scores for all students who took a state achievement assessment by the following deadlines:

(1) For all elementary and secondary assessments (except for the third-grade English language arts assessment), within 45 days of the assessment's administration or by June 30 of each school year, whichever is earlier;

(2) For the third-grade English language arts assessment, within 45 days of the assessment's administration or by June 15 of each school year, whichever is earlier.

The bill also permits the results from the writing component of any assessment in the area of English language arts, except for the third-grade English language arts assessment, to be sent after 45 days of the assessment's administration as long as the results are sent by June 30 of each school year.

Background

Current law requires that the individual scores of state achievement assessments be sent to school districts and schools within 60 days after the administration of an assessment, but in no case after June 15 following the assessment administration, except for the 2014-2015 school year, wherein the scores must be sent by November 15, 2015.[46]

High school graduation testing requirements

(R.C. 3313.614)

The bill provides additional pathways to high school graduation for students who entered ninth grade prior to the 2014-2015 school year. Under current law, such students must attain a passing score on each of the Ohio Graduation Tests (OGT),[47] but beginning with students who enter ninth grade in the 2014-2015 school year, high school students must complete one of three graduation pathways to be eligible for a diploma. Those pathways are: (1) score at "remediation-free" levels in English, math, and reading on nationally standardized assessments, (2) attain a cumulative passing score on the state high school end-of-course examinations, or (3) attain a passing score on a nationally recognized job skills assessment and obtain either an industry-

[46] Section 10 of H.B. 367 of the 130th General Assembly.

[47] R.C. 3301.0710(B)(1) and 3313.61, neither in the bill.

recognized credential or a state agency- or board-issued license for practice in a specific vocation.[48]

The bill makes eligible for graduation a person who entered ninth grade prior to the 2014-2015 school year, and who satisfies either of the following conditions:

(1) The person completes one of the graduation pathways described above;

(2) The person successfully completes some, but not all, areas of the OGT, but also completes one of the graduation pathways, in accordance with rules established by the State Board of Education.

Under the bill, the State Board's rules must be adopted by December 31, 2015, and must prescribe the manner in which such a person may be eligible to graduate from high school under the second option described above. Finally, the rules must do the following:

(1) Include the date by which a person who began ninth grade prior to the 2014-2015 school year may be eligible for high school graduation under the bill's revised graduation provisions;

(2) Include methods of replacing individual assessments of the OGT and methods of integrating the three graduation pathways;

(3) Ensure that the second graduation option described above requires a mastery that is equivalent or greater to the expectations of the OGT.

Exemption from high school graduation requirements and examinations

(R.C. 3301.0711 and 3313.612; conforming changes in R.C. 3301.0712 and 3313.615)

The bill exempts students enrolled in a chartered nonpublic school that is accredited through the Independent School Association of the Central States (ISACS) from (1) the requirement to complete one of three prescribed pathways in order to graduate from high school (see "**High school graduation testing requirements**" above), and (2) the requirement to take the high school end-of-course examinations. This exemption is similar to one that existed under former law in effect until

[48] R.C. 3313.618, not in the bill.

September 24, 2014, but that provision exempted ISACS schools from the end-of-course examination requirement.[49]

Exemption from end-of-course examinations

For a chartered nonpublic school not accredited through ISACS, the bill maintains a separate conditional exemption, which specifies that a nonpublic school is not required to administer the end-of-course examinations if it publishes in a prescribed manner the results of the college and career readiness assessments that must be administered to its students. The bill also authorizes such a school to forgo the end-of-course examinations if it publishes the results of an alternative assessment that is used as a pathway for high school graduation. Neither the bill nor current law exempt such students from the requirement to complete a high school graduation pathway, which, under the bill, no longer applies to students in an ISACS-accredited chartered nonpublic school.

The bill also maintains the current requirements for students attending a chartered nonpublic school under the Educational Choice Scholarship Program, Pilot Project Scholarship Program (Cleveland), Jon Peterson Special Needs Scholarship Program, or the Autism Scholarship Program to (1) complete one of three prescribed pathways for high school graduation, and (2) take the high school end-of-course examinations.

Finally, the bill removes a provision of current law that delays the conditional exemption for chartered nonpublic schools described above until October 1, 2015, unless the General Assembly does not enact different requirements regarding end-of-course examinations for chartered nonpublic schools that are effective by that date. The effect of the bill's change is to set into effect the exemption on the bill's (90-day) effective date.

The bill does not affect another separate, uncodified provision of current law that outright exempts, for the current 2014-2015 school year only, all chartered nonpublic schools from being required to administer the end-of-course examinations, and their students from being required to take those examinations.[50]

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[49] R.C. 3313.612, as amended by H.B. 59 and as subsequently amended by H.B. 487, both of the 130th General Assembly.

[50] Section 12 of H.B. 367 of the 130th General Assembly.

Graduation requirements for certain chartered nonpublic schools

(R.C. 3313.612 and 3313.619; conforming changes in R.C. 3313.614 and 3313.902)

The bill creates another additional pathway for high school graduation for students enrolled in a chartered nonpublic school that is *not* accredited through the Independent School Association of the Central States. Such a student may receive a high school diploma if the student attains a designated score on an alternative assessment approved by the Department of Education and selected by the student's school.

For that purpose, the bill requires the Department to approve assessments that (1) are nationally norm-referenced, (2) have internal consistency reliability coefficients of at least "0.8," (3) are standardized, (4) have specific evidence of "content, concurrent, or criterion validity," (5) have evidence of norming studies in the previous ten years, (6) have a measure of student achievement in core academic areas, and (7) have high validity evidenced by the alignment of the assessment with nationally recognized content. The Department must also designate passing scores on each of the assessments it approves.

Despite the bill's creation of an additional pathway for high school graduation, the bill specifically states that the new pathway *does not* prohibit a non-ISACS chartered nonpublic school from granting a high school diploma to a student under one of the three graduation pathways already prescribed under current law.

Third-grade reading guarantee diagnostic assessments

(R.C. 3313.608; Section 263.553)

The bill adds a deadline for the administration of the reading skills assessment for students in grades kindergarten through third grade for purposes of identifying students who are reading below grade level for purposes of the third-grade reading guarantee. Under the bill, beginning with the 2015-2016 school year, the reading skills assessment must be completed by September 30 for students in grades kindergarten to three. The required reading skills assessment is the reading diagnostic assessment or a comparable tool approved by the Department of Education.

State report card measures

Effective March 22, 2013, H.B. 555 of the 129th General Assembly established a new academic performance rating and report card system for school districts and individual schools, including community schools and STEM schools, using "A," "B," "C," "D," or "F" letter grades and numerous reported and graded performance measures. Most of the performance measures are based on student scores on the academic achievement assessments. The major six components of the rating system are: (1) gap closing, (2) achievement, (3) progress, (4) graduation, (5) kindergarten through third grade literacy, and (6) prepared for success. Most of the separate performance measures are graded separately and then used to assign the grade for the respective organizing component and an overall grade.

The bill makes a few revisions to the report card system.

Proficiency percentages

(R.C. 3302.02)

The bill requires the State Board of Education to adopt rules to establish proficiency percentages to meet each report card performance indicator based on a state assessment. In other words, the State Board must determine what percentage of students must receive a score of "proficient" or higher on a state assessment in order for a district or school to be considered to have met the performance indicator for that assessment. Current law requires that "performance indicators met" is one of the graded components on the state report card and is also used in the calculation of a school district or school's overall grade.[51]

The bill sets deadlines by which the State Board must adopt these proficiency percentages as follows:

(1) Not later than December 31, 2015, for the 2014-2015 school year;

(2) Not later than July 1, 2016, for the 2015-2016 school year;

(3) Not later than July 1, 2017, for the 2016-2017 school year, and for each school year thereafter.

Under current law, adopting rules to establish such measures for the 2014-2015 school year and each school year thereafter is optional for the State Board.

High school value-added component

(R.C. 3302.03(D))

The bill makes changes regarding the high school value-added component in the state report card. First, it allows, rather than requires as under current law, the State Board of Education to develop the high school student academic progress measure on or after July 1, 2015. Second, the bill specifies that if the State Board develops the

[51] R.C. 3302.03(C)(1)(c) and (C)(3)(b).

measure, districts and schools will not be assigned a separate letter grade for it sooner than the 2017-2018 school year. Finally, the bill prohibits the measure from being included in determining a district or building's overall grade.

Under current law, the State Board is required to adopt a high school student academic progress measure not later than July 1, 2015. Further, current law requires that the measure be included on the state report card without an assigned letter grade for the 2014-2015 school year, and assigned a separate letter grade in the 2015-2016 school year. The separate letter grade must also be included in a district or school's overall letter grade within the "progress" component of the overall grade calculation.

Delay of overall report card grades

(R.C. 3302.03 and 3302.036; conforming changes in R.C. 3302.05, 3310.03, 3314.02, and 3314.05)

The bill changes, from the 2015-2016 school year, as under current law, to the 2016-2017 school year, the first issuance of overall letter grades on the state report card.

Safe harbor provisions

(R.C. 3302.036; Section 13 of H.B. 487 of the 130th General Assembly (repealed))

The bill revises provisions enacted in 2014, and subsequently amended in 2015, that afford districts, schools, and students a temporary safe harbor from the results of state assessments.[52] Those revisions extend the following provisions through the 2015-2016 school year:

(1) The provision prohibiting the Department of Education from assigning an overall letter grade for a school district or school, which is currently in effect for the 2014-2015 school year only;

(2) The provision that prohibits districts or schools from utilizing, at any time during a student's academic career, a student's score on any state elementary-level achievement assessment or high school end-of-course examination that is administered in a specified school year as a factor in any decision to (a) retain the student, (b) promote the student to a higher grade level, or (c) grant course credit. This prohibition does not apply to the third-grade English language arts assessment used for purposes of the third-grade reading guarantee;

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[52] H.B. 487 of the 130th General Assembly, effective September 17, 2014, and H.B. 7 of the 131st General Assembly, effective March 16, 2015.

(3) The provision prohibiting individual student score reports on state assessments administered in a specified school year from being released, except to a student's district or school or to the student or the student's parent or guardian.

The bill also enacts a new provision that prohibits, for the 2014-2015 school year only, the Department from assigning a grade for the performance index score for a district or school.

Safe harbor for teachers and principals

(Section 263.650)

The bill replaces the current, separate safe harbor provision in effect for only the 2014-2015 school year that *authorizes* a school district or school to enter into a memorandum of understanding with its teachers' labor union stipulating that the value-added progress dimension rating that is based on the results of the state achievement assessments administered in the 2014-2015 school year *will not* be used for (1) teacher or principal evaluations, or (2) making decisions regarding dismissal, retention, tenure, or compensation.[53]

In replacing this provision, the bill *prohibits* a school district or school from using the value-added ratings from assessments administered in both the 2014-2015 and 2015-2016 school years for the purposes described above. However, the bill does permit a district or school to enter into a memorandum of understanding collectively with its teachers or principals stipulating that value-added ratings from those school years may be used for the purposes described above.

Finally, for a teacher of a grade level and subject area for which the value-added rating is applicable and if no other measure is available to determine student academic growth, the bill requires the evaluation for that teacher or principal to be based solely on teacher or principal performance (e.g., walkthroughs, class observations, and professional growth plans).

Waiver from NCLB provisions

(Section 263.630)

Ohio's current flexibility waiver from provisions of the federal "No Child Left Behind Act of 2001" (NCLB) requires (and state law implements) a state-developed system of teacher evaluations that must be conducted by school districts and by community schools and STEM schools that receive federal Race to the Top grant funds.

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[53] Section 13 of H.B. 487 of the 130th General Assembly.

Among other items, the waiver requires the inclusion of student growth in the teacher evaluation system, but it does not specify how much student growth is to be accounted for in an evaluation. Instead, the U.S. Department of Education stated in a guidance document that the waiver requires student growth to be included as a "significant factor" in the system, and requires the Ohio Department of Education to determine the degree of such inclusion.[54]

The bill requires the Department of Education, within 30 days after the bill's effective date, to apply to the U.S. Secretary of Education for a waiver from provisions of NCLB to account for the bill's two-year prohibition on using value-added ratings to calculate student academic growth for teacher or principal evaluations and for making decisions regarding dismissal, retention, tenure, or compensation.

Report card deadline for the 2014-2015 school year

(Section 263.510)

The bill extends the deadline for the 2014-2015 state report card from September 15, 2015, to January 15, 2016. Current law requires the Department of Education to issue report cards that measure the academic performance of school districts and schools annually not later than September 15 or the preceding Friday when that day falls on a Saturday or Sunday.[55]

Reports for students with disabilities

(Section 263.520)

The bill extends the deadline for the report the Department of Education must issue regarding performance measures disaggregated for a school district's or school's students with disabilities subgroup using data from the 2014-2015 school year to January 31, 2016. Those performance measures are the value-added progress dimension score, performance index score, and four- and five-year adjusted cohort graduation rates.[56] Under current law, the Department must submit this report not later than October 1 each year. The bill continues that deadline for subsequent years.

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[54] https://www.ed.gov/sites/default/files/esea-flexibility-faqs.doc.

[55] R.C. 3302.03.

[56] R.C. 3302.035, not in the bill.

Report of students who do not take state assessments

(Section 263.640)

The bill requires each school district or school to report to the Department of Education the number and percentage of its students who did not take a state-required achievement assessment administered in the 2014-2015 school year and who were not specifically excused for being a special education student or a limited English proficient student.

School district and school rankings

(Section 263.490)

The bill prohibits, temporarily, for the 2014-2015 school year only, the Department of Education from ranking school districts, community schools, and STEM schools according to academic performance measures as otherwise required by continuing law. Those measures include performance index, student performance growth based on the value-added progress dimension, and the performance of, and opportunities provided to, students identified as gifted using value-added progress dimensions, if applicable, and other relevant measures as designated by the Superintendent of Public Instruction.[57] The bill also sets a deadline of January 31, 2016, for the Department to rank districts, community schools, and STEM schools according to expenditures for the 2014-2015 school year. School expenditure rankings include current operating expenditure per equivalent pupils and the percentage of total operating expenditures spent for classroom instruction.[58]

IV. Educator Licensing and Evaluations

Ohio Teacher Residency Program

(R.C. 3319.223)

Under current law, most newly licensed educators are issued either a resident educator license or an alternative resident educator license under which they also must complete a four-year teacher residency program – the Ohio Teacher Residency Program.

The bill modifies a requirement that the program include mentoring by teachers who hold a lead professional educator license issued by the State Board of Education.

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[57] R.C. 3302.21(A)(1), (2), and (5), not in the bill.

[58] R.C. 3302.21(A)(3) and (4).

Instead, the bill requires that the program include mentoring by any teacher during only the first two years of the program. Second, it modifies the required counseling component by specifying that the district or school must determine if counseling is necessary. Finally, it specifies that one of the required measures of progression through the program must be the performance-based assessment required by the State Board for resident educators in the third year of the program.

The bill also specifies that a career-technical education instructor teaching under an alternative resident educator license may not be required to complete the conditions of the first two years of the Ohio Teacher Residency Program and may apply for a professional educator license after successful completion of the requirements of the last two years of that Program, as it existed prior to the effective date of this provision.

Renewal of educator licenses for consistently high-performing teachers

(R.C. 3319.22)

The bill requires the State Board of Education, by July 1, 2016, to adopt rules, in accordance with the Administrative Procedure Act, that exempt consistently high-performing teachers from (1) the requirement to complete additional coursework to renew an educator license issued by the State Board, and (2) any related requirement prescribed by the district's or school's local professional development committees. The bill also requires the State Board, by that same date, to define "consistently high-performing teachers" for the purpose of this provision.

Under current law, the State Board must adopt rules establishing standards and requirements for obtaining educator licenses, as well as requirements for renewing such licenses. If these rules require additional coursework for license renewal, then each school district and chartered nonpublic school must establish a local professional development committee to determine whether the coursework proposed by a teacher is appropriate for license renewal and meets the requirement of these rules.

Pupil-activity program permits

(R.C. 3319.303)

Under current law, the State Board of Education must adopt rules establishing standards and requirements for obtaining a pupil-activity program permit, which is issued by the State Board for coaching, supervising, or directing a pupil-activity program (including programs in music, language, arts, speech, government, and athletics[59]). Currently, all pupil-activity program permits are valid for three years and are renewable.

The bill modifies the duration for which a pupil-activity program permit is valid, if the applicant already holds an educator license, certificate, or permit issued by the State Board. In this instance, the bill specifies that the pupil-activity program permit is valid for the same number of years as the individual's educator license, certificate, or permit, and is also renewable. Also, if the educator's license is suspended or revoked, the permit is also subject to suspension or revocation. The bill does not specify how to determine the duration of the permit if the applicant holds multiple licenses, certificates, or permits.

If an applicant does not hold an educator license, certificate, or permit issued by the State Board, the pupil-activity program permit remains valid for three years, as under current law.

Licensure fees for teaching in a Junior ROTC program

(R.C. 3319.51)

The bill prohibits the State Board of Education from requiring any fee to be paid for a license, certificate, or permit issued for the purpose of teaching in a Junior ROTC program. Currently, the Administrative Code authorizes the State Board to issue a "temporary teaching license for military science" to individuals for the purpose of teaching in such a program.[60] According to the Department of Education's website, a one-year temporary license costs $40.[61]

Under continuing law, the State Board must annually establish the amount of fees required for licenses, certificates, and permits that are issued by the State Board. The established fees, along with appropriations made by the General Assembly for such purposes, are paid into the State Board's Licensure Fund, which is used to pay for administrative costs related to the issuance and renewal of licenses, certificates, and permits.

[59] R.C. 3313.53, not in the bill.

[60] Ohio Administrative Code (O.A.C.) 3301-23-44(C).

[61] Ohio Department of Education. See http://education.ohio.gov/Topics/Teaching/Educator-Licensure/Additional-Information/Complete-List-of-Applications.

Bright New Leaders for Ohio Schools Program

(R.C. 3319.271)

Issuance of licenses to individuals upon completion of the Program

The bill requires the State Board of Education to issue an alternative principal license or an alternative administrator license to an individual who does both of the following:

(1) Successfully completes the Bright New Leaders for Ohio Schools Program;

(2) Satisfies rules adopted by the State Board, in consultation with the board of directors of the Program, for obtaining an alternative principal license or an alternative administrator license upon completion of the Program. In developing these rules, the State Board must use its existing rules regarding alternative principal and alternative administrator licenses[62] as guidance.

Program background

The Bright New Leaders for Ohio Schools Program was created and is implemented by a nonprofit corporation that was incorporated, pursuant to H.B. 59 of the 130th General Assembly,[63] to do all of the following:

(1) Provide an alternative path for individuals to receive training and development in the administration of primary and secondary education and leadership;

(2) Enable those individuals to earn degrees and obtain licenses in public school administration;

(3) Promote the placement of those individuals in public schools that have a poverty percentage greater than 50%.

Evaluation of school counselors

(R.C. 3319.113 and 3319.61)

Standards for school counselors

The bill requires the Educator Standards Board to develop standards for school counselors that align with the American School Counselor Association's professional

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[62] See R.C. 3319.27, not in the bill.

[63] Section 733.40 of H.B. 59 of the 130th General Assembly.

standards and the additional minimum operating standards for school districts adopted by the State Board of Education.[64] These standards must reflect all of the following:

(1) What school counselors are expected to know and be able to do at all stages of their careers;

(2) Knowledge of academic, personal, and social counseling for students;

(3) Effective principles to implement an effective school counseling program;

(4) Ohio-specific knowledge of career counseling for students and education options that provide flexibility for earning credit, such as earning units of high school credit based on a demonstration of subject area competency in accordance with methods adopted by the State Board under current law[65] and earning college credit through the College Credit Plus program.[66]

Standards-based state framework for evaluation of school counselors

The bill requires the State Board, not later than May 31, 2016, to develop a standards-based state framework for the evaluation of school counselors. The State Board may update this framework periodically by adoption of a resolution.

The framework must establish an evaluation system that does the following:

(1) Requires school counselors to demonstrate their ability to product positive student outcomes using metrics, including those from the school or school district's state report card issued by the Department of Education;[67]

(2) Is aligned with the standards for school counseling adopted by the Educator Standards Board and requires school counselors to demonstrate their ability in all the areas identified by those standards;

(3) Requires that all school counselors be evaluated annually, except as otherwise appropriate for high-performing school counselors;

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[64] R.C. 3301.07(D)(3), not in the bill.

[65] R.C. 3313.603(J), not in the bill.

[66] R.C. Chapter 3365.

[67] R.C. 3302.03.

(4) Assigns a rating on each evaluation in accordance with the specific standards and criteria for those ratings developed by the State Board (see "**Ratings for school counselor evaluations**" below);

(5) Designates the personnel that may conduct evaluations of school counselors in accordance with this framework;

(6) Requires that each school counselor be provided with a written report of the results of that school counselor's evaluation;

(7) Provides for professional development to accelerate and continue school counselor growth and provide support to poorly performing school counselors.

Ratings for school counselor evaluations

The bill also requires the State Board to develop specific standards and criteria that distinguish between the following levels of performance for school counselors for the purpose of assigning ratings on school counselor evaluations:

(1) Accomplished;

(2) Skilled;

(3) Developing;

(4) Ineffective.

The State Board must consult with experts, school counselors and principals employed in public schools, and representatives of stakeholder groups in developing these standards and criteria.

School district evaluation policies for school counselors

The bill requires each school district board, by September 30, 2016, to adopt a standards-based school counselor evaluation policy that conforms with the standards-based state framework for the evaluation of school counselors. The policy must become operative at the expiration of any collective bargaining agreement covering school counselors employed by the board that is in effect on the bill's effective date and must be included in any renewal or extension of such an agreement.

The board must include both of the following:

(1) The implementation of the standards-based state framework for the evaluation of school counselors beginning in the 2016-2017 school year;

(2) Procedures for using the evaluation results, beginning in the 2017-2018 school year, for decisions regarding the retention and promotion of school counselors and the removal of poorly performing school counselors.

Each district board must annually submit a report to the Department, in a form and manner prescribed by the Department, regarding its implementation of its evaluation policy. The bill specifies that the Department must not permit or require that the name or personally identifiable information of any school counselor be reported to the Department as part of this annual report.

Collective bargaining agreements

The bill specifies that its requirements regarding school counselor evaluations prevail over any conflicting provision of a collective bargaining agreement entered into on or after the bill's effective date.

Alternative framework for teacher evaluations

(R.C. 3319.114)

Under current law, each district or school may choose to use the alternative framework for the evaluation of teachers in lieu of the prescribed state framework under the Ohio Teacher Evaluation System (OTES). Beginning with evaluations conducted for the 2015-2016 school year, the bill makes the following changes to the alternative framework:

(1) Requires the teacher performance measure to account for 50% of each evaluation (current law requires 42.5% to 50%);

(2) Decreases the student academic growth measure to account for 35% (current law requires 42.5% to 50%);

(3) Removes the requirement that the teacher performance measure and the student academic growth measure be an equal percentage of each evaluation;

(4) Specifies that the remainder of each evaluation must be one (as under current law) or any combination (as added by the bill) of the following: (a) student surveys, (b) teacher self-evaluations, (c) peer review evaluations, and (d) student portfolios. The bill also adds to the list of permissible components "any other component determined appropriate" by the district board or school governing authority.

Additionally, the bill modifies a provision requiring each district or school to use one of the instruments approved by the Department of Education when evaluating the component chosen for the remainder of each evaluation. Instead, the bill permits, but does not require, districts and schools to use the approved instruments when evaluating the component or components chosen.

The bill does not modify the prescribed state framework under OTES, as described below.

Background on teacher evaluations

Under current law, all school districts and educational service centers, and all community schools and STEM schools that receive federal Race to the Top grant funds, must conduct annual teacher evaluations under the OTES developed by the State Board of Education.[68] OTES provides for multiple evaluation factors, including student academic growth, formal teacher observations, and classroom walkthroughs.[69] The alternative framework also provides for multiple factors, including student academic growth and the teacher performance measure, both defined by the Department of Education, as well as student surveys, teacher self-evaluations, peer review evaluations, and student portfolios and classroom walkthroughs.

For more information about the current law on the teacher evaluation frameworks, as recently amended by H.B. 362 of the 130th General Assembly, effective September 11, 2014, see pp. 8-12 of the LSC Final Analysis for that act, at www.lsc.ohio.gov/analyses130/14-hb362-130.pdf.

V. Waivers

Conditional waiver for innovative programs

(R.C. 3302.15 and 3326.29 (repealed))

Current law authorizes all STEM schools and up to ten school districts that are members of the Ohio Innovation Lab Network to submit to the Superintendent of Public Instruction a request for a waiver for up to five school years from (1) administering the state-required elementary and secondary achievement assessments, (2) teacher evaluations, and (3) reporting of student achievement data for the purpose of report card ratings. The bill makes changes to this waiver program.

First, the bill eliminates the provision that makes eligible all STEM schools to be granted a waiver and eliminates a provision that requires school districts to be members of the Ohio Innovation Lab Network in order to submit a request for a waiver. The bill also adds community schools to the list of entities that may submit a request for and be

[68] R.C. 3319.111, 3314.03(A)(11)(i), and 3326.111, first and third sections not in the bill.

[69] R.C. 3319.112, not in the bill.

granted a waiver, and in doing so, limits to ten the number of school districts, community schools, and STEM schools that may granted a waiver under the program. The bill limits requests for a waiver to be submitted during the 2015-2016 school year only.

The bill also makes the following changes to the waiver program:

(1) Removes a requirement for a district's or school's alternative assessment system (that is part of a waiver application) to include "links to state-accepted and nationally accepted metrics, assessments, and evaluations";

(2) Revises the timing of the decision by the state Superintendent on whether to approve or deny a waiver or to request additional information from not later than 30 days after receiving a request for a waiver to "upon receipt of a waiver";

(3) Defines "innovative educational program or strategy," for purposes of a waiver, as a program or strategy that uses a new idea or method aimed at increasing student engagement and preparing students to be college or career ready.

Background

Current law authorizes all STEM schools (revised under the bill) and up to ten school districts that are members of the Ohio Innovation Lab Network to submit to the Superintendent of Public Instruction a request for a waiver for up to five school years from any or all of the following: (1) administering the elementary and secondary achievement assessments, (2) teacher evaluations, and (3) reporting of student achievement data for the purpose of report card ratings.

A district or STEM school that obtains a waiver must use an alternative assessment system in place of the state-mandated assessments. Within 30 days of receiving a waiver request (revised under the bill), the state Superintendent must approve or deny the request or may request additional information from the district or STEM school. A waiver granted to a school district or school is contingent on an ongoing review and evaluation of the program for which the waiver was granted by the state Superintendent.

Each request for a waiver must include the following: (1) A timeline to develop and implement an alternative assessment system for the school district or STEM school, (2) an overview of the proposed educational programs or strategies to be offered by the school district, (3) an overview of the proposed alternative assessment system, including links to state-accepted and nationally accepted metrics, assessments, and evaluations (removed under the bill), (4) an overview of planning details that have been implemented or proposed and any documented support from educational networks, established educational consultants, state institutions of higher education, and employers or workforce development partners, (5) an overview of the capacity to implement the alternative assessments, conduct the evaluation of teachers with alternative assessments, and the reporting of student achievement data with alternative assessments for the purpose of report card ratings, all of which must include any prior success in implementing innovative educational programs or strategies, teaching practices, or assessment practices, (6) an acknowledgement by the school district of federal funding that may be impacted by obtaining a waiver, and (7) the items from which the district or STEM school wishes to be exempt, which are the administration of state assessments, teacher evaluations, and reporting of student achievement data.

Each request must also include the signature of all of the following: (1) the superintendent of the school district or STEM school, (2) the president of the district board or STEM school governing body, (3) the presiding officer of the labor organization representing the district's or STEM school's teachers, if any, and (4) if the district's or STEM school's teachers are not represented by a labor organization, the principal and a majority of the administrators and teachers of the district or school.

For purposes of the waiver program, the Department of Education must seek a waiver from the testing requirements prescribed under the federal "No Child Left Behind Act" if necessary to implement the waiver program. The Department must create a mechanism for the comparison of the proposed alternative assessments and the state assessments as it relates to the evaluation of teachers and student achievement data for the purpose of state report card ratings.

VI. Other Education Provisions

Ed Choice scholarships

(R.C. 3310.03 and 3310.09)

The bill makes two changes to the Educational Choice Scholarship Program. First, it raises the maximum amount that can be awarded (1) to a student in grades K-8 from $4,250 to $4,650, and (2) to a student in grades 9 through 12 from $5,000 to $6,000.

Second, the bill changes the basis for eligibility according to performance index score. Current law qualifies for a scholarship a student who would be assigned to a school building that has been ranked, in at least two out of three years, in the lowest 10% of *all public school buildings* according to performance index score. That ranking, required of the Department of Education in separate law, includes the rankings of not only school district-operated buildings, but community schools and STEM schools as well.[70] The bill, instead, changes the requirement so that the qualifying performance index score ranking is the lowest 10% among all school buildings operated by school districts, as determined by the Department. That is, the ranking for Ed Choice purposes only, under the bill, no longer includes community schools and STEM schools. (Ed Choice does not apply to community schools and STEM schools.)

Background on Ed Choice

The Educational Choice Scholarship Program operates statewide in every school district except Cleveland to provide scholarships for students who are assigned or would be assigned to district schools that have persistently low academic achievement or are from low-income families. Under the program, students may use their scholarships to enroll in participating chartered nonpublic schools.

Under continuing law, a student is eligible for a first-time Ed Choice scholarship if the student was attending, or otherwise would have been assigned to, a school building operated by the student's resident district that, on two of the three most recent report cards, either:

(1) Received a combination of any of the following ratings:

(a) Academic watch or emergency, under the former rating system;

(b) A "D" or "F" for both the performance index score and the overall value-added progress dimension or if the building serves only grades 10 through 12, the building received a grade of "D" or "F" for the performance index score and had a four-year adjusted cohort graduation rate of less than 75% (applies only for report cards issued for the 2012-2013 and 2013-2014 school year);

(c) A "D" or "F" for the overall grade or "F" for the overall value-added progress dimension (applies for report cards issued for the 2014-2015 school year and thereafter);

(2) Was ranked in the lowest 10% of all public school buildings according to performance index score (changed to 10% of school district-operated buildings under the bill); or

(3) Received a "D" or "F" in "making progress in improving K-3 literacy" starting in the 2016-2017 school year.

In addition, students whose family incomes are at or below 200% of the federal poverty guidelines also qualify for Ed Choice scholarship. Students who qualify under this

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[70] R.C. 3302.21(A)(1), not in the bill.

provision are phased in by grade level over 13 years. Awards granted under this qualification are funded by an appropriation from the General Assembly, as opposed to a deduction from the school district of residence.[71]

In the case of eligibility based on school performance ratings, the school cannot have been rated any of the following on the most recent report card:

(1) Excellent or effective, under the former rating system;

(2) Received an "A" or "B" for the performance index score and the value-added progress dimension or, if a building serves only grades 10 through 12, the building received a grade of "A" or "B" for the performance index score and had a four-year adjusted cohort graduation rate of 75% or higher (applies only for report cards issued for the 2012- 2013 and 2013-2014 school years);

(3) An "A" or "B" for the overall grade or "A" for the value-added progress dimension or, if a building serves only grades 10 through 12, the building received a grade of "A" or "B" for the performance index score and had a four-year adjusted cohort graduation rate of 75% or higher (applies for report cards issued for the 2014-2015 school year and thereafter);

(4) An "A" for "making progress in improving K-3 literacy."

The amount of each annual Ed Choice scholarship is the lesser of (1) the tuition charged by the chartered nonpublic school in which the student is enrolled or (2) a "maximum" amount, which is:

(a) $4,250 for grades K through 8; and

(b) $5,000 for grades 9 through 12 (changed to $5,700 under the bill).

Cleveland Scholarship Program

(R.C. 3313.975)

Current law specifies that the Superintendent of Public Instruction must award as many Cleveland Pilot Project scholarships and tutorial assistance grants as can be funded given the amount appropriated for the program. However, current law also states that no more than 50% of all scholarships awarded may be to students who were already enrolled in a nonpublic school. The bill removes this restriction.

[71] R.C. 3310.032, not in the bill.

Background on Cleveland Scholarship Program

The Cleveland Scholarship Pilot Program provides scholarships to attend alternative schools, including private schools, and tutorial assistance grants to students who reside in any school district that is or has been under a federal court order requiring supervision and operational management of the district by the Superintendent of Public Instruction. Currently, only the Cleveland Municipal School District meets this criterion. The program has been authorized since 1995. It is financed partially with state funds and partially with an earmark of Cleveland's state payments.

Autism Scholarship Program

(R.C. 3310.41)

The bill increases the maximum amount of a scholarship awarded under the Autism Scholarship Program to $27,000 (from $20,000 under current law).

The Autism Scholarship Program pays scholarships to the parents of identified autistic children in grades pre-kindergarten to 12. The scholarship is to be used solely to pay all or part of the cost of sending the child to a public or an approved nonpublic special education program instead of the one provided by the child's resident school district.

The scholarship amount is the lesser of the amount charged by special education program or $20,000 (increased to $27,000 under the bill).

Jon Peterson Special Needs Scholarship Program

(R.C. 3310.56)

The bill increases the maximum amount of a scholarship awarded under the Jon Peterson Special Needs Scholarship Program to $27,000 (from $20,000 under current law).

The Jon Peterson Special Needs Scholarship Program provides scholarships for children with disabilities to attend special education programs other than those offered by their school districts. The program applies to any identified disabled child in grades kindergarten through 12. It began operating in the 2012-2013 school year. A scholarship may be used to pay the expenses of a public or private provider of special education programs for implementation of the child's individualized education program (IEP) and other services associated with educating the child.

College Credit Plus program changes

(R.C. 3365.02, 3365.034, 3365.07, and 3365.15)

The College Credit Plus (CCP) program allows students who are enrolled in public or participating nonpublic high schools or who are home-instructed to enroll in nonsectarian college courses to receive high school and college credit. College courses under CCP may be taken at any public or participating private or out-of-state college.

Participation during the summer

The bill specifically permits students who are eligible for the CCP program (see above) to participate in the program during the summer term of a public or a participating private or out-of-state college. It also requires the Chancellor of Higher Education, in consultation with the Superintendent of Public Instruction, to adopt rules regarding participation in the program during the summer. Unless otherwise specified below, all requirements of the program apply to such students.

In order to participate in CCP during the summer, the bill requires the student to (1) meet the eligibility requirements of the program and (2) provide notification of the student's intent to participate by a date prescribed by the Chancellor (instead of by April 1, as current law requires for fall and spring participation). Additionally, the student or the student's parent must be responsible for any transportation related to participation during the summer.

If a student chooses to participate during the summer under "Option B," the Department of Education must reimburse the college for that student in the same manner as for students who participate under that option during the school year. However, reimbursement must be made by September of each year, or as soon as possible thereafter (rather than by January or July, as current law requires for fall and spring participation, respectively).

Participation of chartered nonpublic schools

Under current law, all public high schools (school districts, community schools, STEM schools, and college-preparatory boarding schools) are required to participate in CCP and are subject to the requirements of the program. Chartered nonpublic high schools also may choose to participate in CCP, and, if they do so, they are also subject to requirements of the program.

The bill specifically prohibits any requirement of the CCP program, and any rule adopted by the Chancellor of Higher Education or the State Board of Education for purposes of the CCP program, to apply to a chartered nonpublic high school that chooses not to participate in the program.

Career-technical education programs under CCP

The CCP program governs arrangements in which a high school student enrolls in a college and, upon successful completion, receives transcripted credit[72] from the college. Under current law, specified programs are exempt from the CCP program, including, until July 1, 2016, career-technical education programs that grant articulated credit.[73]

The bill removes the end date for this exemption, thus extending the exemption indefinitely for career-technical education programs that grant articulated credit. However, the bill further specifies that if such a program grants transcripted credit, that program must be governed by CCP.

Funding under the CCP program

Current law stipulates that the CCP program is the sole mechanism by which state funds are paid to colleges for students to earn college-level credit while enrolled in a high school, with the exception of Early College High School (ECHS) programs that obtain a waiver, Advanced Placement (AP) or International Baccalaureate (IB) courses, and career-technical education programs that grant articulated credit.

The bill modifies this stipulation by clarifying that the CCP program is the sole mechanism by which such funds are paid for students to earn "transcripted credit" for college courses while enrolled in *both* a high school and a college. All programs and courses that are currently exempt from this funding stipulation, as described above continue to be exempt under this clarification.

Biennial report on the CCP program

Under current law, the Chancellor of the Board of Regents (renamed as the Director of the Department of Higher Education under the bill) and the Superintendent of Public Instruction must submit a biennial report detailing the status of the CCP program to the Governor, President of the Senate, Speaker of the House, and

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[72] "Transcripted credit" is defined as "post-secondary credit that is conferred by an institution of higher education and is reflected on a student's official record at that institution upon completion of a course." R.C. 3365.01(U), not in the bill.

[73] "Articulated credit" is defined as "post-secondary credit that is reflected on the official record of a student at an institution of higher education only upon enrollment at that institution after graduation" from high school. R.C. 3365.01(A), not in the bill.

chairpersons of the House and Senate Education committees. The bill adds a requirement that each biennial report also include an analysis of "quality assurance measures" related to the program.

Math curriculum for career-technical students

(R.C. 3313.603(C)(3))

Under current law, in order to receive a high school diploma, a student must successfully complete at least 20 prescribed units of instruction. For most students, four of those units consist of mathematics, including one unit of Algebra II or its equivalent.

The bill permits students who enter ninth grade for the first time on or after July 1, 2015, who are pursuing a "career-technical instructional track" to take a career-based pathway mathematics course as an alternative to Algebra II.

Credit based on subject area competency

(R.C. 3313.603(J) and 3314.03(A)(11)(f); Section 263.540)

Under current law, the State Board of Education, in consultation with the Chancellor of the Board of Regents, was required to adopt by March 31, 2009, a statewide plan implementing methods for students to earn high school credit based on subject area competency or a combination of classroom instruction and subject area competency. The statute required the plan to be phased in during the 2009-2010 school year. Currently, all school districts and community schools are required to comply with this plan and to award credit accordingly.

The bill requires the State Board to update the statewide plan by December 31, 2015, to also include methods for students enrolled in 7th and 8th grade to meet curriculum requirements based on subject area competency or a combination of classroom instruction and subject area competency. Additionally, the Department of Education must provide assistance to the State Board for purposes of updating the statewide plan on subject area competency, including credit by examination, to "reduce barriers to student participation in credit flexibility options." Upon completion of the plan, the Department must inform students, parents, and schools of the plan, and, beginning with the 2017-2018 school year, all school districts and community schools are required to comply with the updated plan and permit students to meet curriculum requirements accordingly.

(A conforming provision in the Community School Law states that compliance must begin with the 2016-2017 school year. This appears to be a drafting error.)[74]

Competency-Based Education Pilot Program

(Sections 263.280 and 733.30)

The bill establishes the Competency-Based Education Pilot Program to provide grants to school districts, community schools, STEM schools and consortia of one or more districts or schools led by one or more educational service centers for designing and implementing competency-based models of education for their students during the 2016-2017, 2017-2018, and 2018-2019 school years.[75]

Selection of participants

A district, school, or consortium that wishes to participate in the pilot program must submit an application to the Department of Education by November 1, 2015, in a form and manner prescribed by the Department. By March 1, 2016, the Department must select not more than five districts, schools, or consortia to participate in the pilot program.

Awarding of grants

The Department must award each district, school, or consortium selected to participate in the pilot program a grant of up to $200,000 for each fiscal year of the biennium. The grant must be used during the 2015-2016 and 2016-2017 school years to plan for implementing competency-based education in the district, school, or consortium during the 2016-2017, 2017-2018, and 2018-2019 school years.

Competency-based education requirements

A district, school, or consortium selected to participate in the pilot program must offer competency-based education that satisfies all of the following requirements:

(1) Students must advance upon mastery;

(2) Competencies must include clear, measurable, transferable learning objectives that empower students;

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[74] See R.C. 3314.03(A)(11)(f).

[75] The bill specifically includes joint vocational school districts and the only "municipal" school district in the state (Cleveland). The specific inclusion of Cleveland is not substantive since it would be included already as a "city" school district.

(3) Assessments must be meaningful and a positive learning experience for students;

(4) Students must receive timely, differentiated support based on their individual learning needs;

(5) Learning outcomes must emphasize competencies that include application and creation of knowledge, along with the development of work-ready skills;

(6) It must incorporate partnerships with post-secondary institutions and members of industry.

Annual performance review

The Department must require a district, school, or consortium to agree to an annual performance review conducted by the Department as a condition of participating in the pilot program.

Accountability requirements

The bill specifies that a district, school, or consortium selected to participate in the pilot program remains subject to all accountability requirements in state and federal law that apply to it.

State funding

The bill specifies that, if a district or school is selected to participate in the pilot program either by itself or as part of a consortium, each student enrolled in the district or school who is participating in competency-based education must be considered to be a full-time equivalent student while participating in competency-based education for purposes of state funding for that district or school, as determined by the Department.

Reports

The Department must post two separate reports regarding the pilot program on its website.

First, it must post by January 31, 2017, a preliminary report that examines the planning and implementation of competency-based education in the districts, schools, and consortia selected to participate in the pilot program.

Next, it must post, by December 31, 2018, a report that includes all of the following:

(1) A review of the competency-based education offered by the districts, schools, and consortia selected to participate in the pilot program;

(2) An evaluation of the implementation of competency-based education by the districts, schools, and consortia selected to participate in the pilot program and student outcomes resulting from that competency-based education;

(3) A determination of the feasibility of a funding model that reflects student achievement outcomes as determined through competency-based education.

Education and business partnerships

(Section 263.530)

The bill specifically permits the Superintendent of Public Instruction to form partnerships with Ohio's business community, including the Ohio Business Roundtable, to create and implement initiatives that connect students with the business community. These initiatives are aimed to increase student engagement and job readiness through internships, work study, and site-based learning experiences.

If the Superintendent forms such a partnership, the initiatives implemented through that partnership must do all of the following:

(1) Support career connections included in the model curriculum developed by the State Board of Education for grades K-12 that embed career connection learning strategies into regular classroom instruction.

(2) Provide an opportunity for students to earn high school credit or meet curriculum requirements in accordance with the statewide plan on subject area competency (see above).

(3) Inform the development of student success plans for students who are at-risk of dropping out of school.[76]

Eligibility requirements to take the GED tests

(R.C. 3313.617)

Under current law, a person who is at least 18 years old may take the tests of general educational development (GED) without additional administrative requirements, if the person is officially withdrawn from school and has not received a

[76] R.C. 3301.079(B)(2), not in the bill, 3313.603(J), and 3313.6020(C), not in the bill.

high school diploma. However, if a person is at least 16 but less than 18 years old, the person must apply to the Department of Education for permission to take the GED tests.

Approval from the Department of Education

The bill maintains the requirement that a person who is at least 16 but less than 18 years old must apply to the Department to take the GED tests; however, the bill also specifies that the person must *not* have received a high school diploma. Additionally, the bill requires the person to submit, along with the application, both of the following:

(1) Written approval from the person's parent or guardian or a court official (current law);

(2) The person's official high school transcript, which must include the previous 12 months of enrollment in a program approved to grant a high school diploma (added by the bill).

The bill also prescribes several additional requirements related to the approval of applications to take the GED tests. First, upon receipt of each application, the Department must approve or deny the application. Moreover, the Department may approve an application only if the person (1) has been continuously enrolled in a diploma granting program for at least one semester, (2) attained an attendance rate of 75% or higher during that semester, and (3) shows good cause. The State Board of Education must adopt rules determining what qualifies as "good cause" for this purpose.

Finally, if the Department approves a person's application, that person must remain enrolled in school and maintain at least a 75% attendance rate, until either (1) the person passes all required sections of the GED tests, or (2) the person reaches 18 years of age.

Automatic eligibility

The bill also qualifies all of the following persons to take the GED tests, without additional administrative requirements and regardless of the age threshold prescribed by law (see above):

(1) A person who has a bodily or mental condition that does not permit attendance at school. In order to be excused from school for such a condition, a separate provision of law requires that (a) a physical condition must be certified in writing by a licensed physician, (b) a mental condition must be certified in writing by a licensed physician, a licensed psychologist, a licensed school psychologist, or a certificated

school psychologist, and (c) a provision must be made for appropriate instruction of that person.[77]

(2) A person who is currently home-schooled or has completed the final year of instruction at home.

(3) A person who is moving or has moved out of Ohio after previously attending school in the state.

(4) A person who has an extreme, extenuating circumstance, as determined by the Department, that requires the person to withdraw from school.

Graduation rates for persons taking the GED

The bill specifies that, for the purpose of calculating graduation rates for school districts and schools on the state report cards, the Department must include any person who officially withdraws from school to take the GED tests (rather than any person who obtains approval to take the GED tests as under current law) as a dropout from the school in which the person was last enrolled. This change conforms to the bill's provision specifying that a person who is under 18 may receive approval from the Department to take the GED tests but must remain enrolled in school (therefore, is prohibited from dropping out) until the person passes the GED tests.

Cost of the GED tests

(R.C. 3313.617(F))

The bill specifies that if a person takes the GED tests but fails to attain the required scores to earn a high school equivalence diploma, the person is required to do the following:

(1) Retake only the specific test on which the person did not attain a passing score.

(2) Pay only for the cost of the specific test that must be retaken.

Furthermore, the bill specifically prohibits a person who fails to attain the required scores on all of the GED tests from paying again for the entire battery of tests, unless that person must retake the entire battery.

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[77] See R.C. 3321.04(A)(1), not in the bill.

Adult Diploma Pilot Program

(R.C. 3313.902; Section 263.260)

The bill changes the name of the Adult Career Opportunity Pilot Program (established in 2014 by H.B. 483 of the 130th General Assembly) to the Adult Diploma Pilot Program. It also makes several changes to the pilot program, which are described in greater detail below.

Under law not changed by the bill, the pilot program permits eligible institutions to develop and offer programs of study that allow eligible students (those who are at least 22 years old and have not received a high school diploma or certificate of high school equivalence) to obtain a high school diploma. A program of study is eligible for approval if it (1) allows an eligible student to complete the requirements for obtaining a high school diploma while also completing requirements for an approved industry credential or certificate, (2) includes career advising and outreach, and (3) includes opportunities for students to receive a competency-based education. For purposes of the pilot program, an eligible institution is a community college, technical college, state community college, or "Ohio technical center" recognized by the Chancellor of the Ohio Board of Regents (renamed as the Chancellor of Higher Education under the bill) that provides post-secondary workforce education.

Program approval

Under current law, an eligible institution must obtain approval from the State Board of Education and the Chancellor (renamed as the Chancellor of Higher Education under the bill) in order to participate in the pilot program. The bill requires an eligible institution to obtain this approval from the Superintendent of Public Instruction instead of from the State Board, but it retains the requirement that an eligible institution also obtain this approval from the Chancellor.

Granting of high school diplomas

The bill requires the State Board, notwithstanding the requirements for a high school diploma in current law,[78] to grant a high school diploma to each student who (1) enrolls in an approved program of study at an approved institution and (2) completes the requirements for obtaining a high school diploma that are specified in rules adopted by the State Superintendent.

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[78] R.C. 3313.61, 3313.611, and 3313.618, none in the bill.

Funding

Calculation of funding

The bill requires the Department of Education to calculate a state payment for each student enrolled in an approved program of study at each approved institution using the following formula:

(The student's career pathway training program amount + the student's work readiness training amount) X 1.2

Career-pathway training program amount

A student's "career pathway training program amount" means the following:

(1) If the student is enrolled in a tier one career pathway training program (a career pathway training program that requires more than 600 hours of technical training, as determined by the Department), $4,800.

(2) If the student is enrolled in a tier two career pathway training program (a career pathway training program that requires more than 300 hours of technical training but less than 600 hours of technical training, as determined by the Department), $3,200.

(3) If the student is enrolled in a tier three career pathway training program (a career pathway training program that requires 300 hours or less of technical training, as determined by the Department), $1,600.

Work readiness training amount

A student's "work readiness training amount" means the following:

(1) If the student's grade level upon initial enrollment in an approved program of study at an approved institution is below the ninth grade, as determined in accordance with rules adopted by the State Superintendent, $1,500.

(2) If the student's grade level upon initial enrollment in an approved program of study at an approved institution is at or above the ninth grade, as determined in accordance with rules adopted by the State Superintendent, $750.

Payment of funding

The bill requires the Department to pay the amount calculated for each student under the bill's provisions to the student's institution in three separate payments. First, 25% of the amount calculated must be paid to the student's institution after the student successfully completes the first third of the approved program of study, as determined by the Department. Next, another 25% of the amount calculated must be paid to the student's institution after the student successfully completes the second third of the approved program of study, as determined by the Department. Finally, the remaining 50% of the amount calculated must be paid to the student's institution after the student successfully completes the final third of the approved program of study, as determined by the Department.

Funding for associated services

The bill permits each approved institution to use the amount that is "in addition to the student's career pathway training amount and the student's work readiness training amount" for the associated services of the approved program of study. The bill specifies that these services include counseling, advising, assessment, and other services as determined or required by the Department.

Rules

Law unchanged by the bill requires the state Superintendent, in consultation with the Chancellor (renamed as the Chancellor of Higher Education under the bill), to adopt rules for the implementation of the pilot program, including the requirements for applying for program approval. The bill specifies that these rules must also address all of the following:

(1) The requirements for obtaining a high school diploma through the pilot program, including the requirement to obtain a passing score on an assessment that is appropriate for the career pathway training program that is being completed by the student and the date on which these requirements take effect;

(2) The assessment or assessments that may be used to complete the assessment requirement for each career pathway training program and the score that must be obtained on each assessment in order to pass the assessment;

(3) Guidelines regarding the funding of the pilot program, including a method of funding for students who transfer from one approved institution to another approved institution prior to completing an approved program of study;

(4) Circumstances under which a student may be charged for tuition, supplies, or associated fees while enrolled in an approved institution's approved program of study;

(5) A requirement that a student may not be charged for tuition, supplies, or associated fees while enrolled in an approved institution's approved program of study except in the circumstances described under the rules;

(6) The payment of federal funds that are to be used by approved programs of study at approved institutions.

Enrollment of individuals age 22 and up

(R.C. 3314.38, 3317.036, 3317.23, 3317.231, 3317.24, and 3345.86; repealed Section 733.20 of H.B. 483 of the 130th General Assembly)

Under provisions of current law, an individual age 22 and above who has not received a high school diploma or a certificate of high school equivalence (an "eligible individual") may enroll in any of the following for the purpose of earning a high school diploma:

(1) A city, local, or exempted village school district that operates a dropout prevention and recovery program;

(2) A community school that operates a dropout prevention and recovery program;

(3) A joint vocational school district (JVSD) that operates an adult education program;

(4) A community college, university branch, technical college, or state community college.

The bill makes several modifications to these provisions, as described below.

Time period of enrollment

The bill specifies that eligible individuals may enroll in dropout prevention and recovery programs and community colleges, university branches, technical colleges, and state community colleges for up to two *consecutive* school years, rather than two cumulative school years as under current law. It does not, however, change the provisions of existing law specifying that students enrolled in adult education programs at JVSDs may enroll for up to two *cumulative* school years.

Program of study

The bill specifies that eligible individuals may elect to earn a high school diploma by successfully completing a competency-based educational program, rather than a competency-based instructional program as under current law.

A "competency-based educational program" is defined by the bill as any system of academic instruction, assessment, grading, and reporting where students receive credit based on demonstrations and assessments of their learning rather than the amount of time they spend studying a subject. The program must encourage accelerated learning among students who master academic materials quickly while providing additional instructional support time for students who need it.

Funding

The bill specifies that the Department of Education must annually pay to a school district, school, community college, university branch, technical college, or state community college for each eligible individual enrolled up to $5,000, as determined by the Department based on the individual's successful completion of the graduation requirements prescribed under existing law.

Currently, the Department must annually pay $5,000 times the individual's enrollment on a full-time equivalency basis times the portion of the school year in which the individual is enrolled in the school expressed as a percentage.

Issuance of high school diploma

If an eligible individual enrolls in a JVSD, community college, university branch, technical college, or state community college and completes the requirements to earn a high school diploma in the manner provided in current law, the JVSD or institution must certify the completion of those requirements to the city, local, or exempted village school district in which the individual resides, which then must issue a diploma to the individual. The bill specifies that, in this scenario, the school district must issue a diploma *within sixty days of receiving the certification* from the JVSD or institution.

Rules

The bill requires the Department, rather than the State Board of Education, to adopt rules regarding the enrollment of eligible individuals. The bill specifies that these rules must include all of the following:

(1) Eligibility for the programs;

(2) Application for the programs;

(3) Accountability criteria and measurements for the programs;

(4) Monitoring of the programs;

(5) Data reporting for the programs including the reporting of student enrollment demographics (rather than data collection and the reporting and certification of enrollment in the programs as under current law);

(6) Program outcomes (rather than the measurement of the academic performance of individuals enrolled in the program as under current law);

(7) The standards of practice for competency-based educational programs (rather than the standards for competency-based instructional programs as under current law).

Report

The bill repeals a requirement that the Department of Education, by December 31, 2015, prepare and submit a report to the General Assembly regarding services provided to individuals ages 22 and above under the provisions described above.

Out-of-state STEM school students

(R.C. 3326.10, 3326.101, 3326.32, and 3326.50)

Admission

The bill permits STEM school to admit, on a tuition basis, individuals who are not residents of Ohio. Under current law, individuals entitled to attend school in an Ohio school district are eligible to be admitted to a STEM school, and individuals who are not Ohio residents are not permitted to enroll in a STEM school.

Tuition and funding

If a STEM school admits an out-of-state student, the bill requires that the school charge tuition for that student in an amount equal to the amount of state funds that the school would have received for that student if that student were a resident of Ohio, as calculated by the Department of Education. Currently, a STEM school is prohibited from charging tuition for any student enrolled in a STEM school.

Additionally, the bill prohibits a STEM school from receiving any state funds for an out-of-state student.

Report

The bill requires a STEM school to report the total number of students enrolled in the school who are not residents of Ohio and any additional information regarding those students that the Department requires the school to report.

Diplomas for home-schooled and nonchartered nonpublic school students

(R.C. 3313.6110)

The bill specifies that a person who has completed the final year of instruction at home and has successfully fulfilled the high school curriculum applicable to that person may be granted a high school diploma by that person's parent, guardian, or other person having charge or care of a child. It further states that a diploma issued on or after July 1, 2015 must contain either: (1) a certification signed by the superintendent of the school district in which the person is entitled to attend school or (2) the official letter of excuse issued by the district superintendent for the student's final year of home education. If the diploma includes a signed certification, the certification must include the following statement:

> "I certify that the student named in this diploma and the student's parent have complied with division (A)(2) of section 3321.04 of the Ohio Revised Code regarding instruction at home and the related rules of the Ohio State Board of Education."

The bill requires a district superintendent to sign any such diploma if the student and the parent have complied with the home instruction requirements.

The bill also specifies that a person who has graduated from a nonchartered nonpublic school in the state and who has successfully fulfilled the high school curriculum may be granted a high school diploma by the governing authority of that school.

The bill states that such a diploma granted to a student who received home instruction or attended a nonchartered nonpublic school serves as proof of successful completion of that person's applicable high school curriculum and fulfills any legal requirement that requires proof of a high school diploma. Further, such a diploma also is considered proof of completion of high school for purposes of application for employment. This is regardless of whether the diploma holder participated in the state achievement assessments,[79] Ohio Graduation Test (OGT)[80] or the College and Work-Ready Assessment System.[81]

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[79] R.C. 3301.0710(A)(1), not in the bill.

[80] R.C. 3301.0710(B)(1), not in the bill.

[81] R.C. 3301.0710(B)(2), not in the bill, and 3301.0712.

Background

Under current law, the superintendent of the school district in which a child resides may excuse a child from attendance if the child is being instructed at home by a person qualified to teach the branches in which instruction is required, and any additional branches, as the advancement and needs of the child may, in the opinion of such superintendent, require. If a child receives home instruction, the issuing district superintendent must file in the superintendent's office, with a copy of the excuse, papers showing the qualifications of the person instructing the child at home were determined.[82]

Provision of health care services to students

(R.C. 3313.68, 3313.72, and 3313.721; conforming changes in R.C. 3314.03(A)(11)(d), 3326.11, and 3328.24)

The bill permits the board of education or governing authority of a school district, educational service center (ESC), community school, STEM school, or college-preparatory boarding school to enter into a contract with a hospital, an appropriately licensed health care provider, a federally qualified health center, or a federally qualified health center look-alike to provide health services to students, if those health services are specifically authorized by Ohio law. It also permits a district board to enter into such a contract in lieu of appointing a school physician or dentist or contracting with an ESC for the services of a nurse to provide diabetes care to students.

If the board or governing authority enters into such a contract, the bill specifically exempts employees of the hospital, the health care provider, the federally qualified health center, or the federally qualified health center look-alike who are providing the services of a nurse under the contract from any requirement to obtain a school nurse license or a school nurse wellness coordinator license issued by the State Board. The bill also exempts such employees from any requirement prescribed by rule of the State Board related to either license. However, the bill specifies that such employees must, at a minimum, hold a credential equivalent to being licensed as a Registered Nurse or Licensed Practical Nurse.

Background on student health services

Under current law, district boards are specifically permitted to contract with a health district for the services of a school physician, dentist, or nurse. Additionally, a separate provision permits district boards to appoint school physicians and dentists to

[82] R.C. 3321.04(A)(2), not in the bill.

provide health services to students, as well as to contract with ESCs for the services of a school nurse, Registered Nurse, or Licensed Practical Nurse to provide diabetes care to students.

The State Board is required to establish standards and requirements for obtaining a school nurse license and a school nurse wellness coordinator license, which, at a minimum, must require the applicant to be licensed as a Registered Nurse. However, it is unclear if current law requires all nurses who provide health services to students to hold one of these licenses.[83]

Zero tolerance and disciplinary policies for school districts

(R.C. 3313.534)

Zero tolerance policies

Under current law, each school district board of education was required, by July 1, 1998, to (1) adopt a zero tolerance policy for violent, disruptive, or inappropriate behavior, including excessive truancy. The bill requires each district board, by July 1, 2016, to adopt an "updated" zero tolerance policy for violent behavior that provides tiered responses to violent, disruptive, or inappropriate behavior, and excessive truancy, based upon the nature and severity of the behavior.

As under current law, the zero tolerance policy must include strategies to address such behavior that range from prevention to intervention. Additionally, the bill requires the updated policy to provide for all of the following:

(1) To the extent practicable, an out-of-school suspension or expulsion must be imposed only when a student's physical presence poses a continuing physical danger to the health and safety of other students and school employees (including situations in which a student, while at school or a school-sponsored activity, possesses a firearm or knife, causes serious physical harm to persons or property, or makes a bomb threat[84]).

(2) For all other types of behavior, an out-of-school suspension or expulsion must be discouraged and available only (a) as a penalty of last resort and (b) where it is impracticable to impose disciplinary action without removing the student from school.

(3) An out-of-school suspension or expulsion is not an appropriate penalty for excessive truancy.

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[83] R.C. 3319.221, not in the bill.

[84] See R.C. 3313.66(B), not in the bill.

Model disciplinary policy

The bill requires the State Board of Education, by February 28, 2016, to adopt a model disciplinary policy for violent, disruptive, or inappropriate behavior, including excessive truancy, that (1) is consistent with the bill's requirements for the updated zero tolerance policies (see above), and (2) stresses preventive strategies and alternatives to suspension and expulsion. Furthermore, by May 31, 2016, the Department of Education, must (1) provide each district with a copy of the model policy and (2) develop materials to assist districts in providing teacher and staff training on the implementation of the strategies included in the policy.

Site-based management councils

(Repealed R.C. 3313.473)

Under current law, each school district with a total student count of 5,000 or more must designate one school building to be operated by a site-based management council, unless the district received, on its most recent report card, a grade of an "A" or "B" for the performance index score and the value-added dimension (for the report card issued for the 2013-2014 school year) or for the overall grade (for the report card issued for the 2014-2015 school year and thereafter).

The bill repeals this provision.

Student transportation

Transportation of nonpublic and community school students

(R.C. 3327.01 and 3327.02)

The bill specifically provides that a district board is not required to transport elementary or high school students to and from a nonpublic or community school on weekends, unless the district board and the nonpublic or community school have an agreement in place before July 1, of the school year in which the agreement takes effect, instead of prior to July 1, 2014, as under current law.

Furthermore, the bill clarifies that in the event a community school takes over the responsibility for transportation of a school district's resident students to and from the community school, the community school may determine that it is impractical to transport any one student to and from school using the same procedure, requirements, and payment structure as a school district uses to determine that it is impractical to transport that student. In such case, the school must make a payment in lieu of transportation to parent, guardian, or custodian of the student.

District resolution declaring student transportation impractical

(R.C. 3327.02)

The bill removes a provision requiring that, if a district board passes a resolution declaring a student's transportation impractical, the board also must submit the resolution for concurrence to the ESC containing the district's territory. The bill also removes a provision specifying that, upon receiving the resolution:

(1) If the ESC disagrees with the board and considers the student's transportation practical, then the ESC must inform the district board and the board must provide the transportation.

(2) If the ESC agrees with the board and considers the student's transportation impractical, the board may offer payment in lieu of transportation.

Background on transportation

State law generally requires each city, exempted village, and local school district to transport to and from school any student in grades K to 8 who resides in the district and is enrolled in a school that is more than two miles from the student's home. A district is required to transport resident students attending the district's own schools, as well as those attending nonpublic schools and community schools. A district may choose to transport students it is not required to transport, including high school students. If a district opts to transport high school students, it appears that the district must offer that service to nonpublic and community school students as well as those attending its own schools. Still, a district need not transport any private or community school student for whom the direct travel time is more than 30 minutes.[85] A district also must transport STEM school students, unless the school's proposal as approved by the STEM committee provides for transportation.[86]

A district or school may offer a payment in lieu of providing transportation to the parent of a student it is required to transport, upon a finding that it is impractical to transport that student.[87]

A community school may transport its own students, and receive a payment for doing so, either through an agreement with the students' resident school district or by unilaterally assuming the district's transportation responsibility. If a community school

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[85] R.C. 3327.01.

[86] R.C. 3326.20, not in the bill.

[87] R.C. 3327.01 and 3327.02.

unilaterally takes over transportation, the state payment for each student the school transports is the amount that would have been calculated for the district for the transportation mode the district would have used.[88]

Joint vocational school district board membership

(R.C. 3311.19 and 3311.191)

The bill provides that the term of office for a specific type of joint vocational school district (JVSD) board member be for one year, instead of three as required under current law. This term applies in the case of a JVSD board to which both of the following apply:

(1) The JVSD board has an even number of member districts.

(2) The JVSD board has a plan on file with the Department of Education that provides for an additional member to be appointed on a rotating basis by one of the appointing boards.

However, under the bill, if such a member was appointed on or after September 29, 2013, that member may continue in office until the expiration of the member's current term of office (three years). If such a member vacates that office or any reason prior to the expiration of the member's term, the bill requires that the new replacement member be appointed to serve for the remainder of the vacating member's term. Once that term expires, the term of office thereafter is one year.

Background

H.B. 59 of the 130th General Assembly, effective September 29, 2013, made several changes to the method of appointing members to JVSD boards. As a result, JVSD boards are no longer required to be made up of representative members of the boards of the city, exempted village, or local school districts belonging to each respective JVSD or, in some cases, the educational service centers (ESC) serving the same county or counties as under former law. Rather, JVSD membership may be composed of members who are not themselves members of the represented district boards. On the other hand, district and ESC board members may still be members of a JVSD board, but only as long as they meet the professional qualifications prescribed by H.B. 59. Under those provisions, JVSD board members must meet specific professional qualifications and be selected based on the diversity of the employers from the geographical region of the state in which the respective JVSD is located. Members of JVSD boards must have experience as chief financial officers, chief executive officers,

[88] R.C. 3314.091.

human resources managers, or other business and industry professionals who are qualified to discuss the labor needs of the region with respect to the regional economy. Appointing district and ESC boards must appoint members who represent employers in the JVSD region and who are qualified to consider a region's workforce needs with an understanding of the skills, training, and education needed for current and future employment needs in the region. In choosing members to appoint, district and ESC boards may give preference to a qualified individual who has served on a joint vocational school business advisory committee. Under current law, the term of office for members of a JVSD board appointed on or after September 29, 2013, is three years and members are limited to two consecutive terms. However, a member may serve again after three or more years have passed since the member's last term expired.

Joint vocational school district transition agreement

(R.C. 3311.221)

The bill requires a joint vocational school district (JVSD) that gains territory on or after January 1, 2015, due to an "eligible school district transfer" to enter into a two-year transition agreement with the JVSD that lost the territory gained by the other JVSD due to the transfer. For purposes of this provision, an "eligible school district transfer" means the transfer, by June 30, 2015, of the entire territory of a "local" school district that has fewer than 500 students to another, contiguous "local" school district with the same educational service center that results in the cancellation of the amount owed to the State Solvency Assistance Fund by either or both local districts under a temporary provision of current law enacted in 2014.[89]

The bill specifies that the transition agreement must require all of the following:

(1) Each student of the local school district that is transferred who is enrolled, at the time of the transfer, in the JVSD that lost territory due to the transfer must remain enrolled in that JVSD for the remainder of the student's secondary education, so long as the student is enrolled in the local school district that received territory in the transfer and continues to enroll in a career-technical program.

(2) In the first year following the transfer, the JVSD that gains territory due to the transfer must pay the JVSD that lost territory due to the transfer an amount equal to 100% of the revenue collected from taxes levied by the JVSD that gains territory for the transferred portion of the district.

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[89] Section 7 of H.B. 487 of the 130th General Assembly, not in the bill.

(3) In the second year following the transfer, the JVSD that gains territory due to the transfer must pay the JVSD that lost territory due to the transfer an amount equal to 50% of the revenue collected from taxes levied by the JVSD that gains territory for the transferred portion of the district.

Additionally, the agreement must include any other terms mutually agreed upon by both JVSDs "to ensure an orderly transition of territory that maximizes opportunities for students."

Approval of career-technical education programs

(R.C. 3317.161)

Existing law requires each city, local, or exempted village school district's, community school's, or STEM school's career-technical education programs to be approved in order for the district or school to receive state funding for the students enrolled in the program. Approval is obtained through a two-step process that involves an initial decision to approve or disapprove by the lead district of the district's or school's career-technical planning district (CTPD) and a review of that decision and approval by the Department, which must occur not later than May 15 prior to the first fiscal year for which the district or school is seeking funding for the program. Approval is valid for the five fiscal years following the fiscal year in which the program is approved. However, if a district or school becomes a new member of a CTPD, its programs must be approved or disapproved by the lead district of the CTPD during the fiscal year in which the district or school becomes a member of the CTPD even if the five-year approval period has not yet expired. A program's approval is subject to annual review and may be renewed at the end of the five-year approval period.

The bill permits the Superintendent of Public Instruction to adopt guidelines identifying circumstances in which the Department, after consulting with the lead district of a CTPD, may approve or disapprove a district's or school's career-technical education program after the deadline prescribed in current law for approval or disapproval by the Department has passed.

Expenses related to the abolishment of an educational service center

(Section 263.610)

In the case of an educational service center (ESC) governing board that is abolished in accordance with current law by July 1, 2015, the bill prohibits the assessment against any client school districts of the ESC of any indebtedness to the Department of Education for expenses related to the dissolution that exceed the available assets of the ESC. For purposes of this provision, a "client school district" of an

ESC is a city, exempted village, or local school district that had entered into an agreement to receive any services from the ESC.

Under current law, the Superintendent of Public Instruction may assess against the remaining assets of an ESC that is abolished the amount of the costs incurred by the Department in performing the Superintendent's duties related to the dissolution, including the fees, if any, owed to the individual appointed to administer the Superintendent's dissolution order for the ESC. After assessing that amount against the remaining assets of the ESC, any excess cost must be divided equitably among the school districts that were client school districts of the ESC for its last fiscal year of operation. The law provides for the dissolution of an ESC if all of its client districts have terminated their service agreements with the ESC.[90]

Transfer of student records

(R.C. 3319.323)

The bill prohibits a school district or school from altering, truncating, or redacting any part of a student's record so that any information on the record is rendered unreadable or unintelligible during the course of transferring that record to an educational institution for a legitimate educational purpose. Under continuing state and federal law, release without consent of personally identifiable student data is permitted for several prescribed purposes, one of which is the release to other school officials, including teachers, within the agency or institution who have a legitimate educational interest in or purpose for that information.[91]

Healthy Choices for Healthy Children Council

(R.C. 3301.92 and 3301.921 (repealed); conforming changes in R.C. 3301.922, 3301.923, and 3313.674)

The bill abolishes the Healthy Choices for Healthy Children Council, which (1) monitors progress in improving student health and wellness, (2) makes periodic policy recommendations to the State Board of Education regarding ways to improve the nutritional standards for food and beverages for sale at schools, (3) makes recommendations for changes to nutritional standards within 60 days of the U.S. Department of Agriculture adopting any regulations for the sale of food or beverages in schools, (4) makes periodic recommendations to the Department of Education for the development of a clearinghouse of best practices in the areas of student nutrition,

[90] R.C. 3311.0510, not in the bill.

[91] 20 U.S.C. 1232g and R.C. 3319.321, not in the bill.

physical activity for students, and body mass index screenings, and (5) regularly reviews developments in science and nutrition to ensure the Council remains informed for purposes of making its recommendations.

Contracting for academic remediation and intervention services

(R.C. 3313.6010)

The bill specifically permits a school district to contract with public and private entities for the purpose of providing academic remediation and intervention services, outside of regular school hours, to students in any grade. Services provided must be in the subjects of math, science, reading, writing, or social studies. Under current law, school districts may enter into contracts providing such services, in accordance with rules adopted by the State Board of Education, only to students in grades 1-6.

Ohio Teacher of the Year award

(R.C. 3319.67)

The bill allows the State Board of Education to establish an annual Teacher of the Year recognition program for outstanding teachers. Under the bill, a teacher who is recognized as a Teacher of the Year may accept gifts and privileges as part of the recognition program. Further, the bill permits a person or entity to make a voluntary contribution to the recognition program.

The bill specifies that the Ethics Law does not prohibit a teacher from accepting gifts or privileges under the program and does not prohibit a person or entity from making a voluntary contribution to the program. The Ethics Law generally prohibits a public servant from soliciting or accepting any additional compensation for the performance of the person's official duties and prohibits any person from knowingly promising or giving a public servant such additional compensation.[92]

[92] R.C. 2921.43(A), not in the bill.

- Allows a nonprofit corporation that is a tax-exempt business organization to transfer contributions received as part of regular dues payments from its unincorporated member businesses to its political action committee (PAC).

- Requires the PAC to itemize those contributions and allocate them to individuals in its campaign finance filings.

Nonprofit corporation contributions to PACs

(R.C. 3599.03)

The bill allows a nonprofit corporation that is tax-exempt under subsection 501(c)(6) of the Internal Revenue Code – generally, a business organization – to transfer certain funds to its political action committee (PAC).[93] Under the bill, such a nonprofit corporation may transfer contributions it receives as part of regular dues payments from unincorporated member businesses to its PAC. When the PAC files its campaign finance statements, the PAC must itemize those contributions and allocate them to individuals, subject to the contribution limits that apply under continuing law.

The existing statute prohibits any corporation from using its money or property for or against a candidate or other political entity. Part of the law is not being enforced because the U.S. Supreme Court has ruled that corporations have a First Amendment right to make independent expenditures to influence the outcome of an election without coordinating with a candidate.[94] However, Ohio continues to enforce the law that prohibits corporations from making campaign contributions, whether directly or indirectly. The bill makes an exception to that prohibition, to the extent that a nonprofit corporation's PAC may give the contributions described above to a campaign committee or other political entity.

[93] See 26 U.S.C. 501(c)(6).

[94] *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010).

ENVIRONMENTAL PROTECTION AGENCY

Extension of E-Check

- Authorizes the extension of the motor vehicle inspection and maintenance program (E-Check) through June 30, 2021, in Ohio counties in which a program is federally mandated.

- Retains the requirement that the new contract ensure that the program achieves at least the same emissions reductions as achieved by the program under the contract that was extended.

- Retains the requirement under which the Director of Administrative Services must use a competitive selection process when entering into a new contract with a vendor.

- Also retains all statutory requirements governing the implementation and operation of the program, including requirements that the program must be a decentralized program and that it must include a new car exemption.

Waste Management Fund

- Renames the Solid Waste Fund in the Solid, Hazardous, and Infectious Wastes Law the Waste Management Fund, and does all of the following with regard to the uses of the Fund:

  --Eliminates its use for providing compliance assistance to small businesses and paying a share of the administrative costs of the Environmental Protection Agency; and

  --Retains its use for the other purposes specified in continuing law;

  --Adds that it must be used to address violations of the Air and Water Pollution Control Laws at facilities regulated under the Solid, Hazardous, and Infectious Wastes Law.

- Eliminates the Construction and Demolition Debris Facility Oversight Fund, credits the money that currently is credited to that Fund to the Waste Management Fund, and retains the use of that money exclusively for the administration and enforcement of the Construction and Demolition Debris Law and rules adopted under it.

- Does the following regarding the Infectious Waste Management Fund:

--Eliminates the Fund, and credits the money that currently is credited to that Fund to the Waste Management Fund;

--Requires, rather than authorizes as in current law, the Director of Environmental Protection to use that money exclusively for the administration and enforcement of the infectious waste provisions in the Solid, Hazardous, and Infectious Wastes Law and rules adopted under them.

Exclusions from regulation as solid wastes

- Excludes certain shale and clay products from regulation as solid wastes under the Solid, Infectious, and Hazardous Wastes Law.

Solid waste transfer and disposal fees

- Extends the expiration of four state fees levied on the transfer or disposal of solid waste from June 30, 2016, to June 30, 2018.

- Retains the aggregate amount of those fees at $4.75, and reallocates several of the individual fees and their uses, including increasing the fee the proceeds of which are credited to the Environmental Protection Fund, which is used in part for administration, and requiring that Fund also to be used for small business compliance assistance.

Source separated recyclable materials

- Authorizes source separated recyclable materials to be taken to any legitimate recycling facility rather than to a facility designated by a solid waste management district.

Sale of tire fees

- Extends from June 30, 2016, to June 30, 2018, the expiration of both of the following:

--The 50¢ per-tire fee on the sale of tires the proceeds of which are used to fund the scrap tire management program;

--An additional 50¢ per-tire fee on the sale of tires the proceeds of which are credited to the Soil and Water Conservation District Assistance Fund.

Materials Management Advisory Council

- Merges the Solid Waste Advisory Council with the Recycling and Litter Prevention Advisory Council, and renames the merged Council the Materials Management Advisory Council.

- Generally transfers the duties and responsibilities of the two Councils to the new Council, and establishes the following additional duties and responsibilities:

  --Triennially providing advice to the Director of Environmental Protection in conducting a review of the progress made toward achieving the objectives, restrictions, and goals established under specified provisions of the statute governing the state solid waste management plan;

  --Preparing and submitting an annual report to the General Assembly on the state's solid waste management system and efforts towards achieving the goals, restrictions, and objectives established under specified provisions of the statute governing the plan;

  --Researching and responding to question posed by the Director;

  --Establishing and developing partnerships that foster a productive marketplace for the collection and use of recycled materials.

- Requires the Governor to appoint the members of the new Council who must represent specified interests.

Transfer of Storm Water Management Program

- Transfers, effective January 1, 2016, the administration of the Storm Water Management Program from the Division of Soil and Water Resources in DNR to the Environmental Protection Agency.

- Authorizes the Director of Environmental Protection, in effecting the transfer, to develop technical guidance and offer technical assistance to minimize wind or water erosion of soil and assist in compliance with permits for storm water management issued under the Water Pollution Control Law and rules adopted under it.

Study of nutrient loading to Ohio watersheds

- Authorizes the Director of Environmental Protection to study, examine, and calculate nutrient loading to watersheds in the Lake Erie basin and the Ohio River basin from point and nonpoint sources.

- Requires the Director or the Director's designee, in order to evaluate nutrient loading contributions, to use available data, including data on water quality and stream flow and point source discharges into those watersheds.

- Requires the Director or the Director's designee to report and update the study's results to coincide with the release of the Ohio Integrated Water Quality Monitoring and Assessment Report.

Extension of various air and water fees

- Extends all of the following for two years:

  --The sunset of the annual emissions fees for synthetic minor facilities;

  --The levying of higher fees, and the decrease of those fees at the end of the two years, for applications for plan approvals for wastewater treatment works under the Water Pollution Control Law;

  --The sunset of the annual discharge fees for holders of national pollutant discharge elimination system permits issued under the Water Pollution Control Law;

  --The sunset of license fees for public water system licenses issued under the Safe Drinking Water Law;

  --A higher cap on the total fee due for plan approval for a public water supply system under the Safe Drinking Water Law and the decrease of that cap at the end of the two years;

  --The levying of higher fees, and the decrease of those fees at the end of the two years, for state certification of laboratories and laboratory personnel for purposes of the Safe Drinking Water Law;

  --The levying of higher fees, and the decrease of those fees at the end of the two years, for applications to take examinations for certification as operators of water supply systems or wastewater systems under the Safe Drinking Water Law or the Water Pollution Control Law;

  --The levying of higher fees, and the decrease of those fees at the end of the two years, for applications for permits, variances, and plan approvals under the Water Pollution Control and the Safe Drinking Water laws.

Emergency actions and confidentiality under water laws

- Requires a person that discharges material into the environment, if an emergency exists, to disclose information to the Director or the Director's authorized representative (hereafter Director) necessary for response or investigatory purposes under the Water Pollution Control Law.

- Requires the person, if the person designates the information as containing trade secret information, to submit both a complete and a redacted version.

- Allows the Director, during an emergency, to share the complete version with public and private water systems, provided that the water systems maintain the confidentiality of the information and use the information for specified purposes, including:

  --Assessing exposure or potential exposure of persons or aquatic organisms to any component of or chemical in a pollutant or contaminant spilled, released, or discharged; and

  --Testing for such a component or chemical.

- Requires the Director, if the Director shares the complete information, to so notify the person that designates the information as a trade secret as soon as practicable.

- Stipulates both of the following:

  --The sharing of complete information does not affect the designation of a trade secret pursuant to the bill and does not subject the information to public disclosure;

  --Nothing precludes a person that has designated a trade secret and has provided that information to the Director from requesting a confidentiality agreement with a recipient of the information.

- Authorizes the Director to disclose to a person that seeks to obtain information containing trade secret information the identity of the person that has designated the information as containing trade secrets.

- Establishes similar provisions in the Safe Drinking Water Law.

Water pollution and shale and clay products, slag

- Excludes certain shale and clay products and slag from regulation as industrial waste under the Water Pollution Control Law.

- States that the exclusions apply regardless of whether the shale and clay products and slag are placed on the ground or below grade or are used in products that come into contact with the ground or are placed below grade.

Isolated wetlands permits

- Revises the statutes governing permits for impacts to isolated wetlands by doing both of the following:

  --Defining "preservation" as the long-term protection, rather than protection in perpetuity, of ecologically important wetlands through the implementation of appropriate legal mechanisms to prevent harm to the wetlands;

  --Requiring a permit applicant to demonstrate that the mitigation site will be protected long term rather than in perpetuity.

Section 401 water quality certification; certified water quality professionals

- Requires data sufficient to determine the existing aquatic life use, rather than a use attainability analysis, to accompany an application for a section 401 water quality certification if the project involves a stream for which a specific aquatic life use designation has not been made.

- Requires the mitigation proposal contained in an application for a section 401 water quality certification to include the proposed real estate instrument or other available mechanism for protecting the property long term rather than the legal mechanism for protecting the property in perpetuity.

- Authorizes the Director to establish a program and adopt rules to certify water quality professionals to assess streams to determine existing aquatic life use and to categorize wetlands in support of applications for section 401 water quality certification and isolated wetland permits.

- Requires the Director to use information submitted by certified water quality professionals in reviewing such applications.

- Requires the Director's rules to address specified topics, including experience requirements for applicants, an annual certification fee, suspension and revocation of certifications, and technical standards to be used by certified water quality professionals in conducting stream assessments and wetlands categorizations.

Enforcement of Water Pollution Control Law

- Increases criminal penalties for certain violations of the Water Pollution Control Law, and establishes culpable mental states regarding certain violations.

- Provides that if a person is convicted of or pleads guilty to a violation of any provision of that Law, the sentencing court may order the person to reimburse the state agency or a political subdivision for any actual response costs, including addressing impacts to aquatic resources.

Air Pollution Control Law technical correction

- Corrects an erroneous cross-reference.

Extension of E-Check

(R.C. 3704.14)

The bill authorizes the extension of the motor vehicle inspection and maintenance program (E-Check) through June 30, 2021, in Ohio counties in which a program is federally mandated. The bill accomplishes the extension by doing both of the following:

--Authorizing the Director of Environmental Protection to request the Director of Administrative Services to extend the contract in existence on June 30, 2015, for a period of up to 24 months through June 30, 2017;

--Requiring that prior to the expiration of the contract extension, the Director of Environmental Protection request the Director of Administrative Services to enter into a new contract with a vendor to operate a program in Ohio counties in which a program is federally mandated through June 30, 2019, with an option for the state to renew the contract for a period of up to 24 months through June 30, 2021.

The bill retains the requirement that the new contract ensure that the program achieves at least the same emissions reductions as achieved by the program under the contract that was extended. It also retains the requirement under which the Director of Administrative Services must use a competitive selection process when entering into a new contract with a vendor. Finally, the bill retains all statutory requirements governing the implementation and operation of the program, including requirements that the program must be a decentralized program and that it must include a new car exemption.

Waste Management Fund

(R.C. 3714.051, 3714.07, 3714.08, 3714.09, 3734.02, 3734.021, 3734.061, 3734.07, 3734.551, and 3734.57)

The bill renames the Solid Waste Fund in the Solid, Hazardous, and Infectious Wastes Law the Waste Management Fund. It also eliminates the Construction and

Demolition Debris Facility Oversight Fund and the Infectious Waste Management Fund and credits the money that currently is credited to those Funds to the Waste Management Fund. It then does all of the following with regard to the purposes for which the renamed Fund is used:

(1) Retains the use of money collected from the following sources for the administration and enforcement of the laws pertaining to solid wastes, infectious wastes, and construction and demolition debris:

--One of the four state fees levied on the transfer or disposal of solid waste (see fee discussion below);

--Reimbursement of expenses incurred by the Director of Environmental Protection in preparing and ordering the implementation of an initial or amended solid waste management plan;

(2) Eliminates the use of the Fund for providing compliance assistance to small businesses and paying a share of the administrative costs of the Environmental Protection Agency (EPA) (see fee discussion below);

(3) Adds that the Fund must be used to address violations of the Air and Water Pollution Control Laws at facilities regulated under the Solid, Hazardous, and Infectious Wastes Law;

(4) Retains the use of money collected from the following sources exclusively for the administration and enforcement of the Construction and Demolition Debris Law and rules adopted under it:

--The application fee for the issuance of a permit to install a new construction and demolition debris facility;

--The disposal fee for construction and demolition debris or asbestos or asbestos-containing material;

--Reimbursement of expenses incurred by the Director for the inspection of, or investigation of a violation by, a construction and demolition debris facility;

(5) Retains the use of money collected from the following sources exclusively for the administration and enforcement of the infectious waste provisions in the Solid, Hazardous, and Infectious Wastes Law and rules adopted under them:

--The registration fee for an infectious waste generator;

--Reimbursement of expenses incurred by the Director for the inspection of, or investigation of a violation by, an infectious waste treatment facility or a solid waste facility that accepts infectious wastes.

Finally, regarding the use of money collected from the sources specified in item (5), above, the bill requires, rather than authorizes as in current law, the Director to use that money for the specified purposes.

Exclusions from regulation as solid wastes

(R.C. 3734.01)

The bill excludes from regulation as solid wastes under the Solid, Infectious, and Hazardous Wastes Law nontoxic, nonhazardous, unwanted fired and unfired, glazed and unglazed, structural shale and clay products.

Solid waste transfer and disposal fees

(R.C. 3734.57 and 3745.015)

The bill revises provisions governing solid waste transfer and disposal fees in the Solid, Hazardous, and Infectious Wastes Law. It extends the expiration of four state fees levied on the transfer or disposal of solid waste from June 30, 2016, to June 30, 2018. In addition, it retains the aggregate amount of those fees at $4.75, but reallocates the individual fees and their uses as follows:

(1) Decreases from $1 to 90¢ the per-ton fee the proceeds of which are credited to two funds that are used for purposes of Ohio's hazardous waste management program, and allocates 20¢, rather than 30% as in current law, of the fee to the Hazardous Waste Facility Management Fund and 70¢, rather than 70% as in current law, to the Hazardous Waste Clean-Up Fund;

(2) Decreases from $1 to 75¢ the per-ton fee the proceeds of which are credited to the Solid Waste Fund (renamed the Waste Management Fund by the bill), which is used for the solid and infectious waste and construction and demolition debris management programs;

(3) Increases from $2.50 to $2.85 the per-ton fee the proceeds of which are credited to the Environmental Protection Fund, which is used by EPA to pay its costs of administering and enforcing laws governing environmental protection, and requires that Fund to also be used to pay the costs of providing compliance assistance to small businesses; and

(4) Retains the 25¢ per-ton fee the proceeds of which are credited to the Soil and Water Conservation District Assistance Fund, which is used to assist soil and water conservation districts.

Source separated recyclable materials

(R.C. 343.01)

The bill authorizes source separated recyclable materials, defined to mean materials separated from other solid wastes at the location where the materials are generated for the purpose of recycling at a legitimate recycling facility, to be taken to any legitimate recycling facility rather than to a facility designated in the plan of a solid waste management district or otherwise designated by a district. Under the bill, a legitimate recycling facility is an engineered facility or site where recycling of material other than scrap tires is the primary objective of the facility.

Sale of tire fees

(R.C. 3734.901)

The bill extends until June 30, 2018, the sunset of the 50¢ per-tire fee on the sale of tires the proceeds of which are used to fund the scrap tire management program. The fee is scheduled to expire on June 30, 2016.

The bill also extends until June 30, 2018, the sunset of an additional 50¢ per-tire fee on the sale of tires the proceeds of which are credited to the Soil and Water Conservation District Assistance Fund, which is used to provide money to soil and water conservation districts. Current law requires the additional fee to be collected and so credited until June 30, 2016.

Materials Management Advisory Council

(R.C. 3734.49, 3734.50, 3734.51 (repealed), 3734.822, 3736.03, 3736.04 (repealed), 3736.05, and 3736.06; Section 515.10)

The bill merges the Solid Waste Advisory Council with the Recycling and Litter Prevention Advisory Council and renames the merged Council the Materials Management Advisory Council. It generally transfers the duties and responsibilities of the two Councils, as indicated in parentheses, to the new Council and establishes additional duties and responsibilities for the new Council, as indicated in parentheses, as follows:

(1) Providing advice and assistance to the Director of Environmental Protection with preparation of the state solid waste management plan and periodic revisions to the plan (Solid Waste Management Advisory Council);

(2) Approving or disapproving the draft state solid waste management plan and periodic revisions prior to the plan's adoption (Solid Waste Management Advisory Council);

(3) Annually reviewing the implementation of the state solid waste management plan (Solid Waste Management Advisory Council);

(4) Preparing and submitting an annual report to the General Assembly on the state's solid waste management system and efforts towards achieving the goals, restrictions, and objectives established under specified provisions of the statute governing the state solid waste management plan. The report may recommend legislative action (new).

(5) Triennially providing advice to the Director in conducting a review of the progress made toward achieving the objectives, restrictions, and goals established under specified provisions of the statute governing the plan (new);

(6) With the approval of the Director, establishing criteria by which to certify, and certify, state agencies and political subdivisions for receipt of grants for activities or projects that are intended to accomplish the purposes of any of the statewide source reduction, recycling, recycling market development, and litter prevention programs established under current law (Recycling and Litter Prevention Advisory Council);

(7) Advising the Director on establishing and implementing statewide source reduction, recycling, recycling market development, and litter prevention programs (Recycling and Litter Prevention Advisory Council);

(8) Researching and responding to questions posed to the new Council by the Director (new); and

(9) Establishing and developing formal and informal partnerships with other entities that foster a productive marketplace for the collection and use of recycled materials (new).

The bill deletes the requirement that the Solid Waste Management Advisory Council annually review implementation of solid waste management plans of county and joint solid waste management districts.

Under the bill, the Governor, with the advice and consent of the Senate, must appoint the following 13 members to the new Council:

(1) One member who is an employee of a health district whose duties include enforcement of the solid waste provisions of the Solid, Hazardous, and Infectious Wastes Law;

(2) One member representing the interests of counties;

(3) One member representing the interests of municipal corporations;

(4) One member representing the interests of townships;

(5) One member representing the interests of solid waste management districts;

(6) One member representing a statewide environmental advocacy organization;

(7) One member representing the public;

(8) Six members, representing private industry, with knowledge of or experience in waste management, recycling, or litter prevention programs. Those members also must represent a broad range of interests, including manufacturing, wholesale, retail, labor, raw materials, commercial recycling, and solid waste management.

The bill provides for staggered three-year terms for the appointees and includes standard procedures governing their appointment, the filling of vacancies, and removal of appointees. Additionally, the bill requires the Director to appoint the chairperson of the new Council and requires the new Council to meet at least twice a year. A majority vote of the members is necessary to take action. Members serve without compensation, but must be reimbursed for expenses.

Finally, the bill provides for the necessary transfer of assets and liabilities to the new Council and provides that legal actions initiated under current law by either of the existing Councils are to be continued by the new Council.

Transfer of Storm Water Management Program

(R.C. 1511.02, 3734.57, 3734.901, and 6111.03; Section 737.40)

The bill transfers, effective January 1, 2016, the administration of the Storm Water Management Program from the Division of Soil and Water Resources in DNR to the Environmental Protection Agency. The bill effects the transfer by doing, in part, both of the following:

(1) Authorizing the Director of Environmental Protection to develop technical guidance and offer technical assistance, upon request, for the purpose of minimizing wind or water erosion of soil and assist in compliance with permits for storm water management issued under the Water Pollution Control Law and rules adopted under it;

(2) Stating that, subject to the layoff provisions of the law governing state and local personnel or the applicable collective bargaining agreement, all of the Division's employees relating to the Program are transferred to the Agency and retain their same positions and all benefits accruing to them.

Under current law, the Chief of the Division of Soil and Water Resources administers the Program by adopting rules that establish all of the following:

(1) Technically feasible and economically reasonable standards to achieve a level of management and conservation practices that will abate wind or water erosion of the soil or abate the degradation of water by soil sediment in conjunction with certain soil-disturbing activities on land used or being developed for nonfarm purposes as well as criteria for determination of the acceptability of such management and conservation practices;

(2) Procedures for administration of rules governing urban sediment pollution abatement;

(3) Procedures for administering grants to soil and water conservation districts for urban sediment pollution abatement programs and requirements governing the execution of projects to encourage the reduction of erosion and sedimentation associated with soil-disturbing activities.

Additionally, current law authorizes the Chief to recommend criteria and procedures for the approval of urban sediment pollution abatement plans and issuance of permits prior to any soil-disturbing activities of five or more contiguous acres of land owned by one person or operated as one development unit and require implementation of such a plan.

Study of nutrient loading to Ohio watersheds

(R.C. 6111.03(U))

The bill authorizes the Director of Environmental Protection to study, examine, and calculate nutrient loading to watersheds in the Lake Erie basin and the Ohio River from point and nonpoint sources. The study must determine comparative contributions by those sources and utilize the information derived from those calculations to determine the most environmentally beneficial and cost-effective mechanisms to reduce nutrient loading to those watersheds. In order to evaluate nutrient loading contributions, the Director or the Director's designee must conduct a study of the nutrient mass balance for both point and nonpoint sources in watersheds in the Lake Erie basin and the Ohio River basin using available data, including data on water quality and stream flow and on point source discharges into those watersheds. The Director or the Director's designee must report and update the study's results to coincide with the release of the Ohio Integrated Water Quality Monitoring and Assessment Report.

Extension of various air and water fees

Synthetic minor facility emissions fees

(R.C. 3745.11(D))

Under current law, each person who owns or operates a synthetic minor facility must pay an annual fee based on the sum of the actual annual emissions from the facility of particulate matter, sulfur dioxide, nitrogen dioxide, organic compounds, and lead in accordance with a fee schedule. A synthetic minor facility is a facility for which one or more permits to install or permits to operate have been issued for the air contaminant sources at the facility that include terms and conditions that lower the facility's potential to emit air contaminants below the major source thresholds established in rules adopted under existing law. Current law requires the fee to be paid through June 30, 2016. The bill extends the fee through June 30, 2018.

Water pollution control fees and safe drinking water fees

(R.C. 3745.11(L), (M), and (N))

Under current law, a person applying for a plan approval for a wastewater treatment works is required to pay a fee of $100 plus .0065% of the estimated project cost, up to a maximum of $15,000, when submitting an application through June 30, 2016, and a fee of $100 plus .002% of the estimated project cost, up to a maximum of $5,000, on and after July 1, 2016. Under the bill, the first tier fee is extended through June 30, 2018, and the second tier applies to applications submitted on or after July 1, 2018.

Current law establishes two schedules for annual discharge fees to be paid by holders of national pollutant discharge elimination system (NPDES) permits with an average daily discharge flow of 5,000 or more gallons per day. Under each of the schedules, one of which is for public dischargers and one of which is for industrial dischargers, the fees are based on the average daily discharge flow and increase as the flow increases. Under current law, the fees are due by January 30, 2014, and January 30,

2015. The bill extends payment of the fees and the fee schedules to January 30, 2016, and January 30, 2017.

In addition to the fee schedules described above, current law imposes a $7,500 surcharge to the annual discharge fee for major industrial dischargers that must be paid by January 30, 2014, and January 30, 2015. The bill continues the surcharge and requires it to be paid annually by January 30, 2016, and January 30, 2017.

Under current law, one category of public discharger and eight categories of industrial dischargers that are NPDES permit holders are exempt from the annual discharge fees that are based on average daily discharge flow. Instead, they are required to pay an annual discharge fee of $180. Under current law, the fee is due annually not later than January 30, 2014, and January 30, 2015. The bill continues the fee and requires it to be paid annually by January 30, 2016, and January 30, 2017.

The Safe Drinking Water Law prohibits anyone from operating or maintaining a public water system without an annual license from the Director of Environmental Protection. Applications for initial licenses or license renewals must be accompanied by a fee, which is calculated using schedules for the three basic categories of public water systems established in current law. The fee for initial licenses and license renewals is required in statute through June 30, 2016, and has to be paid annually prior to January 31, 2016. The bill extends the initial license and license renewal fee through June 30, 2018, and requires the fee to be paid annually prior to January 31, 2018.

The Safe Drinking Water Law also requires anyone who intends to construct, install, or modify a public water supply system to obtain approval of the plans from the Director. Ongoing law establishes a fee for such plan approval of $150 plus .0035% of the estimated project cost. Under current law, the fee cannot exceed $20,000 through June 30, 2016, and $15,000 on and after July 1, 2016. The bill specifies that the $20,000 limit applies to persons applying for plan approval through June 30, 2018, and the $15,000 limit applies to persons applying for plan approval on and after July 1, 2018.

Current law establishes two schedules of fees that the EPA charges for evaluating laboratories and laboratory personnel for compliance with accepted analytical techniques and procedures established under the Safe Drinking Water Law. A schedule with higher fees applies through June 30, 2016, and a schedule with lower fees applies on and after July 1, 2016. The bill continues the higher fee schedule through June 30, 2018, and applies the lower fee schedule to evaluations conducted on or after July 1, 2018. The bill continues through June 30, 2018, a provision stating that an individual laboratory cannot be assessed a fee more than once in a three-year period unless the person requests the addition of analytical methods or analysts, in which case the person must pay $1,800 for each additional survey requested.

Fees for certification of water supply or wastewater systems operators

(R.C. 3745.11(O))

Current law requires a person applying to the Director to take an examination for certification as an operator of a water supply system or a wastewater system to pay a fee, at the time an application is submitted, in accordance with a statutory schedule. A higher schedule is established through November 30, 2016, and a lower schedule applies on and after December 1, 2016. The bill extends the higher fee schedule through November 30, 2018, and applies the lower fee schedule beginning December 1, 2018.

Application fees – water pollution control and safe drinking water

(R.C. 3745.11(S))

Current law requires any person applying for a permit other than a NPDES permit, a variance, or plan approval under the Safe Drinking Water Law or the Water Pollution Control Law to pay a nonrefundable fee of $100 at the time the application is submitted through June 30, 2016, and a nonrefundable fee of $15 if the application is submitted on or after July 1, 2016. The bill extends the $100 fee through June 30, 2018, and applies the $15 fee on and after July 1, 2018.

Similarly, under existing law, a person applying for a NPDES permit through June 30, 2016, must pay a nonrefundable fee of $200 at the time of application. On and after July 1, 2016, the nonrefundable application fee is $15. The bill extends the $200 fee through June 30, 2018, and applies the $15 fee on and after July 1, 2018.

Drinking Water Protection Fund

(R.C. 6109.30)

The bill eliminates the prohibition in current law against the use of moneys in the Drinking Water Protection Fund to meet any state matching requirements that are necessary to obtain federal grants. Under continuing law, the Fund is used to administer state and federal safe drinking water laws, provide technical assistance to public water systems, and conduct studies and support programs related to drinking water.

Emergency actions and confidentiality under water laws

(R.C. 6109.34 and 6111.05)

Water Pollution Control Law

The bill revises the provisions of the Water Pollution Control Law governing the Director's authority regarding emergency actions and confidentiality of information provided under the Law. The bill specifies that if an emergency requires the Director or the Director's authorized representative (hereafter Director unless otherwise specified) to respond to protect public health or safety or the environment, the Director may request either of the following to disclose records, reports, or information (hereafter information) necessary to respond to or investigate the emergency:

(1) Any person that is responsible for causing or allowing a spill, release, or discharge of a pollutant or contaminant into or on the environment;

(2) Any person having knowledge of the components or chemical identity of the pollutant or contaminant.

Upon receiving the request, the person must submit the information without undue delay. If the person designates any portion of the information as containing trade secret information, the person must submit both a complete and a redacted version of the information. The person must mark the redacted version "public version" and redact any trade secret information.

Under the bill, the Director must consider any submitted information or any particular part of the information designated as a trade secret to be a trade secret and, generally as in existing law, manage that trade secret information as confidential (solely the Director's responsibility). The bill retains the stipulation that the confidentiality of trade secret information does not apply to data concerning the amounts of contents of discharges or the quality of receiving waters to which the Director has access under the Water Pollution Control Law. It eliminates the requirement that the Director give ten days' written notice to the person claiming trade secrecy before divulging trade secret information.

The bill prohibits the Director from disclosing any complete information designated as containing trade secret information. However, during an emergency that requires the Director to respond to protect public health or safety or the environment or during an investigation of such an emergency, the Director may share any of the complete information with the owner or operator of a public or private water system that needs the information for any of the following purposes:

(1) Assessing exposure or potential exposure of persons or aquatic organisms to any component of or chemical in a pollutant or contaminant spilled, released, or discharged;

(2) Conducting or assessing sampling to determine exposure levels of various population groups or aquatic organisms to any such component or chemical;

(3) Testing for any such component or chemical.

The bill requires the Director, prior to sharing any such complete information, to label and identify, to the extent practicable, any of that information as a trade secret. If the Director shares any of the information, the Director (solely the Director's responsibility) must notify the person that designated the trade secret information of that sharing as soon as practicable. Nothing in the above provisions precludes a person that designated trade secret information under the bill from requesting a confidentiality agreement with a recipient of the information.

During an emergency action taken to protect public health or safety or the environment, the owner or operator of a public or private water system may share complete information that has been designated as containing trade secret information with an agent, consultant, or representative of the owner or operator. An owner or operator, including an agent, consultant, or representative, that receives such information must maintain the confidentiality of the information and may use the information only for the purposes specified above.

The bill states that the sharing of information containing trade secret information does not change the status of the information as being designated a trade secret pursuant to the bill. In addition, the sharing does not subject the information to public disclosure.

The Director may disclose to a person that seeks to obtain information containing trade secret information the identity of the person that has designated that information as containing trade secret information. The person to whom the Director discloses that identity may contact the person that designated the trade secret information.

The bill retains current law under which, except with regard to trade secret information, any records, reports, or information obtained under the Water Pollution Control Law must be available for public inspection.

Safe Drinking Water Law

The bill establishes similar provisions in the Safe Drinking Water Law. It specifies that during an emergency that requires the Director to respond to protect public health or safety or the environment or during an investigation of such an emergency, the Director may share any complete information designated as containing trade secret information. A person that receives such information must maintain the confidentiality of the information and use it only for the purposes established in the bill as discussed above.

The sharing of complete information designated as containing trade secret information does not change the status of the information as being designated a trade secret pursuant to the bill. In addition, the sharing does not subject the information to public disclosure.

Water pollution and shale and clay products, slag

(R.C. 6111.01)

The bill excludes from regulation as industrial waste under the Water Pollution Control Law both shale and clay products and slag. It states that the exclusions apply regardless of whether the shale and clay products and slag are placed on the ground or below grade or are used in products that come into contact with the ground or are placed below grade. Under the bill, shale and clay products are nontoxic, nonhazardous, unwanted fired and unfired, glazed and unglazed, structural shale and clay products. Slag is the nonmetallic product resulting from melting or smelting operations for iron or steel.

Isolated wetlands permits

(R.C. 6111.02 and 6111.027)

The bill revises the definition of "preservation" as used in the statutes governing permits for impacts to isolated wetlands to mean the long-term protection, rather than protection in perpetuity, of ecologically important wetlands through the implementation of appropriate legal mechanisms to prevent harm to the wetlands. It then requires an applicant for coverage under an individual or general state isolated wetland permit to demonstrate that the mitigation site will be protected long term rather than in perpetuity.

Section 401 water quality certification; certified water quality professionals

(R.C. 6111.30)

The bill revises two of the requirements governing information to be included with an application for a section 401 water quality certification under the Water Pollution Control Law. First, it requires an application to include data sufficient to determine the existing aquatic life use, rather than a use attainability analysis, if the project involves a stream for which a specific aquatic life use designation has not been made. Next, it retains the requirement that an application contain a specific and detailed mitigation proposal, but requires the proposal to include the proposed real estate instrument or other available mechanism for protecting the property long term rather than the proposed legal mechanism for protecting the property in perpetuity.

The bill authorizes the Director to establish a program and adopt rules to certify water quality professionals to assess streams to determine existing aquatic life use and to categorize wetlands in support of applications for section 401 water quality certification and isolated wetland permits. It then requires the Director to use information submitted by certified water quality professionals in reviewing such applications.

The Director's rules must do all of the following:

(1) Provide for the certification of water quality professionals for the above purposes. Those rules must do all of the following:

--Authorize the Director to require an applicant to submit information necessary for the Director to assess a water quality professional's experience in conducting stream assessments and wetlands categorizations;

--Authorize the Director to establish experience requirements and to use tests to determine the competency of applicants;

--Authorize the Director to approve and deny applications based on applicants' compliance with the requirements established in rules;

--Require the Director to revoke certification of a water quality professional if the Director finds that the professional falsified any information on the application for certification regarding the professional's credentials;

--Require periodic renewal of a water quality professional's certification and establish continuing education requirements for purposes of that renewal.

(2) Establish an annual fee to be paid by certified water quality professionals in an amount calculated to defray costs incurred by the EPA for reviewing applications and issuing certifications;

(3) Authorize the Director to suspend or revoke a certification if the water quality professional's performance has resulted in submission of improper documentation that is inconsistent with standards established in rules as discussed below;

(4) Authorize the Director to review documentation submitted by a certified water quality professional to ensure compliance with the rules establishing standards;

(5) Require a certified water quality professional to submit any documentation developed in support of an application for a section 401 water quality certification or an isolated wetland permit upon the Director's request;

(6) Authorize random audits by the Director of documentation developed or submitted by certified water quality professionals to ensure compliance with the rules establishing standards;

(7) Establish technical standards to be used by certified water quality professionals in conducting stream assessments and wetlands categorizations.

Enforcement of Water Pollution Control Law

(R.C. 6111.99)

The bill increases criminal penalties for certain violations of the Water Pollution Control Law and establishes culpable mental states regarding certain violations as follows:

Type of violation	The bill	Current law
Violations of provisions regarding prohibited acts of pollution, compliance with effluent standards, and right of entry for enforcement purposes.	A purposeful violation is a felony punishable by a fine of not more than $25,000, imprisonment for not more than four years, or both. Each day of violation is a separate offense. A knowing violation is a misdemeanor punishable by a fine of not more than $10,000, imprisonment for not more than one year, or both. Each day of violation is a separate offense.	A violation is punishable by a fine of not more than $25,000, imprisonment for not more than one year, or both.*
Violations of provisions regarding submission of false information.	A purposeful violation is a felony punishable by a fine of not more than $25,000, imprisonment for not more than four years, or both.	A violation is punishable by a fine of not more than $25,000.*

Type of violation	The bill	Current law
	Each day of violation is a separate offense. A knowing violation is a misdemeanor punishable by a fine of not more than $10,000, imprisonment for not more than one year, or both. Each day of violation is a separate offense.	
Violations of orders, rules, or terms or conditions of a permit.	A purposeful violation is a felony punishable by a fine of not more than $25,000, imprisonment for not more than four years, or both. Each day of violation is a separate offense. A knowing violation is a misdemeanor punishable by a fine of not more than $10,000, imprisonment for not more than one year, or both. Each day of violation is a separate offense.	A violation is punishable by: a fine of not more than $25,000, imprisonment for not more than one year, or both.*
Violations of provisions regarding waste minimization and treatment plans and fees per ton of waste.	A knowing violation is a misdemeanor punishable by a fine of not more than $10,000, imprisonment for not more than one year, or both. Each day of violation is a separate offense.	A violation is punishable by a fine of not more than $10,000.*
Violations of provision requiring approval for plans for disposal of industrial waste.	A knowing violation is a misdemeanor punishable by a fine of not more than $10,000, imprisonment for not more than one year, or both. Each day of violation is a separate offense.	A violation is punishable by a fine of not more than $500.*

Type of violation	The bill	Current law
Violations of provision requiring approval of plans for installation of or changes in sewerage or treatment works.	A violation is punishable by a fine of not more than $10,000.* Each day of violation is a separate offense.	A violation is punishable by a fine of not more than $100.*

* No culpable mental state is specified. The default culpable mental state is recklessness.

The bill also provides that if a person is convicted of or pleads guilty to a violation of any provision of the Water Pollution Control Law, the court imposing the sentence may order the person to reimburse the state agency or a political subdivision for any actual response costs incurred in responding to the violation, including the cost of restoring affected aquatic resources or otherwise compensating for adverse impact to aquatic resources directly caused by the violation, but not including costs of prosecution.

Air Pollution Control Law technical correction

(R.C. 3704.04)

The bill corrects an erroneous cross-reference.

- Changes the deadline for public officials and employees to file financial disclosure statements with the appropriate ethics commission from April 15 to May 15.
- Alters the deadline for an ethics commission to notify a class of public officials or employees that it requires to file statements of the filing requirement.
- Makes confidential financial disclosure statements filed by members of the Board of Trustees and the Executive Director of the Southern Ohio Agricultural and Community Development Foundation.

Financial disclosure statement filing deadline

(R.C. 102.02, 102.022, and 187.03)

The bill changes the deadline from April 15 to May 15 for public officials and employees to file annual financial disclosure statements with the appropriate ethics commission – the Joint Legislative Ethics Commission, the Ohio Ethics Commission, or the Supreme Court Board of Commissioners on Grievances and Discipline, depending on the person's position.[95] And, under the bill, if an ethics commission adds a class of public officials or employees to the list of individuals who must file statements, the commission must send those officials or employees written notice of the requirement not less than 30 days before the filing deadline, instead of by February 15. If such an official or employee is appointed after the deadline to send the notice, the notice must be sent within 30 days after appointment.

Under continuing law, a candidate for elective office (including a person who is currently a public official or employee) must file that statement no later than 30 days before the first election at which the person appears on the ballot, except that a write-in candidate must file that statement no later than 20 days before the election. A person who is appointed to fill a vacancy in an elective office must file a statement within 15 days after qualifying for office. Other persons who are appointed or employed after the general filing deadline must file a statement within 90 days.

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[95] R.C. 102.01(F), not in the bill. While continuing law refers to the Board of Commissioners on Grievances and Discipline, the Supreme Court changed that entity's name to the Board of Professional Conduct, effective January 1, 2015. See Rule V of the *Supreme Court Rules for the Government of the Bar of Ohio*.

Southern Ohio Agricultural and Community Development Foundation

(R.C. 102.02)

The bill makes confidential financial disclosure statements filed by members of the Board of Trustees and the Executive Director of the Southern Ohio Agricultural and Community Development Foundation (SOACDF). Current law makes those financial disclosure statements public records under an exemption that specifically applies to the SOACDF. Under the bill, financial disclosure statements filed by members of the Board of Trustees and the Executive Director of SOACDF are confidential in the same manner as those statements are confidential for other members of unpaid boards, commissions, and bureaus.

OHIO FACILITIES CONSTRUCTION COMMISSION

Declaration of public exigency

- Expands the authority of the Executive Director of the Ohio Facilities Construction Commission (OFCC) to declare a public exigency regarding any public works.
- Allows the OFCC Executive Director to declare a public exigency upon the request of a state institution of higher education or any other state instrumentality.

Cultural facilities cooperative use agreements

- Renames a "cooperative contract" under the Public Works Law a "cooperative use agreement."
- Specifies, when an Ohio sports facility is financed in part by state bonds, that construction services must be provided on the state's behalf or at the direction of the governmental agency or nonprofit corporation that will own or manage the facility.
- Specifies that the construction services must be specified in a cooperative use agreement between the OFCC and the governmental agency or nonprofit corporation.
- Exempts the cooperative use agreement and actions taken under it from Public Works and Public Improvements Laws, but subjects them to phases of those laws relating to cultural facilities and the use of domestic steel and the Prevailing Wage Law.
- Specifies that a cooperative use agreement must have a provision requiring a cultural project to be completed and ready to support culture, rather than completed and ready for full occupancy.
- Expands the definition of "governmental agency" in the public works law to include state agencies and state institutions of higher education.
- Requires, before a state agency issues bid specifications for a proposed public improvement that require a contractor or subcontractor to enter into a project labor agreement, the state agency to hold a public hearing.
- Requires the state agency to decide whether to include that requirement in the bid specifications not earlier than 30 days after the hearing.

State-financed historical facilities

- Specifies that a cultural organization financing a historical facility project with state money may use not more than 3% of the money to pay its cost of administering the project.

Surety bonds

- Transfers from the Director of Administrative Services to the Executive Director authority to adopt rules regarding certain surety bonds.

Electronically filed bids

- Allows a public bid guaranty to be provided by means of an electronic verification and security system.

- Limits the ability to broadcast a public bid opening by electronic means to only bids that are filed electronically.

- Eliminates the requirement that submitted bids be tabulated on duplicate sheets.

Energy and water conservation

- Clarifies that the Executive Director has authority to enter into energy or water conservation contracts on the Executive Director's own initiative or at the request of a state agency.

School Facilities Commission

- Provides that the project scope and basic costs established by the School Facilities Commission at the request of a school district seeking new conditional approval of a classroom facilities project, after a lapse of a previous conditional approval, are valid for 13 months, rather than one year as prescribed under current law.

- Permits funds appropriated to the Commission for classroom facilities projects that were not spent or encumbered during the first year of each biennium, and which are greater than half of such appropriations for the entire biennium, to be used for various Commission programs.

- Specifies that a school district, educational service center, or community school may enter into a lease-purchase agreement providing for the construction or improvement and eventual acquisition of "facilities or improvements to facilities," rather than just "buildings" as under current law, including buildings, playgrounds, parking lots, athletic facilities, and safety enhancements.

- Requires that a lease-purchase agreement must not provide for a series of one-year renewable lease terms totaling not more than the number of years equivalent to the useful life of the asset not to exceed 30 years.

- Requires the Commission, in consultation with the Office of Budget and Management, to prepare a study of the impacts, benefits, and risks associated with a school district funding its share of the cost of a school facilities project under any of the Commission's programs with cash-on-hand resulting from a lease-purchase agreement.

- Eliminates the Education Facilities Trust Fund and the Ohio School Facilities Commission Fund.

- Requires the School Facilities Commission to establish guidelines for assisting a "qualifying partnership" (a group of city, exempted village, or local school districts that are part of a career-technical education compact, meet other specified conditions, and have entered into an agreement for joint or cooperative establishment and operation of a science, technology, engineering, and mathematics education program) in the acquisition of classroom facilities.

- Authorizes a qualifying partnership, subject to voter approval, to levy a property tax for up to ten years for the purpose of acquiring the classroom facilities.

- Requires a qualifying partnership that chooses to levy a property tax to designate the board of education of one of the participating school districts to serve as the fiscal board of the partnership for the purposes of administering levy funds.

- Permits the School Facilities Commission to provide grant funding to (1) high-performing community schools that satisfy specified conditions or (2) newly established community schools implementing a community school model that have a track record of high quality academic performance, as determined by the Department of Education.

Declaration of public exigency

(R.C. 123.10)

The bill expands the authority of the Executive Director of the Ohio Facilities Construction Commission (OFCC) to declare a public exigency. Under current law, the Executive Director may declare a public exigency when an injury or obstruction occurs in any public work of the state maintained by the Director of Administrative Services.

The bill removes the limitation "maintained by the Director of Administrative Services" to allow the Executive Director to declare a public exigency regarding any public work of the state.

Current law allows the Executive Director to declare a public exigency on the Executive Director's own initiative or upon the request of the director of a state agency. The bill expands this authorization to allow the Executive Director also to declare a public exigency upon the request of a state institution of higher education or any other state instrumentality.

Cultural facilities cooperative use agreements

(R.C. 123.28 and 123.281)

Ohio's Public Works Law defines "cooperative contract" to mean a contract between the OFCC and a cultural organization providing the terms and conditions of the cooperative use of an Ohio cultural facility. The bill changes the name "cooperative contract" to "cooperative use agreement." The bill also expands the meaning of "governmental agency," as it is used in the Public Works Law, to include a state agency and state institutions of higher education.

Instead of the current requirement that a cooperative use agreement include a provision specifying that a project can be completed and ready "for full occupancy" without exceeding appropriated funds, the bill requires the specification to be that the project can be completed and ready "to support culture" without exceeding appropriated funds.

Current law provides that a cooperative use agreement generally is not subject to Public Works Law. The bill subjects a cooperative use agreement to provisions of the Public Works Law regarding cultural facilities and the use of domestic steel.

The bill provides that when an Ohio sports facility is financed in part by state bonds, construction services must be provided on the state's behalf or at the direction of the governmental agency or nonprofit corporation that will own or manage the facility. The construction services must be specified in a cooperative use agreement between the OFCC and the governmental agency or nonprofit corporation. The cooperative use agreement, and actions taken under it, are exempt from Public Works and Public Improvements Laws, but are subject to provisions of those laws relating to cultural facilities and the use of domestic steel and the Prevailing Wage Law.

State agency bid specifications that require project labor agreements

(R.C. 153.83)

The bill requires a state agency to hold a public hearing before a state agency may issue a bid specification for a proposed public improvement that requires a contractor or subcontractor to enter into a project labor agreement. The state agency must publish notice of the hearing not less than 30 days before the hearing date. The bill requires the state agency to decide whether to include the project labor agreement requirement in the bid specification not earlier than 30 days after the hearing.

Under the bill, "public improvement" means any of the following:

(1) A road, bridge, highway, street, or tunnel;

(2) A waste water treatment system or water supply system;

(3) A solid waste disposal facility or a storm water and sanitary collection, storage, and treatment facility;

(4) Any structure or work constructed by a state agency or by another person on behalf of a state agency pursuant to a contract with the state agency.

State-financed historical facilities

(R.C. 123.281)

The bill specifies that a cultural organization financing a historical facility project with state money may not use more than 3% of the money to pay the organization's cost of administering the project.

Current law authorizes cultural organizations to enter into agreements with the OFCC whereby the organization provides construction services on behalf of the state to construct, partly with state funds, a "state historical facility," which is a site or facility used for cultural activities and that is created, operated, and maintained by the Ohio Historical Society (OHS), owned at least partly by the state or the OHS, and managed by or under contract with the OFCC.

To the extent the state funds are raised by state-issued bonds, the use of the bond proceeds must comply with certain federal restrictions if the bonds are to qualify bondholders for federal income tax exemption on the interest. Noncompliance jeopardizes the bonds' tax-exempt status and invokes the federal anti-arbitrage "rebate" requirements, causing the state to have to pay the federal government the extra yield the state receives from using the bond proceeds for purposes other than the governmental purposes that qualify the bonds for tax exemption. The purpose of the anti-arbitrage rebate provision is to discourage state and local governments from using federally tax exempt bond issuances to raise money that is used to invest in higher-yielding securities, thereby profiting from the spread between the higher yield and the government's interest cost (i.e., arbitrage). One of the federal anti-arbitrage restrictions limits, in effect, the portion of bond proceeds that may be used to pay working capital (i.e., operating) expenditures by counting a limited amount of those expenditures among the legitimate public purpose uses of the bond proceeds. Working capital expenditures in excess of that limit are considered not to be for the public purpose and therefore could invoke the rebate requirement.[96]

Surety bond authority

(R.C. 9.333 and 153.70)

The bill transfers from the Director of Administrative Services to the Executive Director the authority to adopt rules regarding surety bonds provided by a construction manager at risk, or by a design-build firm, to a public authority.

Electronically filed bids

(R.C. 153.08)

The bill modifies provisions of the Ohio Public Improvements Law regarding the competitive bidding process for the selection of a contractor for the construction of buildings or structures for the use of the state or any institution supported by the state. Currently, a public bid opening may be broadcast by electronic means. The bill limits this to allow only bids filed electronically to be broadcast by electronic means. Current law requires all electronically filed bids to be made available to the relevant public authority after the public bid opening. The bill provides that this may be achieved by means of an electronic verification and security system established under rules adopted by OFCC under the Administrative Procedure Act. Finally, the bill removes a current requirement that all submitted bids be tabulated upon duplicate sheets.

Contracts for energy and water conservation

(R.C. 156.01, 156.02, and 156.04)

The bill clarifies that the Executive Director has authority to enter into energy or water conservation contracts on the Executive Director's own initiative or at the request of a state agency. Continuing law authorizes the Executive Director to contract with

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[96] Internal Revenue Code sec. 148. 26 Code of Fed. Regs. 1.148-6.

various entities for a report containing an analysis and recommendations pertaining to the implementation of energy or water conservation measures, and to enter into an installment payment contract for the implementation of energy or water saving measures.

The bill also replaces references to the Department and Director of Administrative Services with references to the Executive Director who replaced the Department and Director in previous legislation.

School Facilities Commission

Background

As an independent agency of the OFCC, the School Facilities Commission (SFC) administers several programs that provide state assistance to school districts and community schools in constructing classroom facilities. The main program, the Classroom Facilities Assistance Program (CFAP), is designed to provide each city, exempted village, and local school district with partial funding to address all of the district's classroom facilities needs. It is a graduated, cost-sharing program where a district's portion of the total cost of the project and priority for funding are based on the district's relative wealth. Districts are ranked by wealth into percentiles. The poorest districts are served first and receive a greater amount of state assistance than wealthier districts will receive when it is their turn to be served based on their respective wealth percentile. Other smaller programs address the particular needs of certain types of districts and schools but most assistance continues to be based on relative wealth.

Lapse in project funding for CFAP

(R.C. 3318.054)

When a district is eligible for CFAP funding, it must secure local funding to pay its portion of the project cost, usually by seeking voter approval for a bond issue and an accompanying property tax levy to pay its share. For a district for which state funding lapses due to failed voter approval of local funding, the law prescribes procedures for a board to follow if it wishes to revive its project after such a lapse. To do so, the board must request that School Facilities Commission set a new scope and estimated cost for the project based on the district's current wealth percentile and tax valuation. The new scope and estimated costs are valid for one year.

The bill extends that validity of the scope and estimated costs to 13 months.

Reuse of unspent funds

(R.C. 3318.024)

In addition to CFAP as under current law, the bill permits funds appropriated to the SFC for classroom facilities projects that were not spent or encumbered during the first year of each biennium, and which are greater than half of such appropriations for the entire biennium, to be used for the following:

(1) Funding for school districts that voluntarily develop joint use or other cooperative agreements that significantly improve the efficiency of the use of facility space within or between districts;

(2) The School Building Emergency Assistance Program;

(3) Early assistance to a school district that has entered into an Expedited Local Partnership agreement;

(4) The Exceptional Needs School Assistance Program, including assistance for the relocation or replacement of facilities required as a result of any contamination of air, soil, or water that impacts the occupants of the facility;

(5) The Accelerated Urban School Building Assistance Program;

(6) The Vocational School Facilities Program.

Funding projects with lease-purchase agreements

(R.C. 3313.375; Section 285.80)

Under current law, the board of education of a school district, the governing board of an educational service center (ESC), or the governing authority of a community school may acquire buildings or building improvements and furnishings by a lease-purchase agreement. The bill specifies that a school district, ESC, or community school may enter into a lease-purchase agreement providing for the construction or improvement and eventual acquisition of "facilities or improvements to facilities" (rather than merely to "buildings" as under current law). Moreover, the bill expressly states that such facilities or improvements may include buildings, playgrounds, parking lots, athletic facilities, and safety enhancements.

Current law also provides that a lease-purchase agreement must provide for a series of not more than 30 one-year renewable lease terms, at the end of which series title to the property is vested in the district, ESC, or community school, if all of its obligations under the agreement have been satisfied. The bill on the other hand, specifies that a lease-purchase agreement must provide for a series of one-year renewable lease terms "totaling not more than the number of years equivalent to the useful life of the asset" but not to exceed 30 years.

Study

The bill also requires the SFC, in consultation with the Office of Budget and Management, to prepare a study of the impacts, benefits, and risks associated with a school district funding its share of the cost of a school facilities project under any of the SFC's programs with cash-on-hand resulting from a lease-purchase agreement. The study must be completed not later than nine months after the bill's effective date and must be submitted to the Governor and the General Assembly. Except in limited circumstances specified by the bill and with approval of the SFC, until the study is completed, the bill prohibits a school district from funding its share of the cost of a project with cash-on-hand resulting from an unvoted lease-purchase agreement. With SFC approval, a district may use such proceeds to pay its share of project cost overruns, locally funded initiatives (nonstate-funded portions of a project), and district costs under the Expedited Local Partnership programs.

Education Facilities Trust Fund

(Repealed R.C. 183.26; conforming changes in R.C. 3318.33 and 3318.40)

The bill eliminates the Education Facilities Trust Fund, which consists of a portion of the state's tobacco master settlement agreement proceeds to be used to pay costs of constructing, renovating, or repairing primary and secondary schools.

Ohio School Facilities Commission Fund

(Repealed R.C. 3318.33; conforming changes in R.C. 3318.02 and 3318.30)

The bill eliminates the Ohio School Facilities Commission Fund, which consists of (1) transfers of moneys authorized by the General Assembly, (2) investment earnings on the Public School Building Fund, Education Facilities Trust Fund, and School Building Program Assistance Fund, and (3) revenues received by the SFC to be used to pay for Commission operations.

Career-technical compact facilities for STEM education

(R.C. 3318.71, 5705.214, and 5705.2112)

The bill requires the SFC to establish guidelines for assisting a qualifying partnership in the acquisition of classroom facilities to be used for a joint science, technology, engineering, and mathematics program. For purposes of this provision, a "qualifying partnership" is a group of city, exempted village, or local school districts that meets all of the following criteria:

(1) The districts that comprise the group are part of a career-technical education compact;

(2) The districts have entered into an agreement for joint or cooperative establishment and operation of a science, technology, engineering, and mathematics education program;

(3) The aggregate territory of the districts are located in two adjacent counties, each having a population greater than 40,000, but less than 50,000, and at least one of which borders another state.

Proposal

A qualifying partnership must submit a written proposal to the SFC in order to receive funding for the acquisition of classroom facilities to be used for a joint science, technology, engineering, and mathematics program. The proposal must be submitted in a form and in the manner prescribed by the Commission and must indicate both the total amount of funding requested from the Commission and the amount of other funding pledged for the acquisition of classroom facilities, the latter of which must not be less than the total amount of funding requested from the Commission.

Funding provided by the Commission

Upon receiving a written proposal from a qualifying partnership, the Commission, subject to the approval of the Controlling Board, must provide funding to assist that qualifying partnership in the acquisition of classroom facilities to be used for a joint science, technology, engineering, and mathematics program. In doing so, it must enter into an agreement with the qualifying partnership for the acquisition of the classroom facilities and must encumber the approved funding from the amounts appropriated to the Commission for classroom facilities assistance projects. This agreement must include a stipulation of the ownership of the classroom facilities in the event the qualifying partnership ceases to exist.

Qualifying partnership classroom facilities levy

The bill authorizes a qualifying partnership to levy a tax for the purpose of funding the acquisition of classroom facilities to be used for a joint science, technology, engineering, and mathematics program. To propose such a levy, the board of education of each participating school district must adopt an identical resolution specifying the rate, purpose, term of the levy, and the date of the election at which the levy will be submitted for voter approval. The term of the levy may be for any period of time up to ten years. The levy may not be renewed or replaced upon its expiration. The levy is subject to the approval of the majority voters in the combined territory of all school districts participating in the qualifying partnership.

Before submitting a classroom facilities levy to the voters, the qualifying partnership must designate the board of education of one of the participating school districts as the fiscal board of the qualifying partnership. The fiscal board is responsible for submitting the resolutions proposing the tax levy to the appropriate county boards of elections, administering levy funds, and issuing bonds and anticipation notes backed by such funds. The fiscal board has the same rights and responsibilities with respect to funds levied for a qualifying partnership as boards of education do with respect to traditional tax levies.

Revenue from a classroom facilities levy is to be credited to a special fund established by the fiscal board of the qualifying partnership. The fiscal board may issue anticipation notes in a principal amount not exceeding 50% of the estimated proceeds of the levy to be collected in the ensuing five-year period. Issuance of the notes is governed by Chapter 133. of the Revised Code.

The bill specifies that a classroom facilities levy by a qualifying partnership is a proper public purpose. The bill also specifies that where, in the school funding law, reference is made to the amount of a school district's taxes, the reference does not include taxes levied by the fiscal board of a qualifying partnership in which the school district is a participant.

Community school classroom facilities assistance funding

(Section 501.10)

The bill permits SFC to provide grants for the purchase, construction, reconstruction, renovation, remodeling, or addition to classroom facilities to (1) "eligible high-performing community schools" and (2) newly established community schools that have a track record of high quality academic performance, as determined by the Department of Education. The bill requires that the SFC's guidelines or rules for administration of these grants include provisions for the ownership and disposal of the facilities in the event the community school closes at any time.

For purposes of this provision, an "eligible high-performing community school" is a community school that has available and has certified that it will supply at least 50% of the cost of the project and that meets the following other conditions:

(1) Except as provided in (2) or (3), the school has received a grade of "A," "B," or "C" for the performance index score or has increased its performance index score in each

of the previous three years of operation, and the school has received a grade of "A" or "B" for the value-added progress dimension on its most recent report card rating.

(2) If the school serves only grades kindergarten through three, the school received a grade of "A" or "B" for making progress in improving literacy in grades kindergarten through three on its most recent report card.

(3) If the school primarily serves students enrolled in a dropout prevention and recovery program, the school received a rating of "exceeds standards" on its most recent report card.

The bill appropriates $25 million for the grants.

GOVERNOR

- Requires messages of the Governor, and the inaugural address of the Governor-elect, to be produced and distributed in electronic form, and requires that a physical copy of the message or address be provided upon request to certain recipients.

Messages of the Governor

(R.C. 149.04)

The bill requires that messages of the Governor, and the inaugural address of the Governor-elect, be produced and distributed in electronic form to the Governor, to each member of the General Assembly, and to the State Library. Under current law, these documents must be printed in pamphlet form. And current law requires that 250 copies of the pamphlet be distributed to the Governor, five copies be distributed to each member of the General Assembly, and two copies be distributed to the State Library.

The bill requires that a physical copy of the message or address be provided, upon request, to any recipient named above.

DEPARTMENT OF HEALTH

State-level review of child deaths

- Requires the ODH Director to establish guidelines for the state-level review of deaths of children under 18 years of age.

- Allows the ODH Director to access certain information when reviewing a death, provides for immunity for civil liability for persons participating in a review, and prohibits the dissemination of confidential information gathered during a review.

Distribution of money from the "Choose Life" Fund

- Authorizes the ODH Director to distribute money in the "Choose Life" Fund that is allocated to a county to an eligible organization located in a noncontiguous county so long as:

  --No eligible organization located within the county to which the money is allocated or a contiguous county has applied for the money; and

  --The eligible organization from the noncontiguous county provides services within the county to which money is allocated.

ASF variance determination deadline

- Requires the Director of Health to grant to deny a written transfer agreement variance application for an ambulatory surgical facility (ASF) not later than 60 days after submission.

- Provides that if the Director has not made a determination on an ASF's variance application after 60 days, the ASF's variance application is denied and its license to operate as an ASF is automatically suspended by operation of law.

- Provides that the Director may reinstate the ASF's license if it obtains a written transfer agreement or a variance, or an order issued in accordance with the Administrative Procedure Act requiring the license to be reinstated.

- Requires a facility that desires to operate as an ASF to apply for a new license, if its existing license expires during the suspension.

- Requires the Director to grant or deny all pending variance applications for ASFs not later than 60 days after the effective date of this provision.

- Provides that pending variance application for ASFs are considered denied if not granted within 60 days after the effective date of this provision.

Public Health Emergency Preparedness Fund

- Creates in the state treasury the Public Health Emergency Preparedness Fund, and requires ODH to use money in the Fund to pay expenses related to public health emergency preparedness and response activities.

Bloodborne infectious disease prevention programs

- Authorizes a board of health, after the Director of Health has declared a public health emergency, to establish a bloodborne infectious disease prevention program to reduce the transmission of bloodborne pathogens.
- Requires a board of health to consult with specified interested parties before establishing a prevention program.
- Authorizes a board of health to determine a prevention program's operation and participants and requires prevention programs to provide certain screening, education, and referrals for care and services.
- Specifies that the local governing authority of the area where the prevention program is located retains all zoning rights.
- Provides qualified immunity from criminal prosecution to employees, volunteers, and participants of prevention programs.

Physician and Dentist Loan Repayment programs

- Modifies the limit on the amount of state funds that may be repaid on behalf of a physician participating in the Physician Loan Repayment Program or a dentist participating in the Dentist Loan Repayment Program.
- Includes providing clinical education in the teaching activities that count towards the service hours of a participating dentist.

Signature on vital records

- Repeals a provision that requires birth, fetal death, and death records and certificates be printed legibly or typewritten in unfading black ink and prohibits facsimile signatures.

- Permits signatures on records, certificates, and reports authorized under the Vital Statistics Law to be made by photographic, electronic, or other means prescribed by the ODH Director.

Noncertified copy of birth or death record

- Requires a local registrar to issue a noncertified copy of a birth or death record.

- Generally requires each child born on or after July 1, 2016, to undergo certain testing for Krabbe disease as part of the Newborn Screening Program administered by the Department of Health.

- Specifies that the Krabbe disease screening requirement does not apply to a child whose parents forgo the screening.

Immunizations

- Specifies that, beginning January 1, 2016, ODH will no longer provide GRF-funded vaccines from appropriation line item 440418, Immunizations, except in specified circumstances.

WIC vendor contracts

- Requires ODH to process an application for a Women, Infants, and Children (WIC) vendor contract within 45 days if the applicant already has a WIC vendor contract.

- Requires hospitals to either provide patients with an estimated out-of-pocket cost for certain common services or enable the patient to obtain this information from the patient's insurer.

Health care provider advertising

- Permits a health care provider to advertise the provider's usual and customary charge for any procedure or service the provider performs or renders.

- Specifies that any provision in a contract that prohibits this advertising is void.

Not-for-profit dental services

- Adds specified types of entities that provide health care services or dental services to indigent and uninsured persons to the entities through which a person may practice dentistry, dental surgery, or dental hygiene.

Legislative Committee on Public Health Futures

- Re-establishes the Legislative Committee on Public Health Futures.
- Requires the committee to review the effectiveness of previous reports, and to make legislative and fiscal policy recommendations that would improve local public health services.

Moms Quit for Two Grant Program

- Creates the "Moms Quit for Two Grant Program," which is to provide grants to private, nonprofit entities or government entities that demonstrate the ability to deliver evidence-based tobacco cessation interventions to pregnant women and women living with children who reside in communities with high infant mortality.

Infant mortality data collection and report

- Requires the ODH Director to prepare an annual report on (1) identified government programs that have the goal of reducing infant mortality and negative birth outcomes or the goal of reducing disparities among women who are pregnant or capable of becoming pregnant and who belong to a racial or ethnic minority, and (2) data collected from birth certificates.
- Requires the identified government programs to provide data for the first part of the report.

State-level review of child deaths

(R.C. 121.22, 149.43, 2151.421, 3701.045, 3701.70, 3701.701, 3701.702, 3701.703, and 4731.22)

ODH Director to establish guidelines

The bill requires the ODH Director to establish guidelines for a state-level review of the deaths of children under 18 years of age who, at the time of death, were Ohio residents. The bill largely parallels current law provisions regulating county and regional child fatality review boards. Existing law, unchanged by the bill, permits a county, or group of counties, to establish a county or regional child fatality review board to review the deaths of children under 18 years of age who were residents of the county or region at the time of death. Current law also requires that each county or regional board report its findings to ODH.

Purpose

The bill specifies that the purpose of a review of child death conducted by the Director pursuant to the guidelines is to decrease the incidence of preventable child deaths by doing all of the following:

(1) Promoting cooperation, collaboration, and communication between all groups, professions, agencies, or entities that serve families and children;

(2) Maintaining a comprehensive database of child deaths that occur in Ohio in order to develop an understanding of the causes and incidence of those deaths;

(3) Recommending and developing plans for implementing state and local service and program changes and changes to the groups, professions, agencies, or entities that serve families and children that prevent child deaths.

No review during pending investigation

The bill specifies that, under the guidelines, the Director may not conduct a review of the death of a child while an investigation of the child's death or prosecution of a person for causing the death is pending, unless the prosecuting attorney agrees to allow the review. Moreover, the bill provides that a person, entity, law enforcement agency, or prosecuting attorney may not provide any information regarding the death of a child to Director while an investigation of the death or prosecution of a person for causing the death is pending, unless the prosecuting attorney agrees to allow the review. The bill requires that, on the Director's request, a law enforcement agency or prosecuting attorney, on the conclusion of an investigation or prosecution, notify the ODH Director of the conclusion.

Information provided to the Director

The bill requires that, on the request of the Director, any individual, public children services agency, private child placing agency, or agency that provides services specifically to individuals or families, law enforcement agency, or other public or private entity that provided services to a child whose death is being reviewed by the Director pursuant to the guidelines, submit a summary sheet of information to the Director.

In the case of a health care entity, the sheet must contain only information available and reasonably drawn from the child's medical record created by the entity. With respect to a child one year of age or younger whose death is being reviewed by the Director, on the request of the Director, a health care entity that provided services to the child's mother must submit to the Director a summary sheet of information available and reasonably drawn from the mother's medical record created by the health care entity. Before submitting the sheet, the entity must attempt to obtain the mother's consent to do so, but a lack of consent does not preclude the entity from submitting the sheet.

In the case of any other entity or individual, the sheet must contain only information available and reasonably drawn from any record involving the child that the individual or entity develops. In addition, the bill provides that, on the request of the Director, an individual or entity may, at the individual's or entity's discretion, make any additional information, documents, or reports available to the Director.

Access to certain confidential information

The bill allows the Director, when conducting a review pursuant to the guidelines, access to any confidential report of child abuse or neglect that was provided to law enforcement or a public children services agency. The bill also requires that the Director preserve the confidentiality of such a report.

Use of information obtained by the Director

The bill provides that all of the following are confidential and may be used by the Director or a person participating in the review of a child's death pursuant to the guidelines only in the exercise of ODH's proper functions:

(1) Any information, document, or report presented to the Director;

(2) All statements made by those participating in a review;

(3) All work products of the Director.

Under the bill, a person who knowingly permits or encourages the unauthorized dissemination of confidential information is guilty of a misdemeanor of the second degree.

Civil immunity

Under the bill, an individual or public or private entity providing information, documents, or reports to the Director is immune from civil liability for injury, death, or loss to person or property that otherwise might be incurred or imposed as a result of providing the information, documents, or reports to the Director. In addition, the bill provides that each person participating in the review is immune from civil liability for injury, death, or loss to person or property that might otherwise be incurred or imposed as a result of the person's participation.

Open meetings and public records law

Current law provides that, with certain exceptions, "all meetings of any public body are declared to be public meetings open to the public at all times." At present, the exceptions include meetings of a county or regional child fatality review board. Under the bill, meetings related to a review of a child's death by the Director are not meetings that must be open to the public at all times.

Existing law also requires that, upon request, records kept by any public office be promptly prepared and made available for inspection. The bill specifies that, in the case of a review of a child's death by the Director, all of the following are not public records:

(1) Records provided to the Director;

(2) Statements made by persons participating in the Director's review;

(3) All work products of the Director.

Currently, the records, statements, and work products of a county or regional child fatality review board are not public records.

Distribution of money from the "Choose Life" Fund

(R.C. 3701.65)

The bill allows the ODH Director to distribute money from the "Choose Life" Fund that has been allocated to a county to an eligible organization within a noncontiguous county, so long as the organization provides services in the county for which the funds have been allocated and no eligible organization located within that county or a contiguous county applies for the money. The existing "Choose Life" Fund consists of contributions that are paid to the Registrar of Motor Vehicles by applicants who voluntarily elect to obtain "choose life" license plates. Money from the Fund is allocated to each county in proportion to the number of "choose life" license plates issued during the preceding year to vehicles registered in the county.

Under current law, the funds allocated for each county must be equally distributed to eligible organizations within the county that apply for funding. However, if no eligible organization located within the county applies, the funds may be allocated to eligible organizations located in contiguous counties. An eligible organization is a nonprofit organization that meets all of the following requirements:

(1) Is a private, nonprofit organization;

(2) Is committed to counseling pregnant women about the option of adoption;

(3) Provides services to pregnant women who are planning to place their children for adoption, including counseling and meeting the material needs of the women;

(4) Does not charge women for any services received;

(5) Is not involved or associated with any abortion activities, including counseling for or referrals to abortion clinics, providing medical abortion-related procedures, or pro-abortion advertising;

(6) Does not discriminate in its provision of any services on the basis of race, religion, color, age, marital status, national origin, handicap, gender, or age.

ASF variance determination deadline

(R.C. 3702.304 and 3702.309; Section 737.13)

The bill requires the Director of Health to grant or deny a variance application from the written transfer agreement requirement for an ambulatory surgical facility (ASF) within 60 days of receiving the application. If the Director does not grant or deny the application within the 60 days, it is considered denied. Similarly, the bill provides the Director 60 days to grant or deny variances that have already been submitted, or they too are considered denied.

The bill provides that if an ASF's application has been denied as described above, that ASF's license is automatically suspended. The Director may reinstate the license if any of the following occurs:

--The facility files with the Director a copy of a valid written transfer agreement;

--The Director grants the facility a variance from the written transfer agreement requirement;

--The license is required to be reinstated pursuant to an order issued in accordance with the Administrative Procedure Act.

If the ASF's license expires before the suspension is lifted, in order to operate it must apply for a new license.

Public Health Emergency Preparedness Fund

(R.C. 3701.834; Section 289.50)

The bill creates the Public Health Emergency Preparedness Fund in the state treasury. All federal funds that ODH receives to conduct public health emergency preparedness and response activities must be credited to the Fund. The bill requires ODH to use money in the Fund to pay expenses related to public health emergency preparedness and response activities.

Bloodborne infectious disease prevention programs

(R.C. 3707.57)

The bill authorizes boards of health to establish bloodborne infectious disease prevention programs if the Director of Health determines that there is a public health emergency related to the transmission of bloodborne pathogens in one or more areas of the state. "Bloodborne pathogens" are defined as the human immunodeficiency virus (HIV), hepatitis B virus, and hepatitis C virus.

Consultation with interested parties

Before a board of health may establish a bloodborne infectious disease prevention program, it must consult with two groups of interested parties. The first group consists of interested parties from the health district represented by the board, including law enforcement representatives, prosecutors, representatives of state-certified community addiction services providers, persons recovering from substance abuse, private non-profit organizations (such as hepatitis C and HIV advocacy organizations), residents of the health district, and the board of alcohol, drug addiction, and mental health services that serves the area in which the health district is located. The second group consists of representatives selected by the governing authority of the city, village, or township in which the prevention program is proposed to be established.

Program cost and requirements

The cost of a bloodborne infectious disease prevention program is the responsibility of the board of health that establishes the program. The manner in which a prevention program is operated and individuals eligible to participate are determined by the board of health, however, the bill requires that each program do the following:

(1) Screening and referral – provide on-site screening for HIV, hepatitis B, and hepatitis C, if resources are available, and make appropriate referrals for care and treatment;

(2) Education – educate program participants regarding exposure to bloodborne pathogens;

(3) Care and services – encourage program participants to seek appropriate medical, mental health, or drug treatment, or social services;

(4) Recordkeeping – ensure participant anonymity in the program's recordkeeping;

(5) Confidentiality – comply with applicable state and federal laws governing participant confidentiality;

(6) Participant identification – provide program participants with documentation identifying the individual as an active participant in the program.

Reports

The bill requires a board of health that establishes a bloodborne infectious disease prevention program to include details about the program in its comprehensive annual report submitted to the ODH under current law. Additionally, a prevention program may report to the Department of Mental Health and Addiction Services demographic information about each program participant.

Notice of prevention program location

A board of health that decides to establish a bloodborne infectious disease prevention program must provide written notice of the proposed location to the governing authority of the city, village, or township in which the program is to be located. The governing authority retains all zoning rights.

Immunity from criminal prosecution

The bill provides that if carrying out a duty under a component of a bloodborne infectious disease prevention program would be considered a violation of laws regarding possessing criminal tools, possessing drug abuse instruments, possessing drug paraphernalia, or furnishing hypodermic needles, an employee or volunteer of the program is not subject to criminal prosecution for the violation.

With regard to program participants, the bill provides that if participating in a component of a prevention program would be considered a violation of laws regarding possessing criminal tools, possessing drug abuse instruments, or possessing drug paraphernalia, a program participant who is within 1,000 feet of a program facility and in possession of documentation from the prevention program identifying the individual as an active participant is not subject to criminal prosecution for the violation.

Physician and Dentist Loan Repayment programs

Limit on state funds

(R.C. 3702.74 and 3702.91)

The bill makes various changes to the Physician Loan Repayment Program and the Dentist Loan Repayment Program, which offer funds to repay some or all of the educational loans of physicians and dentists who agree to provide primary care or dental services in health resource shortage areas.

The bill modifies the limit on the amount of state funds that are used for repayment made on behalf of a participating physician or dentist whose repayment also includes federal funds. Under current law, the amount of state funds included in a participant's repayment must equal the amount of federal funds that are included in the repayment if the source of the federal funds is the Bureau of Clinician Recruitment and Services (BCRS) in the U.S. Department of Health and Human Services. The bill eliminates the provision that applies the limit only to those participants whose repayment includes funds from the BCRS. Thus, under the bill, if a participant's repayment includes funds from any federal source, the amount of state funds included in a participant's repayment must equal the amount of those federal funds.

Teaching activities

(R.C. 3702.91(A))

With respect to the Dental Loan Repayment Program, current law permits teaching activities to count as service hours only if they involve supervising dental students and dental residents at the service site. The bill provides instead that teaching activities means providing clinical education to dental students and residents and dental health profession students at the service site.

Signatures on vital records

(R.C. 3705.08)

The bill changes current law requirements for signatures on vital records to permit signatures to be made by electronic means. Under current law, all birth, fetal death, and death records and certificates must be printed legibly or typewritten in unfading black ink and facsimile signatures are prohibited. The bill repeals those provisions and expressly states that required signatures may be filed and registered by means prescribed by the ODH Director, including by electronic means.

Noncertified copy of birth or death record

(R.C. 3705.231)

The bill requires a local registrar to issue, on receipt of a signed application for a birth or death record and a fee, a noncertified copy of a birth or death record. The copy must contain at least the name, sex, date of birth or death, registration date, and place of birth or death of the person whose birth or death the record attests to. The copy also must attest that the person's birth or death has been registered. The bill allows a local registrar to charge up to 25 cents per page for a black and white copy, and, for a color copy, an amount not to exceed the amount the registrar expends in producing the color copy. Continuing law requires a local registrar and other entities to issue a certified copy of a vital record upon payment of a fee prescribed by the Director of Heath, which must be at least $12.[97]

Newborn screening for Krabbe disease

(R.C. 3701.501)

The bill generally requires Krabbe disease to be a disorder for which newborns born on or after July 1, 2016, are screened under the Newborn Screening Program, and prescribes the testing process that must be used for the screening. The screening requirement does not apply to a child whose parents have chosen to forgo the screening.

Under current law not modified by the bill, the list of disorders screened for is specified by the Director of Health in an administrative rule.[98] The Newborn Screening Advisory Council, consisting of 14 members with an interest and expertise in newborn screening, assists the Director in determining which disorders should be included on the list.[99] Currently the list includes 36 genetic, endocrine, and metabolic disorders.[100] Additionally, newborns are screened for hearing impairments and critical congenital heart defects.[101]

Krabbe disease is an inherited degenerative disorder that affects the nervous system; in the U.S., it affects about 1 in 100,000 individuals. The disease is caused by the

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[97] R.C. 3705.24(A)(2). An additional $1.50 per copy is collected under R.C. 3705.242.

[98] O.A.C. 3701-55-02(A).

[99] R.C. 3701.501(B).

[100] O.A.C. 3701-55-02(A).

[101] R.C. 3701.505 and 3701.5010, not in the bill.

deficiency of an enzyme called galactosylceramidase. This enzyme deficiency impairs the growth and maintenance of myelin, the protective covering around certain nerve cells that ensures the rapid transmission of nerve impulses. Symptoms of Krabbe disease usually begin before the age of one year and include irritability, muscle weakness, feeding difficulties, episodes of fever without any sign of infection, stiff posture, and slowed mental and physical development. As the disease progresses, muscles continue to weaken, affecting the infant's ability to move, chew, swallow, and breathe. Affected infants also experience vision loss and seizures.[102]

Immunizations

(Section 289.30)

The bill specifies that, beginning January 1, 2016, ODH will no longer provide general revenue funded (GRF-funded) vaccines from appropriation line item 440418, Immunizations. Local health departments and other local providers who receive GRF funding for vaccines from ODH before January 1, 2016 must instead bill private insurance companies, as appropriate, to recover the costs of providing and administering vaccines. The bill, however, allows ODH to continue to provide GRF-funded vaccines in the following circumstances: (1) to cover uninsured adults, (2) to cover individuals on grandfathered private insurance plans that do not cover vaccines, and (3) in certain exceptional cases determined by the ODH Director.

WIC vendor contracts

(Section 289.40)

In Ohio, ODH administers the federal Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The act requires that during fiscal years 2016 and 2017 ODH review and process a WIC vendor contract application not later than 45 days after it is received if on that date the applicant is a WIC-contracted vendor and meets all of the following requirements:

(1) Submits a complete WIC vendor application with all required documents and information;

(2) Passes the required unannounced preauthorization visit within 45 days of submitting a complete application;

[102] U.S. National Library of Medicine, Genetics Home Reference, *Krabbe Disease* (last visited February 26, 2015), available at http://ghr.nlm.nih.gov/condition/krabbe-disease.

(3) Completes the required in-person training within 45 days of submitting the complete application.

ODH must deny the application if the applicant fails to meet all of the requirements. After an application has been denied, the applicant may reapply for a contract to act as a WIC vendor during the contracting cycle of the applicant's WIC region.

Hospital transparency

(Section 289.60)

The bill requires, within one year of the effective date of the provision, all hospitals operating in Ohio to have either of the following in place:

- A process in place under which the hospital can provide, upon a consumer's request, a reasonable, good faith estimate of a patient's out-of-pocket expenses associated with the hospital's 100 most frequently provided nonemergency, outpatient services;
- A process under which the hospital can direct consumers to a source, including the consumer's health plan issuer, where the consumer can get that information.

Within two years after the effective date of the provision, all hospitals operating in Ohio must have either of these same processes in place for the hospital's 100 most frequently provided inpatient services.

Such a good faith estimate is to include information, provided in a conspicuous manner if the estimate is written, that informs the patient that the information provided is a good faith estimate based on information available at the time, and that the actual cost to the patient could be different. The bill requires health plan issuers to provide information to hospitals as needed to provide such an estimate. With regard to health plan issuers, the bill applies to health insuring corporations, sickness and accident insurers, fraternal benefit societies, multiple employer welfare arrangements, and nonfederal, government health plans. The bill also applies to third-party administrators and contracting entities with regard to health benefit plans that are subject to the authority of the Superintendent of Insurance. In other words, third-party administrators and contracting entities are not subject to these requirements with regards to health benefit plans that are not under the subject of the Superintendent, such as large-employer, self-insurer plans, which would be subject to federal jurisdiction under the Employee Retirement Income Security Act (ERISA).

On or about the respective deadlines imposed by the bill in relation to these estimates, a representative of the Ohio Hospital Association is to provide to the Joint Medicaid Oversight Committee a collective report of hospitals' experience in providing these estimates.

Health care provider advertising

(R.C. 4743.08)

The bill permits a health care provider to advertise the provider's usual and customary charge for any procedure or service the provider performs or renders. Any provision in a contract that prohibits this practice is declared by the bill to be void.

Not-for-profit dental services

(R.C. 4715.18)

The bill adds federally qualified health centers, federally qualified health center look-alikes, free clinics, nonprofit shelters or healthcare facilities, and nonprofit clinics that provide health care services or dental services to indigent and uninsured persons to the entities through which a person may practice dentistry, dental surgery, or dental hygiene. The bill also adds them to the list of entities through which a person may practice dentistry or dental surgery and authorizes a person to practice dentistry or dental surgery under the name of such an entity. Current law prohibits the practice of dentistry and dental surgery under the name of a company, association, or corporation unless it is a (1) for-profit corporation, (2) professional association, or (3) limited liability company.

Legislative Committee on Public Health Futures

(Section 737.10)

Re-establishment and purpose

The bill re-establishes the Legislative Committee on Public Health Futures, and requires the committee to review the June 2012 report of the Public Health Futures Project Steering Committee of the Association of Ohio Health Commissioners, and the October 2012 report of the previous Legislative Committee on Public Health Futures.[103] The committee must review the effectiveness of recommendations from those reports that are being or that have been implemented. And, based on the knowledge and

[103] The previous Legislative Committee on Public Health Futures was established in 2012 by H.B. 487 of the 129th General Assembly.

insight gained from its reviews, the committee must make legislative and fiscal policy recommendations that it believes would improve local public health services in Ohio.

The committee, not later than January 31, 2016, must prepare a report that describes its review of the reports and of the recommendations that are being or that have been implemented, and that states and explains the committee's new policy recommendations.

The committee must transmit its report to the Governor, the President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House. Upon transmitting its report, the committee ceases to exist.

Appointment and membership

Each of the following associations must appoint one individual to the committee: the County Commissioners Association of Ohio, the Ohio Township Association, the Department of Health, the Ohio Public Health Association, the Ohio Environmental Health Association, the Ohio Boards of Health Association, the Ohio Municipal League, and the Ohio Hospital Association. The Association of Ohio Health Commissioners must appoint two individuals. The President and Minority Leader of the Senate each must appoint two members. The Speaker and Minority Leader of the House each must appoint two members to the committee. Of the two appointments made by each legislative leader, one must be a member of the General Assembly from the appointing member's chamber.

Appointments must be made as soon as possible, but not later than 30 days after the effective date of this provision. Vacancies must be filled in the same manner as the original appointment.

As soon as all members have been appointed, the President of the Senate must fix a time and place for the Committee to hold its first meeting. At that meeting, the committee must elect from among its membership a chairperson, a vice-chairperson, and a secretary. The Director of Health must provide the committee with meeting and office space, equipment, and professional, technical, and clerical staff as necessary to enable it successfully to complete its work.

Moms Quit for Two Grant Program

(Sections 289.10, 289.20, and 289.33)

The bill requires ODH to create the "Moms Quit for Two Grant Program." Under the Program, ODH – recognizing the significant health risks posed to women and their children by tobacco use during and after pregnancy – must award grants to private, nonprofit entities or government entities that demonstrate the ability to deliver evidence-based tobacco cessation interventions to women who (1) reside in communities that have the highest incidence of infant mortality, as determined by the Director of Health, and (2) are pregnant or live with children. The bill authorizes ODH to adopt rules it considers necessary to administer the Program.

ODH must create a grant application and develop a process for receiving and evaluating completed grant applications on a competitive basis. ODH must select grant recipients not later than December 31, 2015, giving first preference to the private and government entities that are able to target the interventions to pregnant women and second preference to those entities that are able to target the interventions to women living with children. The bill specifies that ODH's decision regarding a submitted grant application is final.

ODH must establish performance objectives to be met by grant recipients and monitor the performance of each grant recipient in meeting the objectives.

After the Program's conclusion, ODH must evaluate the Program. Not later than December 31, 2017, ODH must prepare a report describing its findings and make a recommendation on whether the Program should be continued. A copy of the report must be provided to the Governor and the General Assembly. In addition, ODH must make the report available to the public on its website.

Annual report on government programs to reduce infant mortality

(R.C. 3701.95)

The bill requires the ODH Director to identify each government program (other than the Help Me Grow program) providing benefits that has the goal of reducing infant mortality and negative birth outcomes or the goal of reducing disparities among women who are pregnant or capable of becoming pregnant and who belong to a racial or ethnic minority. The ODH Director is to identify only those programs that provide education, training, and support services to program participants in their homes. The ODH Director may consult with the Ohio Partnership to Build Stronger Families to assist in identifying the programs.

For each program the ODH Director identifies, the bill requires the program's administrator to report to the ODH Director data on performance indicators that assess the program's progress toward achieving its goals. The specific performance indicators that must be reported by the programs are to be established by the ODH Director in rules. The bill specifies that the performance indicators must, to the extent possible, be consistent with federal reporting requirements for federally funded home visiting services. The ODH Director must also adopt rules establishing the format and time frame in which the administrators are to report the data to the ODH Director. The rules are to be adopted in accordance with Ohio's Administrative Procedure Act.

Using the reported data, the bill requires the ODH Director to prepare an annual report that assesses the performance of each identified program during the 12-month period covered by the report. In addition, the report must summarize and provide an analysis of information contained in the "information for medical and health use only" section of the records for children born during the relevant 12-month period. The ODH Director must provide a copy of the report to the General Assembly and the Joint Medicaid Oversight Committee.

DEPARTMENT OF HIGHER EDUCATION (BOARD OF REGENTS)

Board of Regents name change

- Renames the office of the Board of Regents as the "Department of Higher Education." (Retains the title of "Chancellor" as the title for the head of the agency.)

Cap on undergraduate tuition increases and 5% challenge

- For fiscal years 2016 and 2017, prohibits an increase in in-state undergraduate instructional and general fees for all state institutions of higher education.

- Requires state institutions of higher education to develop and implement a plan to provide all in-state, undergraduate students the opportunity to reduce the student cost of earning a degree by 5%.

- Requires state institutions of higher education to submit to the Chancellor the plan to reduce the student cost of earning a degree not later than September 1, 2015.

- Beginning with the fall semester, or quarter equivalent, of the 2015-2016 academic year, requires state institutions of higher education annually report to the Chancellor any increase in or additional auxiliary fees charged by the institution and the justification for the increase or addition.

In-state tuition for veterans and other specified persons

- Qualifies a veteran for in-state tuition at a state institution of higher education, if the veteran (1) is receiving federal veterans' education benefits under the G.I. Bill, (2) served on active duty for at least 90 days, and (3) lives in the state as of the first day of a term of enrollment.

- Qualifies a person for in-state tuition at a state institution of higher education, if the person (1) is receiving either the federal Marine Gunnery Sergeant John David Fry Scholarship or transferred federal veterans' education benefits under the G.I. Bill from a veteran who served on active duty for at least 90 days and (2) lives in the state as of the first day of a term of enrollment.

Overload fees

- Prohibits state institutions of higher education from charging overload fees for courses taken in excess of the institution's full course load, except in specified circumstances.

Tuition guarantee program

- Specifies in permanent law that no other statutory limitation on the increase of in-state undergraduate instructional and general fees applies to a state university that has established an undergraduate tuition guarantee program.

Ohio Appalachian Teaching Fellowship

- Establishes the Ohio Appalachian Teaching Fellowship.

Transfer of college courses and associate degrees

- Requires the Chancellor of Higher Education to update, by December 1, 2018, policies for the transfer and articulation of college courses and degrees to ensure that any associate degree offered at a state institution of higher education may be transferred to any other state institution and applied to a bachelor degree program.

- Requires the Chancellor, at the end of each academic year, to develop and release a report regarding the transfer of college courses and degrees, including the number of courses successfully transferred, and the number of courses not accepted for transfer, at state institutions of higher education.

College credit for International Baccalaureate courses

- Requires state institutions of higher education to establish a policy to grant credit for successful completion of the International Baccalaureate Diploma Program (IB).

On-campus student housing

- Prohibits a state university from requiring a student to live in on-campus student housing, if the student lives within 25 miles of campus.

Reports

- Moves, from December 31 to February 15, the annual deadline for the Chancellor to report to the Governor and the General Assembly the aggregate academic growth data for students of graduates of teacher preparation programs.

- Eliminates a requirement that the Chancellor annually (1) submit to the Governor and the General Assembly a report including a description of advanced standing courses offered by public and chartered nonpublic schools and (2) post the information on the Chancellor's website.

- Requires each state institution of higher education, not later than January 1, 2016, and every five years thereafter on January 1, to evaluate, based on enrollment and student performance, all courses and programs the institution offers.

OU committee

- Eliminates the requirement that the Ohio University College of Osteopathic Medicine have an advisory committee.

Human trafficking study

- Requires the University of Toledo's Human Trafficking and Social Justice Institute, in conjunction with other state universities, to develop and submit a plan by January 31, 2016, to address human trafficking.

Career counseling

- Requires the Chancellor, in consultation with state institutions of higher education and nonprofit private institutions of higher education, to develop implementation strategies regarding career counseling by December 31, 2015.

Response to Task Force report

- Requires all state institutions of higher education, upon submission of the report of the Task Force, to complete an efficiency review based on the recommendations of the Task Force on Affordability and Efficiency in Higher Education and to submit a report to the Chancellor that includes the efficiency review, implementation plan of the Task Force recommendations authorized by the institution, and the 5% challenge required under the bill by July 1, 2016.

Higher Education health benefits plans

- Prohibits a state institution of higher education from providing excess health benefits to an employee that would trigger the excise tax on such plans under federal law.

Reserve fund transfers

- Makes changes regarding the administration of scholarship program reserve funds.

Board of Regents name change

(R.C. 103.48, 121.03, 121.40, 125.901, 1713.02, 1713.03, 1713.031, 1713.04, 1713.05, 1713.06, 1713.09, 1713.25, 3313.0712, 3313.603, 3313.902, 3319.22, 3319.223, 3333.01, 3333.011, 3333.012 (renumbered from 3333.031), 3333.021, 3333.03, 3333.032, 3333.04, 3333.041, 3333.042, 3333.043, 3333.044, 3333.045, 3333.047, 3333.048, 3333.049, 3333.0410, 3333.0411, 3333.0412, 3333.0413, 3333.0414, 3333.05, 3333.06, 3333.07, 3333.071, 3333.08, 3333.09, 3333.10, 3333.11, 3333.12, 3333.121, 3333.122, 3333.123, 3333.124, 3333.13, 3333.14, 3333.15, 3333.16, 3333.161, 3333.162, 3333.163, 3333.164, 3333.17, 3333.171, 3333.18, 3333.19, 3333.20, 3333.21, 3333.22, 3333.23, 3333.25, 3333.26, 3333.28, 3333.29, 3333.30, 3333.31, 3333.33, 3333.34, 3333.342, 3333.35, 3333.36, 3333.37, 3333.372, 3333.373, 3333.374, 3333.375, 3333.39, 3333.391, 3333.392, 3333.43, 3333.44, 3333.50, 3333.55, 3333.58, 3333.59, 3333.61, 3333.611, 3333.612, 3333.613, 3333.62, 3333.63, 3333.64, 3333.65, 3333.66, 3333.67, 3333.68, 3333.69, 3333.71, 3333.72, 3333.73, 3333.731, 3333.74, 3333.75, 3333.76, 3333.77, 3333.78, 3333.79, 3333.82, 3333.83, 3333.84, 3333.86, 3333.87, 3333.90, 3333.91, 3334.08, 3345.022, 3345.05, 3345.06, 3345.061, 3345.32, 3345.35, 3345.421, 3345.45, 3345.48, 3345.50, 3345.51, 3345.54, 3345.692, 3345.70, 3345.72, 3345.73, 3345.74, 3345.75, 3345.76, 3345.81, 3354.01, 3354.071, 3354.09, 3357.01, 3357.071, 3357.09, 3357.19, 3358.071, 3365.02, 3365.07, 3365.15, 4763.01, 5104.30, 5709.93, 5747.01, 5751.20, 5910.08, and 5919.341; Sections 263.210, 263.260, and 733.10; Uncodified Chapter 369.)

The bill renames the administrative office of the Ohio Board of Regents as the "Department of Higher Education." The bill maintains the current law that the head of the agency is called "Chancellor" and that the Board of Regents acts as an advisory board to the Chancellor.

Cap on undergraduate tuition increases

(Section 369.170)

For fiscal years 2016 and 2017 (the 2015-2016 and 2016-2017 academic years), the bill prohibits the boards of trustees of each state institution of higher education from increasing its in-state undergraduate instructional and general fees over what the institution charged for the 2014-2015 academic year.

As in previous biennia when the General Assembly capped tuition increases, the bill's limits do not apply to increases required to comply with institutional covenants related to the institution's obligations or to meet unfunded legal mandates or legally binding prior obligations or commitments. Further, the Chancellor, with Controlling Board approval, may modify the limitations to respond to exceptional circumstances as the Chancellor identifies.

The bill specifies that these limitations do not apply to institutions that participate in an undergraduate tuition guarantee program (see below).

Reducing college costs (5% challenge)

(R.C. 3345.39; Section 369.600)

The bill requires all state institutions of higher education to develop and implement a plan to provide all in-state, undergraduate students the opportunity to reduce the student cost of earning a degree by 5%. Each state institution of higher education must submit its plan to the Chancellor not later than September 1, 2015.

The bill specifies that the plan may include, but not be limited to, the following methods to reduce costs:

(1) Reducing the credit hours required to complete an associate or baccalaureate degree offered by the institution;

(2) Offering a tuition discount or rebate to any student that completes a full load of coursework, as determined by the institution;

(3) Offering a tuition discount or rebate or reduced tuition option to students enrolling in a summer semester or quarter;

(4) Offering online courses or degrees;

(5) Reducing the cost of textbooks using cost-saving measures identified and implemented by the institution;

(6) Incorporation of remediation in the coursework and curriculum of credit-bearing courses;

(7) Offering a fixed rate of instructional and general fees for any additional credits taken by students above a full course load, as determined by the institution;

(8) Offering fast-track degree completion programs;

(9) Eliminating, reducing, or freezing auxiliary fees;

(10) Increased participation in the College Credit Plus program;

(11) Offering programs to reduce or eliminate the need for remediation coursework.

In addition, beginning with the fall semester, or equivalent quarter, of the 2015-2016 academic year, the bill requires each institution of higher education annually to report to the Chancellor any increase in or additional auxiliary fees charged by the institution and the justification for such action. The bill requires the Chancellor to establish procedures for reporting the information.

For these purposes, the bill defines "auxiliary fees" as charges assessed by an institution to a student for various educational expenses (including course-related fees, lab fees, books and supplies, room and board, transportation, enrollment application fees, and other miscellaneous charges), but do not include instructional or general fees (tuition).

In-state tuition for veterans and other specified persons

(R.C. 3333.31)

The bill qualifies a veteran for in-state tuition at state institutions of higher education, if the veteran is the recipient of federal veterans' education benefits under the "All-Volunteer Force Educational Assistance Program" (also called the Montgomery G.I. Bill) or the "Post 9/11 Veterans Educational Assistance Program" (also called the Post 9/11 G.I. Bill). In order to qualify, the veteran also must (1) have served on active duty for at least 90 days and (2) live in the state as of the first day of a term of enrollment at the institution.

The bill also qualifies a person who is the recipient of either (1) the federal Marine Gunnery Sergeant John David Fry Scholarship or (2) transferred education benefits under either of the aforementioned G.I. Bills, for in-state tuition at state institutions of higher education. To qualify, the person must live in the state as of the first day of a term of enrollment at the institution, and the veteran through whom such benefits were obtained must have served on active duty for at least 90 days.

Finally, the bill specifies that a veteran or person who qualifies for in-state tuition under the above provision will continue to qualify for in-state tuition under that provision, so long as the veteran or person is continuously enrolled in at least one program at the state institution of higher education in which the veteran or student enrolls.

Current law on in-state tuition for veterans, spouses, and dependents

Current law, not affected by the bill, also qualifies a veteran and the veteran's spouse and dependents for in-state tuition under a different set of conditions. To qualify under that provision, the veteran must have (1) served at least one year on active military duty or (2) been killed in action or declared a prisoner of war (POW) or missing in action (MIA). Additionally, if the veteran is seeking residency status for in-state tuition, the veteran must have established domicile in the state as of the first day of a term of enrollment. If the spouse or dependent is seeking such status, both the veteran and the spouse or dependent must have established domicile, unless the veteran was killed in action or declared POW or MIA.

It appears that, under the bill, veterans and their spouses and dependents may continue to qualify under the current law or may qualify under the new provision, so long as all of the criteria are met.

Overload fees

(R.C. 3345.46)

The bill prohibits state institutions of higher education from charging overload fees for courses taken in excess of the institution's full course load, except for the following:

(1) Credit hours in excess of 18 per semester (or the equivalent number per quarter, as determined by the board of trustees of each institution).

(2) Courses from which the student withdraws prior to a date specified by the board of trustees, if the student's course load (a) exceeds the full course load, but (b) is less than or equal to 18 credit hours per semester, or the equivalent.

An "overload fee" is defined by the bill as "a fee or increased tuition rate charged to students who enroll in courses for a total number of credit hours in excess of a full course load." Each board of trustees must define what constitutes a "full course load" at that institution. For example, if the board defines its full course load as 15 credit hours per semester, that institution may not charge an overload fee for credit hours 16, 17, or 18, so long as the student does not withdraw from a course prior to the specified date.

Undergraduate tuition guarantee program

(R.C. 3345.48)

The bill specifies in permanent law that, except as specified in the provision of law that authorizes a university to establish a tuition guarantee program, no other statutory limitation on the increase of in-state undergraduate instructional and general fees applies to a state university that establishes such a program. Section 369.170 of the bill, an uncodified section, does this for fiscal years 2016 and 2017 (see above).

Background

A state university that establishes a tuition guarantee program affords eligible students in the same cohort a guarantee to pay a fixed rate for general and instructional fees for four years, in exchange for the possibility of a one-time increase in those fees. That increase may be up to 6% above what has been charged in the previous academic year one time for the *first* cohort of the tuition guarantee program. Thereafter, the one-time increase is the sum of the 60-month (five-year) rate of inflation as measured by the Consumer Price Index, plus the amount of any General Assembly-imposed limit on the increase of in-state undergraduate general and instructional fees (tuition increase cap) once per each cohort. If the General Assembly does not enact a tuition increase cap, then no limit applies to the one-time increase under the guarantee for a cohort that first enrolls in such an academic year.

Ohio Appalachian Teaching Fellowship

(Section 263.130)

The bill appropriates $125,000 in each of fiscal years 2016 and 2017 for the Ohio Appalachian Teaching Fellowship to provide funding to assist with the costs of college tuition, instructional materials, and fees for exceptional students who commit to teach in the Appalachian region of the state for four years upon graduating from college. Fellows are to be selected during their senior year of high school. The bill specifies that the fellowship is to be lead and managed by a nonprofit education organization with diverse experience in teacher, leader, and system development in school districts across the country, including experience working with schools in the Appalachian region, selected by the Superintendent of Public Instruction. The bill requires the nonprofit organization selected by the state Superintendent to provide enrichment activities to supplement the fellows' educational experiences to prepare them for the unique challenges of teaching in the Appalachian region.

Transfer of college courses and associate degrees

(R.C. 3333.16 and 3333.165)

Under current law, the Chancellor is required to establish policies and procedures to ensure the transfer and articulation of college courses and degrees without unnecessary duplication or institutional barriers, as well as a universal course equivalency system and a system of transfer policies. These policies and procedures are applicable to all state institutions of higher education.

The bill requires the Chancellor, by December 1, 2018, to update and implement these policies and procedures to ensure both of the following:

(1) Any associate degree offered at a state institution of higher education may be transferred to any other state institution of higher education and applied to a bachelor degree program in an equivalent field at that institution;

(2) Each transferred associate degree applies to the student's degree objective in the same manner as equivalent coursework completed by the student at the receiving institution.

When updating and implementing these policies and procedures, the Chancellor must seek input from faculty and academic leaders in each academic field or discipline.

Additionally, the bill requires the Chancellor, at the end of each academic year, to develop and release a report on the transfer of college courses and degrees that are subject to the articulation and transfer policies developed by the Chancellor. Specifically, the report must include all of the following information:

(1) The total number of courses successfully transferred to state institutions of higher education during the most recent academic year for which data is available;

(2) The total number of courses that were not accepted for transfer at state institutions of higher education during the most recent academic year for which data is available;

(3) The number of students who earned an associate degree at a community college, a state community college, or a university branch and successfully transferred that degree to a state university.

College credit for International Baccalaureate courses

(R.C. 3345.38)

The bill requires the board of trustees of each state institution of higher education to establish a policy to grant undergraduate course credit to students who successfully completed the International Baccalaureate Diploma Program (IB) (see "**Background on the IB diploma**," below). The policy must do both of the following:

(1) Establish conditions for granting course credit, including the minimum scores required on IB examinations in order to receive credit;

(2) Identify specific course credit or other academic requirements of the institution, including the number of credit hours or other course credit that the institution will grant to a student who completes the IB program.

Under continuing law, districts and schools may offer IB as one of the advanced standing programs specified in law. Advanced standing programs are programs in which a student, who is currently enrolled in high school, may choose to participate in order to earn credit toward a college degree while also completing the high school curriculum.[104] Under current law, there is no provision that requires institutions of higher education to award college credit for IB courses.

Background on the IB diploma

An IB diploma is earned through an interdisciplinary education program and is recognized at various institutions of higher education both nationally and internationally. The program, approved by the IB Organization, includes examinations in specified traditional and nontraditional courses, community service requirements, and an extended essay.

On-campus student housing

(R.C. 3345.47)

The bill prohibits a state university[105] from requiring a student to live in on-campus student housing, if the student lives within 25 miles of campus. For purposes of this provision, "on-campus student housing" includes dormitories or other student residences that are owned or operated by, or located on the campus of, the university.[106]

Annual report on teacher preparation graduates

(R.C. 3333.041)

Moves, from December 31 to February 15, the annual deadline for the Chancellor to report to the Governor and the General Assembly the aggregate academic growth data for students of graduates of teacher preparation programs.

[104] R.C. 3313.6013, not in the bill.

[105] "State universities" include University of Akron, Bowling Green State University, Central State University, University of Cincinnati, Cleveland State University, Kent State University, Miami University, Ohio University, Ohio State University, Shawnee State University, University of Toledo, Wright State University, and Youngstown State University. See R.C. 3345.011, not in the bill.

[106] See R.C. 3345.85, not in the bill.

Annual report on advanced standing programs

(R.C. 3333.041)

The bill eliminates a requirement that the Chancellor annually submit to the Governor and the General Assembly a report including a description of advanced standing courses offered by public and chartered nonpublic schools. It also eliminates the requirement to post the information in the report on the Chancellor's website. Advanced standing programs include the College Credit Plus program, Advanced Placement courses, International Baccalaureate diploma courses, and Early College High School programs.[107]

Evaluation of courses and programs

(R.C. 3345.35)

The bill requires each state institution of high education to evaluate by January 1, 2016, and every five years thereafter by January 1, all courses and programs offered by the institution. The evaluation must be based on enrollment and student performance. For courses with low enrollment, the institution must evaluate the benefits of collaboration with other state institutions, based on geographic region, to deliver the course. Finally, each institution must submit its findings to the Chancellor not later than 30 days after completion of the evaluation.

OU College of Osteopathic Medicine advisory committee

(R.C. 3337.10; repealed R.C. 3337.11)

The bill eliminates the requirement that the Ohio University College of Osteopathic Medicine have an advisory committee. It also eliminates all requirements related to the committee's structure and membership, including provisions specifying the election of officers and quorums at committee meetings. Finally, it eliminates a duty of the committee to annually submit recommendations to OU's Board of Trustees.

University plan to address human trafficking

(Section 369.620)

The bill requires the University of Toledo's Human Trafficking and Social Justice Institute, in conjunction with other state universities, to develop and submit a plan by January 31, 2016, that does both of the following:

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[107] R.C. 3313.6013(A), not in the bill.

(1) Outlines how state universities can work with federal, state, and local officials and other organizations and groups to respond to the global problem of human trafficking.

(2) Includes methods to ensure that university-level research, legal information, and educational programs are available statewide.

The plan must be submitted to the General Assembly, the Governor, and the Chancellor of Higher Education.

Work experiences and career counseling in curriculum programs

(Section 369.570)

The bill requires the Chancellor, in consultation with state institutions of higher education and nonprofit private institutions of higher education to develop implementation strategies by December 31, 2015, to do all of the following:

(1) Embed work experiences, including but not limited to internships and cooperatives, into the curriculum of degree programs starting in the 2016-2017 academic year;

(2) Explore ways to increase student participation in in-demand occupations, including computer sciences;

(3) Create industry clusters to develop curriculum that can be used for competency based tests.

These implementation strategies must also include the use of the OhioMeansJobs website as a central location for higher education students to access information on work experiences and career opportunities.

The bill also requires that, by December 31, 2015, each institution of higher education must display a link to the OhioMeansJobs website in a prominent location on the institution's website.

Finally, the bill requires the Chancellor to work with institutions of higher education to have a career counseling program in place by December 31, 2015.

Response to Task Force report

(Section 369.560)

On February 10, 2015, the Governor signed an executive order establishing the Ohio Task Force on Affordability and Efficiency in Higher Education.[108] The Task Force must "review and recommend ways in which state-sponsored institutions of higher education . . . can be more efficient" in a number of different areas. The Task Force must submit a report of its recommendations to the Governor and General Assembly by October 1, 2015, at which point it will be dissolved.

The bill specifies that, upon submission of the report of the Task Force, all state institutions of higher education must complete an efficiency review based on the recommendations of the Task Force. By July 1, 2016, each institution must provide a report to the Chancellor that includes the efficiency review, implementation plan of the Task Force recommendations authorized by the institution, and the 5% challenge required under the bill (see "**Reducing college costs (5% challenge)**" above).

Higher education health plans – excess benefits prohibited

(R.C. 3345.311 and 4117.10)

Provision of excess benefits

The bill prohibits a state institution of higher education from providing "excess benefits" to an employee that would trigger the federal excise tax on high cost employer-sponsored health coverage (commonly referred to as the "Cadillac Tax"). A state institution of higher education may provide excess benefits to an employee that would trigger the excise tax if the excess benefits are provided pursuant to a policy or contract that was issued or entered into prior to the prohibition's effective date. This provision prevails over any conflicting provision of a collective bargaining agreement entered into on or after the provision's effective date.

This provision may conflict with division (B) Article I, Section 21, Ohio Constitution, which prohibits any federal, state, or local law or rule from prohibiting the purchase or sale of health care or health insurance.

Federal excise tax on "Cadillac plans"

Under federal law, beginning in 2018, employer sponsored health coverage that exceeds specified cost limits is subject to an excise tax of 40% for any amount by which

[108] Executive Order 2015-01K.

the cost of the plan exceeds those limits (the limits are increased annually). In 2018, the limit for employee-only coverage is $10,200, and the limit for family coverage (or coverage other than self-only coverage) is $27,500. The coverage provider must pay any taxes due under this provision. Depending on how the health coverage is administered, the "coverage provider" is the insurer, the employer, or any other person who administers the plan benefits.[109]

Deadline for certification of reserve fund transfer

(R.C. 3333.124, 3333.613, 5910.08, and 5919.341)

The bill authorizes the Director of Budget and Management to transfer funds from the reserve funds of the Ohio College Opportunity Grant Program, Ohio First Scholarship Program, Ohio National Guard Scholarship Program, and War Orphans Scholarship Program in order to meet General Revenue Fund (GRF) obligations, if it is determined that GRF appropriations are insufficient. Current law authorizes the Director to transfer "any unencumbered balance" of those funds to the GRF.

The bill authorizes the Director of Budget and Management to transfer the unexpended balance of the amounts initially transferred to the GRF back to those scholarship reserve funds, if the funds transferred from those reserve funds are not needed. The bill also eliminates an authorization for the Director to seek Controlling Board approval to establish appropriations for the National Guard Scholarship Reserve Fund.

Finally the bill revises, from July 1 of each fiscal year to "as soon as possible following the end of each fiscal year," the deadline by which the Chancellor must certify to the Director of Budget and Management the unencumbered balance of GRF appropriations made in the immediately preceding fiscal year for the Ohio College Opportunity Grant Program, Ohio First Scholarship Program, Ohio National Guard Scholarship Program, and War Orphans Scholarship Program.

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[109] 26 U.S.C. 4980I.

DEPARTMENT OF INSURANCE

Multiple employer welfare arrangements

- Expands entities eligible to form a multiple employer welfare arrangement (MEWA) to include a chamber of commerce, a tax-exempt voluntary employee beneficiary association or business league, or any other association specified in rule by the Superintendent of Insurance.
- Extends from one year to five years the time frame a group must have been organized and maintained before registering as a MEWA.
- Increases the required minimum surplus for MEWAs from $150,000 to $500,000.
- Specifies that a MEWA is subject to the continuing law risk-based capital requirements for life or health insurers.
- Permits a MEWA to send notice of involuntary termination to a member by any manner permitted in the agreement, instead of only by certified mail.
- Prohibits a MEWA's stop-loss insurance policy from engaging in specified actions with respect to covered individuals.
- Prohibits a MEWA from enrolling a member in the MEWA's group self-insurance program until the MEWA has notified the member of the possibility of additional liability if the MEWA has insufficient funds.
- Requires MEWAs to annually file with the Superintendent of Insurance an actuarial certification.

Surplus lines affidavit

- Replaces the surplus lines affidavit required for every insurance policy placed in the surplus lines market with a signed statement serving a similar purpose that does not need to be notarized.
- Modifies the continuing education requirements for licensed insurance agents to specify that an agent must complete at least 24 hours of continuing education for each licensing period.

Innovative waiver regarding health insurance coverage

- Requires the Superintendent of Insurance to apply for a federal waiver authorized by the Patient Protection and Affordable Care Act for the purpose of establishing a system that provides access to affordable health insurance coverage for Ohio residents.

- Requires the Superintendent to include in the application a request for waivers of the federal employer and individual mandates established by the Patient Protection and Affordable Care Act.

Pharmacy benefit managers

- Requires pharmacy benefit managers to be licensed as third-party administrators.
- Places requirements relating to maximum allowable cost on contracts between pharmacy benefit managers and plan sponsors.
- Prescribes disclosure requirements for health benefit plans offered through an exchange.

Multiple employer welfare arrangements

Eligibility requirements

(R.C. 1739.02; conforming changes in R.C. 1739.03 and 1739.20)

The bill makes changes to the eligibility requirements pertaining to groups forming a multiple employer welfare arrangement (MEWA). The bill expands the entities that are eligible to form a MEWA to include a chamber of commerce, a tax-exempt voluntary employee beneficiary association or business league, or any other association specified in rule by the Superintendent of Insurance. The bill also extends to five years the time period a group must have been organized and maintained before registering as a MEWA. Under current law, only a trade association, industry association, or professional association that has been maintained continuously for one year can form a MEWA.

Surplus requirement

(R.C. 1739.13; Section 812.10)

Current law requires a MEWA operating a group self-insurance program to maintain a minimum surplus level for the protection of the MEWA members and the members' employees. The bill increases the required minimum surplus from $150,000 to $500,000. These requirements take effect two years from the bill's effective date for MEWAs that have a valid certificate of authority on that date.

Risk-based capital requirements

(R.C. 1739.05(E) and 3903.81)

The bill subjects a MEWA to the continuing law risk-based capital requirements for life or health insurers, such as the duty to submit an annual report on risk-based capital levels and the duty to submit a risk-based capital plan after specified events.

Notice of involuntary termination

(R.C. 1739.07)

Continuing law permits a MEWA to involuntarily terminate a member's participation in the MEWA under specified circumstances. The bill permits a MEWA to give a member written notice of an involuntary termination in any manner permitted in the agreement, instead of only by certified mail to the last address of record of the member as required under current law.

Stop-loss insurance policy prohibitions

(R.C. 1739.12)

Continuing law requires a MEWA operating a group self-insurance program to purchase individual stop-loss insurance from a licensed insurer authorized to do business in Ohio. "Stop-loss insurance" means an insurance policy under which a MEWA receives reimbursement for benefits it pays in excess of a preset deductible or limit.[110] The bill prohibits a stop-loss insurance policy purchased by a MEWA from doing any of the following based on actual or expected claims for an individual or an individual's diagnosis:

- Assign a different attachment point for that individual;
- Assign a deductible to that individual that must be met before stop-loss insurance applies;
- Deny stop-loss insurance coverage to that individual.

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[110] R.C. 1739.01(B), not in the bill.

Notice regarding insufficient funds

(R.C. 1739.20)

Continuing law prohibits a MEWA from taking certain actions, such as refusing to pay proper claims arising under the group self-insurance coverage. The bill additionally prohibits enrolling a member in the MEWA's group self-insurance program before the MEWA has notified the member in writing of the possibility that the member may be required to make additional payments in the event the MEWA has insufficient funds. The MEWA must keep a copy of this notification in its program files to evidence compliance with this requirement.

Actuarial certification

(R.C. 1739.141)

The bill requires each MEWA to annually file with the Superintendent of Insurance an actuarial certification that includes a statement that the underwriting and rating methods of the carrier do all of the following:

- Comply with accepted actuarial practices;
- Are uniformly applied to arrangement members, employees of members, and the dependents of members or employees;
- Comply with the requirements for certificates and other forms used by a MEWA in connection with a group self-insurance program.

The certification must be filed by March 31 of each year.

Surplus lines affidavit

(R.C. 3905.33)

The bill removes the current law requirement that, unless certain criteria are met, an insurance agent who procures or places insurance through a surplus lines broker must obtain an affidavit from the insured acknowledging that the policy will be placed with an insurer not licensed to do business in Ohio. Instead, the bill requires such an insurance agent to obtain a signed statement that does not need to be notarized from the insured acknowledging the same information.

Continuing education for insurance agents

(R.C. 3905.481)

Modifies the continuing education requirements for licensed insurance agents to specify that an agent must complete at least 24 hours of continuing education *for* each licensing period. Current law requires 24 hours of continuing education *in* each licensing period.

Innovative waiver regarding health insurance coverage

(R.C. 3901.052)

The bill requires the Superintendent of Insurance to apply to the U.S. Secretary of Health and Human Services and the U.S. Secretary of the Treasury for an innovative waiver regarding health insurance coverage in Ohio as authorized by the Patient Protection and Affordable Care Act. The application is to provide for the establishment of a system that provides access to affordable health insurance coverage for Ohio residents. The Superintendent must include in the application a request for waivers of the employer and individual mandates in the Patient Protection and Affordable Care Act. The employer mandate requires an employer with at least 50 full-time equivalent employees to offer qualifying health insurance coverage to at least a certain percentage of its full-time equivalent employees and their dependent children or pay a tax penalty.[111] The individual mandate is a requirement that an individual, unless exempt, obtain qualifying health coverage or pay a tax penalty.[112]

Pharmacy benefit managers and maximum allowable cost

(R.C. 3959.01 and 3959.111)

Licensure

Continuing law requires third-party administrators to obtain a license from the Department of Insurance. The bill specifies that pharmacy benefit managers are a type of third-party administrator, and by extension, requires pharmacy benefit managers to be licensed as third-party administrators. A "pharmacy benefit manager" is an entity that contracts with pharmacies on behalf of a plan sponsor to provide pharmacy health benefit services or administration. "Plan sponsor" means an employer, a multiple employer welfare arrangement, public employee benefit plan, state agency, insurer,

[111] 26 U.S.C. 4980H.

[112] 26 U.S.C. 5000A.

managed care organization, or other third-party payer that facilitates a health benefit plan that provides a drug benefit that is administered by a pharmacy benefit manager.

Maximum allowable cost

The bill also sets requirements relating to maximum allowable cost on contracts between pharmacy benefit managers and plan sponsors. "Maximum allowable cost" means a maximum drug product reimbursement for an individual drug or for a group of therapeutically and pharmaceutically equivalent multiple source drugs that are listed in the U.S. Food and Drug Administration's Orange Book (formally known as Approved Drug Products with Therapeutic Equivalence Evaluations).

Maximum allowable cost list

In order to place a prescription drug on any maximum allowable cost list (a list of drugs for which a pharmacy benefit manager imposes a maximum allowable cost), in the contract the pharmacy benefit manager must be required to ensure that all of the following conditions are met:

- The drug is listed as "A" or "B" rated in the most recent version of the Orange Book, or has an "NR" or "NA" or similar rating by a nationally recognized reference.
- The drug is generally available for purchase by Ohio pharmacies from a national or regional wholesaler and is not obsolete.

The bill requires a pharmacy benefit manager to maintain a procedure to eliminate drug products from the maximum allowable cost list in a timely manner in order to remain consistent with pricing changes in the marketplace.

Maximum allowable cost pricing

The bill requires each contract between a pharmacy benefit manager and a pharmacy to include a provision granting the pharmacy the right to obtain, within ten days of any request, a current list of the sources the pharmacy benefit manager used to determine maximum allowable cost pricing. Additionally, the pharmacy benefit manager is required to update and implement its pricing information at least every seven days and provide a means by which pharmacies can promptly review pricing updates in a readily accessible format.

Appeal process

Each contract between a pharmacy benefit manager and a pharmacy must include an appeal, investigation, and dispute resolution process regarding maximum allowable cost pricing. The process must include all of the following:

- A 21-day limit on the right to appeal following the initial claim;
- A requirement that the appeal be investigated and resolved within 21 days after the appeal;
- A telephone number where the pharmacy may contact the pharmacy benefit manager to speak to a person responsible for processing appeals;
- A requirement that a pharmacy benefit manager provide a reason for any appeal denial and the national drug code of a drug that may be purchased in Ohio by the pharmacy at a price at or below the benchmark price determined by the pharmacy benefit manager;
- A requirement that a pharmacy benefit manager make an adjustment to a date related to a claim not later than one day after the date of determination of the appeal. The adjustment must be retroactive to the date the appeal was made and must apply to all similarly situated pharmacies. This requirement does not, however, prohibit a pharmacy benefit manager from retroactively adjusting a claim for the appealing pharmacy or for another similarly situated pharmacy.

Health insurer compliance

The bill specifies that a health insuring corporation or a sickness and accident insurer must comply with the bill's maximum allowable cost provisions if the corporation or insurer is a pharmacy benefit manager.

Health benefit exchange plan disclosures

(Section 303.30)

The bill requires health plan issuers to make certain disclosures with regard to health benefit plans offered through a health benefit exchange. In this regard, the bill applies to health insuring corporations, sickness and accident insurers, and multiple employer welfare arrangements. Such health plan issuers must make available the amount of enrollee or insured cost sharing under an individual's plan or coverage with respect to the furnishing of a specific item or service by an in-network provider in a timely manner upon request of the individual. These health plan insurers must also make the following information available to the Superintendent of Insurance and the public:

- Claims payment policies and practices;
- Information on cost-sharing and payments with respect to any out-of-network coverage;
- Information on enrollee or insured rights.

DEPARTMENT OF JOB AND FAMILY SERVICES

Support obligors

- Modifies the processing charge a court or administrative agency must impose on an obligor under a support order.
- Requires child support obligors ordered to seek work or participate in a work activity to register with OhioMeansJobs.

Adult protective services

- Requires the Ohio Department of Job and Family Services (ODJFS) to establish and maintain a statewide adult protective services information system.
- Requires each county department of job and family services (CDJFS) to prepare a memorandum of understanding that establishes the procedures to be followed by local officials when working on cases of elder abuse, neglect, and exploitation.
- Adds irreparable financial harm as a basis for obtaining an emergency order for protective services without giving notice to the adult.
- Establishes procedure for obtaining an ex parte emergency protective services order for an older adult.
- Requires a CDJFS to refer a report of elder abuse, neglect, or exploitation it receives to one of a number of specified state agencies if the person who is the subject of the report falls under the agency's jurisdiction.
- Requires ODJFS to provide training on the implementation of the adult protective services statutes and to require all protective services caseworkers and their managers to complete the training.
- Modifies the definition of "exploitation" as that term is used in adult protective services statutes.

Child care

- Makes various changes to definitions governing child day-care.
- Consolidates existing provisions related to criminal records checks for child day-care centers, type A family day-care homes, licensed type B family day-care homes, and in-home aides and repeals duplicative provisions.

- Prohibits the ODJFS Director from issuing or renewing a license for a type A home or type B home if a minor resident has been adjudicated a delinquent child for committing a disqualifying offense.

- Requires a center, type A home, or licensed type B home to request a criminal records check for each job applicant and employee rather than only those applicants for and employees with positions involving responsibility for the care, custody, or control of a child.

- Adds offenses to the list that disqualifies a person from licensure or employment under current law.

- Codifies the Step Up to Quality Program to require the ODJFS and the Department of Education (ODE) to develop a tiered quality rating and improvement system for all Ohio early learning and development programs.

- Specifies by year the percentage of children that must be served by early learning and development programs with specific quality ratings.

- Requires ODJFS and ODE to identify and implement ways to accelerate early learning and development programs' movement to higher tiers and to report their recommendations to the General Assembly by October 31, 2015.

- Requires the ODJFS Director to adopt rules establishing standards for minimum instructional time for child care facilities rated through the Step Up to Quality rating system.

- Repeals provisions that specify child day-care center staff member training requirements and instead requires the Director to adopt rules regarding training.

- Authorizes the Director to contract with a government or private nonprofit entity to conduct type A family day-care home inspections.

- Specifies that certain actions of the ODJFS Director are not subject to the Administrative Procedure Act (Chapter 119. of the Revised Code).

- Requires ODJFS to suspend, without prior hearing, the license of a child care facility under specified circumstances.

- Requires the Director to establish an hourly reimbursement ceiling for in-home aides providing publicly funded child care, rather than a reimbursement ceiling that is 75% of the ceiling for type B family day-care homes.

- Permits child-care staff members to furnish evidence of qualifications to a designee of the Director.

- Changes to 300% (from 200%) of the Federal Poverty Line, the maximum amount of income a family can have for initial and continued eligibility for publicly funded child care.

- Repeals a provision that prohibits a caretaker parent from being required to pay a fee for publicly funded child care that exceeds 10% of the parent's family income.

- Provides that a caretaker parent may not receive full-time publicly funded child care from more than one child care provider per child during a week unless the county department of job and family services grants the parent an exemption.

Supplemental Nutrition Assistance Program (SNAP) and Ohio Works First (OWF)

- Specifies that rules governing SNAP must be consistent with federal work and employment and training requirements and must provide for SNAP recipients to participate in certain work activities, developmental activities, and alternative work activities.

- Specifies that rules governing OWF must include requirements for work activities, developmental activities, and alternative work activities for OWF participants.

Ohio Healthier Buckeye Advisory Council

- Requires the Ohio Healthier Buckeye Advisory Council (OHBAC) to prepare an annual report of its activities.

- Repeals requirements that OHBAC recommend (1) criteria, application processes, and maximum grant amounts for the Ohio Healthier Buckeye Grant Program, and (2) means to achieve coordination, person-centered case management, and standardization in public assistance programs.

- Requires OHBAC to (1) provide assistance establishing local healthier buckeye councils, (2) identify barriers and gaps to achieving greater financial independence and provide advice on overcoming those barriers and gaps, and (3) collect, analyze, and report performance measure information.

Local healthier buckeye councils

- Authorizes boards of county commissioners to establish local healthier buckeye councils rather than county councils.

- Specifies the contents of a resolution that establishes a local council.
- Authorizes the formation of joint local councils.
- Requires local councils to promote opportunities for individuals and families to achieve and maintain optimal health, and develop plans to promote that objective and other objectives in current law.
- Requires each local council to submit the council's plan to its board of county commissioners and to OHBAC.
- Requires local councils to submit annual performance reports to OHBAC.
- Requires local councils to report certain information to the Joint Medicaid Oversight Committee and OHBAC.

Healthier Buckeye Grant Program

- Repeals the existing Healthier Buckeye Grant Program.

Disability Financial Assistance

- Permits ODJFS to contract with a state agency to make eligibility determinations for the Disability Financial Assistance Program.
- Requires ODJFS to pay the state agency's administrative costs to make those determinations.

Military Injury Relief Fund

- Transfers from ODJFS to the Department of Veterans Services all duties relating to grants from the Military Injury Relief Fund.
- Expands the service members eligible to receive a grant from the Fund to include a service member injured while serving after October 7, 2001, or any service member diagnosed with post-traumatic stress disorder while serving, or after having served, after October 7, 2001.
- Requires the Director of Veterans Services to adopt rules necessary to administer the Military Injury Relief Fund Grant Program.
- Specifies that the current rules regarding the grant program remain effective until the Director of Veterans Services rules take effect.

Audit Settlements and Contingency Fund

- Renames the ODJFS General Services Administration and Operating Fund the Audit Settlements and Contingency Fund.
- Specifies that the Fund is to consist of money transferred from any of the Funds used by ODJFS, other than the GRF, and is to be used to pay for required audits, settlements, contingencies, and other related expenses.
- Permits the Director of Budget and Management to transfer money from the Fund to any fund used by ODJFS or to the GRF.

Administration of Workforce Innovation and Opportunity Act

- Requires the ODJFS Director to administer the Workforce Innovation and Opportunity Act (WIOA) during fiscal years 2016 and 2017.

Comprehensive Case Management and Employment Program

- Requires ODJFS, in consultation with the Governor's Office of Workforce Transformation, to create, coordinate, and supervise the Comprehensive Case Management and Employment Program (CCMEP) during fiscal years 2016 and 2017.
- Requires that CCMEP, to the extent funds under the TANF block grant and WIOA are available, make certain employment and training services available to participants in accordance with comprehensive assessments of their employment and training needs.
- Requires that CCMEP, to the extent funds under the TANF block grant are available, make enhanced services under the Prevention, Retention, and Contingency (PRC) Program available to certain CCMEP participants.
- Requires work-eligible individuals between the ages of 16 and 24 to participate in CCMEP as a condition of participating in Ohio Works First (OWF).
- Permits OWF participants who are not work-eligible individuals and individuals receiving benefits and services under the PRC Program (between the ages of 16 and 24) to volunteer to participate in CCMEP.
- Requires low-income adults, in-school youth, or out-of-school youth (between the ages of 16 and 24) who have barriers to employment to participate in CCMEP as a condition of enrollment in workforce development activities funded by the TANF block grant.

- Requires CCMEP to serve participants beginning July 1, 2016.
- Requires each board of county commissioners to designate, not later than May 15, 2016, either the CDJFS or workforce development agency (WDA) as the lead agency for purposes of CCMEP.
- Assigns to the lead agency certain duties, including the duty to administer CCMEP.
- Creates the CCMEP Advisory Board and requires the Board to (1) establish an evaluation system for CDJFSs' and WDAs' administration of CCMEP and (2) submit the evaluation system to ODJFS for approval or disapproval.
- Requires an evaluation system approved by ODJFS to be in place not later than July 1, 2016.
- Requires ODJFS, in consultation with CDJFSs and WDAs, to review the agencies' existing functions to discover opportunities for efficiencies so that CCMEP's capacity may be increased.

PRC Program-Enhanced

- Establishes the PRC Program-Enhanced, to be administered by ODJFS to provide CCMEP participants in compliance with CCMEP requirements enhanced PRC Program services, including short-term supportive services that address a specific crisis or episode of need.

TANF report

- Requires ODJFS, not later than July 1, 2016, to submit a report detailing spending under the TANF block grant for each county in Ohio.
- Requires the report to provide specific information with regard to PRC Program spending.

Child placement level of care tool pilot program

- Requires ODJFS to implement, oversee, evaluate, and seek federal and state funding for a pilot program in ten counties selected by ODJFS for use of a Child Placement Level of Care Tool.
- Provides for the pilot program to begin not later than six months after authority for the program is effective under the bill and for the program to last no longer than 18 months after it begins.

Uniform Interstate Family Support Act

- Repeals the Uniform Interstate Family Support Act (UIFSA), as currently enacted in Ohio, and replaces it with the 2008 version of UIFSA to adopt the 2001 and 2008 recommended changes to the laws.

Children's Trust Fund Board changes

- Divides the state into eight regions for the purpose of applying for, receiving, and implementing child abuse and child neglect programming and services approved by the Children's Trust Fund Board (CTF Board).

- Eliminates child abuse and child neglect prevention advisory boards and creates child abuse and child neglect regional prevention councils for each region and sets forth the membership and duties of the councils.

- Requires a board or boards of county commissioners that oversee a child abuse and child neglect prevention advisory board to oversee the transfer of advisory board assets and liabilities and to complete, or delegate to a council, any pending business of the advisory board.

- Requires the CTF Board to appoint a regional prevention coordinator to each region, selected by a competitive process conducted by the CTF Board.

- Removes the requirement that the CTF Board adopt a state plan for the allocation of child abuse and child neglect prevention funds and instead requires the CTF Board to adopt a strategic plan and allocate funding to councils and children's advocacy centers.

- Modifies the requirements governing the award of one-time, start-up costs for the establishment of children's advocacy centers.

Mentoring Care and Job Connect Pilot Project

- Establishes the Mentoring Care and Job Connect Pilot Project to help eligible low-income participants obtain meaningful employment through mentoring services in a minimum of one urban region and one rural region in Ohio for fiscal years 2016 and 2017.

- Requires the Governor's Office of Health Transformation, in consultation with the Department of Job and Family Services, the Department of Medicaid, and the Governor's Office of Workforce Transformation to create, monitor, and evaluate the pilot project.

- Requires the Executive Director of the Office of Health Transformation to release a request for grant applications, by September 1, 2015, for a private non-profit or not-for-profit entity to administer the pilot project, and to select an administrator by December 1, 2015.
- Requires the entity selected to administer the pilot project to establish an application process and select participants from among eligible applicants.

Support obligors

Support processing charge

(R.C. 3119.27)

The bill modifies the processing charge that a court or administrative agency must impose on a support obligor. A court that issues or modifies a support order (which can be either a child support order or spousal support order) or an agency that issues or modifies an administrative child support order must impose on the order's obligor a processing charge equal to 2% of the support payment to be collected under the order. Under current law, the amount charged is the greater of 2% of the support amount or $1 per month.

Seek work orders for child support obligors

(R.C. 3121.03)

The bill requires a court or administrative child support agency, when ordering a child support obligor to seek employment or participate in a work activity, to also require the obligor to register with OhioMeansJobs. Under continuing law, this order supports an existing child support order. It is issued to an obligor that is able to work, but is unemployed, has no income, and does not have an account at a financial institution.

Adult protective services

Statewide adult protective services information system

(R.C. 1347.08, 5101.612, and 5101.99)

The bill requires the Ohio Department of Job and Family Services (ODJFS) to establish and maintain a uniform statewide adult protective services information system. The information system is to contain records regarding all reports of abuse, neglect, or exploitation of adults made to a county department of job and family services (CDJFS); the investigations of those reports; the protective services provided to adults; and any other information related to adults in need of protective services that ODJFS or a CDJFS is required by law to maintain. ODJFS is to implement the information system on a county-by-county basis and notify all CDJFSs when statewide implementation of the system is complete.

The bill specifies that the information contained in or obtained from the information system is confidential, is not a public record, and is not subject to the disclosure laws that apply to other state-implemented personal information systems. The information may be accessed or used only in a manner, to the extent, and for the purposes authorized by, rules adopted by ODJFS. A person who knowingly accesses, uses, or discloses information contained in the information system other than in accordance with those rules is guilty of a fourth degree misdemeanor.

Memorandum of understanding

(R.C. 5101.621)

The bill requires each CDJFS to prepare a memorandum of understanding that sets forth the procedures to be followed by local officials when working on cases of elder abuse, neglect, and exploitation. Those procedures are to include the officials' roles and responsibilities for handling cases that have been referred by CDJFS to another agency and for filing criminal charges against the persons alleged to have committed the abuse, neglect, or exploitation. The memorandum also must provide for the establishment of an interdisciplinary team to coordinate efforts to prevent, report, and treat abuse, neglect, and exploitation of adults.

The bill specifies that a failure to follow the procedures established by the memorandum of understanding is not grounds for the dismissal of a charge or complaint arising from a report of abuse, neglect, or exploitation; for the suppression of evidence obtained as a result of such a report; or for appeal or post-conviction relief.

The bill requires the memorandum of understanding to be signed by the director of the CDJFS; the director of any state agency with which the CDJFS has entered into an interagency agreement; the county peace officer; all chief municipal peace officers within the county; law enforcement officers handling adult abuse, neglect, and exploitation cases; the county prosecuting attorney; and the county coroner. The memorandum of understanding may additionally be signed by the following as members of the interdisciplinary team established by the memorandum of understanding: a representative of the area agency on aging; the regional long-term care ombudsman; a representative of the board of alcohol, drug addiction, and mental health services; a representative of the local board of health; a representative of the county board of developmental disabilities; a representative of a victim assistance program; a representative of a local housing authority; or any other person whose participation furthers the goals of the memorandum of understanding.

Reports of elder abuse, neglect, or exploitation

(R.C. 5101.61)

The bill requires all CDJFSs to be available to receive reports of elder abuse, neglect, or exploitation 24 hours a day and seven days a week. The bill specifies that the information in the reports is confidential and repeals a provision that requires the information to be made available upon request to agencies authorized by a CDJFS to receive the information.

Referring reports of elder abuse, neglect, or exploitation

(R.C. 5101.611)

The bill modifies the requirement that a CDJFS refer a report of elder abuse, neglect, or exploitation to another state agency if the person who is the subject of the report falls under that agency's jurisdiction. If the subject of the report is a resident of a long-term care facility regulated by the Department of Aging, the report is to be referred to the State Long-Term Care Ombudsman Program. If the subject of the report is resident of a nursing home and has allegedly been abused, neglected, or exploited by an employee of the nursing home, the report is to be referred to the Department of Health. If the subject of the report is a child, the report is to be referred to the public children services agency. The referrals are to be made in accordance with rules ODJFS adopts.

Additionally, the bill requires a CDJFS to treat reports of abuse, neglect, and exploitation that are referred to it by the State Ombudsman or a regional long-term care ombudsman program as if the reports were made under the law governing adult protective services.

Emergency protective services

(R.C. 5101.69, 5101.691, and 5101.692)

Current law permits a CDJFS to petition the court for an order authorizing the provision of protective services on an emergency basis. In general, the adult must be given at least notice of the filing and contents of the petition, the adult's rights, and the consequences of a court order at least 24 hours before the hearing required by current law. The court may waive the notice requirement if reasonable attempts have been made to notify the adult or the adult's family or guardian, if any and immediate and irreparable physical harm to the adult or others would result from a 24-hour delay. The bill permits the court, in addition, to waive the 24-hour notice period if immediate and irreparable financial harm to the adult or others would result from the delay.

Emergency ex parte orders

The bill adds provisions allowing for ex parte emergency protective-services orders. These are orders issued without prior notice to the adult. Under the bill, a court, through a probate judge or a magistrate under the direction of a probate judge, may issue by telephone an ex parte emergency order authorizing the provision of protective services to an adult on an emergency basis if all of the following are the case:

(1) The court receives notice from the CDJFS or its authorized employee that the CDJFS or employee believes an emergency order is needed as described in this section.

(2) There is reasonable cause to believe that the adult is incapacitated.

(3) There is reasonable cause to believe that there is a substantial risk to the adult of immediate and irreparable physical harm, immediate and irreparable financial harm, or death.

An ex parte order, which must be journalized by the judge or magistrate, may remain in effect for not longer than 24 hours, except that if the day following the day on which the order is issued is not a working day, the order remains in effect until the next working day. The CDJFS must file a regular petition for emergency court-ordered services within 24 hours after an ex parte order is issued or, if the day following the day on which the order was issued is not a working day, on the next working day. The proceedings are then the same as for a regular emergency petition, except that the court must hold a hearing not later than 24 hours after the issuance of the ex parte order (or on the next working day if the day following the day on which the order is issued is not a working day) to determine whether there is probable cause for the order. At the hearing, the court must determine whether protective services are the least restrictive alternative available for meeting the adult's needs. At the hearing, the court may do any of the following:

(1) Issue temporary orders to protect the adult from immediate and irreparable physical harm or immediate and irreparable financial harm, including, but not limited to, temporary protection orders, evaluations, and orders requiring a party to vacate the adult's place of residence or legal settlement;

(2) Order emergency services;

(3) Freeze the financial assets of the adult.

A temporary order is effective for 30 days. The court may renew the order for an additional 30-day period. Information contained in the order may be entered into the Law Enforcement Automated Data System.

Designation of duties

(R.C. 5101.622)

The bill permits a CDJFS to enter into a contract with one or more private or government entities to perform any of its duties regarding receiving reports of abuse, neglect, and exploitation; investigating the reports and arranging for the provision of protective services; and petitioning the court for an order authorizing the provision of protective services.

ODJFS rules

(R.C. 5101.71)

Current law permits ODJFS to provide a program of ongoing, comprehensive, formal training to CDJFSs regarding the implementation of the law governing adult protective services. The bill instead requires ODJFS to provide training and require all protective services caseworkers and their supervisors to undergo the training.

As part of its authority to adopt rules governing the implementation of the law governing adult protective services, ODJFS is permitted by current law to adopt rules regarding CDJFSs' plans for proposed expenditures and reporting of expenditures for the program. The bill permits, in addition, that the rules include other requirements for intake procedures, investigations, case management, and the provision of protective services.

Definition of "exploitation"

(R.C. 5101.60)

Current law defines "exploitation" to mean the unlawful or improper act of a caretaker using an adult or an adult's resources for monetary or personal benefit, profit, or gain. The bill specifies that exploitation occurs when a caretaker obtains or exerts control over an adult or the adult's resources either without consent, beyond the scope of express or implied consent, or by deception, threat, or intimidation.

Child care

Regulation of child care: background

(R.C. 3301.51 to 3301.59; R.C. Chapter 5104.)

ODJFS and CDJFSs are responsible for the regulation of child care providers, other than preschool programs and school child programs, which are regulated by the Ohio Department of Education (ODE). Child care can be provided in a facility, the home of the provider, or the child's home. Not all child care providers are subject to regulation, but a provider must be licensed or certified to be eligible to provide publicly funded child care. The distinctions among the types of providers are described in the table below.

Child Care Providers		
Type	**Description/Number of children served**	**Regulatory system**
Child day-care center	Any place in which child care is provided as follows: --For 13 or more children at one time; or --For 7-12 children at one time if the place is not the permanent residence of the licensee or administrator (which is, instead, a type A home).	A child day-care center must be licensed by ODJFS, regardless of whether it provides publicly funded child care.
Family day-care home	**Type A home –** a permanent residence of an administrator in which child care is provided as follows: --For 7-12 children at one time; or --For 4-12 children at one time if 4 or more are under age 2. **Type B home –** a permanent residence of the provider in which child care is provided as follows: --For 1-6 children at one time; and --No more than 3 children at one time under age 2.	A type A home must be licensed by ODJFS, regardless of whether it provides publicly funded child care. To be eligible to provide publicly funded child care, a type B home must be licensed by ODJFS.
In-home aide	A person who provides child care in a child's home but does not reside with the child.	To be eligible to provide publicly funded child care, an in-home aide must be certified by a CDJFS.

Changes to child day-care definitions

(R.C. 5104.01)

The bill makes several changes to child day-care definitions. Under current law, "child care" means administering to the needs of infants, toddlers, preschool-age children, and school-age children outside of school hours by persons other than their parents or guardians, custodians, or relatives by blood, marriage, or adoption for any part of the 24-hour day in a place or residence other than a child's own home. The bill repeals the part of that definition that excludes care provided by relatives from child care. The bill also clarifies that care provided by an in-home aide in the child's own home is child care.

Current law defines Head Start as a comprehensive child development program that receives funds under federal law and is licensed as a child day-care center. The bill clarifies that Head Start serves children from birth to three years old and preschool-age children.

The bill also expands the definition of "owner" of a center, type A home, and type B home. Under current law, an owner is a person (which includes an individual, corporation, business trust, estate, trust, partnership, and association)[113] or a government entity. The bill expands that definition to include in addition a firm, organization, institution, or agency, as well as the individual governing board members, partners, incorporators, agents, and the authorized representatives of those entities. Consequently, the bill expands existing provisions that relate to owners to include those entities and individuals. These include, for example, restrictions on seeking a license after revocation or denial and criminal records check and attestation requirements (see "**Criminal records checks**," below).[114]

Finally, the bill expands the definitions of part-time child care providers. Under current law, only centers or type A homes that provide child care for no more than four hours per day for any child meet the definition. The bill expands part-time child care to include centers and type A homes that operate for not more than 15 consecutive weeks per year, regardless of the number of hours per day.

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[113] R.C. 1.59, not in the bill.

[114] R.C. 5104.013 and 5104.03, not in the bill.

Criminal records checks and attestations

(R.C. 109.57, 109.572, 5104.012, 5104.013, 5104.04, 5104.09, 5104.37, and 5104.99)

ODJFS is required by current law to request a criminal records check of the following persons: (1) the owner, licensee, or administrator of a child day-care center, (2) the owner, licensee, or administrator of a type A family day-care home, (3) the administrator of a licensed type B family day-care home, and (4) any person age 18 or older who lives in a type A home or licensed type B home. A CDJFS is required to request a criminal records check of an in-home aide. An administrator of a center or type A home is required to request a criminal records check of any applicant who has applied to the center or type A home for employment as a person responsible for the care, custody, or control of a child. The criminal records checks for all of these specified persons must be requested at the time of initial application and every five years thereafter.

In general, the ODJFS Director is prohibited from granting a license to a center, type A home, or type B home and a CDJFS director is prohibited from certifying an in-home aide if a person for whom a criminal records check is required in connection with the center or home has been convicted of or pleaded guilty to certain offenses. A license or certificate may be issued if the person has met ODJFS established rehabilitation standards. Additionally, a center or type A home is prohibited from employing or contracting with another entity for the services of a person as a person responsible for the care, custody, or control of a child if the person has been convicted of or pleaded guilty to specified offenses, unless the person meets ODJFS rehabilitation standards. The center or home may employ a person conditionally until the criminal records check is completed, but the center or home's administrator must review the results of the criminal records check before the applicant has sole responsibility for the care, custody, or control of any child.

Current law also contains another provision listing offenses that disqualify a person from owning or operating a center, type A home, or licensed type B home; being employed in any capacity in a center or type A home; or being certified as an in-home aide unless rehabilitation standards are met.[115] The offenses are somewhat duplicative of those that are included in the criminal records check requirements, but the list is not as extensive. The provision also requires that the following attestations be made:

- Each employee of a center or type A home and every person age 18 or older residing in a type A home or licensed type B home must sign a statement attesting to the fact that the employee or resident has not been

[115] R.C. 5104.09.

convicted of or pleaded guilty to any disqualifying offense and that no child has been removed from the employee's or resident's home pursuant to an abuse, dependency, or neglect adjudication.

- Each licensee of a type A home or licensed type B home must sign a statement attesting to the fact that no person under age 18 who resides in the home has been adjudicated a delinquent child for committing any disqualifying offense.

- Each administrator and licensee of a center, type A home, or licensed type B home must sign a statement attesting that the administrator or licensee has not been convicted of or pleaded guilty to any disqualifying offense and that no child has been removed from the person's home pursuant to an abuse, dependency, or neglect adjudication.

- Each in-home aide must sign a statement attesting that the aide has not been convicted of or pleaded guilty to any disqualifying offense and that no child has been removed from the aide's home pursuant to an abuse, dependency, or neglect adjudication.

Withholding or falsifying information on the attestations described above is a first degree misdemeanor.

The bill consolidates all of the existing provisions related to criminal records checks, disqualifying offenses, and attestations that concern child care into a single Revised Code section and makes conforming technical changes.[116] It also makes several substantive changes to these provisions.

First, the bill extends its criminal records check and attestation requirements to include employees, owners, and licensees of licensed type B homes rather than only administrators of licensed type B homes. Further, it specifies that criminal records check requirements for employees apply to ***<u>any</u>*** employee rather than only those employed as a person responsible for the care, custody, or control of a child.

Next, in addition to the attestation required under current law, the bill expressly prohibits the ODJFS Director from issuing a license to a type A home or type B home if a child under 18 residing in the home has been adjudicated a delinquent child for committing any of the offenses for which a criminal records check must be performed.

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[116] R.C. 5104.013.

Finally, the bill adds the following offenses to those currently included in a criminal records check (and that are disqualifying offenses unless rehabilitation standards are met): extortion, trafficking in persons, commercial sexual exploitation of a minor, soliciting to engage in sexual activity for hire, aggravated arson, arson, disrupting public services, vandalism, inciting to violence, aggravated riot, riot, inducing panic, misrepresentation relating to provision of child care, failure to disclose the death or injury of a child in a child care facility, intimidation, failure to report child abuse or neglect, making a false report of child abuse or neglect, escape, or aiding escape or resistance to lawful authority.[117]

Step Up to Quality

(R.C. 5104.29 (primary), 5104.30, and 5104.31; Sections 263.20 and 305.163)

Current law requires ODJFS to use certain funds available under the federal Child Care Block Grant Act to establish a tiered quality rating and improvement system for child day-care providers. In response, ODJFS has established the Step Up to Quality Program. The bill codifies that program in the Revised Code, and provides that, in cooperation with the Department of Education, ODJFS is to develop a tiered quality rating and improvement system for all early learning and development programs in this state (clarifying that Step Up to Quality applies to preschool programs licensed by the Department of Education in addition to providers licensed by ODJFS).

The bill requires that the Step Up to Quality Program include all of the following components:

(1) Quality program standards for early learning and development programs;

(2) Accountability measures that include tiered ratings representing each program's level of quality;

(3) Program and provider outreach and support to help programs meet higher standards and promote participation in the step up to quality program;

(4) Financial incentives linked to achieving and maintaining quality standards;

(5) Parent and consumer education to help parents learn about program quality and ratings so they can make informed choices on behalf of their children.

Step Up to Quality has the following goals:

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[117] R.C. 2151.421, 2905.11, 2905.32, 2907.19, 2907.24, 2909.02, 2909.03, 2909.04, 2909.05, 2917.01, 2917.02, 2917.03, 2917.31, 2919.224, 2919.225, 2921.03, 2921.14, 2921.34, 2921.35, not in the bill.

- Increasing the number of low-income children, special needs children, and children with limited English proficiency participating in quality early learning and development programs;

- Providing families with an easy-to-use tool for evaluating the quality of early learning and development programs;

- Recognizing and supporting early learning and development programs that achieve higher levels of quality;

- Providing incentives and supports to help early learning and development programs implement continuous quality improvement systems.

Continuing law provides that, under the Program, participants may be eligible for grants, technical assistance, training, and other assistance. Participants that maintain a quality rating may be eligible for unrestricted monetary awards. The bill provides that Step Up to Quality's tiered ratings are to be based on a participating program's performance in meeting standards in learning and development, administration and leadership practices, staff quality and professional development, and family and community partnerships. The Director of Job and Family Services, in collaboration with the Superintendent of Public Instruction, is required to adopt rules in accordance with the Administrative Procedure Act (Chapter 119.) to implement the Step Up to Quality Program.

Percentages of children enrolled in quality programs

The bill requires ODJFS to ensure that the following percentages of children enrolled in early learning and development programs are served by programs with a rating in the third highest tier or above in the Step Up to Quality Program:

- By June 30, 2017, 25%;

- By June 30, 2019, 40%;

- By June 30, 2021, 60%;

- By June 30, 2023, 80%;

- By June 30, 2025, 100%.

Helping programs move to higher tiers

ODJFS and ODE are required to identify and implement ways to accelerate early learning and development programs moving to higher tiers in the Step Up to Quality Program. The departments may consult with the Early Childhood Advisory Council to facilitate their efforts and must include owners and administrators of early learning and development programs in the process. ODJFS and ODE must report their recommendations to the General Assembly not later than October 31, 2015.

Minimum instructional time for certain child care facilities

(R.C. 5104.015, 5104.017, and 5104.018)

The bill requires the Director to adopt rules establishing standards for minimum instructional time for child day-care centers, type A family day-care homes, and licensed type B family day-care homes that are rated through Step Up to Quality.

Child day-care center staff training

(R.C. 5104.037 (repealed), 5104.015, 5104.016, and 5104.036)

Under current law, a child day-care center staff member must complete 15 hours of in-service training annually, with certain exceptions. The bill repeals this provision and instead requires that the Director adopt rules regarding the training of child day-care center staff members.

Type A family day-care home inspections

(R.C. 5104.03)

The bill authorizes the Director to contract with a government or private nonprofit entity to conduct inspections of type A family day-care homes. Current law requires that each child day-care center, type A family day-care home, or type B family day-care home be inspected following the filing of an application for licensure. Under existing law, however, the Director may contract with a government or private nonprofit entity to conduct inspections for type B homes only.

Certain actions not subject to the Administrative Procedure Act

The bill specifies that certain actions of the Director are not subject to the Administrative Procedure Act (Chapter 119. of the Revised Code). Under existing law, if the Director revokes the license of a child day-care center, type A home, or licensed type B home, the Director cannot issue another license to the owner of the center or home until five years have elapsed from the date the license is revoked.

In addition, if the Director denies an application for licensure, current law prohibits the Director from accepting another application from the applicant until five years have elapsed since the date the previous application was denied. The bill provides that the Director's refusal to issue a license because the application was filed within five years of license revocation or application denial is not subject to the Administrative Procedure Act.

Summary suspension of child care licenses

(R.C. 5104.042 (new))

The bill requires ODJFS to suspend, without prior hearing, the license of a center, type A home, or licensed type B home if any of the following occur:

(1) A child dies or suffers a serious injury while receiving child care in the center or home;

(2) A public children services agency (PCSA) receives a report of the possible abuse or neglect or possible threat of abuse or neglect of a child receiving child care in the center or home and the person who is the subject of the report is the owner, licensee, administrator, employee, or resident of the center or home;

(3) An owner, licensee, administrator, employee, or resident of the center or home is charged by an indictment, information, or complaint with an offense relating to the abuse or neglect of a child;

(4) ODJFS determines that the center or home created a serious risk to the health or safety of a child receiving child care in the center or home that resulted in or could have resulted in a child's death or injury;

(5) The owner, licensee, administrator, employee, or resident of the center or home is charged by an indictment, information, or complaint with fraud.

Under the bill, ODJFS must issue a written order of suspension and must furnish a copy of the order to the licensee. The licensee may appeal the suspension to the common pleas court of the county in which the licensee resides or the licensee's business is located.

The bill provides that a summary suspension remains in effect, unless reversed on appeal, for the longer of 60 days or until any of the following occurs:

(1) The PCSA completes its investigation of the report of the possible abuse or neglect or the possible threat of abuse or neglect;

(2) All criminal charges are disposed of through dismissal, a finding of not guilty, conviction, or a plea of guilty;

(3) A final order issued by ODJFS becomes effective.

Additionally, if ODJFS initiates the revocation of a license that has been summarily suspended, the suspension remains in effect until the revocation process is completed.

In-home aide reimbursement for publicly funded child care

(R.C. 5104.30)

The bill requires the Director to establish an hourly reimbursement ceiling for in-home aides providing publicly funded child care. Under current law, the reimbursement ceiling must be 75% of the reimbursement ceiling that applies to licensed type B family day-care homes. The bill changes the reimbursement ceiling set by the Director to an hourly cap.

Child-care staff credential procedures

(R.C. 5104.036)

The bill permits child-care staff members of a child day-care center to furnish evidence of qualifications to a designee of the Director, rather than only to the Director. Continuing law generally requires such staff members to furnish evidence of at least high school graduation or certification of equivalency, or evidence of completion of a training program approved by ODJFS or the State Board of Education.

Publicly funded child care

(R.C. 5104.38)

Eligibility

Existing law requires the Director to adopt rules governing financial and administrative requirements for publicly funded child care, including the maximum amount of income a family can have to qualify. Currently, that maximum income is capped at 200% of the Federal Poverty Line for both initial and continued eligibility. The bill increases the maximum income that the Director may establish to 300%.

Fees paid by caretaker parents

Existing law also requires the Director to adopt a schedule of fees that may be charged to caretaker parents for publicly funded child care. The Director is restricted from requiring a fee in excess of 10% of a family's income. The bill repeals that limitation on the Director's ability to determine the fee schedule.

Full-time care from more than one provider

(R.C. 5104.34)

The bill provides that a caretaker parent may not receive full-time publicly funded child care from more than one child care provider per child during a week, instead of during any period as provided in current law, unless the county department of job and family services grants the parent an exemption from this prohibition. Under the bill, a parent may obtain an exemption for one of the following reasons:

(1) The child needs additional care during nontraditional hours;

(2) The child needs to change providers in the middle of a week and the hours of care do not overlap;

(3) The child's provider is closed on scheduled school days off or on calamity days;

(4) The child is enrolled in a part-time program participating in the tiered quality rating and improvement system established by ODJFS and needs care from an additional part-time provider.

Work requirements for SNAP recipients and OWF participants

(R.C. 5101.54 and 5107.05)

Supplemental Nutritional Assistance Program

Existing law requires the ODJFS Director to administer the Supplemental Nutritional Assistance Program (SNAP) (commonly referred to as the Food Stamp Program) in accordance with the federal Food and Nutrition Act. It authorizes ODJFS to adopt rules governing employment and training requirements for recipients of SNAP benefits and provides that the rules must be consistent with federal law. Under the bill, the rules must also be consistent with the federal Food and Nutrition Act's work and training requirements and, to the extent practicable, must provide for SNAP recipients to participate in certain work activities, developmental activities, and alternative work activities.

SNAP background

SNAP is a federal program administered by the states to assist low-income households in purchasing food products from authorized food merchants. As a condition of receiving SNAP benefits, certain participants are subject to work requirements established by federal law. In general, SNAP benefits for an able-bodied adult without dependents, or ABAWD, are limited to three months in a 36-month period, unless the ABAWD complies with specified work requirements. The following are not considered ABAWDs: (1) individuals under the age of 18 or 50 years of age or over, (2) pregnant women, (3) individuals medically certified as physically or mentally unfit for employment, (4) those responsible for the care of a child under 6 or an incapacitated household member, and (5) individuals already exempt from SNAP general work requirements.[118]

ABAWDs, also known as work registrants under federal law, may satisfy the work requirements by doing any of the following: (1) working 20 or more hours per week, averaged monthly, (2) participating in and complying with the requirements of a work program for 20 or more hours per week, as determined by the Ohio Department of Job and Family Services, or (3) participating in or complying with the requirements of a workfare program or a comparable program established by a state or political subdivision.[119]

Ohio Works First

Current law requires the ODJFS Director to adopt rules to implement Ohio Works First (OWF) and provides that the rules must be consistent with federal law. The rules must address the following topics: the method of determining the amount of cash assistance received, requirements for initial and continued eligibility, and application procedures. Under the bill, the rules must establish requirements for work activities, developmental activities, and alternative work activities for OWF participants.

OWF background

OWF is the cash assistance portion of Ohio's Temporary Assistance for Needy Families (TANF) program and provides cash benefits to eligible families. Generally, an

[118] 7 U.S.C. 2015(d)(2)(2014), www.fns.usda.gov/snap/able-bodied-adults-without-dependents-abawds.

[119] 7 U.S.C. 2015(o) (2014).

eligible family can receive benefits under OWF for up to 36 months.[120] The goal of the program is to promote self-sufficiency, personal responsibility, and employment.[121]

To be eligible for OWF, a family (referred to as an "assistance group") must satisfy requirements concerning income, work, and other matters.[122] Regarding income requirements, the assistance group's gross income must not exceed 50% of the FPL, and the group's countable income must not exceed the OWF payment standard, which is the maximum amount of cash assistance that an assistance group may receive under OWF.[123] In calculating gross income and countable income, certain expenses, such as the cost of child care, are disregarded.

Regarding work requirements, each adult member of the assistance group or the group's minor head of household must enter into a self-sufficiency contract.[124] The contract must set forth the assistance group's plan to achieve self-sufficiency and personal responsibility within the program's time limit, as well as work-related activities in which each member must participate.[125]

Ohio Healthier Buckeye Advisory Council

(R.C. 5101.91 and 5101.92)

Current law establishes the Ohio Healthier Buckeye Advisory Council (OHBAC), which, among other duties, is tasked with developing means by which county healthier buckeye councils may reduce the reliance of individuals on publicly funded assistance programs. Several permissible activities for OHBAC are provided in current law, many of which the bill repeals.

The bill also repeals a provision authorizing OHBAC to submit recommendations, not later than December 1, 2015, concerning means to achieve

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[120] There are exceptions to the 36-month time limit. Under certain circumstances, a family may receive OWF benefits for an additional 24 months (for a total of 60 months) two years after leaving OWF due to the initial 36-month time limit. Some families may be exempt from the initial 36-month and total 60-month time limits. (R.C. 5107.18.)

[121] Benefits.gov. *Ohio Works First (OWF)*, available at www.benefits.gov/benefits/benefit-details/1674. *See also* R.C. 5107.01.

[122] R.C. 5107.10.

[123] O.A.C. 5101:1-23-20(H) and (J).

[124] R.C. 5107.14(A).

[125] R.C. 5107.14(B).

coordination, person-centered case management, and standardization in public assistance programs. Instead, the bill requires OHBAC to do the following:

(1) Provide assistance establishing local healthier buckeye councils;

(2) Identify barriers and gaps to achieving greater financial independence and provide advice on overcoming those barriers and gaps;

(3) Collect, analyze, and report performance measure information.

The bill specifies that ODJFS will provide administrative support to OHBAC, and that members serve without compensation but are reimbursed for related expenses. The bill requires OHBAC to prepare an annual report of its activities.

Local healthier buckeye councils

(R.C. 103.412, 355.02, 355.03, and 355.04)

Under current law, it is permissive for boards of county commissioners to establish county healthier buckeye councils. The bill changes the councils to local councils and specifies several requirements for those that are formed. The bill requires a resolution establishing a local council to specify the council's organization and to designate a member to serve as staffing agent, and if necessary, fiscal agent. The board may revise the council's organization as necessary by adopting a resolution.

Current law permits a board to invite any person or entity to become a member of the council, and the bill adds a nonexhaustive list of individuals and entities to be considered, including those with leadership experience, those receiving healthier buckeye programs and services, and representatives of public and private entities such as employers, local governments, health care providers, education providers, transportation providers, and housing providers.

The bill authorizes multi-county councils to be formed through a written agreement between the boards of county commissioners of two or more counties. Each board entering into the agreement must ratify the agreement by a resolution and notify OHBAC. The agreement may set forth procedures and standards necessary for the joint local council to perform its duties and operate efficiently. Costs incurred in operating a joint local council are to be paid from a joint general fund created by the council unless the agreement provides otherwise.

Additionally, the bill changes permissive grants of authority in current law for county healthier buckeye councils to mandates for local healthier buckeye councils (if such councils are formed), and adds several requirements. The bill requires local councils to promote a cooperative and effective environment in all communities to maximize opportunities for individuals and families to achieve and maintain optimal health in all aspects, thereby achieving greater productivity and reducing reliance on publicly funded assistance programs. Local councils must develop a Healthier Buckeye Plan to promote that objective and other objectives in current law. The Plan must be submitted to the board of county commissioners that created the council and to OHBAC.

Local councils also must do all of the following:

(1) Convene at least once per year;

(2) Organize in accordance with law;

(3) Collect and analyze data regarding recipients of services and participants in programs provided by members;

(4) Beginning one year after the bill's effective date, submit an annual performance report to OHBAC.

Additionally, local councils may apply for, receive, and oversee the administration of grants.

The bill modifies a provision in current law that permits county councils to report certain information to the Joint Medicaid Oversight Committee (JMOC) by requiring that information to be submitted to JMOC and OHBAC. The information includes:

(1) Notification the local council has been formed and information regarding the council's organization plan and activities;

(2) Information regarding enrollment or outcome data collected;

(3) Recommendations regarding best practices for administration and delivery of publicly funded assistance programs and services or programs provided by council members;

(4) Recommendations regarding best practices in care coordination.

Healthier Buckeye Grant Program

(Section 551.10 of H.B. 483 of the 130th General Assembly (repealed))

The bill repeals the Healthier Buckeye Grant Program, which is administered by the ODJFS Director to provide grants to county healthier buckeye councils and CDJFSs. The bill repeals a corresponding provision authorizing OHBAC to recommend eligibility criteria, application processes, and maximum grant amounts for the Ohio Healthier Buckeye Grant Program.

Disability Financial Assistance eligibility determinations

(R.C. 5115.04)

The bill permits ODJFS to enter into an agreement with a state agency to have the state agency make eligibility determinations for the Disability Financial Assistance Program. Current law requires ODJFS to supervise and administer the Program, subject to several exceptions. The bill adds an additional exception to permit another state agency to make eligibility determinations for the Program, and to require ODJFS to pay administrative costs incurred by the state agency to make the eligibility determinations. The bill defines "state agency" as every organized body, office, agency, institution, or other entity established by the laws of the state for the exercise of any function of state government.[126]

Military Injury Relief Fund Grant Program

(R.C. 5101.98 (5902.05), 4503.535, 5747.01, 5747.113, and 5902.02; Section 759.10)

The bill expands the scope of service members who are eligible to receive a grant under the Military Injury Relief Fund Grant Program. Currently, any service member injured while serving under Operation Iraqi Freedom, Operation New Dawn, or Operation Enduring Freedom is eligible. The bill expands this to make any service member who was injured while serving after October 7, 2001, eligible. This includes service members diagnosed with post-traumatic stress disorder while serving, or after having served, after October 7, 2001.

The bill requires the Department of Veterans Services (DVS) to administer the provision of grants from the Military Injury Relief Fund instead of ODJFS.

The Director of DVS must adopt rules necessary to administer the Grant Program. The bill specifies that the rules currently governing the Grant Program, which

[126] R.C. 117.01, not in the bill.

were adopted by the ODJFS Director, must be administered by the Director of DVS and that they remain effective until the Director of DVS adopts rules as required. All references made in the rules to ODJFS must be read as if they refer to DVS. Finally, in applying the rules, the Director of DVS must read the eligibility of an individual for a grant as if it had been expanded as explained above.

Removal of obsolete provision

The bill removes from existing law a provision that specifies that incentive grants, authorized by the federal Jobs for Veterans Act, may be contributed to the Military Injury Relief Fund. Federal law does not permit these grant funds to be used for that purpose.

Audit Settlements and Contingency Fund

(R.C. 5101.073; Section 305.150)

Under existing law, the ODJFS General Services Administration and Operating Fund is used to pay for the expenses of the programs administered by ODJFS and its administrative expenses, including the costs of required audit adjustments and other related expenses. The bill renames that fund the ODJFS Audit Settlements and Contingency Fund and specifies that the Fund is to be used to pay for audits, settlements, contingencies, and other related expenses. As necessary, the ODJFS Director may request the Director of Budget and Management to transfer money from any of the funds used by ODJFS, except the GRF, to the Fund. Additionally, the Director of Budget and Management, in consultation with the ODJFS Director, may transfer money from the Fund to any fund used by ODJFS or to the GRF.

The bill also permits the Fund to hold earned federal revenue the final disposition of which is unknown.

Administration of Work Innovation and Opportunity Act

(Section 305.190(B))

The bill requires the ODJFS Director to administer the federal Work Innovation and Opportunity Act (WIOA) during fiscal years 2016 and 2017. WIOA was enacted in 2014 for the following purposes:

(1) To increase access to and opportunities for the employment, education, training, and support services that individuals, particularly those with barriers to employment, need to succeed in the labor market;

(2) To support the alignment of workforce investment, education, and economic development systems in support of a comprehensive, accessible, and high-quality workforce development system in the U.S.;

(3) To improve the quality and labor market relevance of workforce investment, education, and economic development efforts to provide America's workers with the skills and credentials necessary to secure and advance in employment with family-sustaining wages and to provide America's employers with the skilled workers the employers need to succeed in a global economy;

(4) To promote improvement in the structure and delivery of services through the U.S. workforce development system to better address the employment and skill needs of workers, jobseekers, and employers;

(5) To increase workers' and employers' prosperity, the economic growth of communities, regions, and states, and the United States' global competitiveness;

(6) To provide workforce investment activities, through statewide and local workforce development systems, that increase the employment, retention, and earnings of participants, and increase attainment of recognized postsecondary credentials by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet the skill requirements of employers, and enhance the productivity and competitiveness of the U.S.[127]

Comprehensive Case Management and Employment Program

(Section 305.190(C) to (J))

CCMEP created

The bill requires ODJFS, in consultation with the Governor's Office of Workforce Transformation, to create, coordinate, and supervise the Comprehensive Case Management and Employment Program (CCMEP) during fiscals years 2016 and 2017. CCMEP must do both of the following:

(1) To the extent funds under the TANF block grant and WIOA are available, CCMEP must make certain employment and training services available to its participants in accordance with comprehensive assessments of the participants' employment and training needs;

[127] 29 U.S.C. 3101.

(2) To the extent that funds under the TANF block grant are available, CCMEP must make enhanced services under the Prevention, Retention, and Contingency (PRC) Program available to CCMEP participants who are in compliance with CCMEP requirements (see "**PRC Program-Enhanced**," below).

Participants

Beginning July 1, 2016, and subject to rules that the bill permits the ODJFS Director to adopt, individuals who are at least 16 but not older than 24 years of age are required or permitted to participate in CCMEP as follows:

(1) Individuals who are considered to be work eligible for the purpose of Ohio Works First (OWF) are required to participate in CCMEP as a condition of participating in OWF. A work eligible individual is subject to work and other requirements under continuing law governing OWF.

(2) An OWF participant who is not considered to be work eligible may volunteer to participate in CCMEP.

(3) An individual receiving benefits and services under the Prevention, Retention, and Contingency Program may volunteer to participate in CCMEP.

(4) A low-income adult, in-school youth, or out-of-school youth who is considered to have a barrier to employment under WIOA is required to participate in WIOA as a condition of enrollment in workforce development activities funded by the TANF block grant or WIOA.

A low-income individual is an individual (1) who, or whose family member, is enrolled, or during the past six months was enrolled, in SNAP (food stamps), a TANF program, SSI, or a state or local income-based public assistance program, (2) in a family with total family income not exceeding the higher of the federal poverty line or 70% of the lower living standard income level established by the U.S. Secretary of Labor, (3) who is homeless, (4) who receives or is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act, (5) who is a foster child on behalf of whom state or local government payments are made, or (6) with a disability whose own income does not exceed the higher of the federal poverty line or 70% of the lower living standard income level but whose family income exceeds that limit.[128]

An individual is an in-school youth if the individual is (1) attending school, (2) not younger than 16 and, unless the individual has a disability, not older than 21, and

[128] 29 U.S.C. 3102(36).

(3) one or more of the following: (a) basic skills deficient, (b) an English language learner, (c) an offender, (d) homeless, (e) a runaway, (f) in foster care, (g) aged out of the foster care system, (h) eligible for assistance under the John H. Chafee Foster Care Independence Program, (i) in an out-of-home placement, (j) pregnant or parenting, (k) disabled, or (l) in need of additional assistance to complete an educational program or to secure or hold employment.[129]

An individual is an out-of-school youth if the individual is (1) not attending any school, (2) not younger than 16 or older than 24, and (3) one or more of the following: (a) a school dropout, (b) within the age of compulsory school attendance but has not attended school for at least the most recent complete school year calendar quarter, (c) a recipient of a secondary school diploma or its recognized equivalent but basic skills deficient or an English language learner, (d) subject to the juvenile or adult justice system, (e) homeless, (f) a runaway, (g) in foster care, (h) aged out of the foster care system, (i) eligible for assistance under the John H. Chafee Foster Care Independence Program, (j) in an out-of-home placement, (k) pregnant or parenting, (l) disabled, or (m) in need of additional assistance to enter or complete an educational program or to secure or hold employment.[130]

Assessment and services

The bill requires an individual participating in CCMEP to undergo a comprehensive assessment of the individual's employment and training needs in accordance with procedures that ODJFS is required to establish. As part of the assessment, an individualized employment plan must be created for the individual. The plan is to be reviewed, revised, and terminated in accordance with the assessment procedures. The plan must specify which of the following services, if any, the individual needs:

(1) Support for the individual to obtain a high school diploma or the equivalent of a high school diploma;

(2) Job placement;

(3) Job retention support;

(4) Other services that aid the individual in achieving the plan's goals.

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[129] 29 U.S.C. 3164(a)(1)(C). The minimum age to be an in-school youth is set by section 305.190(A)(3) of the bill.

[130] 29 U.S.C. 3164(a)(1)(B).

The bill provides that the services an individual receives in accordance with the individualized employment plan are inalienable by way of assignment, charge, or otherwise and exempt from execution, attachment, garnishment, and other similar processes.

Lead local agency

Each board of county commissioners is required by the bill to designate either the CDJFS or workforce development agency (WDA) as the lead agency for purposes of CCMEP. The boards must inform ODJFS of their designations. The lead agency is required to do all of the following:

(1) Submit to ODJFS a plan that establishes standard processes for determining and maintaining individuals' eligibility to participate in CCMEP;

(2) Administer CCMEP;

(3) In partnership with the other agency not designated as the lead agency and any subcontractors,[131] (a) actively coordinate activities regarding CCMEP with the other agency and subcontractors and (b) help both agencies and any subcontractors to use their expertise in administering CCMEP.

The lead agency is responsible for all funds that ODJFS, the Auditor of State, the U.S. Department of Health and Human Services, the U.S. Department of Labor, or any other government entity determines have been expended or claimed for CCMEP, by or on behalf of the county, in a manner that federal or state law or policy does not permit.

Evaluation system

The bill requires the CCMEP Advisory Board (see "**CCMEP Advisory Board**," below) to establish an evaluation system for CDJFSs' and WDAs' administration of CCMEP. ODJFS is required to evaluate CDJFSs' and WDAs' administration of CCMEP in accordance with the evaluation system.

Review of CDJFSs' and WDAs' functions

The bill requires ODJFS, in consultation with CDJFSs and WDAs, to review the agencies' existing functions to discover opportunities to make their administration of the functions more efficient. The purpose of the review is to make it possible to increase

[131] A subcontractor is an entity with which a CDJFS or WDA contracts to perform, on behalf of the CDJFS or WDA, one or more of the CDJFS's or WDA's duties regarding CCMEP.

the number of individuals who participate in CCMEP and the availability of services under CCMEP.

Applicability of state laws

The bill provides that CCMEP is a family services duty (a duty state law requires or allows a CDJFS to assume) and therefore is subject to all statutes applicable to family services duties. This makes CCMEP subject to statutes that address issues such as the following: (1) the recovery of money spent for family services duties, (2) grant agreements between ODJFS and county entities regarding family services duties, (3) contracts for the coordination, provision, enhancement, or innovation of family services duties, (4) operational agreements between ODJFS and boards of county commissioners regarding changes to family services duties, (5) ODJFS establishing and enforcing performance and other administrative standards for family services duties, (6) using funds appropriated for family services duties for incentive awards to counties, (7) ODJFS taking corrective action against a county entity regarding a family services duty, and (8) reporting requirements for family services duties.

The bill provides that CCMEP is a TANF program and therefore subject to all statutes applicable to TANF programs, including statutes concerning (1) the county share of public assistance expenditures, (2) appeals by applicants and participants of decisions regarding TANF programs, and (3) general administrative matters regarding TANF programs.

The bill also provides that CCMEP is a workforce development activity and therefore subject to all statutes applicable to workforce development activities, including statutes concerning (1) grant agreements between ODJFS and local entities regarding workforce development activities, (2) contracts for the coordination, provision, enhancement, or innovation of workforce development activities, (3) ODJFS taking corrective action against a local entity regarding a workforce development activity, (4) reporting requirements for workforce development activities, and (5) the state's workforce development system.

Rules

The bill requires the ODJFS Director to adopt rules as necessary to implement CCMEP. The rules may address any of the following issues:

(1) Eligibility for CCMEP;

(2) Employment and training services available under CCMEP;

(3) Partnerships between CDJFSs, WDAs, and subcontractors;

(4) The plan that the lead agency must submit to ODJFS establishing standard processes for determining and maintaining individuals' eligibility to participate in CCMEP;

(5) Internal management;

(6) Any other issues that the Director determines should be addressed in the rules.

Rules other than internal management rules must be adopted in accordance with the Administrative Procedure Act (R.C. Chapter 119.). Internal management rules may be adopted through the process set forth in R.C. 111.15, which does not require notice and public hearings.

CCMEP Advisory Board

(Section 305.193)

The bill creates the CCMEP Advisory Board. The Board is required to develop an evaluation system for local participating agencies' administration of CCMEP, as discussed above. The evaluation system must specify data to be collected, performance metrics, and a performance report card.

The Board's proposed evaluation system must be submitted to ODJFS for review. If ODJFS disapproves the proposal, the Board must revise the proposal and resubmit it to ODJFS until a proposal is approved. An evaluation system approved by ODJFS must be in place not later than July 1, 2016.

The Board is to consist of the following members:

(1) The Executive Director of the Governor's Office of Workforce Transformation, or the Executive Director's designee;

(2) The Director of Job and Family Services, or the Director's designee;

(3) One member of the Senate, appointed by the President of the Senate;

(4) One member of the House of Representatives, appointed by the Speaker of the House of Representatives;

(5) One member representing the County Commissioners' Association of Ohio, appointed by the Governor;

(6) One member representing the Ohio Job and Family Services Directors' Association, appointed by the Governor;

(7) One member of a local workforce investment board appointed by the Governor.

Initial appointments must be made not later than 30 days after the effective date of the bill's provision that establishes the Board. Members serve at the pleasure of their appointing authority and may be reappointed. Vacancies are to be filled in the same manner as original appointments.

Members serve without compensation, but are reimbursed for their actual and necessary expenses incurred in performing their official duties.

PRC Program-Enhanced

(Section 305.197)

The bill establishes the PRC Program-Enhanced (PRC-E) as part of CCMEP. Under current law, the Prevention, Retention, and Contingency (PRC) Program is one of the state's TANF programs.[132] Each CDJFS is required to adopt a statement of policies governing the program for the county that specifies (1) the benefits and services to be provided under the county, PRC Program, (2) restrictions on the amount, duration, and frequency of the benefits and services, (3) eligibility requirements, and (4) certain other matters.

The bill requires that as long as funds under the TANF block grant are available, ODJFS is to administer PRC-E to provide CCMEP participants who are in compliance with CCMEP requirements enhanced services under a county's PRC Program. Certain enhanced services are required, as determined by the ODJFS Director in rules. Those services include short-term supportive services that address a specific crisis or episode of need, including assistance with employment, housing, utilities, transportation, and other employment and disaster-related needs. The enhanced services may be provided through contracts with not-for-profit, community, and faith-based organizations.

The ODJFS Director is required to adopt rules in accordance with the Administrative Procedure Act (R.C. Chapter 119.) to implement PRC-E. The rules must specify and establish all of the following:

(1) Required benefits and services that each CDJFS must provide under PRC-E;

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[132] R.C. 5108.01, *et seq.*

(2) Income and other eligibility requirements for required benefits and services and maximum eligibility requirements for additional benefits and services that a CDJFS may provide under PRC-E in addition to the required benefits and services;

(3) The maximum amount of required benefits and services and additional benefits and services an eligible individual may receive in a year;

(4) Other requirements the Director considers appropriate.

TANF report

(Section 305.195)

The bill requires ODJFS, not later than October 1, 2016, to submit a report to the General Assembly that provides a comprehensive overview of Ohio's TANF program for fiscal year 2016. The report must identify the source and allocation of local, state, and federal funds supporting the TANF program, and expenditures and program participation by expenditure category for Title IV-A programs and other programs funded in part by the TANF block grant. Title IV-A programs include OWF, the PRC Program, the Kinship Permanency Incentive Program, and the Ohio Parenting and Pregnancy Program. Other programs funded in part with TANF funds include Title XX services, early childhood education, faith-based initiatives, and child welfare services. The information must be broken down by county.

With regard to expenditures for the PRC Program, the report must detail the number of participants served each month by age (with one group being 16 to 24 year olds) for each of the following categories:

(1) Training, employment, and work support;

(2) Short-term basic needs;

(3) Help Me Grow;

(4) Child welfare and family support;

(5) Out-of-wedlock pregnancy prevention;

(6) Youth education and support;

(7) Domestic violence;

(8) Community and economic development;

(9) Disaster assistance.

Child placement level of care tool pilot program

(Section 305.120)

Pilot program

The bill requires ODJFS to implement and oversee the use of a Child Placement Level of Care Tool as a pilot program in up to ten counties that it selects. ODJFS must include, presumably from each county selected, at least one private child placing agency or private custodial agency. A selected county and agency must agree to participate in the pilot program. Also, the pilot program must be developed with the participating counties and agencies, and it must be acceptable to all those participating.

The pilot program must begin not later than 180 days after the program requirement takes effect and end not later than 18 months after it begins. The length of the pilot program must not include any time expended in preparation to implement the program or for any post-pilot-program evaluation activity.

Child Placement Level of Care Tool

Under the bill, the "child placement level of care tool" is an assessment tool to be used in the pilot program to assess a child's placement needs when the child must be removed from home and cannot be placed with a relative (who is not certified as a foster caregiver) that includes assessing a child's functioning, needs, strengths, risk behaviors, and exposure to traumatic experiences.

Pilot program evaluation

ODJFS, in accordance with Ohio law governing competitive selection for state government purchases of supplies or services,[133] must provide for an independent evaluation of the pilot program to rate its success in the following areas:

- Placement stability, length of stay, and other outcomes for children;
- Cost;
- Worker satisfaction;
- Any other criteria ODJFS determines will be useful in the consideration of statewide implementation.

[133] R.C. 125.01 to 125.12, many of the sections in that range are in the bill.

The evaluation design must include a comparison of data to historical outcomes or control counties and a prospective data evaluation in each of the pilot counties.

Funding and rules

ODJFS is required to seek maximum federal financial participation to support the pilot program and evaluation. In addition, ODJFS must seek state funding to implement the pilot program and to contract for its evaluation, notwithstanding the limits on ODJFS use of the federal financial participation amounts withheld from amounts to be reimbursed to counties.[134] ODJFS may adopt rules under the Administrative Procedure Act (Chapter 119.) as necessary to carry out the purposes of the pilot program, its evaluation, and the securing of federal and state funding.

Uniform Interstate Family Support Act

The bill repeals the Uniform Interstate Family Support Act (UIFSA), as currently enacted in Ohio, and replaces it with the 2008 version of UIFSA (the Act). The Act includes the 2001 amendments to UIFSA adopted by the Uniform Law Commission that were never adopted in Ohio. Federal law requires each state to enact the 2008 UIFSA amendments by the end of its 2015 legislative session to continue receiving federal funding for state child support programs.[135] The 2008 UIFSA amendments primarily focus on incorporating the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance, signed by the United States in 2007. The Convention required certain changes to the uniform procedures established by UIFSA for handling international child support cases. The 2001 amendments cut across all aspects of UIFSA procedures and requirements. Highlights of the major provisions of the updated Act are provided below.

Determination of controlling order

(R.C. 3115.207, 3115.305, 3115.307, 3115.602, 3115.605, and 3115.607)

The bill modifies several provisions of UIFSA related to the determination of a controlling order. Under UIFSA, one child support order (issued by an appropriate tribunal) is identified as the "controlling order" with which other states and international courts must abide. The process of determining the controlling order (DCO) is modified by the updated Act.

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[134] R.C. 5101.141(E), not in the bill.

[135] Uniform Law Commission, "Legislative Fact Sheet – Interstate Family Support Act Amendments (2008)," http://www.uniformlaws.org/LegislativeFactSheet.aspx?title=Interstate%20Family%20Support%20Act%20Amendments%20%282008%29, last visited June 16, 2015. *See also* Preventing Sex Trafficking and Strengthening Families Act, Public Law No. 113-183, Sec. 301 (2014).

Personal jurisdiction required

The Act clarifies that personal jurisdiction over the obligor and obligee subject to the order is necessary for determining the controlling order. The prior version of UIFSA was not clear about the requirement for personal jurisdiction.

Who may request a DCO and when?

The Act clarifies that a child support enforcement agency (CSEA) may request a DCO, in addition to an individual party. Additionally, the Act clarifies that a request for a DCO may be filed with a registration for enforcement, a registration for modification, or may be filed as a separate proceeding.

Notice requirements

With respect to a proceeding of registration for enforcement or registration for modification, if the registering party asserts that two or more orders are in effect, the notice issued to the non-registering party must do the following:

(1) Identify the two or more orders and the order alleged by the registering party to be the controlling order and the consolidated arrears, if any;

(2) Notify the non-registering party of the right to a determination of which is the controlling order;

(3) State that the notice procedures generally applicable in a registration proceeding apply to the determination of which is the controlling order;

(4) State that failure to contest the validity or enforcement of the order alleged to be the controlling order in a timely manner may result in confirmation that the order is the controlling order.

Contesting a DCO

The Act provides that proving the alleged controlling order is not the controlling order is a defense for a party contesting the registration of a support order or who seeks to vacate the registration.

Required documents for a DCO

The Act requires a DCO request to be accompanied by a copy of every child support order in effect.

Required findings for a DCO

A tribunal that determines a controlling order or issues a new controlling order must state the following:

(1) The basis upon which the tribunal made its determination;

(2) The amount of prospective support, if any;

(3) The total amount of consolidated arrears and accrued interest, if any, under all of the orders after all payments made under any other child support order for support of the same child are credited.

Other DCO-related changes

The Act makes other changes to the DCO procedures:

(1) Specifically authorizes a tribunal to determine the controlling child support order;

(2) Requires a CSEA to make all necessary efforts to obtain a DCO for a party;

(3) Provides guidelines and limitations regarding how a CSEA pursues a registration action. For example, the Act prohibits a CSEA from registering the support order with the highest support amount if multiple orders are in effect, rather than investigating and determining which order is actually controlling.

Registration of a foreign support order

(R.C. 3115.616)

The Act provides that a party or CSEA seeking to modify or to modify and enforce a foreign support order from a country that has not signed the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance may do so using the registration for enforcement process.

Calculation of arrears

(R.C. 6115.604(A)(2))

The Act requires a tribunal in a DCO proceeding to also determine the total amount of consolidated arrearages and accrued interest under all orders. Additionally the calculation of arrears and interest are to be governed by the law of the state or foreign country that issued the order.

Jurisdiction to modify orders

Continuing, exclusive jurisdiction

(R.C. 3115.201, 3115.205, 3115.611, 3115.613, and 3115.615)

Under UIFSA, a tribunal that has issued a controlling order has continuing, exclusive jurisdiction to modify the order if the obligor, obligee, or child who is the subject of the order lives in the state. The Act clarifies that the residence of those parties is determined at the time a request for modification is filed.

The Act also provides that a tribunal may modify a controlling order even if the obligor, obligee, or child who is the subject of the order does not live in the court's state if all the parties consent in a record or in open court for the tribunal to exercise jurisdiction.

The Act additionally clarifies that a tribunal may not exercise continuing, exclusive jurisdiction if all the parties consent to a tribunal in another state assuming continuing, exclusive jurisdiction.

Long-arm jurisdiction

Under UIFSA, it was not clear exactly how far a court could go to exercise its "long-arm" jurisdiction authority – meaning how and when the court can take action involving a nonresident of the court's state (that is, exercise "personal jurisdiction" over the person). The Act clarifies that a tribunal may not use UIFSA's long-arm provisions and thereby gain personal jurisdiction to modify a child support order of another state or country unless other conditions under the Act are met.

Authority to modify another jurisdiction's order when both parties live out of state

The Act provides that, notwithstanding the general requirements regarding modification of support orders and the long-arm jurisdiction requirements, a tribunal retains jurisdiction to modify an order issue by a tribunal of the same state if one party to the order resides in another state and the other party resides outside the United States.

Modification of support duration

The Act clarifies that the general prohibition against one state modifying any aspect of a child support order that could not otherwise be modified under the law of the issuing state includes the duration of the obligation of support. In any proceeding to modify a child support order, the law of the state that is determined to have issued the "initial" controlling order governs the duration of the obligation of support. Also, if the obligor has fulfilled the obligor's duty of support established by the initial controlling order, UIFSA precludes imposition of a further obligation of support by a court in another state.

Redirection of payments

(R.C. 3115.307 and 3115.319)

Under the Act, if the obligor, obligee, and child who is the subject of the child support order do not live in the state that issued the controlling order, the CSEA or tribunal of the issuing state must direct the support payment to the CSEA in the state in which the obligee receives services and issue and send to the obligor's employer an appropriate income withholding order or notice of change of payee regarding the redirected payments. The Act requires the CSEA of the state receiving redirected funds from another state to furnish to a requesting party or tribunal of the issuing state, upon request, a certified statement regarding the amount and dates of redirected payments. Similarly, a CSEA of one state can require a tribunal or CSEA of another state to issue a child support order and income withholding order that redirect payment of current child support, arrears, and interest.

Contesting income withholding

(R.C. 3115.506)

The Act permits an obligor to challenge a withholding order by registering it using the standard registration process and seeking protection from the tribunal pending the resolution of the challenge.

Hague Convention changes

(R.C. 3115.701 to 3115.713)

The Act adopts a series of changes required as a result of the United States joining the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance. The Convention lays out uniform procedures for the processing of international child support cases. Changes to UIFSA provide guidelines and procedures for the registration, recognition, enforcement, and modification of foreign support orders from countries that are parties to the Convention. In general, it provides that foreign child support orders that a party seeks to be enforced in Ohio must be immediately registered in Ohio unless an Ohio tribunal determines that the registration would go against the policy of the state.

Other international law changes

Foreign currency exchange

(R.C. 3115.304, 3115.305, and 3115.307)

The Act places the burden on CSEAs and tribunals to convert the amount of support ordered in the foreign currency into the equivalent amount of dollars under the applicable exchange rates as publicly reported.

Modification across international borders

(R.C. 3115.615)

The Act permits a United States tribunal to modify an order issued by a foreign tribunal if the foreign tribunal would have authority to modify under the rules of UIFSA but it cannot or will not exercise jurisdiction due to limitations in the law of the foreign county or political subdivision. Under these circumstances, the order issued by an Ohio tribunal becomes the controlling order.

Comity under UIFSA

(R.C. 3115.104 and 3115.20)

The Act makes changes in order to incorporate the principles of comity regarding the recognition and enforcement of support orders issued by a foreign country or political subdivision.

Nondisclosure of information

(R.C. 3115.312)

The Act modifies provisions regarding the confidentiality of personal information of parties to a child support order. The act aligns the language with the Uniform Child Custody Jurisdiction and Enforcement Act in situations in which the health, safety, or liberty of a party or child would be jeopardized (such as when there is a risk of domestic violence or child abduction).[136]

[136] Enacted in Ohio as R.C. Chapter 3127.

Other changes

Evidentiary changes

(R.C. 3115.316)

First, the Act provides that a tribunal cannot compel the physical presence of any party in a UIFSA proceeding. Second, a party cannot be compelled to give testimony under oath to be admissible. Instead, if the testimony is provided under the penalty of perjury, that is sufficient. Third, parentage can be established by a voluntary acknowledgement of paternity, certified as a true copy. Finally, a tribunal must permit parties or witnesses to testify remotely via telephone or other means.

Temporary support orders

(R.C. 3115.401)

The Act modifies the list of circumstances under which a tribunal can issue a temporary support order so that the circumstances are consistent with the bases for a temporary support order under the Uniform Parentage Act.[137]

Choice of law provisions

(R.C. 3115.604)

The Act clarifies which state's law controls regarding the calculation of interest on arrears. If there are multiple orders and a DCO has not occurred, the arrears, including interest, under each order must be calculated using the law of the state that issued the order. After a DCO is made and arrears are consolidated, however, interest is calculated based on the state that issued the controlling order. Future issues regarding the interest rates on the balance of consolidated arrears are also determined by laws of the state that issued the controlling order.

Uniformity of application and construction of laws

(R.C. 3115.901)

The bill states that its provisions must be construed and applied with the need to promote uniformity of the law with respect to its subject matter among the states that enact it.

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[137] The Uniform Parentage Act has not been enacted in Ohio.

Effective date of changes

(R.C. 3115.902)

The new UIFSA changes apply to proceedings begun on or after January 1, 2016, including the establishment of parentage or a support order or to register, recognize, enforce, or modify a prior order, determination, or agreement.

Severability clause

(R.C. 3115.903)

The bill states that if any provision of R.C. Chapter 3115. or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the chapter that can be given effect without the invalid provision or application, and to that end in valid provisions are severable.

Revised Code numbering for UIFSA

(R.C. 3115.101)

To preserve uniformity in Ohio's enactment of the updated UIFSA, the bill uses the numbering system of the National Conference of Commissioners on Uniform State Laws. The digits to the right of a section's decimal point are sequential and not supplemental to any preceding Revised Code sections.

Cross reference updates

(R.C. 145.56, 145.571, 742.462, 742.47, 2919.21, 3305.08, 3305.21, 3307.371, 3307.41, 3309.66, 3309.671, 5505.22, and 5505.261)

The bill updates numerous cross references throughout the Revised Code to correspond with the complete repeal and replacement of UIFSA, as enacted in Ohio.

Children's Trust Fund Board changes

The bill modifies the law governing the Children's Trust Fund Board (CTF Board), including (1) the Board's oversight of regional child abuse and child neglect prevention activities, (2) the abolishment of existing child abuse and child neglect prevention advisory boards, and (3) the creation of regional child abuse and child neglect regional prevention councils across eight regions of the state.

Child abuse and child neglect regional prevention councils

(R.C. 3109.171 and 3109.172)

The bill divides the entire state into eight child abuse and child neglect prevention regions, each consisting of several counties. The bill creates a child abuse and child neglect regional prevention council for each region. The bill eliminates the child abuse and child neglect prevention advisory boards that exist under current law.

Each board of county commissioners within a region may appoint up to two county prevention specialists to represent the county on the council. The CTF Board may appoint additional specialists to each region's council at the CTF Board's discretion. Each council shall also include a representative of the council's regional prevention coordinator, who will serve as a nonvoting member and chairperson of the council. Members appointed by boards of county commissioners are to serve two-year terms and members appointed by the CTF Board or to represent the regional prevention coordinator are to serve three-year terms. Members may be reappointed for two consecutive terms only. The member's appointing authority may remove the member from council service for misconduct, incompetence, or neglect of duty. Council members are not to receive compensation for service to the council. The council is required to meet at least quarterly.

Council members are required by the bill to do the following:

(1) Attend council meetings;

(2) Assist the council's regional prevention coordinator in conducting a needs assessment to ascertain the child abuse and child neglect prevention programming and services that are needed in the region;

(3) Collaborate on assembling the council's regional prevention plan;

(4) Assist the council's regional prevention coordinator with implementing the prevention plan, coordinating county data collection, and ensuring timely and accurate reporting to the CTF Board;

(5) Any other duties specified by ODJFS.

County prevention specialist definition

The bill defines county prevention specialist to include the following:

(1) Representatives of agencies responsible for the administration of children's services in the counties within a child abuse and child neglect prevention region;

(2) Providers of alcohol or drug addiction services or representatives of boards of alcohol, drug addiction, and mental health services that serve counties within a region;

(3) Providers of mental health services or representatives of boards of alcohol, drug addiction, and mental health services that serve counties within a region;

(4) Representatives of county boards of developmental disabilities that serve counties within a region;

(5) Representatives of the educational community appointed by the superintendent of the school district with the largest enrollment in the counties within a region;

(6) Juvenile justice officials serving counties within a region;

(7) Pediatricians, health department nurses, and other representatives of the medical community in the counties within a region;

(8) Counselors and social workers serving counties within a region;

(9) Head start agencies serving counties within a region;

(10) Child care providers serving counties within a region;

(11) Other persons with demonstrated knowledge in programs for children serving counties within a region.

Council reporting duties

(R.C. 3109.17(B)(4) and 3109.172(J))

Each council must submit a progress report and an annual report to the CTF Board, by the due dates specified by the CTF Board. Each report must document the council's child abuse and child neglect prevention programs and activities undertaken in accordance with the council's regional prevention plan. The reports must contain all information the Board specifies.

Regional prevention coordinator

(R.C. 3109.173)

The CTF Board must select for each council a regional prevention coordinator to direct the council. The CTF Board shall select each region's coordinator through a competitive selection process. Coordinators are required to do all of the following:

(1) Select a representative to serve as chairperson of the regional prevention council;

(2) Conduct a needs assessment to ascertain the child abuse and neglect prevention programming and services that are needed in the region;

(3) Work with county prevention specialists in the region to assemble the regional prevention plan based on CTF Board guidelines;

(4) Implement the regional prevention plan, including monitoring fulfillment of prevention deliverables and achievement of prevention outcomes, coordinating county data collection, and ensuring timely and accurate reporting to the Board;

(5) Any additional duties specified in rules adopted by ODJFS.

Regional prevention plans for funding

(R.C. 3109.17, 3109.174, and 3109.175; R.C. 3109.171 (repealed))

The bill requires each council to submit to the CTF Board a regional prevention plan for funding child abuse and child neglect prevention programs and activities. The plan must be based on criteria set forth by the CTF Board and submitted in the form and manner required under rules adopted by ODJFS. After receiving a prevention plan, the CTF Board may approve, deny, or require the submitting council to amend the plan and submit it back to the CTF Board.

Under current law, the CTF Board is required to adopt a biennial state plan for comprehensive child abuse and child neglect prevention. The bill changes this to a requirement for a "strategic" plan, omitting the "biennial" and "comprehensive" requirements.

Current law requires the CTF Board to develop a funding allocation plan for each child abuse and child neglect prevention advisory board for the following fiscal year and sets forth the procedures and other requirements by which funding is distributed to these boards. The bill generally eliminates these provisions.

Denial or reduction of funding

(R.C. 3109.176)

Under the bill, the CTF Board may deny funding or allocate a reduced amount of funds on a pro-rated daily basis to a council for the fiscal year for which a regional prevention plan was required to be developed under any of the following circumstances:

(1) If a council fails to submit a regional prevention plan to the CTF Board a regional prevention plan by the date specified by the Board;

(2) If a council fails to submit to the CTF Board an amended if required to do so;

(3) If the CTF Board fails to approve a plan or an amended plan submitted by a council.

The CTF Board may allocate a reduced amount of funds to a council on a pro-rated daily basis for the following fiscal year if the council fails to submit to the board a progress report or annual report by the due dates specified by the Board for those reports. The bill's provisions regarding denial or reduction of funding are largely similar to current law governing denial and reduction of funding to child abuse and child neglect prevention advisory boards.

Board adoption of state plan for funding

(R.C. 3109.16)

The bill eliminates the requirement that a majority of Board members are required to adopt the state plan for the allocation of funds from the Children's Trust Fund. Instead, the allocation may be decided by a majority of the quorum present.

Transition period

(Section 731.10; R.C. 3109.18 (repealed))

The bill abolishes all existing child abuse and child neglect prevention advisory boards. The bill requires the board or boards of county commissioners that oversee operation of an advisory board to provide procedures for the transfer of any advisory board assets and liabilities. Under the bill, any business commenced but not completed by the bill's effective date by an advisory board shall be completed by the appropriate board or boards of county commissioners. The board or boards of county commissioners may delegate to a child abuse and child neglect regional prevention council any of the duties described in this provision.

Start-up costs for children's advocacy centers

(R.C. 3109.17(B)(4) and 3109.178; R.C. 3109.172 (repealed))

The bill extends to councils the authority to request from the CTF Board up to $5,000 for each county within the council's region to be used as one-time, start-up costs for the establishment and operation of a children's advocacy center to serve each county in the region or a center to serve two or more contiguous counties within the region.

Under current law, child abuse and child neglect prevention advisory boards (eliminated in the bill) are permitted to make a similar request.

The CTF Board may approve or disapprove the request. The CTF Board is required to provide written notice if a request is disapproved, stating the reasons for the disapproval.

A children's advocacy center funded under this provision must follow all the laws generally applicable to such centers.[138] Additionally, the bill requires that any children's advocacy center that receives start-up costs under this provision must have as a component a primary prevention strategy. "Primary prevention strategies" are activities and services provided to the public designed to prevent or reduce the prevalence of child abuse and child neglect before signs of abuse or neglect can be observed.[139]

The bill prohibits a council that receives funds under this provision in any fiscal year from using the funds received in a different fiscal year or for a different center in any fiscal year without the approval of the CTF Board.

Finally, the bill requires each children's advocacy center that receives funds under this provision to file with its respective council, by the date specified by the CTF Board, an annual report that includes the information required by the CTF Board. The council is required to forward a copy of the annual report to the CTF Board.

ODJFS rulemaking

The bill sets forth rules that ODJFS is required to adopt and rules it is permitted to adopt to implement the bill's provisions. All of the rules must be adopted in accordance with the Administrative Procedure Act (R.C. Chapter 119.) When adopting rules, ODJFS must consult with the CTF Board and the CTF Board's executive director.

ODJFS is required to adopt the following rules:

(1) Operation requirements for councils;

(2) The manner in which boards of county commissioners are to appoint council members;

(3) The form and manner by which councils are to submit regional prevention plans.

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[138] R.C. 2151.425 through 2151.428, not in the bill.

[139] R.C. 3109.13, not in the bill.

ODJFS is permitted to adopt rules regarding the following:

(1) Duties of council members;

(2) Duties of regional prevention coordinators;

(3) Any other rules necessary to implement the bill's provisions.

Children's advocacy center funding

(R.C. 3109.177)

The bill provides that each children's advocacy center may annually request funds from the Children's Trust Fund Board to conduct primary preventions strategies (described above).

Mentoring Care and Job Connect Pilot Project

(Sections 305.75 and 751.50)

The bill creates the Mentoring Care and Job Connect Pilot Project, effective in fiscal years 2016 and 2017, to help participants obtain meaningful employment through mentoring services. The Governor's Office of Health Transformation – in consultation with the Department of Job and Family Services, Department of Medicaid, and the Governor's Office of Workforce Transformation – must establish, monitor, and evaluate the pilot project.

Pilot Project Goals and Operation

Under the bill, the pilot project would provide assistance to (1) long-term unemployed individuals (those individuals who have been out of work for at least fifteen weeks and are unlikely or unable to obtain permanent, full-time employment to become economically self-sufficient) and (2) individuals who are receiving benefits under the federal Supplemental Nutrition Assistance Program (commonly known as "food stamps"). Participating individuals are to be provided mentoring services to help them access, connect, and coordinate their benefits and services from federal government, state government, local government, nonprofits, and not-for-profit entities. Programs and services to which the pilot project will connect participants include:

--Health care services;

--Educational programs;

--Job training, placement, and retention programs;

--Transportation options;

--Child care services;

--Disability services;

--Any other benefits and services that would maximize employment opportunities for participants.

Pilot project establishment

The bill requires the Executive Director of the Office of Health Transformation, by September 1, 2015, to release a request for grant applications from private, nonprofit or not-for-profit entities to administer this pilot project. The applicants must demonstrate effective strategies to meet the pilot project's goals. The Executive Director must select an entity from the applicants by December 1, 2015.

The entity selected to administer the pilot project must create an application process and select participants for the pilot project from eligible applicants. The project must be operated in at least one urban region and one rural region of Ohio, to be determined by the Executive Director. The Executive Director, in consultation with the Department of Job and Family Services, Department of Medicaid, and the Governor's Office of Workforce Transformation, must develop a system for evaluating the pilot project. At a minimum, evaluation factors must include: aggregate measurements of participants' employment outcomes, healthy practices, and personal responsibility.

OHIO JUDICIAL CONFERENCE

- Requires an advisory committee of the Ohio Judicial Conference to submit a report to the General Assembly recommending the manner in which its current functions should be performed by an independent association, by the Supreme Court, or by any other method the advisory committee considers to be appropriate.

Advisory committee, future representation

(Section 701.100)

The bill requires the Ohio Judicial Conference to form an advisory committee to recommend a method by which the interests of Ohio's courts of appeals and common pleas, probate, juvenile, municipal, and county courts should be represented to the General Assembly. The committee must recommend that those courts be represented by (1) an independent association that does not receive public funds, (2) the staff of the Supreme Court in the manner directed by the Chief Justice, or (3) any other method the advisory committee considers to be appropriate.

The committee must consist of five members of the Conference who are not Supreme Court justices. Not later than October 31, 2015, the committee must submit a report to the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House. The report must explain the reasons for the committee's recommendation. It also must include the committee's recommendations concerning the manner in which the staff of the Supreme Court should carry out the Conference's other current statutory functions.

JUDICIARY/SUPREME COURT

- Increases judicial salaries by 5% per year for calendar years 2016 through 2019, but begins the first increase 90 days after the bill's effective date.
- Changes the Division of Domestic Relations of the Stark County Court of Common Pleas to the Family Court Division.
- Expands the existing "intervention in lieu of conviction" law so that it applies to any offender charged with a state drug trafficking or possession offense that is a misdemeanor or a felony of the fourth or fifth degree whom the court determines has substance abuse problems.
- Specifies that, if such an offender is granted intervention and complies with all conditions imposed by the court, the court will dismiss the proceedings against the offender.
- Specifies that, if such an offender is granted intervention and does not comply with all conditions imposed by the court, criminal proceedings against the offender must proceed as if the request for intervention had not been made.
- Corrects a mistaken cross-reference in the intervention in lieu of conviction law to a provision in the Crime Victims' Rights Law.
- Specifies that, when a state drug trafficking or possession offense requires a mandatory prison term or increased penalty for an offender with a prior drug abuse conviction, the prior conviction counts for purposes of the mandatory term or increased penalty only if it occurred within the preceding ten years.
- Requires a court, when considering factors in determining whether to approve an applicant's Certificate of Qualification for Employment, to consider the applicant's military service and experience.
- Specifies that current law's requirement that every administrator or executor must render an account not later than 13 months after appointment does not apply if a partial account is waived under the conditions specified in current law.
- Unless a certificate of termination is filed, requires that annual accounts or waivers or partial accounts be made until the estate is closed.
- Subjects to certain conditions the distribution to injured parties and subrogees of recoveries in tort actions.

- Repeals the obsolete law creating the Ohio Subrogation Rights Commission.

Judicial salaries

(R.C. 141.04)

The bill increases the salaries of all justices and judges by 5% each calendar year, rounded up to the next highest $50, from 2016 through 2019. However, the first increase takes effect 90 days after the bill's effective date, so that it applies for approximately the last quarter of 2015 as well as all of 2016. The increases affect municipal court clerks' salaries because their salaries are 85% of municipal judges salaries.[140]

The following table shows the salaries of justices and judges under the bill for calendar years 2015 (current) through 2019, not counting the increases for the last quarter of 2015. The figures for municipal and county court judges are aggregates of the state and local shares of those judges' salaries.

	Current	2016	2017	2018	2019
Chief justice	$150,850	$158,400	$166,350	$174,700	$183,450
Justice	$141,600	$148,700	$156,150	$164,000	$172,200
Court of Appeals Judges	$132,000	$138,600	$145,550	$152,850	$160,500
Common Pleas Judges	$121,350	$127,450	$133,850	$140,550	$147,600
Full-time Municipal Court Judge	$114,100	$119,850	$125,850	$132,150	$138,800
Part-time Municipal Court Judge and County Court Judge	$65,650	$68,950	$72,400	$76,050	$79,900

[140] R.C. 1901.31, not in the bill.

Family Court Division of Stark County Court of Common Pleas

(R.C. 2301.03)

The bill changes the Division of Domestic Relations of the Stark County Court of Common Pleas to the Family Court Division. The bill also specifies that on and after the effective date of the bill, all references in law to "the Division of Domestic Relations," "the Domestic Relations Division," "the Domestic Relations Court," "the judge of the Division of Domestic Relations," or the "judge of the Domestic Relations Division," must be construed, with respect to Stark County, as being references to "the Family Court Division" or "the judge of the Family Court Division."

Intervention in lieu of conviction

(R.C. 2925.03, 2925.11, and 2951.041)

Request, assessment, and rejection or hearing

The bill expands the existing "intervention in lieu of conviction" (ILC) law so that it also applies to any offender who is charged with a state drug trafficking or possession offense that is a misdemeanor or a felony of the fourth or fifth degree if the court determines that the offender has substance abuse problems. Under the bill, the court in which a person is charged with a drug trafficking or drug possession offense that is a misdemeanor or a fourth or fifth degree felony may accept the offender's request for ILC made at any time prior to trial, if the court determines that the offender has substance abuse problems. The request must include a waiver of the defendant's right to a speedy trial, the preliminary hearing, the time period within which the grand jury may consider an indictment against the offender, and arraignment, unless the hearing, indictment, or arraignment has already occurred.

The court may reject an offender's request without a hearing. If the court elects to consider an offender's request, it must conduct a hearing to determine whether the offender is eligible for ILC and must stay all criminal proceedings pending the outcome of the hearing. The court may order an assessment of the offender for the purpose of determining the offender's ILC eligibility and recommending an appropriate intervention plan. The court may order that the assessment be by a community addiction services provider or a properly credentialed professional, and the provider or professional must provide a written assessment to the court.

Eligibility

An offender who makes a request for ILC under the bill's mechanism is eligible if: (1) the offender previously has not been convicted of a felony offense of violence or previously has been convicted of a felony that is not an offense of violence and the prosecuting attorney recommends that the offender be found eligible for ILC participation, previously has not been through ILC or any similar regimen, and is charged with a violation for which the court, upon conviction, would impose a community control sanction on the offender or with a misdemeanor, (2) the court has ordered that the offender be assessed by a community addiction services provider or a properly credentialed professional for the purpose described above, the offender has been assessed, and the written assessment has been filed with the court, (3) the offender has substance abuse problems and intervention would substantially reduce the likelihood of any future criminal activity, and (4) the offender is willing to comply with all terms and conditions imposed by the court under provisions described below.

Grant or denial of request

At the conclusion of a hearing regarding a request for ILC, the court must enter its determination as to whether the offender is eligible for ILC and as to whether to grant the offender's request. If the court finds under the criteria described above that the offender is eligible for ILC and grants the offender's request, it must accept the offender's waiver of the defendant's right to a speedy trial, the preliminary hearing, the time within which the grand jury may consider an indictment against the offender, and arraignment, unless the hearing, indictment, or arraignment already has occurred. In addition, the court then must stay all criminal proceedings and order the offender to comply with all terms and conditions imposed by the court as described below. If the court finds that the offender is not eligible, the criminal proceedings against the offender are required to proceed as if the offender's request for ILC had not been made.

If the court grants an offender's request for ILC, it must place the offender under the general control and supervision of the county probation department, the Adult Parole Authority, or another appropriate local probation or court services agency, as if the offender was subject to a community control sanction imposed upon conviction of an offense. The court must establish an intervention plan for the offender. The terms and conditions of the plan must require the offender: (1) for at least one year from the date on which the court grants the ILC order, to abstain from the use of illegal drugs and alcohol, to participate in treatment and recovery support services, and to submit to regular random testing for drug and alcohol use and may include any other treatment terms and conditions, or terms and conditions similar to community control sanctions (including community service or restitution) that are ordered by the court, and (2) for at least three years from the date on which the court grants the ILC order, to not be convicted of any criminal offense other than a "misdemeanor traffic offense" (a misdemeanor violation of any prohibition in the Motor Vehicle Law or of any municipal ordinance that is substantially equivalent to any such violation).

Offender's successful completion of intervention plan

If the court grants an offender's request for ILC and finds that the offender has successfully completed the intervention plan, the court must dismiss the proceedings against the offender. Successful completion of the intervention plan, the period of abstinence, and the period of no convictions is without adjudication of guilt and is not a criminal conviction for purposes of any disqualification or disability imposed by law and upon conviction of a crime, and the court may order the sealing of records related to the offense as under the Conviction Record Sealing Law.

Offender's failure to comply with intervention plan

If the court grants an offender's request for ILC and the offender fails to comply with any term or condition imposed as part of the intervention plan, the offender's supervising authority promptly must advise the court of the failure, and the court must hold a hearing to determine whether the offender failed to comply with any term or condition imposed as part of the plan. If the court determines that the offender has failed to comply with any of those terms and conditions, it must notify the prosecutor with authority to prosecute the offender's alleged violation and the prosecutor is required to proceed with criminal proceedings against the offender as if the offender's request for ILC had not been made. If the court sentences the offender to a prison term, after consulting with the Department of Rehabilitation and Correction regarding the availability of services, the court may order continued court-supervised activity and treatment of the offender during the prison term and, upon consideration of reports received from the Department concerning the offender's progress in the program of activity and treatment, may consider judicial release.

Continuation of existing law

Except for correcting an erroneous cross-reference to a provision in the Crime Victims' Rights Law, updating a reference to community addiction service providers mentioned below in the discussion of the Department of Mental Health and Addiction Services, and excluding offenders who are within the scope of the ILC expansion it enacts, the bill does not substantively change the existing ILC provisions that apply with respect to other offenders.

10-year lookback period

The bill specifies that, in the three situations in which a person who is convicted of a specified drug offense under state law must be given a mandatory prison term as a result of the person's prior conviction of a drug offense, the prior conviction is to be considered for purposes of the mandatory term or the increased penalty only if the prior conviction occurred within the ten years preceding the offense for which sentence is being imposed.

The existing mandatory prison term and increased penalty provisions that are affected by the bill are: (1) the mandatory term required for "aggravated trafficking in drugs" when the amount of the drug involved equals or exceeds the bulk amount but is less than five times the bulk amount and the offender two or more times previously has been convicted of a felony drug abuse offense, (2) the mandatory term required for "trafficking in cocaine" when the amount of the drug involved equals or exceeds 10 grams but is less than 20 grams of cocaine and the offender two or more times previously has been convicted of a felony drug abuse offense, (3) the mandatory term required for "trafficking in L.S.D." when the amount of the drug involved equals or exceeds 50 unit doses but is less than 250 unit doses of L.S.D. in a solid form or equals or exceeds 5 grams but is less than 25 grams of L.S.D. in liquid form and the offender two or more times previously has been convicted of a felony drug abuse offense, (4) the increased penalty, from a first degree misdemeanor to a fifth degree felony, for "possession of drugs" when the amount of the drug involved is less than the bulk amount and the offender previously has been convicted of a drug abuse offense, and (5) the mandatory term required for "possession of cocaine" when the amount of the drug involved equals or exceeds 10 grams but is less than 20 grams of cocaine and the offender two or more times previously has been convicted of a felony drug abuse offense.

Certificates of qualification for employment – military service

(R.C. 2953.25)

The bill requires the court, on receiving a petition for a Certificate of Qualification for Employment, to consider the applicant's military service record, if any, and whether the applicant has an emotional, mental, or physical condition that is traceable to the military service in the U.S. armed forces and was a contributing factor in the commission of the offenses by the applicant. A Certificate of Qualification for Employment lifts the automatic bar of a collateral sanction, and a decision-maker is required to consider on a case-by-case basis whether to grant or deny issuing or restoring an occupational license or an employment opportunity to the applicant.

Rendering of account by executor or administrator

(R.C. 2109.301)

The bill provides that the requirement under current law that every executor or administrator must render an account no later than 13 months after appointment does not apply if a partial account is waived. Under continuing law, each partial accounting of an executor or administrator may be waived by the written consent of all the legatees, devisees, or heirs in decedents' estates in which none of them is under a legal disability. Under the bill, unless a certificate of termination is filed, after the initial account is rendered or a waiver of a partial account is filed, every executor or administrator must, at least once each year, render further accounts (current law) or file waivers of partial accounts until the estate is closed.

Distribution of recoveries in tort actions

(R.C. 2323.44)

The bill subjects to certain conditions the distribution to injured parties and subrogees of recoveries in tort actions. A "subrogee" is an insurance company; a self-funded healthy, sickness, or disability plan; a health care provider-sponsored organization (a health care entity sponsored by affiliated hospitals or other health care providers); or any other person or entity claiming a right of subrogation (the substitution of one person for another, usually an insurer for an injured party, with regard to a legal claim).

Under the bill, the rights of a subrogee against a third party (any individual, automobile insurance company, or public or private entity against which a person or estate has a tort action) or against an injured party in a tort action is subject to all of the following:

(1) If less than the full value of the tort action is recovered for any reason, such as comparative negligence or joint liability, the subrogee's claim is diminished in the same proportion as the injured party's interest is diminished.

(2) Regardless of the recovery in the tort action, any reasonable attorney's fees contracted by the injured party and the expenses of procuring a recovery in the tort action are shared by the injured party and the subrogee on a pro rata basis.

(3) A tort action and any settlement of a tort action are controlled solely by the injured party. If a dispute regarding the distribution of the recovery in the tort action arises, either party may file an action for a declaratory judgment to resolve the dispute.

Ohio Subrogation Rights Commission

(R.C. 2323.44; Sections 610.37 and 610.38)

The bill repeals the obsolete statute that created the Ohio Subrogation Rights Commission. The Commission was created in 2005 to recommend a legislative response to a Supreme Court decision that gave subrogation rights to a health insurer pursuant to an agreement, even though the injured party had not been made whole. The statute required the Commission to submit its report by the end of 2005.

- Repeals the requirement that the Legislative Service Commission maintain an Internet database of school district revenue and expenditure data.
- Requires the Legislative Service Commission to serve as the fiscal agent for the Joint Committee on Agency Rule Review and the Joint Medicaid Oversight Committee.
- Terminates the Ohio Constitutional Modernization Commission on January 1, 2016, rather than on July 1, 2021.

Internet database of school district data

(R.C. 103.132 (repealed))

The bill repeals the law that requires the Legislative Service Commission (LSC) to maintain a database on the Internet detailing current and historical revenue and expenditure data of school districts. Drawn from data compiled by the Department of Education, LSC and Legislative Information Systems currently display this information via a query menu on the General Assembly's website.[141]

Fiscal agent for certain legislative agencies

(Sections 307.10 and 308.10)

The bill requires LSC to act as the fiscal agent for the Joint Committee on Agency Rule Review and the Joint Medicaid Oversight Committee.

Termination of the Ohio Constitutional Modernization Commission

(R.C. 102.01; R.C. 103.61, 103.62, 103.63, 103.64, 103.65, 103.66, and 103.67 (repealed))

The bill terminates the Ohio Constitutional Modernization Commission on January 1, 2016. Currently, the Commission is not scheduled for termination until July 1, 2021.

The Commission is tasked with studying the Constitution of Ohio, promoting an exchange of experiences and suggestions respecting desired changes in the Constitution, considering the problems pertaining to amending the Constitution, and

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[141] https://www.legislature.ohio.gov/publications/education-topics. From the General Assembly's home page, click "School Funding and Report Cards" under "Quick Links."

making recommendations from time-to-time to the General Assembly for the amendment of the Constitution.

STATE LOTTERY COMMISSION

- Requires one State Lottery Commission appointee to have experience or training in the areas of problem gambling or other addictions and in assistance to recovering gambling or other addicts.
- Requires the State Lottery Commission to promulgate rules regarding making EZPlay keno and EZPlay lucky numbers bingo terminal-generated instant-win style lottery games available to licensed lottery sales agents.
- Requires the rules to contain certain criteria, including the ability to play at multiple ticket prices, the style and format of the games, the type of terminal the games must be available to play on, the manner of collecting winnings, limiting the placement of the terminals to holders of certain D liquor permits, the number of terminals to be made available, and the dates by which the terminals must be made available.
- Authorizes the Director of the Commission to license a limited liability company or any other business entity as a lottery sales agent.
- Removes a provision prohibiting the Director from issuing a lottery sales agent license to a person to engage in the sale of lottery tickets as the person's sole occupation or business.
- Specifies that the Director has discretion to refuse to grant, or to suspend or revoke, a lottery sales agent license for any of several enumerated deficiencies.
- Makes managers and, in addition to corporations, other business entities liable for certain of the enumerated deficiencies as they apply in a business context.
- Abolishes the Charitable Gaming Oversight Fund.
- Clarifies the law regarding employees of the Auditor of State who are prohibited from being awarded a lottery prize.

Commission membership

(R.C. 3770.01)

The bill requires one person appointed as a member of the State Lottery Commission to have experience or training in the areas of problem gambling or other addictions and in assistance to recovering gambling or other addicts. Unlike the other

Commission members, this member is not required to have prior experience or education in business administration, management, sales, marketing, or advertising.

Under current law, this member must represent an organization that deals with problem gambling and assists recovering gambling addicts.

EZPlay keno and EZPlay lucky numbers bingo

(R.C. 3770.03)

The bill requires the State Lottery Commission to promulgate rules under the Administrative Procedure Act regarding making EZPlay keno and EZPlay lucky numbers bingo self-service terminal-generated instant-win style lottery games available to licensed lottery sales agents. The rules must contain at least the following criteria:

(1) EZPlay keno must consist of and contain the ability to be played at multiple ticket prices as established by the Commission, and must be available as an instant play style lottery game on the interactive format self-service terminal and other lottery terminals and devices.

(2) EZPlay lucky numbers bingo must consist of and contain the ability to be played at multiple ticket prices as established by the Commission, and must be available as both instant play and draw style lottery games on the interactive format self-service terminal and other lottery terminals and devices.

(3) The games must be made available using either a clerk-facing lottery terminal or a self-service lottery terminal (which must not be a video lottery terminal) as available from the Commission's gaming systems vendor.

(4) The games must be available for play in graphical, paperless, and interactive formats, which means the ability of a player to initiate, play, and view the game, including the reveal of a result, on the self-service terminal from which the game is purchased.

(5) The player must have the option to receive a paper pay voucher to be redeemed by a licensed lottery sales agent or credited through a self-service lottery terminal.

(6) These interactive format self-service terminals must only be made available to a licensed lottery sales agent that is also a holder of a D-1, D-2, D-2x, D-3, D-3x, D-3a, or D-5 liquor permit issued under the Liquor Control Law.

(7) The Commission must acquire and make available at least 3,000 interactive format self-service terminals before March 1, 2016, 1,500 of which must be acquired, deployed, and in operation before January 1, 2016.

Lottery sales agent licensing

(R.C. 3770.05)

The bill makes several revisions in the law pertaining to the licensing of lottery sales agents. First, the bill authorizes the Director of the Commission to license a limited liability company or any other business entity as a lottery sales agent. Under continuing law, a person, association, corporation, partnership, club, trust, estate, society, receiver, trustee, person acting in a fiduciary or representative capacity, state or political subdivision instrumentality, or any other combination of individuals can be licensed as a lottery sales agent. The bill removes the term "person" and replaces it with the term "individual" in this definition.[142]

Second, the bill removes a provision prohibiting the Director from issuing a lottery sales agent license to any person or group of persons to engage in the sale of lottery tickets as the person's or group's sole occupation or business.

Third, the bill specifies that the Director has discretion to refuse to grant, or to suspend or revoke, a lottery sales agent license for any of several enumerated deficiencies. Under current law, the Director is required to refuse to grant, or to suspend or revoke, a lottery sales agent license for any of these deficiencies. Examples of the deficiencies include having been convicted of a felony, having been convicted of an offense that involves illegal gambling, or, in a business context, it appears to the Director that, due to the experience, character, or general fitness of any director, officer, or controlling shareholder, a lottery sales agent license would be inconsistent with the public interest, convenience, or trust.

In the enumeration of deficiencies that apply in a business context, the bill makes two further changes. Continuing law makes directors, officers, and controlling shareholders liable for some of the enumerated business deficiencies. The bill makes managers also liable for these deficiencies. Continuing law also makes corporations liable for some of the enumerated business deficiencies. The bill makes "other business entities" also liable for these deficiencies.

[142] This change is technical because the law being described here enumerates most of the common business entities, most of which also are included in the general definition of "person." "Person," as so defined, also includes an individual. (R.C. 1.59(C), not in the bill.)

Charitable Gaming Oversight Fund

(R.C. 3770.061 (repealed))

The bill abolishes the Charitable Gaming Oversight Fund used by the Commission to provide oversight, licensing, and monitoring of charitable gaming activities in Ohio. The Fund consists of money received from the Attorney General's Office pursuant to an agreement under which the Commission is to carry out the duties of the Attorney General under the state Gambling Law (R.C. Chapter 2915.).

Auditor of State employees prohibited from receiving prize

(R.C. 3770.07)

The bill clarifies the law regarding employees of the Auditor of State who are prohibited from being awarded a lottery prize. Current law prohibits these employees who actively audit, coordinate, or certify commission drawings from being awarded a lottery prize. The bill removes the prohibition respecting these employees who "certify" drawings and replaces it with a prohibition on employees who "observe" the drawings. Auditor of State employees do not certify commission drawings, but may observe the drawings.

DEPARTMENT OF MEDICAID

State agency collaboration for health transformation initiatives

- Extends to fiscal years 2016 and 2017 provisions that authorize the Office of Health Transformation Executive Director to facilitate collaboration between certain state agencies for health transformation purposes, authorize the exchange of personally identifiable information between those agencies regarding a health transformation initiative, and require the use and disclosure of such information in accordance with operating protocols.

Medicaid third party liability

- Establishes a rebuttable presumption (rather than an automatic right) regarding the right to recover a portion of a medical assistance recipient's tort action or claim against a third party.

- Establishes processes whereby a party may rebut the presumption and specifies that one process is retroactive to the extent it may be used by a party who repaid money, on or after September 29, 2007, to the Department of Medicaid (ODM) or a county department of job and family services (CDJFS).

- Specifies that a third party's payment to ODM or a Medicaid managed care organization (MCO) regarding a medical assistance claim is final two years after the payment is made.

- Authorizes a third party to seek recovery of all or part of an overpayment by filing a notice with ODM or the MCO before that date.

- If ODM or the MCO agrees that an overpayment was made, requires ODM or the MCO to pay the amount to the third party or authorize the third party to offset the amount from a future payment.

Continuing issues regarding creation of ODM

- Extends through June 30, 2017, the authority of the ODM and the Ohio Department of Job and Family Services (ODJFS) directors to establish, change, and abolish positions for their respective agencies and to assign, reassign, classify, reclassify, transfer, reduce, promote, or demote employees who are not subject to state law governing public employees' collective bargaining.

- Continues the authority of the ODJFS Director and boards of county commissioners to negotiate about amending or entering into a new grant agreement regarding the transfer of Medicaid, the Children's Health Insurance Program, and the Refugee Medical Assistance Program to ODM.

Contracts for the management of Medicaid data requests

- Requires, instead of permits as under current law, the Medicaid Director to enter into contracts with persons to receive and process requests for certain Medicaid-related data that will be used for commercial or academic purposes.

- Requires a person with such a contract to charge a person seeking the data a fee in an amount equal to 102% of the cost ODM incurs in making the data available.

Integrated Care Delivery System

- Requires ODM to ensure that each Integrated Care Delivery System (ICDS) participant who is a Holocaust survivor receives, while enrolled in a Medicaid waiver program, home and community-based services (HCBS) that the participant would have received if enrolled in another HCBS Medicaid waiver program.

- For fiscal years 2016 and 2017, permits ODM to provide performance payments to Medicaid managed care organizations that provide care to ICDS participants, and requires ODM to withhold a percentage of the premium payments made to the organizations for the purpose of providing the performance payments.

Termination of waiver programs

- Addresses administrative issues regarding termination of Medicaid waiver programs.

Money Follows the Person

- Requires that federal payments made to Ohio for the Money Follows the Person demonstration project be deposited into the Money Follows the Person Enhanced Reimbursement Fund.

Behavioral health

- During fiscal years 2016 and 2017, permits Medicaid to cover state plan HCBS for Medicaid recipients of any age who have behavioral health issues and countable incomes not exceeding 150% of the federal poverty line.

Physician groups acting as outpatient hospital clinics

- Requires that certain amounts be used in fiscal year 2016 and fiscal year 2017 to make Medicaid payments for certain services provided by a physician group practice that meets criteria specified in an existing administrative rule for enhanced rates (known as the Holzer rule).

- Requires ODM to adjust the amount by which the Holzer rule increases the Medicaid rates for the services provided by the physician group practices as necessary to reflect the amounts required to be so used.

Medicaid School Program

- Makes a qualified Medicaid school provider solely responsible for timely repaying any overpayment that the provider receives under the Medicaid School Program and that is discovered by a federal or state audit.

- Prohibits ODM, with regard to an overpayment, from paying the federal government to meet or delay the provider's repayment obligation and from assuming or forgiving the provider's repayment obligation.

- Requires each qualified Medicaid school provider to indemnify and hold harmless ODM for any cost or penalty resulting from a federal or state audit.

Optional Medicaid eligibility groups

- Prohibits Medicaid from covering optional eligibility groups that state statutes do not address whether Medicaid may cover.

- Permits Medicaid to continue covering an optional eligibility group that it covers on the effective date of this provision unless state statutes expressly prohibit Medicaid from covering the group.

- Specifies that, if the income eligibility threshold for an optional eligibility group is not specified in state statute, the threshold is to be a percentage of the federal poverty line not exceeding the percentage that is the group's threshold on the effective date of this provision.

- Eliminates a requirement that the Medicaid program cover the group consisting of nonpregnant individuals who may receive family planning services and supplies.

209(b) option

- Prohibits ODM from terminating, before July 1, 2016, the federal 209(b) option under which the Medicaid program's eligibility requirements for aged, blind, and disabled individuals are more restrictive than the eligibility requirements for the Supplemental Security Income program.

- Requires ODM, if it terminates the 209(b) option, to establish a Medicaid waiver program under which an individual who has cystic fibrosis and is enrolled in the Program for Medically Handicapped Children or a program for adults with cystic fibrosis may qualify for Medicaid under a spenddown process.

- Requires the Program for Medically Handicapped Children and the program for adults with cystic fibrosis to continue to assist recipients in qualifying for Medicaid under the spenddown process.

Transitional Medicaid

- Repeals a requirement that the ODM Director implement a federal option that permits individuals to receive transitional Medicaid for a single 12-month period (rather than an initial 6-month period followed by a second 6-month period).

Medicaid ineligibility for transfer of assets

- Permits an institutionalized individual to enroll in Medicaid despite a transfer of assets for less than fair market value under an additional circumstance.

Medicaid eligibility determinations – revocable self-settled trusts

- Enacts a federal provision prohibiting the home of a Medicaid applicant or recipient held in a revocable self-settled trust from being (1) considered for purposes of determining Medicaid eligibility and (2) included in the computation of spousal share determined under federal law.

- Excludes the transfer of a Medicaid applicant's or recipient's home from a revocable self-settled trust to the applicant or recipient or that individual's spouse from being considered an improper disposition of assets with respect to Medicaid eligibility.

Personal needs allowance

- Increases the monthly personal needs allowance for Medicaid recipients residing in Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID).

Independent provider study

- States that it is the General Assembly's intent to study the issue of independent providers' Medicaid provider agreements and to resolve it not later than December 31, 2015.

Medicaid expansion group report

- Requires ODM to submit a report to the General Assembly evaluating the Medicaid program's effect on clinical care and outcomes for individuals included in the Medicaid expansion group (also referred to as Group 8).

Pre-enrollment provider screenings and reviews

- States the General Assembly's recommendation that ODM, during fiscal years 2016 and 2017, perform pre-enrollment screenings and reviews of Medicaid providers designated as moderate or high categorical risks to the Medicaid program.

Medicaid rate for medical transportation providers' fuel costs

- Requires that the Medicaid payment rate for medical transportation services include a component paying for providers' fuel costs and that the rate for the fuel component be at least 5% higher than the national average for fuel prices.

Nursing facilities' Medicaid payment rates

- Requires ODM, with the first rebasing of Medicaid rates for nursing facilities, to place nursing facilities in Allen County or Trumbull County in the peer groups used to determine the Medicaid rates for nursing facilities in Mahoning County or Stark County.

- Replaces, for the purpose of determining the regular Medicaid payment rate for nursing facility services beginning with fiscal year 2017, the quality incentive payment with a quality payment and eliminates the quality bonus.

- Provides for $16.44 (the maximum quality incentive payment under current law) to be added to the sum of a nursing facility's rates for the cost centers and, if applicable, its critical access incentive payment when determining the nursing facility's regular Medicaid payment rate.

- Provides for the amount determined above to be reduced by $1.79 and requires ODM to use all of the funds made available by this reduction to determine the amount of each nursing facility's quality payment.

- Requires ODM to add the quality payment to the regular payment rate of each nursing facility that meets at least one of five quality indicators and requires that the largest quality payment be paid to nursing facilities that meet all of the quality indicators.

- Provides for a new nursing facility to be paid a quality payment that is the mean quality payment rate determined for nursing facilities and that $14.65 be added to a new nursing facility's initial total rate.

- Requires ODM, when determining nursing facilities' case-mix scores on and after July 1, 2016, to use the grouper methodology designated by the federal government as the resource utilization group (RUG)-IV, 48 group model.

- Provides for the per Medicaid day rate for nursing facility services provided to low resource utilization residents on and after July 1, 2016, to be (1) $115 per Medicaid day if ODM is satisfied that the nursing facility is cooperating with the Long-Term Care Ombudsman Program to help such residents receive the most appropriate services or (2) $91.70 if ODM is not so satisfied.

- Requires, rather than permits as under current law, ODM to establish an alternative purchasing model for nursing facility services provided to Medicaid recipients with specialized health care needs by designated discrete units of nursing facilities.

Nursing facility demonstration project

- Requires ODM to seek a federal Medicaid waiver to operate a two-year demonstration project under which Medicaid recipients are admitted to participating nursing facilities in lieu of freestanding long-term care hospitals.

- Requires ODM to select four nursing facilities meeting certain requirements and located in Cuyahoga, Franklin, Hamilton, and Lucas counties (or other counties if necessary to find four qualifying nursing facilities) to participate in the demonstration project.

- Requires each participating nursing facility to develop admission criteria and to give the criteria to hospitals located within 50 miles that routinely refer Medicaid recipients to freestanding long-term care hospitals.

- Requires hospitals that receive the criteria to consider the criteria when determining where to refer Medicaid recipients who need the type of services freestanding long-term care hospitals provide.

- Permits Medicaid recipients to refuse referrals to participating nursing facilities.

- Requires that the Medicaid payment rate for nursing facility services provided under the demonstration project not exceed the Medicaid payment rate for comparable freestanding long-term care hospital services.

Medicaid rate for home health aide services

- Requires that the fiscal year 2016 and fiscal year 2017 Medicaid payment rates for home health aide services, other than such services provided by independent providers, be at least 5% higher than the rate in effect on June 30, 2015, for the services.

Medicaid care management system

Elimination of mandatory participation

- Repeals a requirement that ODM designate for participation in the Medicaid care management system Medicaid recipients identified as part of the covered families and children group and, with certain exceptions, aged, blind, and disabled recipients.

Behavioral health services

- Repeals a prohibition against including certain alcohol, drug addiction, and mental health services in the care management system.

- Requires ODM to begin to include alcohol, drug addiction, and mental health services in care management system not later than January 1, 2018.

- Provides that alcohol, drug addiction, and mental health services cannot be included in the care management system before January 1, 2018, without the approval of the Joint Medicaid Oversight Committee (JMOC).

- Requires JMOC to monitor ODM's actions in preparing to implement and implementing inclusion of alcohol, drug addiction, and mental health services in the care management system.

Integrity strategies

- Requires ODM to implement strategies to improve the integrity of the care management system.

Value-based provider payments

- Requires Medicaid MCOs to implement strategies that base payments to providers on the value received from their services and their success in reducing waste in the provision of services.

- Requires Medicaid MCOs to ensure, not later than July 1, 2020, that at least 50% of the aggregate net payments it makes to providers is based on the value of the providers' services.

- Requires ODM to conduct a study about the feasibility and potential savings of delaying an individual's Medicaid coverage until the individual self-selects a Medicaid managed care organization if the individual is required to participate in the care management system.

Community health worker services

- Requires Medicaid MCOs to provide (or arrange for the provision of) community health worker and similar services to enrollees who are pregnant or capable of becoming pregnant, who live in a community that the Ohio Department of Health (ODH) has identified as having high infant mortality, and who meet other criteria.

- Specifies that if an enrollee who is to receive community health worker services or similar services covered by the bill resides in a region served by a community hub that is nationally certified or has shown substantial progress toward certification, the enrollee must receive the services from that community hub.

Enhanced care management

- Requires a Medicaid MCO to provide enhanced care management services to pregnant women and women capable of becoming pregnant in ODH-identified communities with high infant mortality.

Annual report on Medicaid effectiveness

- Requires additional information to be included in an ODM annual report on the effectiveness of the Medicaid program in meeting the health care needs of low-income pregnant women, infants, and children.

Help Me Grow home visits

- Requires a Medicaid MCO to provide (or arrange for the provision of) home visits (including depression screenings) and cognitive behavioral therapy to an enrollee who is a Help Me Grow participant and is either pregnant or the birth mother of a child under age three.

- Requires the cognitive behavioral therapy to be provided in the enrollee's home at her request.

HCAP

- Continues the Hospital Care Assurance Program (HCAP) for two additional years.
- Eliminates a requirement for a portion of the money generated by the HCAP assessments and intergovernmental transfers to be deposited into the Legislative Budget Services Fund.
- Abolishes the Fund when all the remaining money in the Fund has been spent.

Hospital franchise permit fees

- Continues the assessments (i.e., franchise permit fees) imposed on hospitals for two additional years.
- Requires ODM to establish a payment schedule for hospital franchise permit fees for each year and to include the payment schedule in the preliminary determination notice that ODM is required to mail hospitals.

Nursing home and hospital long-term care units

- Provides that a bed surrender does not occur for the purpose of the franchise permit fee charged nursing homes unless the bed is removed from a nursing home's licensed capacity in a manner that makes it impossible for the bed to ever be a part of any nursing home's licensed capacity.
- Provides that a bed surrender does not occur for the purpose of the franchise permit fee charged hospital long-term care units unless the bed is removed from registration as a skilled nursing facility bed or long-term care bed in a manner that makes it impossible for the bed to ever be registered as such a bed.
- Requires ODM to notify, electronically or by U.S. Postal Service, nursing homes and hospital long-term care units of (1) the amount of their franchise permit fees, (2) redeterminations of the fees triggered by bed surrenders, and (3) the date, time, and place of hearings to be held for appeals regarding the fees.

Home care services contracts

- Repeals a provision that requires, for contracts for home care services paid for with public funds, that the provider have a system for monitoring the delivery of services by the provider's employees.

Alternative health coverage for Medicaid recipients

- Requires ODM to establish a Medicaid waiver program under which certain Medicaid recipients, instead of participating in Medicaid's fee-for-service component or Medicaid managed care, must enroll in innovative and value-based health coverage.

- Requires a Medicaid recipient to participate in the waiver program if the recipient (1) has income exceeding 100% of the federal poverty line, (2) is at least 21 years of age, and (3) is not aged, blind, disabled, or pregnant.

Medicaid rates for ambulette services

- Requires that the Medicaid rates for ambulette services provided during fiscal years 2016 and 2017 be at least 10% higher than the rates in effect on June 30, 2015.

Graduate Medical Education Study Committee

- Creates the Graduate Medical Education Study Committee.

- Requires the Committee to study the issue of Medicaid payments to hospitals for the costs of graduate medical education, including the feasibility of targeting the payments in a manner that rewards medical school graduates who practice in Ohio for at least five years after graduation.

- Requires the Committee to complete a report about its study not later than December 31, 2015.

Pilot Program for newborns with neonatal abstinence syndrome (Brigid's Path)

- Requires ODM to implement a two-year pilot program under which newborns who have neonatal abstinence syndrome are, after being medically stabilized at a hospital, transferred to a nonhospital, community facility in Montgomery County that provides medical, pharmacological, and therapeutic services.

- Requires ODM to develop and implement the pilot program with ODJFS and the Ohio Department of Health (ODH).

- Requires ODM, ODJFS, and ODH jointly to complete a report about the pilot program that includes recommendations for making the pilot program statewide and part of the Medicaid program.

Medicaid waiver for married couple to retain eligibility

- Requires ODM to establish a Medicaid waiver program under which Medicaid recipients who are married to each other retain, under certain circumstances, Medicaid eligibility despite employment earnings that exceed the applicable threshold.

Medicaid Recipients' ID and Benefits Cards Workgroup

- Creates the 11-member Workgroup to Study the Feasibility of Medicaid Recipients' ID and Benefits Cards.
- Requires the Workgroup to evaluate the feasibility of using state-issued licenses and identification cards to establish an individual's eligibility for all state public assistance programs (e.g., Medicaid) and benefits under them.
- Requires the Workgroup, not later than July 1, 2018, to submit to the General Assembly a report that contains its findings and recommendations, at which time the Workgroup ceases to exist.
- Creates the Health and Human Services Fund in the state treasury to pay costs associated with state-provided programs or services to enhance public health and overall health care quality of citizens of this state.

State agency collaboration for health transformation initiatives

(R.C. 191.04 and 191.06; R.C. 191.01 and 191.02, not in the bill)

H.B. 487 of the 129th General Assembly authorized the Office of Health Transformation (OHT) Executive Director or the Executive Director's designee to facilitate the coordination of operations and exchange of information between certain state agencies ("participating agencies") during fiscal year 2013. H.B. 487 specified that the purpose of this authority was to support agency collaboration for health transformation purposes, including modernization of the Medicaid program, streamlining of health and human services programs in Ohio, and improving the quality, continuity, and efficiency of health care and health care support systems in Ohio. In furtherance of this authority, H.B. 487 required the OHT Executive Director or the Executive Director's designee to identify each health transformation initiative in Ohio that involved the participation of two or more participating agencies and that permitted or required an interagency agreement. For each health transformation initiative identified, the OHT Executive Director or the Executive Director's designee had to, in consultation with each participating agency, adopt one or more operating protocols.

H.B. 487 also authorized a participating agency to exchange, during fiscal year 2013 only, personally identifiable information with another participating agency for purposes related to or in support of a health transformation initiative that had been identified as described above. If a participating agency used or disclosed personally identifiable information during fiscal year 2013, it was required to do so in accordance with all operating protocols adopted as described above that applied to the use or disclosure.

The main appropriations act of the 130th General Assembly, H.B. 59, extended the authorizations and requirements regarding the use and disclosure of personally identifiable information, described above, to fiscal years 2014 and 2015. The bill further extends these authorizations and requirements to fiscal years 2016 and 2017.

Medicaid third party liability

Portion of tort award subject to government right of recovery

(R.C. 5160.37)

An individual who receives medical assistance under Medicaid, the Children's Health Insurance Program (CHIP), or the Refugee Medical Assistance Program (RMA) gives an automatic right of recovery to the Department of Medicaid (ODM) or a county department of job and family services (CDJFS) against the liability of a third party for the cost of medical assistance paid on the medical assistance recipient's behalf. If a recipient receives a tort recovery for injuries a third party caused the recipient, current law specifies that ODM or the appropriate CDJFS must receive no less than the lesser of (1) one-half of the amount remaining after attorneys' fees, costs, and other expenses are deducted from the recipient's total judgment, award, settlement, or compromise or (2) the actual amount of medical assistance paid on the recipient's behalf.

In 2013, the U.S. Supreme Court found that a North Carolina statute specifying that an irrebuttable presumption exists that one-third of a Medicaid recipient's tort recovery is attributable to medical expenses was pre-empted by the federal Medicaid anti-lien provision (42 U.S.C. 1396p(a)(1)).[143] The federal provision prohibits a state from making a claim to any part of a Medicaid recipient's tort recovery that is not designated for medical care.[144]

[143] *Wos v. E.M.A.*, 133 S.Ct. 1391 (2013).

[144] 42 U.S.C. 1396p(a)(1).

The bill responds to the Supreme Court decision by specifying that there is a rebuttable presumption (rather than a right) that ODM or a CDJFS is to receive (1) not less than one-half of a judgment, award, settlement, or compromise from a medical assistance recipient's tort action or claim against a third party, or (2) the actual amount of medical assistance paid on the recipient's behalf (whichever is less). The bill permits a party to rebut the presumption by using one of two processes, depending on whether the party has already paid an amount to ODM or the CDJFS.

Process for rebutting the presumption – payment not yet made

If a party has not yet made a payment to ODM or the CDJFS, the party may submit to ODM or the CDJFS a request for a hearing in accordance with a procedure the bill requires ODM to establish in rules for this purpose. The bill specifies that the amount sought by ODM or the CDJFS must be held in escrow or in an Interest on Lawyers' Trust Account (IOLTA) until the hearing examiner renders a decision or the case is otherwise concluded. A party successfully rebuts the presumption by a showing of clear and convincing evidence that a different allocation is warranted.

Process for rebutting the presumption – payment already made

If a party has made a payment on or after September 29, 2007,[145] to ODM or the CDJFS pursuant to that agency's right of recovery, the bill permits the party to request a hearing in accordance with a procedure the bill requires ODM to establish in rules for this purpose. The bill requires the request to be made not later than 180 days after the bill's effective date or 90 days after the payment is made, whichever is later. A party successfully rebuts the presumption by a showing of clear and convincing evidence that a different allocation is warranted.

Hearings

A hearing that is requested pursuant to either of the two processes is subject to all of the following:

(1) The hearing examiner may consider, but is not bound by the allocation of, medical expenses specified in a settlement agreement between the medical assistance recipient and the relevant third party.

[145] September 29, 2007, is the date that current law governing the amount of a tort judgment or settlement subject to ODM's or a CDJFS's right of recovery became effective.

(2) ODM or the CDJFS may raise affirmative defenses during the hearing, including the existence of a prior settlement with the medical assistance recipient, the doctrine of accord and satisfaction, or the common law principle of *res judicata*.[146]

(3) If the parties agree, live testimony is not to be presented at the hearing.

(4) The hearing may be governed by rules that ODM is authorized to adopt; if adopted, the Administrative Procedure Act (R.C. Chapter 119.) applies to the hearing only to the extent specified in those rules.

(5) The hearing examiner's decision is binding on ODM or the CDJFS and the medical assistance recipient unless the decision is reversed or modified by the Medicaid Director on appeal.

Administrative appeals

If a medical assistance recipient disagrees with a hearing examiner's decision, the recipient may file an administrative appeal with the Medicaid Director in accordance with the procedure the bill requires ODM to establish in rules for this purpose. A hearing is not required during the administrative appeal, but the Medicaid Director or the Director's designee must review the hearing examiner's decision and any prior relevant administrative action. After the review, the Medicaid Director or the Director's designee must affirm, modify, remand, or reverse the hearing decision. The decision of the Medicaid Director or the Director's designee is final and binding on ODM or the CDJFS and the medical assistance recipient unless it is reversed or modified on appeal by a court of common pleas.

The administrative appeal may be governed by rules that ODM is authorized to adopt; if adopted, the Administrative Procedure Act (R.C. Chapter 119.) applies to the appeal only to the extent specified in those rules.

Common pleas court appeals

A party may appeal a decision made by the Medicaid Director or the Director's designee through the administrative appeal process. A party may file the appeal in accordance with the Administrative Procedure Act (R.C. 119.12).

Sole remedy

The bill specifies that the hearing and appeals processes are remedial in nature and must be liberally construed by the courts of this state in accordance with existing

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[146] *Res judicata* is the principle that a decision by a competent court in a case fully and fairly litigated is final and conclusive as to the claims and issues of the parties and cannot be re-litigated.

law (R.C. 1.11). In addition, the bill specifies that the hearing and appeals processes are the sole remedy available to a party who claims that ODM or a CDJFS has received or is to receive more money than that to which it is entitled pursuant to its right of recovery.

Recovery of overpayments

(R.C. 5160.401)

According to the federal Centers for Medicare & Medicaid Services (CMS), it is common for Medicaid recipients to have one or more additional sources of coverage for health care services. "Third party liability" refers to the legal obligation of third parties (e.g., certain individuals, entities, insurers, or programs) to pay part or all of the expenditures for medical assistance furnished under Medicaid. Under federal law, all other available third party resources must meet their legal obligation to pay claims before Medicaid pays for a Medicaid recipient's care.[147]

Current Ohio law reflects federal policy by requiring a responsible third party to pay a claim for payment of a medical item or service provided to an individual who receives medical assistance from Medicaid, the Children's Health Insurance Program, or the Refugee Medical Assistance Program.[148] The bill specifies that a payment a third party makes is final on the date that is two years after the payment was made to ODM or the applicable Medicaid managed care organization (MCO). After a claim is final, the claim is subject to adjustment only if the third party commences an action for recovery of an overpayment before the date the claim became final and the recovery is agreed to by ODM or the MCO.

The bill authorizes a third party that determines that it overpaid a claim for payment to seek recovery of all or part of the overpayment by filing a notice of its intent to seek recovery with ODM or the relevant MCO. The notice of recovery must be filed in writing before the date the payment is final and specify all of the following:

--The full name of the medical assistance recipient who received the medical item or service that is the subject of the claim;

--The date or dates on which the medical item or service was provided;

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[147] U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services, *Medicaid Third Party Liability and Coordination of Benefits*, available at http://medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/tpl-cob-page.html.

[148] R.C. 5160.40(A)(4).

--The amount allegedly overpaid and the amount the third party seeks to recover;

--The claim number and any other number that ODM or the MCO has assigned to the claim;

--The third party's rationale for seeking recovery;

--The date the third party made the payment and the method of payment used;

--If payment was made by check, the check number; and

--Whether the third party would prefer to receive the amount being sought by payment from ODM or the MCO, either by check or electronic means, or by offsetting the amount from a future payment owed to ODM or the MCO.

The bill specifies that if ODM or the appropriate MCO determines that a notice of recovery was filed before the claim for payment is final and agrees to the amount sought by the third party, ODM or the MCO must notify the third party in writing of its determination and agreement. Thereafter, the third party's recovery must proceed by the method specified by the third party.

Continuing issues regarding creation of ODM

(Sections 327.20 and 327.30)

Medicaid assistance programs (Medicaid, CHIP, and RMA) were administered by the Office of Medical Assistance in the Ohio Department of Job and Family Services (ODJFS) before ODM was created. The biennial budget act enacted in 2013, H.B. 59 of the 130th General Assembly, created ODM.

Temporary authority regarding employees

H.B. 59 gave the ODM Director authority, during the period beginning July 1, 2013, and ending June 30, 2015, to establish, change, and abolish positions for ODM, and to assign, reassign, classify, reclassify, transfer, reduce, promote, or demote all employees of ODM who are not subject to the state's public employees collective bargaining law. H.B. 59 gave the ODJFS Director corresponding authority regarding ODJFS employees as part of the transfer of medical assistance programs to ODM.

The authority described above includes assigning or reassigning an exempt employee to a bargaining unit classification if the ODM Director or ODJFS Director determines that the bargaining unit classification is the proper classification for that employee.[149] The actions of the ODM Director or ODJFS Director must comply with the requirements of a federal regulation establishing standards for a merit system of personnel administration. If an employee in the E-1 pay range is to be assigned, reassigned, classified, reclassified, transferred, reduced, or demoted to a position in a lower classification, the ODM Director or ODJFS Director, or in the case of a transfer outside ODM or ODJFS, the ODAS Director, must assign the employee to the appropriate classification and place the employee in Step X. The employee is not to receive any increase in compensation until the maximum rate of pay for that classification exceeds the employee's compensation. Actions the ODM Director, ODJFS Director, and ODAS Director take under this provision of the act are not subject to appeal to the State Personnel Board of Review.

Under the bill, the ODM Director and ODJFS Director continue to have this authority until June 30, 2018.

New and amended grant agreements with counties

H.B. 59 permitted the ODJFS Director and boards of county commissioners to enter into negotiations to amend an existing grant agreement or to enter into a new grant agreement regarding the transfer of medical assistance programs to ODM. Any such amended or new grant agreement had to be drafted in the name of ODJFS. The amended or new grant agreement had to be executed before July 1, 2013, if the amendment or agreement did not become effective sooner than that date.

Under the bill, the ODJFS Director and boards of county commissioners continue to have this authority. An amended or new grant agreement may be executed before July 1, 2015, if the amendment or agreement does not become effective sooner than that date.

Contracts for the management of Medicaid data requests

(R.C. 5162.12)

Current law permits the Medicaid Director to contract with persons to receive and process requests for Medicaid recipient or claims payment data, data from nursing facility audit reports, or extracts or analyses of such data made by persons who intend to use the data for commercial or academic purposes. The bill requires the Director to enter into such contracts.

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[149] An exempt employee is a permanent full-time or permanent part-time employee paid directly by warrant of the OBM Director whose position is included in the job classification plan established by the ODAS Director but who is not considered a public employee for purposes of Ohio's collective bargaining law. (R.C. 124.152.)

Under current law, such a contract must specify the schedule of fees the contracting person is to charge for the data. The bill requires instead that the contract require the contracting person to charge for an item prepared pursuant to a request for the data a fee in an amount equal to 102% of the cost ODM incurs in making the data used to prepare the item available to the contracting person.

Integrated Care Delivery System

ODM is authorized under continuing law to implement a demonstration project to test and evaluate the integration of care received by individuals dually eligible for Medicaid and Medicare. In statute the project is called the Integrated Care Delivery System (ICDS).[150] It may be better known, however, as MyCare Ohio.

Holocaust survivors in the ICDS Medicaid waiver program

(R.C. 5166.161 (primary) and 5166.16)

The bill requires ODM to ensure that each ICDS participant who is a Holocaust survivor receives, while enrolled in the part of the ICDS that is a Medicaid waiver program, home and community-based services (HCBS) of the type and in at least the amount, duration, and scope that the participant is assessed to need and would have received if enrolled in another HCBS Medicaid waiver program operated by the Department of Aging (ODA) or ODM.

ICDS performance payments

(Section 327.70)

For fiscal years 2016 and 2017, the bill requires ODM, if it implements ICDS in a way that provides participants with care through Medicaid managed care organizations, to do both of the following:

(1) Develop quality measures designed specifically to determine the effectiveness of the health care and other services provided to participants by Medicaid managed care organizations;

(2) Determine an amount to be withheld from the Medicaid premium payments paid to Medicaid managed care organization for participants.

For purposes of the amount to be withheld from premium payments, the bill requires ODM to establish a percentage amount and apply the same percentage to all

[150] R.C. 5164.91, not in the bill.

Medicaid managed care organizations providing care to ICDS participants. Each organization must agree to the withholding as a condition of receiving or maintaining its Medicaid provider agreement. The bill authorizes the ODM Director to use these amounts to provide performance payments to Medicaid managed care organizations providing care to ICDS participants in accordance with rules that the Director may adopt. The bill provides that an organization providing care under ICDS is not subject to withholdings under the Medicaid Managed Care Performance Payment Program for premium payments attributed to ICDS participants during fiscal years 2016 and 2017.

Administrative issues related to termination of waiver programs

(Section 327.100)

If ODM and ODA terminate the PASSPORT, Assisted Living, Ohio Home Care, or Ohio Transitions II Aging Carve-Out program, the bill provides that all applicable statutes, and all applicable rules, standards, guidelines, or orders issued by ODM or ODA before the program is terminated, are to remain in full force and effect on and after that date, but solely for purposes of concluding the program's operations, including fulfilling ODM's and ODA's legal obligations for claims arising from the program relating to eligibility determinations, covered medical assistance provided to eligible persons, and recovering erroneous overpayments. The right of subrogation for the cost of medical assistance and an assignment of the right to medical assistance continue to apply with respect to the terminated program and remain in force to the full extent provided under law governing the right of subrogation and assignment. ODM and ODA are permitted to use appropriated funds to satisfy any claims or contingent claims for medical assistance provided under the terminated program before the program's termination. Neither ODM nor ODA has liability under the terminated program to reimburse any provider or other person for claims for medical assistance rendered under the program after it is terminated.

Money Follows the Person Enhanced Reimbursement Fund

(Section 327.110)

The bill provides for federal funds Ohio receives for the Money Follows the Person demonstration project to be deposited into the Money Follows the Person Enhanced Reimbursement Fund. The fund was created in 2008 by H.B. 562 of the 127th General Assembly after Ohio was first awarded a federal grant for the demonstration project. ODM is required to continue to use the money in the fund for system reform activities related to the demonstration project.

Home and community-based services regarding behavioral health

(Section 327.190)

During fiscal years 2016 and 2017, the bill permits Medicaid to cover state plan HCBS for Medicaid recipients of any age who have behavioral health issues and countable incomes not exceeding 150% of the federal poverty line. A Medicaid recipient is not required to undergo a level of care determination to be eligible for the HCBS. The bill authorizes the ODM Director to adopt rules as necessary to implement this provision.

Physician groups acting as outpatient hospital clinics

(Section 327.243)

An existing administrative rule,[151] known as the Holzer rule, requires different Medicaid payment amounts (generally the regular Medicaid payment multiplied by 1.4) for physician group practices that meet both of the following criteria:

(1) The physician group practice is physically attached to a hospital that does not provide physician clinic outpatient services and the hospital and physician group practice have signed a letter of agreement indicating that the physician group practice provides the outpatient hospital clinic service for that hospital;

(2) The state Medicaid provider utilization summary for calendar year 1990 establishes that the physician group practice, in that year, provided at least 40% of the total number of Medicaid physician visits provided in the county in which the physician group practice is located and an aggregate total of at least 10% of the physician visits provided in the contiguous counties.

The bill requires that $666,844 of the main appropriation for the Medicaid program (appropriation item 651525, Medicaid/Health Care Services) in fiscal year 2016 and $332,270 of that appropriation in fiscal year 2017 be used to make Medicaid payments in accordance with the Holzer rule for physician, pregnancy-related, evaluation, and management services provided by physician group practices that meet the rule's criteria for the enhanced rate. However, ODM is required, as necessary to reflect the amount of these earmarks, to adjust the amount by which the Holzer rule increases the Medicaid rates for such services provided by such physician group practices. The adjustment is to take effect July 1, 2015, and the Medicaid Director must amend the Holzer rule as soon as possible thereafter to reflect the adjustment.

[151] O.A.C. 5160-1-60.1.

Medicaid School Program

(R.C. 5162.365 (primary), 5162.01, 5162.36, 5162.361, and 5162.363)

Under the Medicaid School Program, a qualified Medicaid school provider may submit a claim to ODM for federal Medicaid funds for providing, in schools, services covered by the Medicaid School Program to Medicaid recipients who are eligible for the services. Continuing law requires ODM to enter into an interagency agreement with the Department of Education (ODE) that provides for ODE to administer the Medicaid School Program (other than aspects of the program that state law requires ODM to administer).

The following may obtain a Medicaid provider agreement to become a qualified Medicaid school provider: a board of education of a city, local, or exempted village school district; the governing authority of a community school; the State School for the Deaf; and the State School for the Blind. Generally, a qualified Medicaid school provider is subject to all conditions of participation in the Medicaid program that apply to other providers. Current law provides that the conditions expressly include conditions regarding audits and recovery of overpayments. The bill provides that the conditions also expressly include conditions regarding claims.

The bill makes a qualified Medicaid school provider solely responsible for timely repaying any overpayment that the provider receives under the Medicaid School Program and that is discovered by a federal or state audit. This is the case regardless of whether the audit's finding identifies the provider, ODM, or ODE as being responsible for the overpayment.

ODM is prohibited by the bill from doing any of the following regarding an overpayment that a qualified Medicaid school provider is responsible for repaying:

(1) Making a payment to the federal government to meet or delay the provider's repayment obligation;

(2) Assuming the provider's repayment obligation;

(3) Forgiving the provider's repayment obligation.

The bill requires each qualified Medicaid school provider to indemnify and hold harmless ODM for any cost or penalty resulting from a federal or state audit finding that a claim submitted by the provider did not comply with a federal or state requirement, including a requirement of a Medicaid waiver program.

Optional Medicaid eligibility groups

(R.C. 5163.03, 5163.04, 5163.06, and 5163.061 (repealed))

Federal law requires a state's Medicaid program to cover certain groups (mandatory eligibility groups). A state's Medicaid program is permitted to cover other groups (optional eligibility groups).

Current state law requires Medicaid to cover all optional eligibility groups that state statutes require Medicaid to cover. Medicaid is permitted to cover an optional eligibility group if state statutes expressly permit Medicaid to cover the group or if state statutes do not address whether Medicaid may cover the group. Medicaid is prohibited from covering an optional eligibility group if state statutes prohibit Medicaid from covering the group.

Under the bill, Medicaid continues to be required to cover all optional eligibility groups that state statutes require Medicaid to cover. The bill permits Medicaid to cover other optional eligibility groups only if (1) state statutes expressly permit Medicaid to cover the group or (2) Medicaid covers the group on the effective date of this provision of the bill. The bill prohibits Medicaid from covering an optional eligibility group if (1) state statutes expressly prohibit Medicaid from covering the group or (2) state statutes do not address whether Medicaid may cover the group.

The bill requires that the income eligibility threshold for an optional eligibility group be the percentage of the federal poverty line specified in state statute for the group. If state statutes do not specify the income eligibility threshold for an optional eligibility group, the income eligibility threshold is to be a percentage of the federal poverty line that does not exceed the percentage that is the group's income eligibility threshold on the effective date of this provision of the bill.

The bill eliminates a requirement that the Medicaid program cover the optional eligibility group consisting of nonpregnant individuals who may receive family planning services and supplies.

209(b) option

(R.C. 5166.33 (primary), 3701.023, and 5166.01; Section 327.310)

One of the eligibility groups for the Medicaid program consists of aged, blind, or disabled individuals who are eligible for the Supplemental Security Income (SSI) program. However, federal law permits states to establish Medicaid eligibility requirements for aged, blind, or disabled individuals that are more restrictive than the eligibility requirements for the SSI program. This option is known as the 209(b) option. Ohio's Medicaid program currently implements the 209(b) option.

Restriction on termination

The bill prohibits ODM from terminating the implementation of the 209(b) option before July 1, 2016.

Continued spenddown process for individuals with cystic fibrosis

A state that implements the 209(b) option is required by federal law to permit aged, blind, and disabled individuals who have incomes exceeding the Medicaid eligibility limit to qualify for Medicaid through a spenddown process under which medical expenses are subtracted from their incomes.

The bill requires ODM, if it terminates implementation of the 209(b) option, to establish a Medicaid waiver program under which an individual who has cystic fibrosis and is enrolled in the Ohio Department of Health's (ODH's) Program for Medically Handicapped Children or an ODH program for adults with cystic fibrosis may qualify for Medicaid under the same type of spenddown process that is part of the 209(b) option. The ODH programs are required by the bill to continue to assist enrollees with cystic fibrosis in qualifying for Medicaid under the spenddown process in the same manner the programs assist such enrollees on the effective date of this provision of the bill. This requirement applies regardless of whether ODM terminates the 209(b) option or establishes the Medicaid waiver program for individuals with cystic fibrosis.

Transitional Medicaid

(R.C. 5163.08 (repealed))

Federal law includes a provision for transitional Medicaid. This provision requires a state's Medicaid program to continue to cover, for an additional six months and, if certain requirements are met, up to another additional six months certain low-income families with dependent children that would otherwise lose Medicaid eligibility because of changes to their incomes. The requirements for the second 6-month period of eligibility include reporting and income requirements. Federal law gives states the option to provide the low-income families transitional Medicaid for a single 12-month period rather than an initial 6-month period followed by a second 6-month period.[152] The 12-month option enables the low-income families to receive transitional Medicaid

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[152] 42 U.S.C. 1396r-6. This federal law is scheduled to expire March 31, 2015. Congress has extended the law when it was scheduled to expire on previous occasions.

for up to a year without having to meet the additional requirements for the second 6-month period.

The bill repeals a requirement that the ODM Director implement the option regarding the single 12-month eligibility period for transitional Medicaid.

Exception to Medicaid ineligibility for transfer of assets

(R.C. 5163.30)

Generally, an institutionalized individual is ineligible for nursing facility services, nursing facility equivalent services, and HCBS for a certain period of time if the individual or individual's spouse disposes of assets for less than fair market value on or after the look-back date. An institutionalized individual is (1) a nursing facility resident, (2) an inpatient in a medical institution for whom a payment is made based on a level of care provided in a nursing facility, or (3) an individual who would be eligible for Medicaid if the individual was in a medical institution, would need hospital, nursing facility, or Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) services if not for HCBS available under a Medicaid waiver program, and is to receive HCBS. The look-back date is the date that is a certain number of months before (1) the date an individual becomes an institutionalized individual if the Medicaid recipient is eligible for Medicaid on that date or (2) the date an individual applies for Medicaid while an institutionalized individual.

There are exceptions to this period of ineligibility. For example, an institutionalized individual may be granted a waiver of all or portion of the period of ineligibility if the ineligibility would cause an undue hardship for the individual.

The bill establishes a new exception. An institutionalized individual may be granted a waiver of all of the period of ineligibility if all of the assets that were disposed of for less than fair market value are returned to the individual or individual's spouse or if the individual or spouse receives cash or other personal or real property that equals the difference between what the individual or spouse received for the assets and the assets' fair market value. Unless the institutionalized individual is eligible for a waiver under another exception, no waiver of any part of the period of ineligibility is to be granted if the amount the individual or spouse receives is less than the difference between what the individual or spouse received for the assets and the assets' fair market value.

Medicaid eligibility determinations – revocable self-settled trusts

(R.C. 5163.21)

When a Medicaid applicant or recipient is a trust beneficiary, the county department of job and family services (CDJFS) of the county in which the applicant or recipient resides must determine what type of trust it is and, for purposes of determining Medicaid eligibility, whether the trust or a portion of it (1) is a resource available to the applicant or recipient, (2) contains income available to the applicant or recipient, (3) constitutes both an available resource and contains available income, or (4) is neither an available resource nor contains available income.

A self-settled trust is a trust not established by will. Under current Ohio law, a CDJFS must treat a revocable self-settled trust as follows:

(a) The corpus of the trust[153] must be considered an available resource;

(b) Payments from the trust to or for the benefit of the applicant or recipient must be considered unearned income of the applicant or recipient; and

(c) Any other payments from the trust must be considered an improper disposition of assets and makes the applicant or recipient ineligible for Medicaid for a certain period of time.[154]

The bill specifies that an applicant's or recipient's home (including the land that appertains the home) is not subject to the provisions described in (a) – (c), above, is not a resource available to the applicant or recipient, and must be excluded from the computation of spousal share determined under federal Medicaid provisions. (Under those federal provisions, a certain amount of a couple's combined resources is counted when determining the institutionalized spouse's Medicaid eligibility; however, depending on how much of his or her own income the community spouse actually has, a certain amount of income belonging to the institutionalized spouse can be set aside for

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[153] The "corpus" is all property and other interests held by the trust, including accumulated earnings and any other addition to the trust after its establishment (except that it excludes any earnings or addition in the month in which the earnings or addition is credited or otherwise transferred to the trust). 42 U.S.C. 1382b(e)(6)(B).

[154] *See* R.C. 5163.30.

the community spouse's use so that the community spouse is not impoverished.[155]) Federal law already specifies that the home is not to be counted as a resource.[156]

The bill also prohibits the transfer of a Medicaid applicant's or recipient's home from a revocable self-settled trust to the applicant or recipient or that individual's spouse from being considered an improper disposition of assets or a disposal of assets for less than fair market value for which a period of Medicaid ineligibility may be imposed.

Monthly personal needs allowance

(R.C. 5163.33)

The bill increases the monthly personal needs allowance for Medicaid recipients residing in ICFs/IID. Beginning January 1, 2016, the personal needs allowance is to be at least $50 per month for an individual resident and at least $100 for a married couple if both spouses are residents of an ICF/IID and their incomes are considered available to each other rather than $40 or an amount determined by ODM. This personal needs allowance is the same that applies to residents of nursing facilities.

Independent provider study

(Section 751.10)

The bill states that it is the intent of the General Assembly to study the issue of Medicaid provider agreements with independent providers and to resolve the issue not later than December 31, 2015. The bill defines "independent provider" as an individual who personally provides one or more of the following services on a self-employed basis and does not employ, directly or through contract, another individual to provide any of those services:

(1) The following aide services: home health aide services available under the Medicaid program's home health services benefit, home care attendant services available under a Medicaid waiver program covering HCBS, and personal care aide services available under Medicaid waiver program covering HCBS;

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[155] U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services, *Spousal Impoverishment*, available at http://medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/spousal-impoverishment-page.html.

[156] 42 U.S.C. 1382b(a)(1).

(2) The following nursing services: nursing services available under the Medicaid program's home health services benefit, private duty nursing services, and nursing services available under a Medicaid waiver program covering HCBS;

(3) Services covered by a Medicaid waiver program covering HCBS;

(4) Services covered by the Helping Ohioans Move, Expanding (HOME) choice demonstration program.

The U.S. Department of Labor (DOL) recently adopted a regulation extending federal minimum wage and overtime protection to most home care workers, including independent providers who provide certain services to Medicaid recipients.[157] DOL has stated that it will not bring enforcement actions against employers for violations before July 1, 2015. From July 1, 2015 to December 31, 2015, DOL will exercise prosecutorial discretion in determining whether to bring enforcement actions, with particular consideration given to good faith efforts to bring home care programs into compliance with the regulation;[158] however, a federal trial court recently found the regulation to be invalid and vacated it. That decision is currently on appeal.[159] If the regulation is determined to be valid, employers of home care workers, which could include states or state agencies overseeing Medicaid programs, will be responsible for ensuring the federal requirements are met.[160]

Medicaid expansion group report

(Section 751.20)

The bill requires ODM to submit a report to the General Assembly evaluating the Medicaid program's effect on clinical care and outcomes for individuals included in the Medicaid expansion group (also referred to as Group 8). The report is to be submitted by January 1, 2017, and is to include information on the Medicaid program's effects on physical and mental health, health care utilization and access, and financial hardship.

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[157] 29 C.F.R. 552.6.

[158] Application of the Fair Labor Standards Act to Domestic Service; Announcement of Time-Limited Non-Enforcement Policy, 79 Fed. Reg. 60,974 (October 9, 2014).

[159] *Home Care Ass'n of Am. v. Weil,* Case No. 14-cv-967, 2014 WL 7272406 (December 22, 2014); *Home Care Ass'n of Am. v. Weil,* Case No. 14-cv-967, 2015 WL 1817120 (January 14, 2015).

[160] Joint letter from the U.S. Department of Justice and U.S. Department of Health and Human Services, December 15, 2014, available at: www.hhs.gov/ocr/civilrights/resources/specialtopics/community/2014hhsdojdearcolleagueletter.pdf.

Pre-enrollment provider screenings and reviews

(Section 327.280)

The bill states the General Assembly's recommendation that ODM, during fiscal years 2016 and 2017, perform pre-enrollment screenings and reviews of Medicaid providers designated as moderate or high risks to the Medicaid program under the categorical risk levels established pursuant to federal Medicaid regulations.

Medicaid rate for medical transportation fuel costs

(R.C. 5164.78)

The bill requires that the Medicaid payment rate for medical transportation services include a component that pays for providers' fuel costs. ODM is required by the bill to revise the rate for the fuel component each month. The rate for the fuel component for a month must be at least 5% higher than the national average for fuel prices for the immediately preceding month as reported by the U.S. Energy Information Administration.

Nursing facilities' Medicaid payment rates

(R.C. 5165.15 (primary), 173.47, 5165.151, 5165.152, 5165.157, 5165.16, 5165.17, 5165.19, 5165.192, 5165.23, and 5165.25 (new); R.C. 5165.25 and 5165.26 (repealed); Section 812.10)

Nursing facilities' peer groups

Nursing facilities are placed into various peer groups for the purposes of determining their Medicaid rates for ancillary and support costs, capital costs, and direct care costs. Continuing law requires ODM to revise the peer groups by placing nursing facilities located in Mahoning County or Stark County in different peer groups beginning with the first rebasing of nursing facilities' Medicaid rates. This will affect the Medicaid payment rates for all nursing facilities in the peer groups affected by the changes. A rebasing is a redetermination of nursing facilities' Medicaid rates for certain costs using information from Medicaid cost reports for a calendar year that is more recent than the calendar year used for the previous determination of the costs.

The bill requires ODM to further revise the peer groups by also placing nursing facilities located in Allen County or Trumbull County in the peer groups in which the nursing facilities located in Mahoning County or Stark County are to be placed with the first rebasing.

For the purpose of determining nursing facilities' Medicaid rates for ancillary and support costs and capital costs, a nursing facility located in Allen County or Trumbull County is currently placed in either peer group five or six, depending on how many beds it has. This also applies to a nursing facility located in Mahoning County or Stark County. If the nursing facility has fewer than 100 beds, it is placed in peer group five. If it has 100 or more beds, it is placed in peer group six. Nursing facilities located in any of the following counties are also placed in peer group five or six, depending on their number of beds: Adams, Ashland, Athens, Auglaize, Belmont, Carroll, Columbiana, Coshocton, Crawford, Defiance, Erie, Gallia, Guernsey, Hardin, Harrison, Henry, Highland, Hocking, Holmes, Huron, Jackson, Jefferson, Lawrence, Logan, Meigs, Mercer, Monroe, Morgan, Muskingum, Noble, Paulding, Perry, Pike, Putnam, Richland, Scioto, Shelby, Tuscarawas, Van Wert, Vinton, Washington, Wayne, Williams, and Wyandot.

Beginning with the first rebasing, nursing facilities located in Allen County or Trumbull County are to be placed in peer group three or four. These are the peer groups that current law requires ODM to place nursing facilities located in Mahoning County or Stark County when the first rebasing occurs. Peer group three is for nursing facilities with fewer than 100 beds. Peer group four is for nursing facilities with 100 or more beds. Under continuing law, peer groups three and four consist of nursing facilities located in any of the following counties: Ashtabula, Champaign, Clark, Cuyahoga, Darke, Delaware, Fairfield, Fayette, Franklin, Fulton, Geauga, Greene, Hancock, Knox, Lake, Licking, Lorain, Lucas, Madison, Marion, Medina, Miami, Montgomery, Morrow, Ottawa, Pickaway, Portage, Preble, Ross, Sandusky, Seneca, Summit, Union, and Wood.

For the purpose of determining nursing facilities' Medicaid rates for direct care costs, a nursing facility located in Allen County or Trumbull County is currently placed in peer group three under current law. This is the same peer group that a nursing facility located in Mahoning County or Stark County is in before the first rebasing. Peer group three also consists of nursing facilities located in any of the following counties: Adams, Ashland, Athens, Auglaize, Belmont, Carroll, Columbiana, Coshocton, Crawford, Defiance, Erie, Gallia, Guernsey, Hardin, Harrison, Henry, Highland, Hocking, Holmes, Huron, Jackson, Jefferson, Lawrence, Logan, Meigs, Mercer, Monroe, Morgan, Muskingum, Noble, Paulding, Perry, Pike, Putnam, Richland, Scioto, Shelby, Tuscarawas, Van Wert, Vinton, Washington, Wayne, Williams, and Wyandot.

Beginning with the first rebasing, nursing facilities located in Allen County or Trumbull County are to be placed in peer group two for the purpose of direct care costs. This is the same peer group that nursing facilities located in Mahoning County or Stark County are to be placed with the first rebasing. Before the first rebasing, peer group two consists of nursing facilities located in any of the following counties: Ashtabula, Champaign, Clark, Cuyahoga, Darke, Delaware, Fairfield, Fayette, Franklin, Fulton, Geauga, Greene, Hancock, Knox, Lake, Licking, Lorain, Lucas, Madison, Marion, Medina, Miami, Montgomery, Morrow, Ottawa, Pickaway, Portage, Preble, Ross, Sandusky, Seneca, Summit, Union, and Wood.

Quality payments

A nursing facility's regular total Medicaid payment rate under current law is the sum of (1) each of its rates for the cost centers (ancillary and support costs, capital costs, direct care costs, and tax costs), (2) its critical access incentive payment (if applicable), and (3) its quality incentive payment. ODM is also required by current law to pay a qualifying nursing facility a quality bonus in addition to its regular total rate. The bill replaces the quality incentive payment with a quality payment and eliminates the quality bonus. The changes are to take effect July 1, 2016.

Current law sets the maximum quality incentive payment at $16.44 per Medicaid day. A nursing facility can receive the maximum payment if it meets at least five accountability measures, including at least one accountability measure regarding moderate pain, pressure ulcers, physical restraints, urinary tract infections, hospital admissions, and vaccinations.

As part of the provision that replaces the quality incentive payment with a quality payment, the bill provides for the amount of the current maximum quality incentive payment ($16.44) to be added to the sum of a nursing facility's rates for the cost centers and, if applicable, its critical access incentive payment when determining the nursing facility's regular total Medicaid payment rate. From that amount, $1.79 is to be subtracted. ODM is required to use all of the funds made available by this reduction to determine the amount of each nursing facility's quality payment. These changes result in the following formula that is to be used to determine a nursing facility's regular total per Medicaid day payment rate:

(1) Determine the sum of the nursing facilities' rates for each cost center and, if applicable, its critical access incentive payment;

(2) Add $16.44 to the amount determined under (1);

(3) Subtract $1.79 from the amount determined under (2);

(4) Add the nursing facility's quality payment to the amount determined under (3).

To qualify for a quality payment under the bill, a nursing facility must meet at least one of five quality indicators. The largest quality payment is to be paid to nursing facilities that meet all of the quality indicators for the measurement period. The following is the measurement period:

(1) For fiscal year 2017, the period beginning July 1, 2015, and ending December 31, 2015;

(2) For each subsequent fiscal year, the calendar year immediately preceding the fiscal year.

The bill establishes the following quality indicators for the purpose of the quality payment:

(1) Not more than a target percentage of a nursing facility's short-stay residents (residents who have resided in the nursing facility for less than 100 days) had new or worsened pressure ulcers and not more than a target percentage of long-stay residents (residents who have resided in the nursing facility for at least 100 days) at high risk for pressure ulcers had pressure ulcers. ODM is required to specify the target percentages and the amount specified for short-stay residents may differ from the amount specified for long-stay residents.

(2) Not more than a target percentage of the nursing facility's short-stay residents newly received antipsychotic medication and not more than a target percentage of the nursing facility's long-stay residents received an antipsychotic medication. ODM is to specify the target percentages. The amount specified may differ for short-term residents and long-term residents. The amount specified also may be different from the target percentages specified for the quality indicator regarding pressure ulcers.

(3) The number of the nursing facility's residents who had avoidable inpatient hospital admissions did not exceed a target rate that ODM is to specify.

(4) The nursing facility's employee retention rate is at least a target rate that ODM is to specify.

(5) The nursing facility utilized the nursing home version of the Preferences for Everyday Living Inventory for all of its residents.

The bill provides that if a nursing facility undergoes a change of operator during a fiscal year, the amount of the quality payment rate to be paid to the new operator for the period beginning on the effective date of the change of operator and ending on the last day of the fiscal year is to be the same as the amount of the quality payment rate in effect on the day immediately preceding the effective date of the change of operator. For the immediately preceding fiscal year, the quality payment rate is to be the following:

(1) If the effective date of the change of operator is on or before the first day of October of the calendar year immediately preceding the fiscal year, the amount determined pursuant to the normal method discussed above;

(2) If the effective date of the change of operator is after the first day of that October, the mean quality payment rate for all nursing facilities for the fiscal year.

To qualify for a critical access incentive payment, a nursing facility must (1) be located in an area that, on December 31, 2011, was designated an empowerment zone under federal law, (2) have an occupancy rate of at least 85%, (3) have a Medicaid utilization rate of at least 65%, and (4) have met at least five accountability measures for the purpose of the quality incentive payment, including at least one of the accountability measures regarding moderate pain, pressure ulcers, physical restraints, urinary tract infections, and vaccinations. Under the bill, a nursing facility no longer has to meet the fourth requirement to qualify for a critical access incentive payment. The bill also revises how the amount of the critical access incentive payment is to be determined. Under current law, a nursing facility's critical access incentive payment is to equal 5% of the sum of its rates for each of the cost centers and quality incentive payment. With the elimination of the quality incentive payment, a nursing facility's critical access incentive payment is to equal 5% of the sum of its rates for each of the cost centers.

A new nursing facility is not paid the regular Medicaid rate for the first fiscal year (or part thereof) that it participates in Medicaid. For example, a new nursing facility is paid the mean quality incentive payment for all nursing facilities instead of a quality incentive payment determined specifically for the new nursing facility. As part of the provision that replaces the quality incentive payment with a quality payment, the bill provides for a new nursing facility to be paid a quality payment that is the mean quality payment rate determined for nursing facilities and that $14.65 be added to a new nursing facility's initial total rate.

Case-mix scores

ODM is required to determine case-mix scores for nursing facilities as part of the process of determining their Medicaid payment rates. When determining case-mix scores, ODM must use certain data and, except as provided in ODM's rules, the case-mix values established by the U.S. Department of Health and Human Services (USDHHS). Under current law, ODM also must use, except as modified in ODM's rules, the grouper methodology used on June 30, 1999, by the USDHHS for the prospective payment of skilled nursing facilities under the Medicare program. The bill requires, beginning July 1, 2016, that ODM instead use, except as modified in ODM's rules, the grouper methodology designated by the USDHHS as the resource utilization group (RUG)-IV, 48 group model.

Low resource utilization residents

The regular Medicaid rate also is not paid for nursing facility services provided to low resource utilization residents. A low resource utilization resident is a Medicaid recipient residing in a nursing facility who, for purposes of calculating the nursing facility's Medicaid payment rate for direct care costs, is placed in either of the two lowest resource utilization groups, excluding any resource utilization group that is a default group used for residents with incomplete assessment data.[161]

Under current law, the total per Medicaid day payment rate for nursing facility services provided to low resource utilization residents is $130. The bill provides, beginning July 1, 2016, that the per Medicaid day rate is to be the following:

(1) $115 if ODM is satisfied that the nursing facility is cooperating with the Long-Term Care Ombudsman Program in efforts to help the nursing facility's low resource utilization residents receive the services that are most appropriate for such residents' level of care needs;

(2) $91.70 if ODM is not so satisfied.

Alternative purchasing model for nursing facility services

Current law permits the Medicaid Director to establish an alternative purchasing model for nursing facility services provided to Medicaid recipients with specialized health care needs by designated discrete units of nursing facilities. The Medicaid rates paid under the alternative purchasing model are in lieu of the regular Medicaid rates for nursing facility services.

The bill requires the Director to establish the alternative purchasing model.

Nursing facility demonstration project

(Section 327.270)

The bill requires ODM to submit to the U.S. Secretary of Health and Human Services a request for a federal Medicaid waiver to operate a two-year demonstration

[161] R.C. 5165.01, not in the bill.

project under which Medicaid recipients receive nursing facility services in participating nursing facilities in lieu of hospital inpatient services in freestanding long-term care hospitals.[162] The request must be submitted not later than 30 days after the effective date of this provision of the bill. The request is to specify a January 1, 2016, starting date for the project.

ODM is to select four nursing facilities to participate in the project. To be selected, a nursing facility must (1) be held out to the public as providing short-term rehabilitation services, (2) have a hydrotherapy pool, (3) have a Medicaid-certified capacity that includes at least ten single-occupancy sleeping rooms that will be used for Medicaid recipients admitted to the nursing facility under the project, and (4) have been initially constructed, licensed for operation, and certified for participation in Medicaid on or after January 1, 2010. In selecting four nursing facilities, ODM must select one nursing facility located in Cuyahoga County, one located in Franklin County, one located in Hamilton County, and one located in Lucas County. However, ODM may select a nursing facility located in another county if necessary to find four nursing facilities that meet the selection requirements.

Each nursing facility selected for participation in the project is required to develop admission criteria that Medicaid recipients must meet to be admitted to the nursing facility under the project. A nursing facility is to give the criteria to each hospital that is located within 50 miles and routinely refers Medicaid recipients to freestanding long-term care hospitals. A hospital that receives the criteria must consider it when determining where to refer a Medicaid recipient who needs the types of services freestanding long-term care hospitals provide.

The bill permits a Medicaid recipient to refuse a referral to a nursing facility participating in the project and instead seek admission to a freestanding long-term care hospital. If a Medicaid recipient seeks admission to a nursing facility participating in the project, the nursing facility's staff must ensure that the recipient meets the nursing facility's admission criteria before admitting the recipient.

A nursing facility is required to notify ODM each time it admits a Medicaid recipient under the project. A recipient's admission is not subject to prior authorization from ODM or ODM's designee.

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[162] A hospital is a freestanding long-term care hospital if (1) it meets the definition of that term in federal regulations, (2) it has a Medicaid provider agreement to provide inpatient hospital services, and (3) pursuant to ODM rules, it is exempt from the patient refined diagnosis related groups (APR-DRG) and prospective payment methodology ODM uses to determine Medicaid payment rates for inpatient services provided by other types of hospitals not also excluded from the methodology.

The bill requires that the Medicaid payment rate for nursing facility services that a Medicaid recipient receives from a nursing facility participating in the project not exceed the Medicaid payment rate for comparable hospital inpatient services provided by freestanding long-term care hospitals in effect at the time the services are provided.

Each nursing facility participating in the project is required to report to ODM certain information not later than 30 days after the end of each quarter of the project. Specifically, a nursing facility must report all of the following information about each Medicaid recipient residing in the nursing facility under the project during the quarter:

(1) The cost of the nursing facility services provided to the recipient that quarter;

(2) The number of days the recipient resided in the nursing facility that quarter;

(3) The recipient's health outcomes;

(4) The recipient's satisfaction with the nursing facility as reported to the nursing facility's staff;

(5) All other information ODM requires the nursing facilities to include in the reports.

ODM is required by the bill to complete a report about the project not later than three months after the project ends. The report must include an analysis of the information nursing facilities submit to ODM under the project. It also must include recommendations about resuming the project's operation and selecting nursing facilities from additional counties to participate. The report is to be submitted to the Governor, General Assembly, and the Joint Medicaid Oversight Committee.

Medicaid rate for home health aide services

(Sections 327.250 and 327.260)

The bill requires that the fiscal year 2016 and fiscal year 2017 Medicaid payment rates for home health aide services, other than services provided by independent providers, be at least 5% higher than the rate in effect on June 30, 2015, for the services. An independent provider is a provider who personally provides home health aide services and is not employed by, under contract with, or affiliated with another entity that provides those services.

Medicaid care management system

Continuing law requires ODM to establish a care management system as part of the Medicaid program. Medicaid managed care is part of the care management system.

Elimination of requirements regarding groups that must participate

(R.C. 5167.03)

The bill repeals a requirement that ODM designate for participation in the care management system individuals who receive Medicaid on the basis of being included in the eligibility category identified as covered families and children and, with certain exceptions, individuals who receive Medicaid on the basis of being aged, blind, or disabled. The bill also repeals a requirement to ensure the individuals mentioned above are enrolled in Medicaid managed care organizations that are health insuring corporations.

Adding behavioral health services to the care management system

(R.C. 5167.04 (primary), 103.42, and 5167.03)

The bill repeals a prohibition against ODM including in the care management system alcohol, drug addiction, and mental health services for which a board of alcohol, drug addiction, and mental health services or a state agency other than ODM pays the nonfederal share.

ODM is required by the bill to begin to include alcohol, drug addiction, and mental health services in the care management system not later than January 1, 2018.

During the period beginning July 1, 2015, and ending June 30, 2018, the Joint Medicaid Oversight Committee (JMOC) must monitor on a quarterly basis ODM's actions in preparing to implement and implementing inclusion of the services in the system. Any ODM proposal to include all or part of the services in the system before January 1, 2018, is subject to JMOC's review. JMOC must vote on whether to approve or disapprove such a proposal. If a majority of JMOC's members approve the proposal, JMOC is to notify ODM. ODM may implement the proposal only if JMOC approves it.

On and after January 1, 2018, any ODM proposal to include all or part of the services in the system is subject to JMOC's monitoring but is not subject to JMOC's approval. Beginning on that date, JMOC on a periodic basis must monitor ODM's inclusion of the services in the system.

Strategies to improve care management system's integrity

(R.C. 5167.32)

The bill requires ODM to implement, not later than July 1, 2016, strategies to improve the integrity of the care management system, including strategies to do both of the following:

(1) Increase ODM's oversight of Medicaid MCOs;

(2) Provide incentives for identifying fraud, waste, and abuse in the care management system.

Medicaid managed care organizations' payments to providers

(R.C. 5167.33)

The bill requires Medicaid MCOs to implement, not later than July 1, 2018, strategies that base payments to providers on the value received from the providers' services, including their success in reducing waste in the provision of services. Not later than July 1, 2020, each Medicaid MCO is to ensure that at least 50% of the aggregate net payments it makes to providers is based on the value received from the providers' services.

ODM is permitted by the bill to measure a Medicaid MCO's compliance with these requirements based on the actions of the MCO, the providers in the MCO's provider panel, the MCO's subcontractors, or any combination of the MCO, providers, and subcontractors.

The Medicaid Director is required to adopt rules as necessary to implement this provision of the bill, including rules that specify all of the following:

(1) The value received from a provider's services;

(2) A provider's success in reducing waste in the provision of services;

(3) The percentage of a Medicaid MCO's aggregate net payments to providers that is based on the value received from the providers' services.

Study about self-selection of managed care organizations

(Section 327.330)

The bill requires ODM to complete, not later than 180 days after the effective date of this provision of the bill, a study of the feasibility and potential savings to the state of delaying an individual's coverage under the Medicaid program until the individual self-selects a Medicaid managed care organization in which to enroll (if the individual is required to participate in the care management system). As part of the study, ODM must do both of the following:

(1) Examine the feasibility of obtaining any necessary federal waivers, including a waiver of the default enrollment process that federal law requires states to use when a Medicaid recipient fails to timely select a Medicaid managed care organization;

(2) Contract with an actuary to determine the effect that the delay on coverage would have on the amount of premiums to be paid Medicaid managed care organizations under the care management system.

ODM is required to prepare a report about the study and submit it to the Governor, General Assembly, and Joint Medicaid Oversight Committee.

New Medicaid managed care services

Community health worker services

(R.C. 3701.142 and 5167.15)

The bill requires Medicaid MCOs to provide certain Medicaid recipients, or arrange for those recipients to receive, services provided by community health workers certified by the Board of Nursing. A Medicaid recipient is eligible to receive the services if she (1) is pregnant or capable of becoming pregnant, (2) resides in a community with high infant mortality specified in rules required by the bill, (3) was recommended to receive the services by a physician or another licensed health professional specified in rules required by the bill, and (4) is enrolled in the Medicaid MCO.

The services that must be provided or arranged for under the bill are (1) community health worker services and (2) other services performed to ensure that the Medicaid recipient is linked to employment services, housing, educational services, social services, or medically necessary physician and behavioral health services. "Community health worker services" includes assisting in accessing community health and supportive resources through the provision of such services as education, role modeling, outreach, home visits, and referrals.[163]

The bill specifies that the services must promote and facilitate healthy behaviors across the preconception, prenatal, postpartum, and interconception (between pregnancies) stages of life. These behaviors are to be established in rules adopted by the Director of Health (ODH Director).

The bill specifies that if a Medicaid recipient who is to receive community health worker or similar services covered under the bill resides in a region served by a qualified community hub, the recipient must receive the services from that community

[163] R.C. 4723.81, not in the bill.

hub. The bill defines a "qualified community hub" as a community-based agency that (1) uses the Pathways Community HUB model developed by the Community Health Access Project in Ohio for the purpose of coordinating two or more care coordination agencies and ensuring that the agencies use pathways to connect at-risk individuals to physical health, behavioral health, social, and employment services, and (2) demonstrates to the Medicaid Director that it fully or substantially complies with the Pathway Community HUB Certification Standards developed by the Rockville Institute by submitting to the Director a copy of a document from that institute stating that the community hub satisfies the standards or has shown substantial progress toward satisfying the standards. The Pathways Community HUB model was developed by the Community Health Access Project to ensure that at-risk individuals are served in a timely, coordinated manner.[164]

Enhanced care management services

(R.C. 5167.17)

The bill requires ODM, when it contracts with a Medicaid MCO, to require the MCO to provide enhanced care management services for pregnant women and women capable of becoming pregnant who reside in a community with high infant mortality specified in rules required by the bill. The contract must specify that the services are to be provided in a manner intended to decrease the incidence of prematurity, low birth weight, and infant mortality, as well as improve the overall health status of women capable of becoming pregnant for the purpose of ensuring optimal future birth outcomes.

Rules

(R.C. 3701.142(B) to (D))

The bill requires the ODH Director to adopt rules specifying healthy behaviors to be promoted and facilitated by certified community health workers who provide community health worker services and other services the bill requires. Before adopting the rules, the ODH Director must consult with members of the Ohio Perinatal Quality Collaborative or a successor organization. The ODH Director may consult with other health care organizations as the ODH Director determines to be appropriate.

In addition, the bill requires the ODH Director, in consultation with the Medicaid Director, to adopt rules specifying both of the following:

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[164] Community Care Coordination Learning Network. *Connecting Those at Risk to Care*, 1 (2010) available at http://chap-ohio.net/press/wp-content/uploads/2010/09/CommunityHUBManual3.pdf.

--The urban and rural communities, identified by zip code or portions of zip codes that are contiguous, that have the highest infant mortality rates in Ohio; and

--The licensed health professionals, in addition to physicians, who may recommend that a Medicaid recipient receive community health worker services.

All rules must be adopted in accordance with Ohio's Administrative Procedure Act (R.C. Chapter 119.).

Annual report on Medicaid effectiveness

(R.C. 5162.13)

The bill requires additional information to be included in an annual report that ODM must complete under existing law on Medicaid's effectiveness in meeting the needs of low-income pregnant women, infants, and children. The additional information to be included is:

--The actual number of enrolled pregnant women categorized by estimated gestational age at time of enrollment; and

--The rates at which enrolled pregnant women receive addiction or mental health services, progesterone therapy, and any other service ODM specifies.

Help Me Grow home visits

(R.C. 5167.03 and 5167.16)

The bill requires Medicaid managed care organizations (MCOs) to provide to certain Medicaid recipients (or arrange for those recipients to receive) home visits, including depression screenings, and cognitive behavioral therapy. The Medicaid recipients who are to receive those services are recipients who are (1) enrolled in the Help Me Grow program and the Medicaid MCO and (2) pregnant or the birth mother of a child under three years of age. Help Me Grow is a program established by the Department of Health to encourage early prenatal and well-baby care, provide parenting education to promote the comprehensive health and development of children, and provide early intervention services for individuals with disabilities.[165]

A Medicaid MCO is to provide or arrange for the provision of home visits for which federal financial participation is available under the federal targeted case management benefit. ("Federal financial participation" is that portion of the cost of a

[165] R.C. 3701.61, not in the bill.

Medicaid service that is paid for from federal funds.) Cognitive behavioral therapy is to be provided or arranged for if it is determined to be medically necessary through a depression screening conducted as part of a home visit. The cognitive behavioral therapy must be provided by a community mental health services provider. When designating which Medicaid recipients are permitted versus required to participate in Medicaid managed care, the bill requires ODM to designate those who receive the cognitive behavioral therapy as among those required to participate in Medicaid managed care.

If requested, a Medicaid recipient who is eligible for the cognitive behavioral therapy is entitled to have that therapy provided at her home. The bill requires the Medicaid MCO to inform the recipient of the right to make such a request and how to make it.

HCAP

(R.C. 5168.01, 5168.06, 5168.07, 5168.10, 5168.11, and 5168.12 (repealed); Sections 610.10 and 610.11)

The bill continues the Hospital Care Assurance Program (HCAP) for two additional years. HCAP is scheduled to end October 16, 2015, but under the bill, is to continue until October 16, 2017. Under HCAP, hospitals are annually assessed an amount based on their total facility costs and government hospitals make annual intergovernmental transfers. ODM distributes to hospitals money generated by the assessments and intergovernmental transfers along with federal matching funds generated by the assessments and transfers. A hospital compensated under HCAP must provide, without charge, basic, medically necessary, hospital-level services to Ohio residents who are not recipients of Medicare or Medicaid and whose income does not exceed the federal poverty line.

The bill eliminates a requirement for a portion of the money generated by the HCAP assessments and intergovernmental transfers to be deposited into the Legislative Budget Services Fund and repeals the law creating the fund. Under current law, ODM is required to deposit into that fund an amount equal to the amount by which the biennial appropriation from the fund exceeds the amount of unexpended, unencumbered money in the fund. The money for the deposits is to come from the first installment of the HCAP assessments and intergovernmental transfers made during each year.

The bill requires that any money remaining in the Legislative Budget Services Fund on the date that the law creating the fund is repealed be used solely for the purpose stated in that law. The law states that the fund can be used solely to pay the expenses of LSC's Legislative Budget Office. The bill abolishes the fund when all the money in it has been spent.

Hospital franchise permit fees

(Sections 327.93, 610.10, and 610.11)

The bill continues the assessments imposed on hospitals for two additional years, ending October 1, 2017, rather than October 1, 2015. The assessments are in addition to HCAP, but like HCAP, they raise money to help pay for the Medicaid program. To distinguish the assessments from HCAP, the assessments are sometimes called hospital franchise permit fees.

Under current law and unless ODM adopts rules establishing a different payment schedule, each hospital is required to pay its assessment for a year in accordance with the following schedule:

(1) 28% is due on the last business day of October;

(2) 31% is due on the last business day of February;

(3) 41% is due on the last business day of May.

The bill eliminates this payment schedule and instead requires ODM to establish a payment schedule for each year. ODM is required to consult with the Ohio Hospital Association before establishing the payment schedule for a year and to include the payment schedule in each preliminary determination notice of the assessment that continuing law requires ODM to mail to hospitals.

Nursing homes' and hospital long-term care units' franchise permit fees

(R.C. 5168.40, 5168.44, 5168.45, 5168.47, 5168.48, 5168.49, and 5168.53)

The bill revises the law governing the annual franchise permit fees that nursing homes and hospital long-term care units are assessed. The fees are a source of revenue for nursing facilities and HCBS covered by the Medicaid program and the Residential State Supplement program.

Bed surrenders

Under continuing law, ODM is required to redetermine each nursing home's and hospital long-term care unit's franchise permit fee for a year if one or more bed surrenders occur during the period beginning on the first day of May of the preceding calendar year and ending on the first day of January of the calendar year in which the redetermination is made. Current law defines "bed surrender" as the following:

(1) In the case of a nursing home, the removal of a bed from a nursing home's licensed capacity in a manner that reduces the total licensed capacity of all nursing homes;

(2) In the case of a hospital, the removal of a hospital bed from registration as a skilled nursing facility bed or long-term care bed in a manner that reduces the total number of hospital beds registered as skilled nursing facility beds or long-term care beds.

The bill revises what constitutes a bed surrender. In the case of a nursing home, a bed surrender does not occur unless a bed's removal from its licensed capacity is done in a manner that, in addition to reducing the total licensed capacity of all nursing homes, makes it impossible for the bed to ever be a part of any nursing home's licensed capacity. In the case of a hospital long-term care unit, a bed surrender does not occur unless a bed's removal from registration as a skilled nursing facility bed or long-term care bed is done in a manner that, in addition to reducing the total number of hospital beds registered as such, makes it impossible for the bed to ever be registered as a skilled nursing facility bed or long-term care bed.

Notices of fees and redeterminations

Under current law, ODM is required to mail each nursing home and hospital long-term care unit notice of the amount of its franchise permit fee for a year not later than the first day of each October. ODM must mail each nursing home and hospital long-term care unit notice of its redetermined franchise permit fee due to bed surrenders not later than the first day of each March. If a nursing home or hospital long-term care unit requests an appeal regarding its franchise permit fee, ODM must mail a notice of the date, time, and place of the hearing to the nursing home or hospital.

The bill requires that these notices be provided electronically or by the U.S. Postal Service.

Home care services contracts

(R.C. 121.36 (repealed))

For contracts for home care services paid for with public funds, the bill repeals a provision of current law that requires the provider to have a system for monitoring the delivery of the services by the provider's employees.

Alternative health coverage for Medicaid recipients

(R.C. 5166.51 and 5167.03)

The bill requires ODM to establish a Medicaid waiver program under which certain Medicaid recipients must, as a condition of Medicaid eligibility, enroll in innovative and value-based health coverage that is modeled on health savings accounts and uses premiums, copayments, or both. A Medicaid recipient must participate in the program if the recipient (1) has countable family income exceeding 100% of the federal poverty line, (2) is at least age 21, and (3) is not aged, blind, disabled, or pregnant. A Medicaid recipient required to participate in the program is not to receive Medicaid services under the fee-for-service system or participate in the care management system.

Medicaid rates for ambulette services

(Section 327.300)

The bill requires that the Medicaid payment rates for ambulette services provided during fiscal years 2016 and 2017 be at least 10% higher than the amount of the rates for the services in effect on June 30, 2015.

Graduate Medical Education Study Committee

(Section 327.320)

The bill creates the Graduate Medical Education Study Committee for the purpose of studying the issue of Medicaid payments to hospitals for the costs of graduate medical education. The Committee must include in its study the feasibility of targeting the payments in a manner that rewards graduates of medical schools of colleges and universities located in Ohio who practice medicine and surgery or osteopathic medicine and surgery in this state for at least five years after graduation.

The Committee is to consist of all of the following:

(1) The Executive Director of the Office of Health Transformation;

(2) The Medicaid Director;

(3) The Chancellor of Higher Education;

(4) Four deans of medical schools of Ohio colleges and universities, appointed by the President of the Senate;

(5) Four presidents of Ohio colleges and universities that have medical schools, appointed by the Speaker of the House;

(6) The chief executive officers of the Ohio State Medical Association, the Ohio Osteopathic Association, the Ohio Hospital Association, and the Ohio Children's Hospital Association.

The appointments must be made not later than 15 days after the effective date of this provision. A member of the Committee may designate an individual to serve in the member's place for one or more meetings. Members are to serve without compensation or reimbursement, except to the extent that serving on the Committee is part of their usual job duties.

The Executive Director of the Office of Health Transformation is to serve as the Committee's chairperson. ODM must provide the Committee all support services it needs.

The Committee must complete a report about its study not later than December 31, 2015. Copies of the report must be submitted to the Governor, General Assembly, and Joint Medicaid Oversight Committee. The Committee ceases to exist on submission of the report.

Pilot program for newborns with neonatal abstinence syndrome

(Section 327.290)

The bill requires that ODM, in consultation with ODJFS and ODH, develop a pilot program (referred to as the Brigid's Path pilot program) under which newborns who have neonatal abstinence syndrome are, after being medically stabilized at a hospital, transferred to a nonhospital, community facility that is located in Montgomery County and provides the newborns medical, pharmacological, and therapeutic services ODM, ODJFS, and ODH are to specify. ODM, ODJFS, and ODH must begin operation of the pilot program not later than 90 days after the effective date of this provision of the bill. The pilot program is to be operated for two years.

Not later than 90 days after the pilot program ends, ODM, ODJFS, and ODH are required to jointly complete a report about the pilot program. The report must include recommendations for making the pilot program statewide and part of the Medicaid program. The report is to be submitted to the General Assembly.

Medicaid waiver for married couple to retain eligibility

(R.C. 5166.33 (primary) and 5166.01)

The bill requires ODM to establish a Medicaid waiver program under which Medicaid recipients who are married to each other retain eligibility for Medicaid despite one of the recipients having earnings from employment that cause the recipients to have countable family income exceeding the income eligibility threshold for the eligibility group, or groups, under which the recipients qualify for Medicaid. To retain Medicaid eligibility, both of the following must apply:

(1) One of the recipients would qualify to participate in the Medicaid Buy-In for Workers with Disabilities Program (Buy-In Program) if not for a disability that, according to a physician's written evaluation, is too severe for the recipient to have earnings from employment or to be an employed individual with a medically improved disability.

(2) The other recipient's earnings from employment do not cause the recipients to have countable family income, determined in the same manner as income is determined for the Buy-In Program, exceeding 250% of the federal poverty line.

The Buy-In Program is the component of Ohio's Medicaid program under which Medicaid covers (1) individuals who are at least 16 but not more than 65 years of age and would be considered to be receiving Supplemental Security Income benefits if not for earnings that exceed a certain amount and (2) employed individuals with a medically improved disability.[166]

Medicaid Recipients' ID and Benefits Cards Workgroup

(Section 751.30)

The bill creates the Workgroup to Study the Feasibility of Medicaid Recipients' ID and Benefits Cards, consisting of the following 11 members:

(1) The Director of Public Safety or the Director's designee;

(2) The Medicaid Director or the Director's designee;

(3) The Director of Aging or the Director's designee;

(4) The Director of Development Services or the Director's designee;

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[166] 42 U.S.C. 1396a(a)(10)(A)(ii)(XV) and (XVI).

(5) The Director of Developmental Disabilities or the Director's designee;

(6) The Superintendent of Public Instruction or the Superintendent's designee;

(7) The Director of Health or the Director's designee;

(8) The Director of Insurance or the Director's designee;

(9) The Director of Job and Family Services or the Director's designee;

(10) The Director of Mental Health and Addiction Services or the Director's designee; and

(11) The Executive Director of Opportunities for Ohioans with Disabilities or the Executive Director's designee.

The Director of Public Safety or the Director's designee must serve as chairperson of the Workgroup, and the Department of Public Safety is required to provide staff and all other support functions for the Workgroup.

In order to reduce enrollee and provider fraud and abuse, the Workgroup is required to evaluate the feasibility of using state-issued licenses and identification cards to establish an individual's eligibility for all state public assistance programs and benefits under them, such as Medicaid, the Home Energy Assistance Program, the Supplemental Nutrition Assistance Program, the Temporary Assistance for Needy Families program, and child care. Upon conclusion of the evaluation, the Workgroup must develop findings and formulate recommendations.

Not later than July 1, 2018, the Workgroup is required to submit to the General Assembly a report that contains its findings and recommendations. The Workgroup must submit the report in accordance with the provisions of current law that govern the submission of reports to the General Assembly. Upon submission of the report, the Workgroup ceases to exist.

Health and Human Services Fund

(Section 751.40)

The bill creates the Health and Human Services Fund in the state treasury, consisting of money appropriated and transferred to it. The Fund is to be used to pay any costs associated with programs or services provided by the state to enhance the public health and overall health care quality of citizens of this state. The bill requires the Director of Budget and Management to transfer any unexpended, unobligated cash that remains in the Fund as of June 30, 2017, to the Budget Stabilization Fund.

JOINT MEDICAID OVERSIGHT COMMITTEE

- Requires the Legislative Service Commission to serve as the fiscal agent for the Joint Medicaid Oversight Committee.

Fiscal agent

(Section 308.10)

The bill specifies that the Legislative Service Commission must act as the fiscal agent for the Joint Medicaid Oversight Committee.

STATE MEDICAL BOARD

Renewal procedures

- Eliminates the requirement that the State Medical Board, in its regulation of physicians (including podiatrists and anesthesiologist assistants), issue certificates of registration and instead authorizes the Board to renew certificates to practice.

- Specifies, within the list of disciplinary actions to be imposed by the Board, that the Board may refuse to renew a certificate or license.

- Requires the Board to provide, rather than send or mail as required by current law, renewal notices to certificate and license holders.

- Clarifies that each physician (including a podiatrist) must give notice to the Board of any of the following changes not later than 30 days after the change occurs: a change in the physician's residence, business, or email address or in the list of the names and addresses of advanced practice registered nurses with whom the physician collaborates.

- Requires the Board to develop and publish on its website a directory of all persons holding certificates or licenses issued by the Board and generally specifies that the directory is the sole source for verifying that a person holds a current, valid certificate or license.

Fees for reinstating or restoring certificates

- Increases the fees a physician (including a podiatrist) must pay to have a certificate reinstated or restored after it has been suspended for failure to renew, as follows: $100 (from $50) for reinstatement and $200 (from $100) for restoration.

Conditions for restoring or issuing certificates

- Authorizes the Board to impose, before restoring or issuing certain certificates to practice, additional terms and conditions on applicants, including physical examinations and skills assessments.

Continuing education requirements

- Provides that an adjudication hearing is not required if the Board imposes a civil penalty for failure to complete continuing education requirements but does not take any other action.

- Clarifies continuing education requirements for physicians but does not make substantive changes to the requirements.

- Adds continuing education requirements related to certificates to practice limited branches of medicine to the list of continuing education requirements that may be deferred for individuals called to active military duty.

Expedited certificates

- Requires that the Board's secretary and supervising member, as opposed to the Board, review and make eligibility determinations concerning expedited certificates to practice medicine and surgery or osteopathic medicine and surgery by endorsement.

- Specifies that if the requirements for an expedited certificate are not met, the secretary and supervising member must treat the application as an application for a certificate to practice medicine and surgery or osteopathic medicine and surgery.

Civil penalties

- Authorizes the Board to impose a civil penalty on a professional who violates the law administered by the Board.

- Requires the Board to adopt guidelines regarding the amounts of civil penalties that may be imposed and specifies that the amount of a civil penalty cannot exceed $20,000.

Physician's referral for overdose of illegal drug

- Authorizes a physician who believes that a patient is experiencing an overdose of an illegal drug to refer the patient to a mental health professional and requires the mental health professional to report to the physician on the patient's treatment status.

Prescribing based on remote examination

- Codifies, with certain changes, an administrative rule governing when a physician may prescribe or dispense a prescription drug to a person on whom the physician has never conducted a medical evaluation.

Immunity for certain volunteers

- Provides immunity to certain medical professionals who volunteer services at therapeutic camps.

- Provides an exception to having an Ohio medical license.

Disciplinary statute clarification

- Makes a clarification related to the Board's disciplinary statute.

Certificate renewals

(R.C. 4731.281 and 4760.03; 4731.07, 4731.141, 4731.22, 4731.26, 4731.282, 4731.295, 4760.02, 4760.031, 4760.032, 4760.15, 4760.16, 4760.18, and 4762.06)

The bill eliminates the requirement that the State Medical Board, in its regulation of physicians (including podiatrists and anesthesiologist assistants), issue certificates of registration and instead authorizes the Board to renew certificates to practice. Under existing law, every two years, a physician holding a certificate to practice who seeks to renew that certificate must apply to the Board for a separate certificate of registration. In the case of an anesthesiologist assistant, current law authorizes the Board to issue an initial certificate of registration and allows the Board to renew that certificate every two years upon application by the holder.

Regarding a physician, the bill allows the Board to renew, upon application, the physician's existing certificate to practice, rather than issue a separate certificate of registration. With respect to an anesthesiologist assistant, the bill replaces the certificate of registration with a certificate to practice and allows for renewal of that certificate upon application.

Renewal notices

(R.C. 4730.14, 4730.141, 4731.15, 4731.281, 4760.06, 4762.06, 4774.06, and 4778.06)

Under the bill, the Board must provide renewal notices to certificate and license holders, rather than send or mail the notices as existing law requires.

Refusal to renew as disciplinary action

(R.C. 4730.25, 4731.22, 4760.13, 4762.13, 4774.13, and 4778.14)

Current law authorizes the Board to discipline a certificate or license holder for specified reasons. Within the list of disciplinary actions to be imposed by the Board, the bill specifies that the Board may refuse to renew a certificate or license.

Notice of change of address

(R.C. 4731.381)

The bill clarifies that each physician (including a podiatrist) must give notice to the Board of any of the following changes not later than 30 days after the change occurs:

(1) A change in the physician's residence, business, or email address;

(2) A change in the list of the names and addresses of advanced practice registered nurses with whom the physician collaborates.

Board directory

(R.C. 4731.071)

The bill requires the Board to develop and publish on its website a directory of all persons holding certificates or licenses issued by the Board. The bill generally specifies that the directory is the sole source for verifying that a person holds a current, valid certificate or license.

Fees for reinstating or restoring certificates

(R.C. 4730.14 and 4731.281)

Under current law, failure by a physician (including a podiatrist) or physician assistant to renew or register a certificate to practice operates to suspend the certificate automatically. The law specifies procedures to (1) reinstate a certificate that has been suspended for two years or less or (2) restore a certificate that has been suspended for more than two years.

In general, the bill permits the Board to reinstate or restore a certificate under the same terms and conditions as existing law. However, in the case of a physician (including a podiatrist), the bill increases the reinstatement fee from $50 to $100 and the restoration fee from $100 to $200. The fees for a physician assistant remain the same.

Conditions for restoring or issuing certificates

(R.C. 4731.222)

Skills assessments

Under existing law, the Board may restore a certificate to practice that has been in a suspended or inactive state for more than two years. The Board may also issue a certificate to practice to an applicant who has not been engaged in practice for more than two years as an active practitioner or a student. Before restoring or issuing a certificate, the Board may impose terms and conditions, including (1) requiring the applicant to pass an examination to determine fitness to resume practice, (2) requiring the applicant to obtain additional training and pass an examination, or (3) restricting or limiting the applicant's practice.

The bill authorizes the Board to impose additional terms and conditions before restoring or issuing a certificate to practice. These include:

(1) Requiring an assessment of the applicant's physical skills for purposes of determining whether the applicant's coordination, fine motor skills, and dexterity are sufficient for performing medical evaluations and procedures in a manner that meets the minimal standards of care;

(2) Requiring an assessment of the applicant's skills in recognizing and understanding diseases and conditions;

(3) Requiring the applicant to undergo a comprehensive physical examination, which may include an assessment of physical abilities, evaluation of sensory capabilities, or screening for the presence of neurological disorders.

Conforming and clarifying changes

The provisions regarding the Board's authority to restore or issue certificates to practice are part of the law governing physicians (including podiatrists) and practitioners of the limited branches of medicine, which consist of cosmetic therapy, massage therapy, naprapathy, and mechanotherapy.[167] For consistency within these provisions, the bill includes references to podiatrists and practitioners of limited branches of medicine where the references are currently omitted.

In addition to the changes made for consistency, the bill specifies that the Board is authorized to impose one or more of the terms and conditions included in either existing law or the bill. Current law provides that the Board may impose any of the specified terms and conditions, but it does not expressly authorize the Board to impose more than one of them.

[167] R.C. 4731.15 and 4731.151, not in the bill.

Continuing education requirements

(R.C. 4730.14, 4731.15, 4731.22, 4731.281, 4731.282, 4731.283 (repealed), 4731.293, 4731.295, 4731.296, 4731.297, 4778.06, and 5903.12)

If the Board finds that a physician (including a podiatrist) or physician assistant has failed to complete continuing education requirements, current law permits the Board to impose a civil penalty of not more than $5,000, in addition to or instead of any other authorized action. The bill maintains this civil penalty and specifies that, if the Board imposes only a civil penalty and takes no other disciplinary action, it cannot conduct an adjudication under the Administrative Procedure Act.

The bill clarifies continuing education requirements for physicians (including podiatrists) by requiring that physicians complete 100 hours of continuing medical education, rather than requiring physicians to certify to the State Medical Board that they have completed 100 hours of continuing medical education. It does not make substantive changes to the requirements.

Deferral of continuing education requirements

(R.C. 5903.12)

The bill adds continuing education requirements related to certificates to practice limited branches of medicine to the list of continuing education requirements that may be deferred for individuals called to active military duty.

Expedited certificate to practice by endorsement

(R.C. 4731.299)

Current law authorizes the Board to issue, without examination, an expedited certificate to practice medicine and surgery or osteopathic medicine and surgery by endorsement. Individuals seeking an expedited certificate must file a written application with the Board. The bill specifies that the secretary and supervising member of the Board must review all applications for expedited certificates. The bill also provides that, if the secretary and supervising member determine that an applicant has met all of the necessary requirements, the Board must issue the certificate. Under the bill, if the secretary and supervising member determine that an applicant has not met all of the requirements, the application must be treated as an application for a certificate to practice medicine and surgery or osteopathic medicine and surgery.

Civil penalties imposed by the Board

(R.C. 4730.252, 4731.225, 4731.24, 4760.133, 4762.133, 4774.133, and 4778.141)

The bill generally authorizes the Board to impose a civil penalty on a professional who violates the law administered by the Board. The bill applies to the following professionals: physicians, podiatrists, physician assistants, massage therapists, cosmetic therapists, naprapaths, mechanotherapists, anesthesiologist assistants, oriental medicine practitioners, acupuncturists, radiologist assistants, and genetic counselors. Existing law does not generally authorize a civil penalty.

If the Board imposes a civil penalty, it must do so pursuant to an adjudication under the Administrative Procedure Act and an affirmative vote of not fewer than six Board members. The amount of a civil penalty must be determined by the Board in accordance with guidelines adopted by the Board. The civil penalty may be in addition to any other disciplinary action that current law permits the Board to take.

The bill requires the Board to adopt, and authorizes it to amend, guidelines regarding the amounts of civil penalties to be imposed. At least six Board members must approve the adoption or amendment of the guidelines. Under the guidelines, the amount of a civil penalty cannot exceed $20,000.

The bill provides that amounts received from payment of civil penalties must be deposited by the Board to the credit of the existing State Medical Board Operating Fund. With respect to civil penalties imposed for violations involving drug, alcohol, or substance abuse, the Board must use the amounts received solely for investigations, enforcement, and compliance monitoring.

Physician's referral for overdose of illegal drug

(R.C. 4731.22 and 4731.62)

The bill authorizes a physician who is acting in a professional capacity and who knows or has reasonable cause to suspect that a patient is experiencing an overdose of a dangerous drug, controlled substance, controlled substance analog, or metabolite of a controlled substance to refer the patient to a mental health professional (a person qualified to work with mentally ill persons under standards established by the Director of Mental Health and Addiction Services). A physician who makes such a referral must notify the mental health professional promptly. Within 30 days after receiving the notice, the mental health professional must inform the physician of the treatment status of the patient. A report is not a breach of confidentiality or a waiver of the patient's testimonial privilege and does not subject a physician to civil liability for harm allegedly resulting from the report.

Prescribing based on remote examination

(R.C. 4731.74)

The bill codifies, with certain changes, an administrative rule[168] governing when a physician may prescribe or dispense a prescription drug to a person on whom the physician has never conducted a medical evaluation.

Drugs that are not controlled substances

The bill authorizes a physician to prescribe or dispense a prescription drug that is not a controlled substance to a patient in a remote location, on whom the physician has never conducted a medical evaluation, if the physician does all of the following:

(1) In a manner consistent with the standard for in-person care by a physician, completes and documents a medical evaluation of the patient and collects clinical data as needed to establish a diagnosis, identify any underlying conditions, and identify any contraindications to the treatment recommended or provided;

(2) Examines the patient using appropriate technology, unless the bill's exception is met (see "**Technology requirements and exception**," below);

(3) Documents speaking to the patient regarding treatment options and the risks and benefits of treatment in order that that patient can provide informed consent to treatment;

(4) Maintains a contemporaneous medical record that is readily available to the patient and to the patient's other health care providers;

(5) Includes the electronic prescription information as part of the patient's medical record;

(6) Follows-up with the patient to assess the therapeutic outcome, as necessary.

Technology requirements and exception

The bill generally prohibits a physician from prescribing or dispensing a prescription drug that is not a controlled substance to a patient on whom the physician has never conducted a medical evaluation unless the physician meets the requirements above, including examination of the patient using appropriate technology. The bill specifies that the technology must be capable of all of the following:

[168] O.A.C. 4731-11-09.

(1) Transmitting images of the patient's physical condition in real time;

(2) Transmitting information regarding the patient's physical condition and other relevant clinical data and vital signs as needed to establish a diagnosis, identify underlying conditions, and identify any contraindications to the treatment recommended or provided;

(3) Being adjusted for better image quality and definition.

The bill contains an exception to permit prescribing or dispensing a prescription drug that is not a controlled substance without the use of technology in circumstances where the patient has a designated primary care physician, or the patient designates a primary care physician with the assistance of the remote physician. In those circumstances, the remote physician may examine the patient over the telephone without the use of technology if the following requirements are met:

(1) The remote physician is physically located in Ohio;

(2) The remote physician has received credentials to provide telehealth services pursuant to a process certified by the National Committee for Quality Assurance;

(3) The remote physician forwards the patient's electronic health record to the patient's designated primary care physician;

(4) The remote physician is available to follow up with the patient after the consultation as necessary.

Controlled substances

The bill also specifies several situations in which a physician may prescribe or dispense a prescription drug, including a controlled substance, to a patient on whom the physician has never conducted a medical evaluation:

(1) The person is a patient of a colleague of the physician and the drugs are provided pursuant to an on call or cross coverage arrangement between the physicians.

(2) The physician is consulting with another physician or health care provider who is authorized to practice in Ohio, is acting within the scope of the physician or health care provider's professional license, and has prescriptive authority, but only if the other physician or health care provider has an ongoing professional relationship with the patient, has agreed to supervise the patient's use of the drug or drugs provided, and, if appropriate, has a supervision agreement or standard care arrangement with the physician.

(3) The physician is the medical director of licensed hospice care program or is the attending physician of a hospice care patient enrolled in a licensed hospice program and the drugs are prescribed, dispensed, or otherwise provided to the hospice patient.

(4) The person has been admitted as an inpatient to, or is a resident of, an institutional facility.

Professional standards

The bill states that it does not imply that a single in-person medical evaluation demonstrates that a prescription has been issued for a legitimate medical purpose within the course of professional practice.

Therapeutic recreation camps

Immunity of health care professionals

(R.C. 2305.231)

The bill provides immunity to health care professionals volunteering services to therapeutic camps. Under the bill, physicians and registered nurses who volunteer at a therapeutic recreation camp are not liable in damages in a civil action for administering medical care, emergency care, or first aid treatment to a camp participant. Immunity does extend to acts of the health care professional that constitute willful or wanton misconduct.

The bill defines "therapeutic recreation" to mean adoptive recreation services to persons with illnesses or disabling conditions in order to restore, remediate, or rehabilitate, to improve functioning and independence, or to reduce or eliminate the effects of illness or disability.

Under continuing law physicians, dentists, and registered nurses are given immunity from civil liability when volunteering services to school athletic programs when providing first aid or emergency care, except in situations of willful or wanton misconduct.

Practicing without an Ohio medical certificate at free therapeutic camps

(R.C. 4731.41)

The bill provides an exception to the requirement that any person practicing medicine have a certificate from the State Medical Board. The bill provides that a physician licensed and in good standing in another state and that provides the proper documentation may volunteer medical services to a free-of-charge camp accredited by

The SeriousFun Children's Network that specializes in providing therapeutic recreation for individuals with chronic illnesses, as long as all the following apply:

(1) The physician provides documentation to the medical director of the camp that the physician is licensed and in good standing to practice medicine in another state;

(2) The physician provides services only at the camp or in connection with camp events or activities that occur off the grounds of the camp;

(3) The physician receives no compensation for services;

(4) The physician provides services within Ohio for no more than 30 days per calendar year;

(5) The camp has a medical director who holds an Ohio medical license.

Clarification regarding the Board's disciplinary statute

(Section 747.10)

With respect to the statute that establishes grounds and procedures for disciplinary actions taken by the Board (R.C. 4731.22), the bill provides that the inclusion of that statute in the repeal clause of H.B. 394, from the 130th General Assembly, as an outright repeal was a typographical error. The bill further provides that the intent of the General Assembly was to amend the statute, rather than repeal it outright.

DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

Recovery housing

- Defines "recovery housing" to include housing for individuals recovering from alcoholism as well as drug addiction.

- Modifies existing criteria of ownership and operation of recovery housing.

ADAMHS boards advocacy

- Expressly authorizes boards of alcohol, drug addiction, and mental health services to advocate on behalf of Medicaid recipients enrolled in Medicaid managed care organizations and Medicaid-eligible individuals, any of whom have been identified as needing addiction or mental health services.

Prohibition on discriminatory practices

- Prohibits an ADAMHS board or community addiction or mental health services provider from discriminating in the provision of addiction and mental health services, in employment, or under a contract based on religion or age (in addition to race, color, creed, sex, national origin, or disability, as specified in existing law).

Joint state plan to improve access

- Eliminates certain requirements relating to a joint state plan designed to improve access to alcohol and drug addiction services for individuals a public children services agency identifies as being in need of those services.

Confidentiality of records

- Eliminates the confidentiality of specified mental health records identifying a patient who has been deceased for 50 years or longer.

Mental health service provider noncompliance

- Permits the Department of Mental Health and Addiction Services (ODMHAS) to suspend the admission of patients to a hospital treating mentally ill persons or a community addiction services provider offering overnight accommodations under certain circumstances.

- Authorizes ODMHAS to refuse to renew a hospital's license to treat the mentally ill for specified reasons.

Residential facilities

- Amends the definition of "residential facility" to create different classes of residential facilities based on the size of the facility and the types of services offered by the facility.
- Expands the reasons ODMHAS may suspend admissions to a residential facility, refuse to issue or renew, or revoke a facility's license.
- Modifies the requirements regarding the operation of residential facilities.

Rules

- Modifies ODMHAS's rule-making authority.

Social Security Residential State Supplement eligibility

- Makes changes to the eligibility requirements for the Residential State Supplement Program.
- Limits the referral requirements under the Residential State Supplement Program.
- Removes the current law requirement that ODMHAS maintain a waiting list for the Residential State Supplement Program.
- Permits the Department of Medicaid to (1) determine whether an applicant meets eligibility requirements and (2) notify each denied applicant of the applicant's right to a hearing.

Probate court reimbursement

- Eliminates the requirement of sending a probate court's transcript of proceedings to the mentally ill person's county of residence in order for the committing court to be reimbursed for its expenses and instead requires the sending of a certified copy of the commitment order.

Office of Support Services Fund

- Renames the "Office of Support Services Fund" used by ODMHAS to be the "Ohio Pharmacy Services Fund."

Drug court pilot program

- Creates a pilot program to provide addiction treatment to persons who are offenders in the criminal justice system and are dependent on opioids, alcohol, or both.

- Requires certified community addiction services providers to provide specified treatment to the participants in the pilot program based on the individual needs of each participant.

- Requires a research institute to prepare a report on the pilot program's findings and to submit the report to the Governor and other specified persons.

Bureau of Recovery Services

- Transfers the Bureau of Recovery Services in the Department of Rehabilitation and Correction to ODMHAS.

Technical changes

- Makes technical corrections to existing provisions governing the duties of ADAMHS boards, ODMHAS, and community addiction and mental health services providers.

Recovery housing

(R.C. 340.01, 340.03, and 340.034; Section 812.40)

Under existing law, recovery housing must be included in the array of treatment services and support services for all levels of opioid and co-occurring drug addiction. The bill defines "recovery housing" to include housing for individuals recovering from alcoholism as well as drug addiction. Under the bill, a "residential facility" is a publicly or privately operated home or facility that falls into one of three categories (see "**"Residential facility" definition**," below).[169]

The bill replaces the prohibition against recovery housing being owned and operated by a residential facility with an exemption for recovery housing from ODMHAS residential facility licensure requirements.

The bill modifies the authority of an ADAMHS board to own recovery housing if the board determines that there is a need to assume ownership and operation of the recovery housing in an emergency as a last resort. The bill instead permits board ownership if the board determines there is a need for the board to assume the ownership and operation, and board ownership and operation is in the best interest of the community.

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[169] R.C. 5119.34.

In addition, the bill permits an ADAMHS board to own and operate recovery if the board utilizes local funds in the development, purchase, or operation of the recovery housing.

The bill removes the express authority that recovery housing may be owned and operated by a community addition services provider or other local nongovernmental organization.

ADAMHS boards – advocacy for Medicaid managed care enrollees and Medicaid-eligible individuals

(R.C. 340.035)

The bill expressly authorizes ADAMHS boards to advocate on behalf of Medicaid recipients enrolled in Medicaid managed care organizations and Medicaid-eligible individuals, any of whom have been identified as needing addiction or mental health services. ADAMHS boards are not currently prohibited from engaging in this type of advocacy; the bill codifies what the boards may already do.

Prohibition on discriminatory practices

(R.C. 340.12)

The bill prohibits an ADAMHS board or community addiction or mental health services provider from discriminating in the provision of addiction and mental health services, in employment, or under a contract on the basis of religion or age. Those practices are currently prohibited on the basis of race, color, creed, sex, national origin, or disability.

Joint state plan to improve access to alcohol and drug addiction services

(R.C. 5119.161)

The bill eliminates two requirements relating to a joint state plan administered by the Department of Mental Health and Addiction Services (ODMHAS), in conjunction with the Ohio Department of Job and Family Services (ODJFS), to improve access to alcohol and drug addiction services for individuals a public children services agency identifies as being in need of those services. First, the bill eliminates the requirement that the plan address the need and manner for sharing information and include a request for an appropriation to pay for alcohol and drug addiction services for caregivers of at-risk children. Second, the bill eliminates the requirement that ODMHAS and ODJFS submit a biennial report to the Governor and certain other public officials of the progress made under the plan.

Confidentiality of mental health records

(R.C. 5119.28 and 5122.31)

The bill sets a time limit with respect to the confidentiality of mental health records in certain circumstances. First, the bill specifies that all records and reports pertaining to an individual's mental health condition maintained in connection with services certified by ODMHAS that identifies the individual are no longer confidential once the individual has been deceased for 50 years or longer. Second, the bill specifies that all certificates, applications, records, and reports from a hospitalization or commitment due to mental illness that directly or indirectly identify an individual are no longer confidential once the individual has been deceased for 50 years or longer.

Mental health service provider noncompliance

(R.C. 5119.33 and 5119.36 with conforming changes in R.C. 5119.99)

Suspension

The bill permits ODMHAS to suspend the admission of patients to a hospital treating mentally ill persons or a community addiction services provider offering overnight accommodations if it finds either of the following:

(1) That the hospital or provider is not in compliance with ODMHAS rules;

(2) The hospital or provider was cited for repeated violations during previous license or certification periods.

Refusal to renew

The bill also permits ODMHAS to refuse to renew, in addition to revoke under existing law, a hospital's license to treat the mentally ill for any of the following reasons:

(1) The hospital is no longer a suitable place for the care or treatment of mentally ill persons.

(2) The hospital refuses to be subject to ODMHAS inspection or on-site review.

(3) The hospital has failed to furnish humane, kind, and adequate treatment and care.

(4) The hospital fails to comply with the ODMHAS licensure rules.

Licensing and operation of residential facilities

(R.C. 5119.34 with conforming changes in R.C. 340.03, 340.05, 5119.341, 5119.41, and 5123.19)

"Residential facility" definition

The bill replaces the definition of "residential facility" with a new definition that creates different classes of publicly or privately operated residential facilities based on the size of the facility and the types of services offered by the facility. These classes parallel current groups included, with the major difference being the removal of the requirement of a referral.

- Class one facilities provide accommodations, supervision, personal care services, and mental health services for one or more unrelated adults with mental illnesses, or one or more unrelated children or adolescents with severe emotional disturbances.

- Class two facilities provide accommodations, supervision, and personal care services to (1) one or two unrelated persons with mental illness, (2) one or two unrelated adults who are receiving Residential State Supplement payments, and (3) three to 16 unrelated adults.

- Class three facilities provide room and board for five or more unrelated adults with mental illness.

The bill removes from current law's exclusions from the definition of "residential facility" the current exclusion of certified alcohol or drug addiction services. The bill also excludes from the definition the residence of a relative or guardian of a person with mental illness and an institution maintained, operated, managed, and governed by ODMHAS for the hospitalization of mentally ill persons.

Under current law, "residential facility" means a publicly or privately operated home or facility that provides one of the following:

(1) Accommodations, supervision, personal care services, and community mental health services for one or more unrelated adults with mental illness or severe mental disabilities or to one or more unrelated children and adolescents with a serious emotional disturbance or who are in need of mental health services who are referred by or are receiving community mental health services from a community mental health services provider, hospital, or practitioner.

(2) Accommodations, supervision, and personal care services to any of the following: (a) one or two unrelated persons with mental illness or persons with severe mental disabilities who are referred by or are receiving mental health services from a community mental health services provider, hospital, or practitioner, (b) one or two unrelated adults who are receiving Residential State Supplement payments, or (c) three to 16 unrelated adults.

(3) Room and board for five or more unrelated adults with mental illness or severe mental disability who are referred by or are receiving community mental health services from a community mental health services provider, hospital, or practitioner.

Residential facility suspensions and licensure discipline

Additionally, the bill expands the reasons ODMHAS may suspend admissions to a residential facility, refuse to issue or renew, or revoke a facility's license to also include:

(1) The facility has been cited for a pattern of serious noncompliance or repeated violations during the current licensing period or a pattern of serious noncompliance during the previous licensing period.

(2) ODMHAS finds that an applicant or licensee submitted false or misleading information as part of an application, renewal, or investigation.

Such a suspension remains in effect during the pendency of licensure proceedings.

Rules

(R.C. 5119.34 and 5119.36)

The bill changes ODMHAS's rule-making authority:

The bill requires ODMHAS to adopt rules establishing procedures for conducting background investigations of nonresidential occupants of residential facilities who may have direct access to facility residents. Under current law, criminal records checks are only required for prospective or current operators, employees, and volunteers.

The bill also removes ODMHAS' duty to adopt rules governing procedures for obtaining an affiliation agreement between a residential facility and a community mental health services provider.

Finally, in the provision requiring ODMHAS to adopt rules establishing certification standards for mental health services and addiction services, the bill replaces references to "conditional" certifications for addiction service and mental health service providers with "probationary and interim" certifications. These rules address standards and procedures for granting these types of certifications and the limitations to be placed on a provider that is granted such a certification.

Social Security Residential State Supplement eligibility

(R.C. 5119.41 and 5119.411 (repealed))

The bill makes three changes to the eligibility requirements for the Social Security Residential State Supplement Program. First, the bill removes from the list of residences eligible for the residential state supplement an apartment or room certified and approved under Ohio law to provide community mental health housing services. Second, the bill permits an individual residing in a living arrangement housing more than 16 individuals to be eligible for the Program if the ODMHAS Director waives the size limitation with respect to that individual (and an individual with such a waiver as of October 1, 2015, remains eligible for the Program as long as the individual remains in that living arrangement). Third, the bill removes the eligibility requirement that a residential state supplement administrative agency have determined that an individual's living environment is appropriate for the individual's needs.

The bill also limits the referral requirements so that a residential state supplement administrative agency must refer an enrolled individual for an assessment with a community mental health services provider only if the agency is aware that the individual has mental health needs. Current law requires the agency to refer an individual for an assessment if the individual is eligible for Social Security payments, Supplemental Security Income payments, or Social Security Disability insurance benefits because of a mental disability.

The bill removes the current law requirement that ODMHAS maintain a waiting list for the Residential State Supplement Program.

The bill also changes the authority under which the ODMHAS Director adopts rules for the Program from R.C. 111.15 rules to Administrative Procedure Act rules.

Finally, the bill permits the Department of Medicaid, in addition to the county department of job and family services, to (1) determine whether an applicant meets eligibility requirements and (2) notify each denied applicant of the applicant's right to a hearing. Under current law, only the county department can engage in those activities. In addition, the hearing is to be held under the general Ohio Department of Job and Family Services appeals procedure, rather than under the APA as under current law.

Probate court reimbursement for fees for commitment of mentally ill

(R.C. 5122.36)

The bill changes the documents required to be sent by a probate court that is ordering the hospitalization of a mentally ill person whose temporary residence is in that court's county in order for the ordering court's fees and expenses for such hospitalization to be paid by the county of the person's legal residence. Under the bill, the ordering court must send to the probate court of the person's county of legal residence a certified copy of the ordering court's commitment order. Under current law, the ordering court must send a certified transcript of all proceedings in the ordering court. The bill requires the receiving court to enter and record the commitment order and provides that the certified commitment order is prima facie evidence of the person's residence.

Office of Support Services Fund

(R.C. 5119.44)

The bill renames the "Office of Support Services Fund" used by ODMHAS to be the "Ohio Pharmacy Services Fund."

Certified drug court program

(Section 331.90)

ODMHAS is required to conduct a pilot program to provide addiction treatment, including medication-assisted treatment, to persons who are offenders within the criminal justice system who are eligible to participate in a certified drug court program. Participants in the pilot program are to be selected because of their dependence on opioids, alcohol, or both. In conducting the program, ODMHAS is required to collaborate with the Ohio Supreme Court, the Department of Rehabilitation and Correction, and any agency of the state that ODMHAS determines may be of assistance in accomplishing the objectives of the pilot program. ODMHAS also may collaborate with the ADAMHS board that serves the county in which a participating court is located and with the local law enforcement agencies serving that county.

"Certified drug court program" means a session of a common pleas court, municipal court, or county court, or any division of these courts, that holds initial or final certification from the Ohio Supreme Court as a specialized docket program for drugs. ODMHAS is required to conduct the pilot program in those courts of Allen, Cuyahoga, Franklin, Hamilton, Hardin, Hocking, Mercer, Montgomery, Summit, and Crawford or Marion counties that are conducting certified drug court programs.

However, if any of these counties do not have a court conducting a certified drug court program, ODMHAS must conduct the pilot program in another county. In addition to conducting the program in the courts that are conducting programs in the counties described above, ODMHAS may conduct the program in any court that is conducting a certified drug court program in another county.

Selection of participants

A certified drug court program must select criminal offenders to participate in the pilot program who meet the legal and clinical eligibility criteria for the certified drug court program and who are active participants in the program. The total number of offenders participating in the pilot program at any time is limited to 1,000, except that ODMHAS may authorize additional persons to participate in circumstances that it considers to be appropriate. After being enrolled in a certified drug court program, a participant must comply with all of the program's requirements.

Treatment provided

Only a treatment provider[170] is eligible to provide treatment in a certified drug court program. The treatment provider is required to do all of the following:

(1) Provide treatment based on an integrated service delivery model that consists of the coordination of care between a prescriber and the provider;

(2) Conduct professional, comprehensive substance abuse and mental health diagnostic assessments of a person under consideration as a program participant, to determine whether the person would benefit from substance abuse treatment and monitoring;

(3) Determine, based on the above assessment, the treatment needs of the participants served by the provider;

(4) Develop individualized goals and objectives for the participants served by the provider;

(5) Provide access to long-lasting antagonist therapies, partial agonist therapies, or both, that are included in the program's medication-assisted treatment;

(6) Provide other types of therapies, including psychosocial therapies, for both substance abuse and any disorders that are considered by the provider to be co-occurring disorders;

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[170] R.C. 5119.36, not in the bill.

(7) Monitor program compliance through the use of regular drug testing, including urinalysis, of the participants being served by the provider.

No prior authorization or step therapy can be required for medication-assisted treatment participants.

A "prescriber" is any of the following individuals who are authorized by law to prescribe drugs or dangerous drugs or drug therapy related devices in the course of the individual's professional practice: (1) a dentist, (2) a clinical nurse specialist, certified nurse-midwife, or certified nurse practitioner who holds a certificate to prescribe drugs and therapeutic devices, (3) an optometrist, (4) a physician authorized to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery, (5) a physician assistant, or (6) a veterinarian.[171]

In the case of medication-assisted treatment provided under the program, all of the following conditions apply:

(1) A drug may only be used if the drug has been approved by the U.S. Food and Drug Administration for use in treating dependence on opioids, alcohol, or both, or for preventing relapse into the use of opioids, alcohol, or both.

(2) One or more drugs may be used, but each drug that is used must constitute long-acting antagonist therapy or partial agonist therapy.

(3) If a drug constituting partial agonist therapy is used, the program is required to provide safeguards to minimize abuse and diversion of the drug, including such safeguards as routing drug testing of program participants.

Planning

The Medicaid Director with major Ohio healthcare plans is required to develop plans to ensure all of the following:

(1) The development of an efficient and timely process for review of eligibility for health benefits for all offenders selected to participate in the addiction treatment program;

(2) A rapid conversion to reimbursement for all healthcare services by the participant's health insurance company following approval for coverage of healthcare benefits;

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[171] R.C. 4729.01(I), not in the bill.

(3) The development of a consistent benefit package that provides ready access to and reimbursement for essential healthcare services including, but not limited to, primary healthcare, alcohol and opiate detoxification services, appropriate psychosocial services, and medication for long-acting injectable antagonist therapies and partial agonist therapies;

(4) The development of guidelines that require the provision of all treatment services, including medication, with minimal administrative barriers and within a timeframe that meets the requirements of individual patient care plans.

Report

A research institution is required to prepare a report on the findings obtained from the pilot program. The report must include data derived from the drug testing and performance measures used in the program. The research institution must complete its report no later than December 31, 2015. The institution, upon its completion of the report, must submit the report to the Governor, Chief Justice of the Ohio Supreme Court, President of the Senate, Speaker of the House, ODMHAS, Department of Rehabilitation and Correction, and any other state agency that ODMHAS collaborates with in conducting the pilot program.

Report on pilot addiction treatment program established in the 130th General Assembly

ODMHAS is required, within 90 days after the effective date of the bill, to select a nationally recognized research institution with experience in evaluating multiple court systems across jurisdictions in both rural and urban regions. The research institution is required to have demonstrated experience evaluating the use of agonist and antagonist medication assisted treatment in drug courts, a track record of scientific publications, experience in health economics, and ethical and patient selection and consent issues. The institution also is required to have an internal institutional review board.

The institution is required to prepare a report of the findings obtained from the addiction treatment pilot program established by Section 327.120 of H.B. 59 of the 130th General Assembly that includes data derived from the drug testing and performance measures used in the program. The research institution is required to complete its report not later than December 31, 2016. Upon completion, the institution is required to submit the report to the Governor, Chief Justice of the Supreme Court, President of the Senate, Speaker of the House of Representatives, Department of Mental Health and Addiction Services, Department of Rehabilitation and Correction, and any other state agency that the Department of Mental Health and Addiction Services collaborates with in conducting the program.

Bureau of Recovery Services

(Section 331.100)

On July 1, 2015, the bill abolishes the Bureau of Recovery Services (BRS) in the Department of Rehabilitation and Correction (DRC) and transfers all of its functions, assets, and liabilities to ODMHAS. Any BRS business that is not completed by DRC on that date must be subsequently completed by ODMHAS; ODMHAS is the successor to BRS.

Beginning on the date of transfer, any rules, orders, and determinations pertaining to BRS continue in effect until modified or rescinded by ODMHAS. Additionally, any reference to BRS is deemed to refer to ODMHAS or its director, as appropriate.

The bill requires all BRS employees be transferred to ODMHAS and retain their current positions and benefits, subject to the layoff provisions pertaining to state employees under continuing law.

Finally, the bill specifies both of the following:

(1) No right, obligation, or remedy is lost or impaired by the transfer, and must be administered by ODMHAS.

(2) No pending proceeding is affected by the transfer, and must be prosecuted or defended in the name of ODMHAS or its director.

Technical changes

(R.C. 121.372, 340.03, 340.07, 340.15, 737.41, 2151.3514, 2925.03, 2929.13, 2935.33, 2951.041, 2981.12, 2981.13, 4511.191, 5107.64, 5119.01, 5119.11, 5119.186, 5119.21, 5119.23, 5119.25, 5119.31, 5119.36, 5119.361, 5119.365, and 5119.94)

The bill makes technical corrections to existing provisions governing the duties of ADAMHS boards, ODMHAS, and community addiction and mental health services providers, as well as conforming changes associated with the technical changes. A substantial number of the corrections fix errors that resulted from merging the Ohio Departments of Mental Health and Alcohol and Addiction Services in H.B. 59 of the 130th General Assembly, the main appropriations act for fiscal years 2014 and 2015. The bill also replaces incorrect references to "involuntary commitment" with references to "court-ordered treatment" to conform provisions to law enacted by S.B. 43 of the 130th General Assembly.

OHIO MILITARY FACILITIES COMMISSION

- Establishes the Ohio Military Facilities Commission for the purpose of developing and implementing a program to finance or assist in the financing of infrastructure capital improvements on military and defense installations in the state.
- Specifies that the financial assistance may be in the form of grants, loans, and loan guarantees.

Creation of the Commission

(R.C. 193.15, 193.16, and 193.17)

The bill creates the Ohio Military Facilities Commission for the purpose of developing and implementing a program to finance or assist in the financing of infrastructure capital improvements on military and defense installations in the state, including those facilities operated by the U.S. Department of Veterans Affairs, the Ohio Department of Veterans Services, NASA, and the Ohio National Guard. The term "infrastructure capital improvement" includes projects involving buildings, utilities, roadways, runways, railways, ramps, gates, fencing, and facilities other than buildings, including new construction, renovations, energy conservation measures, security upgrades, site preparation, land acquisition, clearance, demolition, removal, furnishings, equipment, design, engineering, and planning studies.

The Commission is to consist of the following members: (1) three members of the House of Representatives appointed by the Speaker of the House, two of whom are members of the majority party and one of whom is a member of the minority party, (2) three members of the Senate appointed by the Senate President, two of whom are members of the majority party and one of whom is a member of the minority party, (3) the Adjutant General or the Adjutant General's designee, (4) the Director of Budget and Management or the Director's designee, and (5) the Director of Administrative Services or the Director's designee. Initial appointments must be made not later than December 31, 2015. The appointed members are to serve four-year terms. The bill directs the Development Services Agency to provide administrative assistance to the Commission.

The financial assistance provided under the program may be in the form of grants, loans, and loan guarantees. It may also be provided for rental or lease payments that enable new construction in support of the Commission's purposes.

Upon receipt of an application, the Commission must examine the proposed infrastructure capital improvement to determine if it will support job creation, increase opportunities for long-term economic development, or increase the military value of the installation as described in the federal Defense Base Closure and Realignment Act of 1990.[172] Only those improvements that meet at least one of those conditions are eligible to receive financial assistance under the program.

[172] See Section 2913 of Public Law Number 101-510.

DEPARTMENT OF NATURAL RESOURCES

Transfer of Silvicultural Assistance Program

- Transfers, effective January 1, 2016, the administration of the Silvicultural Assistance Program from the Division of Soil and Water Resources to the Division of Forestry, and retains all of the components of the Program.

- Authorizes a person that owns or operates a silvicultural operation to develop and operate under a timber harvest plan rather than an operation and management plan as in current law.

Division of Water Resources

- Renames, effective January 1, 2016, the Division of Soil and Water Resources as the Division of Water Resources.

- Retains the administration by the renamed Division of all statutory programs and activities assigned to it, other than the Agricultural Soil and Water Conservation, Storm Water Management, and Silvicultural Assistance programs transferred by the bill.

Sale, transfer, or use of Department property and water

- Requires the Director of Natural Resources to obtain the Governor's approval only for specified types of property transactions in an amount of $50,000 or more rather than generally requiring both the Governor's and Attorney General's approval of any such transaction in any amount as in current law.

- Generally requires any such transaction, regardless of the amount, to be executed in accordance with a provision of the Conveyances and Encumbrances Law that requires specific actions to be taken regarding conveyances of state real estate, including drafting by the Auditor of State and signature by the Governor.

Department notices

- Requires the Department to publish notices regarding certain activities, projects, or improvements as contemplated in the general newspaper publication statute.

Mining operation annual reports

- Transfers the responsibility to prepare and publish certain mining operation reports from the Chief of the Division of Geological Survey or the Chief of the Division of Mineral Resources Management to the Director or the Director's designee.

- Authorizes the Director or the Director's designee to require the Division of Mineral Resources Management to perform the reporting duties currently performed by the Division of Geological Survey.

Industrial minerals mining

- Generally precludes a mine foreperson's certificate issued under the Industrial Minerals Mining Law from expiring.

- Specifies that a certified mine foreperson may be employed for the purposes of being in charge of the conditions and practices at a mine in addition to conducting examinations of the surface mining operation as in current law.

- Allows a competent person identified by a certified mine foreperson to conduct examinations of the surface mining operation under federal law and specifies what constitutes a competent person for that purpose.

- Revises the statutory requirements governing safety audits at surface mining operations.

- Specifies that expenditures from the existing Surface Mining Fund made by the Chief of the Division of Mineral Resources Management for purposes other than certain authorized reclamation purposes are subject to the Chief's maintaining a balance in the Fund that is sufficient to achieve those reclamation purposes.

Streams and wetlands restoration by coal mining operators

- Requires a permitted coal mining and reclamation operator to restore on the permit area streams and wetlands affected by mining operations unless the Chief of the Division of Mineral Resources Management approves mitigation activities off the permit area without a coal mining and reclamation permit, provided that the Chief first must make certain determinations.

- Requires the operator, if the Chief approves restoration off the permit area, to complete all mitigation construction or other activities required by the mitigation plan.

- Specifies that performance security for reclamation activities on the permit area must be released pursuant to current law, except that any release of the remaining portion of performance security must not be approved prior to the construction of required mitigation activities off the permit area.

Coal mining permit applications

- Requires an applicant for a coal mining permit to submit with the application an accurate map or plan clearly showing the land for which the applicant will acquire the legal right to enter and commence coal mining operations during the term of the permit.
- Requires an applicant to submit with an application either a notarized statement describing the applicant's legal right to enter and commence coal mining operations or copies of the documents on which the applicant's legal right to enter and commence coal mining operations is based rather than only the latter.
- States that an application cannot be denied or considered incomplete by reason of right of entry documentation if the applicant documents the applicant's legal right to enter and mine at least 67% of the total area for which coal mining operations are proposed.
- Requires documents or a notarized statement forming the basis of an applicant's legal right to enter and commence coal mining operations on land located within an area covered by the permit and legally acquired subsequent to the permit's issuance to be submitted with an application for a permit revision.
- Stipulates that a permit must prohibit the commencement of coal mining operations on land located within an area covered by the permit if the permittee has not provided documents forming the basis of the permittee's legal right to enter and conduct coal mining operations on the land.

Wildlife Boater Angler Fund

- Revises the uses of the Wildlife Boater Angler Fund by allowing its use for maintenance and repair of dams and impoundments, rather than unspecified maintenance, and acquisitions, including lands and facilities for boating access, in addition to its existing uses.
- Specifies that the activities for which the Fund may be used must occur on waters, rather than only on lakes, on which the operation of gasoline-powered watercraft is permissible.
- Increases from $200,000 to $500,000 the amount of annual expenditures from the Fund that may be used to pay for related equipment and personnel costs.

Oil and Gas Law

Application of Law

- Applies the Oil and Gas Law to a limited liability company, a joint venture, and any other form of business entity by including that description in the definition of "person" in that Law.

- Applies to public land provisions in the Law governing minimum distances of wells from boundaries of tracts, voluntary and mandatory pooling, special drilling units, establishment of exception tracts to which minimum acreage and distance requirements do not apply, unit operation of a pool, and revision of an existing tract by a person holding a permit under that Law.

- Accomplishes the change by revising the definition of "tract" in that Law by including land that is not taxed.

Definition of "condensate"

- Revises the definition of "condensate" in the Law, and thus for purposes of the bill's severance tax provisions, to mean liquid hydrocarbons separated at or near the well pad or along the gas production or gathering system or by, rather than prior to, gas processing.

Application fee for permit to plug back existing well

- Requires an application for a permit to plug back an existing oil or gas well to be accompanied by a nonrefundable fee by removing the exemption in current law under which such an application need not be accompanied by a fee.

Emergency planning reporting

- Requires all persons that are regulated under the Law and rules adopted under it, rather than only owners or operators of facilities that are regulated under the Law, to submit specified information to the Chief of the Division of Oil and Gas Resources Management for inclusion in a database.

- Modifies provisions to be included in the rules governing the database by requiring the rules to ensure both of the following:

  --That the Emergency Response Commission, the local emergency planning committee of the emergency planning district in which a facility is located, and the fire department that has jurisdiction over a facility, rather than the

Commission and every local emergency planning committee and fire department in Ohio as in current law, have access to the database; and

--That the information submitted for the database be made immediately available, rather than available via the Internet or a system of computer disks as in current law, to the above entities.

- Revises current law by stipulating that an owner or operator is deemed to have satisfied all of the inventory requirements established under the Emergency Planning Law by complying with the bill's submission requirements rather than by filing a log and production statement with the Chief as in current law.

Notification of emergencies

- Requires an owner, a person issued an order under the Oil and Gas Law or rules, a registered brine transporter, or a surface applicator of brine to notify the Division of Oil and Gas Resources Management within 30 minutes after becoming aware of any of seven specified types of emergency occurrences unless notification within that time is impracticable under the circumstances.

- Requires a contractor performing services on behalf of a person who is required to provide such notice to notify that person within 30 minutes after the contractor becomes aware of any of the specified emergency occurrences unless notification within that time is impracticable under the circumstances.

- Prohibits a person from failing to comply with the above provisions, and states that a person violating the prohibition is subject to civil penalties, but not criminal penalties.

Mandatory pooling

- Authorizes the owner who has the right to drill to request a mandatory pooling order under the Law rather than the owner of the tract of land who is also the owner of the mineral interest as in current law.

- Allows an application for a mandatory pooling order to be submitted if a tract or tracts, rather than a single tract of land, are of insufficient size or shape to meet the statutory minimum acreage requirements for drilling a proposed well rather than for drilling a well.

- Revises that Law regarding mandatory pooling to distinguish between mineral rights owners and surface rights owners, including by requiring the Chief to notify all mineral rights owners of tracts within the area proposed to be pooled and included in the drilling unit of the filing of the application for a mandatory pooling order and their right to a hearing rather than all owners of land within that area.

Civil penalties for violations

- Increases civil penalties for certain violations of the Law.

Response costs and liability

- States that a person who violates the general permit requirements of the Law and provisions of that Law governing a permit for recovery operations, or any term or condition of a permit or order, is liable for damage or injury caused by the violation and for the actual cost of rectifying the violation and conditions caused by it.

- Establishes that a person may be subject to both a civil penalty and a term of imprisonment under the Law for the same offense.

Transfer of Silvicultural Assistance Program

(R.C. 939.01, 939.02, 940.01, 1503.50, 1503.51, 1503.52, 1503.53, 1503.54, 1503.55, and 1503.99; Sections 715.30 and 715.40)

The bill transfers, effective January 1, 2016, the administration of the Silvicultural Assistance Program from the Division of Soil and Water Resources to the Division of Forestry and retains all of the components of the Program. It then makes the following changes in the Program:

(1) Authorizes a person that owns or operates a silvicultural operation to develop and operate under a timber harvest plan rather than an operation and management plan as in current law; and

(2) Allows the Chief of the Division of Forestry and the Chief's designee to administer and enforce the Program rather than solely the Chief of the Division of Soil and Water Resources as in current law.

The bill also generally prohibits specified state and local government officials, including the Chief of the Division of Forestry, from disclosing information used in the development or approval of or contained in a timber harvest plan.

Division of Water Resources

(R.C. 1501.022, 1506.01, 1514.08, 1514.13, 1521.03, 1521.031, 1521.04, 1521.05, 1521.06, 1521.061, 1521.062, 1521.063, 1521.064, 1521.07, 1521.10, 1521.11, 1521.12, 1521.13, 1521.14, 1521.15, 1521.16, 1521.18, 1521.19, 1522.03, 1522.05, 1522.11, 1522.12, 1522.13, 1522.131, 1522.15, 1522.16, 1522.17, 1522.18, 1522.20, 1522.21, 1523.01, 1523.02, 1523.03, 1523.04, 1523.05, 1523.06, 1523.07, 1523.08, 1523.09, 1523.10, 1523.11, 1523.12, 1523.13, 1523.14, 1523.15, 1523.16, 1523.17, 1523.18, 1523.19, 1523.20, 3701.344, 6109.21, and 6111.044; Section 715.20)

Effective January 1, 2016, the bill renames, the Division of Soil and Water Resources as the Division of Water Resources, and retains the administration by the renamed Division of all statutory programs and activities assigned to it, other than the Agricultural Soil and Water Conservation, Storm Water Management, and Silvicultural Assistance programs transferred by the bill.

Sale, transfer, or use of Department property and water

(R.C. 1501.01)

The bill requires the Director of Natural Resources to obtain the Governor's approval only for specified types of property transactions in an amount of $50,000 or more. Those property transactions are the sale, lease, or exchange of portions of lands or real or personal property of the Department of Natural Resources; grants of easements or licenses for the use of the lands or property; and agreements for the sale of water from lands and waters under the Department's administration or care. Current law instead requires both the Governor's and Attorney General's approval of any such transaction in any amount unless that approval is not required for leases and contracts made under the Water Improvements Law and under the statutes governing public service facilities in state parks and the operation and maintenance of canals and canal reservoirs owned by the state.

The bill then requires any such transaction to be executed in accordance with a provision in the Conveyances and Encumbrances Law, if applicable, that generally requires all conveyances of real estate sold on behalf of the state to be drafted by the Auditor of State, executed in the name of the state, signed by the Governor, countersigned by the Secretary of State, sealed with the state seal, and entered by the Auditor of State in records kept by the Auditor for that purpose.

Department notices

(R.C. 1501.011)

The bill requires the Department to publish notices regarding certain activities, projects, or improvements as contemplated in the general newspaper publication statute. Continuing law requires the Department to supervise the design and construction of, and to make contracts for the construction, reconstruction, improvement, enlargement, alteration, repair, or decoration of, certain projects such as dam repairs, waterway safety improvements, and Division of Wildlife improvements.

The general newspaper publication statute requires that the first publication of a notice be made in its entirety in a newspaper of general circulation, but the second publication may be made in abbreviated form in a newspaper of general circulation and on the newspaper's Internet website if the newspaper has one. That statute also authorizes a state agency or political subdivision to eliminate any further newspaper publications, provided that the second, abbreviated notice meets all of the following requirements:

(1) It is published in the newspaper of general circulation in which the first publication of the notice was made and is published on that newspaper's Internet website if the newspaper has one.

(2) It is published on the state public notice website.

(3) It includes a title, followed by a summary paragraph or statement that clearly describes the specific purpose of the notice, and includes a statement that the notice is posted in its entirety on the state public notice website. The notice also may be posted on the state agency's or political subdivision's Internet website.

(4) It includes the Internet addresses of the state public notice website and of the newspaper's and state agency's or political subdivision's Internet website if the notice or advertisement is posted on those websites and the name, address, telephone number, and electronic mail address of the state agency, political subdivision, or other party responsible for publication of the notice.

A notice published on an Internet website must be published in its entirety.

Mining operation annual reports

(R.C. 1505.10 and 1561.04)

The bill transfers the responsibility to prepare and publish mining operation annual reports from the Chief of the Division of Geological Survey to the Director or the

Director's designee. The Director or the Director's designee may require the Division of Mineral Resources Management to perform the duties currently performed by the Division of Geological Survey regarding preparation and publishing of the reports. Continuing law requires the reports to include lists of operators and extraction operations in Ohio, information regarding commodities extracted, employment, and tonnage extracted at each location, and information regarding the production, use, distribution, and value of Ohio's mineral resources.

The bill also transfers the responsibility to submit an annual mining report to the Governor from the Chief of the Division of Mineral Resources Management to the Director or the Director's designee. Continuing law requires the report to include all of the following:

(1) A summary of the activities and of the reports of deputy mine inspectors;

(2) A statement of the condition and the operation of Ohio mines; and

(3) A statement of the number of accidents in and about the mines, the manner in which they occurred, and any other data and facts bearing on the prevention of accidents and the preservation of life, health, and property and any suggestions relative to the better preservation of the life, health, and property of those engaged in the mining industry.

The bill also transfers to the Director or the Director's designee the requirement to mail a copy of the report to each coal operator in Ohio and a representative of the miners at each mine as well as other persons identified by the Director. Finally, under the bill, the Director or the Director's designee, rather than the Chief, must prepare and publish quarterly reports containing the above information.

Industrial minerals mining

(R.C. 1514.06, 1514.40, 1514.42, and 1514.47)

The bill generally precludes a mine foreperson's certificate issued under the Industrial Minerals Mining Law from expiring. Under current law, a mine foreperson's certificate expires five years after the date of issuance and may be renewed if the applicant verifies that all required training pursuant to federal law has been completed and any other requirements for renewal have been satisfied. Generally, under the bill, the certificate does not expire unless the certificate holder has not been employed in a surface mining operation for five consecutive years. If the certificate holder has not been so employed, the certificate holder may retake the mine foreperson examination or may petition the Chief of the Division of Mineral Resources Management to accept past employment history in lieu of fulfilling the bill's employment requirement. The Chief must grant or deny the petition by issuance of an order and must reissue the certificate if the Chief grants the petition. The bill provides for the issuance of unexpired certificates to individuals holding five-year certificates on the provision's effective date.

The bill also specifies that a certified mine foreperson may be employed for the purposes of being in charge of the conditions and practices at a mine in addition to conducting examinations of the surface mining operation as in current law. In addition, it allows a competent person identified by the certified mine foreperson to conduct examinations of the surface mining operation under federal law. Under the bill, a competent person is a person who has been trained in accordance with applicable federal law and been determined by a certified mine foreperson to have demonstrated the ability, training, knowledge, or experience necessary to perform the duty to which the person is assigned (hereafter, necessary qualifications). A person is not a competent person if the Chief demonstrates, with good cause, that the person does not have the necessary qualifications. A surface mining operator must maintain records demonstrating that a competent person has the necessary qualifications.

The bill authorizes, instead of requires as in current law, the Chief to conduct a safety audit at a surface mining operation if the operator has requested the Division to conduct mine safety training and specifies that such an audit can only be conducted once annually. It requires the safety audit to be scheduled at a time to which the Chief and the operator mutually agree and precludes it from continuing for more than one day.

Under the bill, expenditures from the existing Surface Mining Fund made by the Chief for purposes other than certain authorized reclamation purposes are subject to the Chief's maintaining a balance in the Fund that is sufficient to achieve those reclamation purposes. In doing so, the Chief must consider the timeliness of reclamation activity.

Streams and wetlands restoration by coal mining operators

(R.C. 1513.16)

The bill requires a permitted coal mining and reclamation operator to restore on the permit area streams and wetlands affected by mining operations unless the Chief of the Division of Mineral Resources Management approves mitigation activities off the permit area without a coal mining and reclamation permit instead of restoration on the permit area, provided that the Chief first makes all of the following written determinations:

(1) A hydrologic and engineering assessment demonstrates that restoration on the permit area is not possible;

(2) The proposed mitigation plan under which mitigation activities described in item (3), below, will be conducted is limited to a stream or wetland, or a portion of a stream or wetland, for which restoration on the permit area is not possible;

(3) Mitigation activities off the permit area, including mitigation banking and payment of in-lieu mitigation fees, will be performed pursuant to a permit issued under the Federal Water Pollution Control Act or a state isolated wetland permit or pursuant to a no-cost reclamation contract for the restoration of water resources affected by past mining activities; and

(4) The proposed mitigation plan and mitigation activities comply with the performance standards that apply to operators.

The bill also requires the operator, if the Chief approves restoration off the permit area, to complete all mitigation construction or other activities required by the mitigation plan. In addition, the bill specifies that performance security for reclamation activities on the permit area must be released pursuant to current law, except that any release of the remaining portion of performance security must not be approved prior to the construction of required mitigation activities off the permit area.

Coal mining permit applications

(R.C. 1513.07)

The bill requires an applicant for a coal mining permit to submit with the application an accurate map or plan, to an appropriate scale, clearly showing the land for which the applicant will acquire the legal right to enter and commence coal mining operations during the term of the permit. It then requires an applicant to submit with an application either a notarized statement describing the applicant's legal right to enter and commence coal mining operations or copies of the documents on which the applicant's legal right to enter and commence coal mining operations is based rather than only the latter as in current law. Under the bill, an application cannot be denied or considered incomplete by reason of right of entry documentation if the applicant documents the applicant's legal right to enter and mine at least 67% of the total area for which coal mining operations are proposed.

The bill also requires documents or a notarized statement forming the basis of an applicant's legal right to enter and commence coal mining operations on land located within an area covered by the permit and legally acquired subsequent to the issuance of the permit for the area to be submitted with an application for a permit revision. Finally, the bill stipulates that a permit must prohibit the commencement of coal mining operations on land located within an area covered by the permit if the permittee has not provided documents forming the basis of the permittee's legal right to enter and conduct coal mining operations on the land.

Wildlife Boater Angler Fund

(R.C. 1531.35)

The bill revises the uses of the Wildlife Boater Angler Fund by allowing its use for maintenance and repair of dams and impoundments, rather than unspecified maintenance as in current law, and acquisitions, including lands and facilities for boating access, in addition to its existing uses for boating access construction and improvements and to pay for equipment and personnel costs involved with those activities. The bill also specifies that the above activities must occur on waters, rather than only on lakes, on which the operation of gasoline-powered watercraft is permissible and increases from $200,000 to $500,000 the amount of annual expenditures from the Fund that may be used to pay for equipment and personnel costs.

Oil and Gas Law

Application of Law

(R.C. 1509.01)

The bill applies the Oil and Gas Law to a limited liability company, a joint venture, and any other form of business entity by including that description in the definition of "person" in that Law.

Additionally, the bill applies to public land provisions in the Law governing minimum distances of wells from the boundaries of tracts, voluntary and mandatory pooling, special drilling units, establishment of exception tracts to which minimum acreage and distance requirements do not apply, unit operation of a pool, and revision of an existing tract by a person holding a permit under that Law. The bill accomplishes the change by revising the definition of "tract" to mean a single, individual parcel of land or a portion of a single, individual parcel of land rather than a single, individually taxed parcel of land appearing on the tax list as in current law.

Definition of "condensate"

(R.C. 1509.01(D))

The bill revises the definition of "condensate" in the Law to mean liquid hydrocarbons separated at or near the well pad or along the gas production or gathering system or by gas processing rather than prior to gas processing as in current law. The term is used in the statute governing unitization as revised by the bill and also in continuing law authorizing the Chief of the Division of Oil and Gas Resources Management to adopt rules establishing requirements to prevent and contain surface and subsurface discharges of condensates. Additionally, "condensate" as defined in the Law is used in the bill's provisions revising the severance tax.

Application fee for permit to plug back existing well

(R.C. 1509.06)

The bill requires an application for a permit to plug back an existing oil or gas well to be accompanied by a nonrefundable fee as follows:

(1) $500 for a permit to conduct activities in a township with a population of fewer than 10,000;

(2) $750 for a permit to conduct activities in a township with a population of 10,000 to 14,999; or

(3) $1,000 for a permit to conduct activities in either a township with a population of 15,000 or more or a municipal corporation regardless of population.

The bill accomplishes the change by removing the exemption in current law under which such an application need not be accompanied by a fee.

Emergency planning reporting

(R.C. 1509.11, 1509.23, 1509.231, 3750.081, and 3750.13)

The bill revises certain requirements governing the reporting of hazardous materials associated with oil and gas operations. Under current law, persons regulated under the Law must report to the Division of Oil and Gas Resources Management specified information regarding hazardous materials that is required to be reported by the federal Emergency Planning and Community Right-to-Know Act (EPCRA). The Chief of the Division, in consultation with the Emergency Response Commission, must adopt rules that specify the information that must be included in an electronic database that the Chief creates and hosts. The information must be information that the Chief considers to be appropriate for the purpose of responding to emergency situations that pose a threat to public health or safety or the environment.

The bill requires all persons that are regulated under the Law and rules adopted under it, rather than only owners or operators of facilities that are regulated under the Law, to submit the above information to the Chief. As a result, the bill requires the information to be filed with the Chief on or before March 1 of each year rather than as part of an owner or operator's statement of production of oil, gas, and brine for a specified period of time as provided in current law.

The bill retains, with certain modifications, provisions to be included in the rules governing the database and the information submitted for it. Specifically, the bill's modifications require the Chief's rules to do all of the following:

(1) Require that the information be consistent with the information that a person regulated under the Law is required to submit under EPCRA;

(2) Ensure that the Emergency Response Commission, the local emergency planning committee of the emergency planning district in which a facility is located, and the fire department that has jurisdiction over a facility, rather than the Commission and every local emergency planning committee and fire department in Ohio as in current law, have access to the database;

(3) Ensure that the information submitted for the database be made immediately available, rather than available via the Internet or a system of computer disks as in current law, to the above entities; and

(4) Ensure that the information includes the information required to be reported under the Emergency Planning Law and rules adopted under it governing the submission of an emergency and hazardous chemical inventory form.

As a result of the modification discussed in item (1), above, the bill eliminates current law that requires, at a minimum, the information in the database to include the information that a person that is regulated under the Law is required to submit under EPCRA.

For purposes of the above provisions, the bill applies the definition of "facility" in the Emergency Planning Law. Under that Law, a facility is all buildings, equipment, structures, and other stationary items that are located on a single site or on contiguous or adjacent sites and that are owned or operated by the same person or by any person who controls, is controlled by, or is under common control with that person.

The bill then revises a requirement governing the filing of information under the state Emergency Planning Law. Under the bill, an owner or operator of a facility that is regulated under the Oil and Gas Law generally is deemed to have satisfied all of the inventory requirements established under the Emergency Planning Law by complying with the requirements established by the bill. Current law instead specifies that any such owner or operator who has filed a log and production statement with the Chief in accordance with the Oil and Gas Law is generally deemed to have satisfied all of the submission and filing requirements established under the Emergency Planning Law.

Finally, the bill makes conforming changes.

Notification of emergencies

(R.C. 1509.232)

The bill requires an owner, a person to whom an order is issued under the Oil and Gas Law or rules adopted under it, a person to whom a registration certificate to transport brine is issued, or a person engaged in the surface application of brine to notify the Division of Oil and Gas Resources Management by means of a toll free telephone number designated by the Chief of the Division or by electronic means designated by the Chief within 30 minutes after becoming aware of specified emergency occurrences unless notification within that time is impracticable under the circumstances. The specified emergency occurrences requiring such notification are the following:

(1) An uncontrolled or unplanned release of gas associated with a production operation or other activity regulated under that Law or rules adopted under it in an amount determined, in good faith, to equal or exceed 100 MCF;

(2) A release of oil outside a containment area associated with a production operation or other activity regulated under that Law or rules adopted under it if the release is in an amount determined, in good faith, to exceed 210 U.S. gallons or as specified by rule adopted by the Chief;

(3) A release of brine, drill cuttings, or other regulated drilling wastes outside the boundary of a site or facility regulated under that Law or rules adopted under it;

(4) A release of hydrogen sulfide associated with a production operation or other activity regulated under that Law or rules adopted under it in an amount determined, in good faith, to exceed 20 parts per million;

(5) A discharge or spill of a liquid, solid, or semisolid substance or material associated with a production operation or other activity regulated under that Law or rules adopted under it in an amount determined, in good faith, to exceed a reportable quantity as defined in rules adopted under the Emergency Planning Law, excluding a discharge or spill consisting solely of fresh water or storm water;

(6) A fire or explosion associated with a production operation or other activity regulated under that Law or rules adopted under it, excluding flaring or controlled burns authorized under the Oil and Gas Law or rules adopted under it or by the terms and conditions of a permit issued under the Law; or

(7) The response by a fire department or a person providing emergency medical services to the location of, and for the purpose of responding to, an occurrence specified above.

Under the bill, a contractor performing services on behalf of a person who is required to provide notice as discussed above must notify that person within 30 minutes after becoming aware of any of the above emergency occurrences unless notification within that time is impracticable under the circumstances.

The bill prohibits anyone from failing to comply with the notification requirements. A person that violates the prohibition is subject to civil penalties, but not criminal penalties. The bill authorizes the Chief to adopt rules that are necessary for the administration of the notification provisions.

Mandatory pooling

(R.C. 1509.27)

The bill authorizes the owner who has the right to drill to request a mandatory pooling order under the Law rather than the owner of the tract of land who is also the owner of the mineral interest as in current law. In addition, the bill allows an application for a mandatory pooling order to be submitted if a tract or tracts, rather than a single tract of land as in existing law, are of insufficient size or shape to meet the statutory minimum acreage requirements for drilling units for drilling a proposed well rather than for drilling a well as in existing law.

The bill also revises that Law regarding mandatory pooling to distinguish between mineral rights owners and surface rights owners as follows:

(1) Requires the Chief to notify all mineral rights owners of tracts within the area proposed to be pooled by an order and included in the drilling unit of the filing of the application for a mandatory pooling order and of their right to a hearing rather than all owners of land within that area;

(2) Requires a mandatory pooling order to allocate on a surface acreage basis a pro rata portion of the production to each tract pooled by the order rather than to the owner of each such tract, and requires the pro rata portion to be in the same proportion that the percentage of the tract's acreage, rather than the owner's acreage, is to the state minimum acreage requirements;

(3) Requires a mandatory pooling order to specify the basis on which each mineral rights owner of a tract, rather than each owner of a tract, pooled by the order must share all reasonable costs and expenses of drilling and producing if the mineral

rights owner, rather than the owner of a tract, elects to participate in the drilling and operation of the well;

(4) Prohibits surface operations or disturbances to the surface of the land from occurring on a tract pooled by an order without the written consent of or a written agreement with the surface rights owner of the tract rather than the owner of the tract; and

(5) Provides that a mineral rights owner of a tract pooled by a mandatory pooling order who does not elect to participate in the risk and cost of the drilling and operation of a well must be designated as a nonparticipating owner in the drilling and operation and is not liable for actions or conditions associated with the drilling or operation rather than applying those provisions to the owner of a tract.

Civil penalties for violations

(R.C. 1509.33)

The bill increases civil penalties for certain violations of the Law as follows:

Type of violation	The bill	Current law
Violations of provisions of the Oil and Gas Law, including violations of any rules or orders and terms or conditions of a permit or registration certificate, for which no specific penalty is provided.	A civil penalty of not more than $10,000 for each offense.	A civil penalty of not more than $4,000 for each offense.
Violations of permitting requirements for the exploration for or extraction of minerals or energy other than oil or natural gas.	A civil penalty of not more than $10,000 for each violation.	A civil penalty of not more than $2,500 for each violation.

Response costs and liability

(R.C. 1509.33(G))

Under the bill, anyone who violates the general permit requirements of the Law or the provisions of that Law requiring a permit for additional and secondary recovery operations, or any term or condition of a permit or order issued by the Chief of the Division of Oil and Gas Resources Management, is liable for any damage or injury caused by the violation and for the actual cost of rectifying the violation and conditions caused by it. The bill retains current law that imposes such liability on anyone who violates the provisions of that Law governing brine storage and brine transportation.

The bill also provides that a person may be subject to a civil penalty and a term of imprisonment for the same offense by revising current law to state that a person cannot be subject to both a civil penalty and a fine imposed as part of a criminal penalty under the Law for the same offense. Current law instead provides that a person cannot be subject to both a civil penalty and a criminal penalty, including both a fine and a term of imprisonment, under that Law for the same offense.

OHIO BOARD OF NURSING

- Removes the requirement that the Board of Nursing collect a $5 fee for written verification of licensure or certification.
- Modifies the structure of the course in advanced pharmacology and related topics that a clinical nurse specialist, certified nurse-midwife, or certified nurse practitioner must complete to obtain a certificate to prescribe.

Fees

(R.C. 4723.08 and 4723.88)

The bill removes the requirement that the Board of Nursing collect a $5 fee for written verification of licensure or certification.

Pharmacology course for nurses

(R.C. 4723.06, 4723.482, and 4723.50)

The bill modifies the structure of the course in advanced pharmacology and related topics that a clinical nurse specialist, certified nurse-midwife, or certified nurse practitioner must complete to obtain a certificate to prescribe. The bill removes the requirement that the course consist of planned classroom and clinical instruction. Under law unchanged by the bill, the course must consist of at least 45 contact hours and be approved by the Board.

OHIO OPTICAL DISPENSERS BOARD

- Requires spectacle dispensing opticians to complete two hours of study in prepackaged soft contact lens dispensing before being authorized to dispense prepackaged soft contact lenses.

- Modifies the continuing education requirement regarding contact lens dispensing that applies to spectacle dispensing opticians.

- Exempts from continuing education requirements certain professionals who are applying for the initial renewal of a license issued by the Ohio Optical Dispensers Board.

- Requires the Board to approve continuing education programs that are conducted in person or through electronic or other self-study means.

- Specifies that "optical dispensing" does not include placing an order for the delivery of an optical aid.

Licensed spectacle dispensing opticians and contact lens dispensing

(R.C. 4725.411)

The bill requires spectacle dispensing opticians to complete two hours of study in prepackaged soft contact lens dispensing approved by the Ohio Optical Dispensers Board. Spectacle dispensing opticians who are already licensed on the provision's effective date must complete the two hours of study not later than December 31, 2015, and those who receive a license after the effective date must complete the requirement not later than December 31 of the year the licensed is received. The bill provides that a spectacle dispensing optician is not authorized to dispense prepackaged soft contact lenses until the two hours of study is completed. Under continuing law, spectacle dispensing opticians are not authorized to dispense prepackaged soft contact lenses until January 1, 2016.

Continuing education

(R.C. 4725.51; Section 747.20)

The bill modifies the continuing education requirement regarding contact lens dispensing that applies to spectacle dispensing opticians. It repeals a provision specifying that the continuing education is to be limited to education in the dispensing of prepackaged soft contact lenses and the action of matching the packaging description to a written prescription. Instead, the bill specifies that the continuing education is to cover contact lens dispensing in general. A spectacle dispensing optician who is licensed on the provision's effective date can satisfy this continuing education requirement by completing the two hours of study in prepackaged soft contact lens dispensing that must be completed by December 31, 2015 (as described above).

The bill exempts from continuing education requirements spectacle dispensing opticians, contact lens dispensing opticians, spectacle-contact lens dispensing opticians, and ocularists who are applying for an initial license renewal. This exemption does not apply to the two hours of study in prepackaged soft contact lens dispensing that a spectacle dispensing optician must complete by December 31 of the year the license is received (see "**Licensed spectacle dispensing opticians and contact lens dispensing**"). The bill also requires the Board to permit continuing education programs to be conducted in person or through electronic or other self-study means.

Optical dispensing

(R.C. 4725.40)

The bill specifies that "optical dispensing" does not include placing an order for the delivery of any optical aid, thereby excluding that action from any licensing requirements.

STATE BOARD OF PHARMACY

- Expressly provides that the Pharmacy Board is authorized to refuse to grant a registration certificate to operate as a wholesale distributor of dangerous drugs.
- Requires certain prescribers to hold a license as a terminal distributor of dangerous drugs for actions involving drugs that are compounded or used for compounding or controlled substances containing buprenorphine used for treating drug dependence or addiction.
- Requires the Board to provide the Ohio Automated Rx Reporting System (OARRS) information to the Director of Health for duties related to the Ohio Violent Death Reporting System.
- Requires the Board to provide to a Medicaid managed care organization's pharmacy director information from OARRS relating to enrolled Medicaid recipients.
- Repeals a provision under which a prescriber or pharmacist who provides OARRS information to a patient or patient's personal representative is not subject to the prohibition against disseminating OARRS information.
- Increases to three years (from two) the amount of time that information collected in OARRS is to be retained.

Dangerous drugs distributor licensure

(R.C. 4729.51, 4729.53, 4729.541, and 4729.56)

Refusal to grant registration certificate

The bill expressly provides that the State Board of Pharmacy is authorized to refuse to grant a registration certificate to operate as a wholesale distributor of dangerous drugs. Ohio law requires the registration in order to sell prescription drugs at wholesale. Current law prohibits the Board from registering a person as a wholesale distributor unless the applicant for registration furnishes satisfactory proof to the Board that the applicant meets specified criteria. Existing law further provides that the Board may refuse to register the applicant if the Board determines that granting the registration is not in the public interest. Under the bill, the Board may refuse to grant a registration certificate on the same grounds that current law permits the Board to refuse to renew a certificate.

License required for certain prescribers

The bill requires a prescriber who does not practice as a specified business entity to hold a license as a terminal distributor of dangerous drugs as a condition of being authorized to possess and distribute (including authorization to personally furnish) either of the following: (1) compounded drugs or drugs used for compounding or (2) drugs containing buprenorphine used for treating drug dependence or addiction. Current law generally permits a prescriber to possess prescription drugs without a license. Existing law also permits specified business entities to possess and distribute certain prescription drugs without a license. However, at present, such business entities must hold a license in order to possess and distribute the following: (1) compounded drugs or drugs used for compounding or (2) drugs containing buprenorphine used for treating drug dependence or addiction.

OARRS information

(R.C. 4729.80 and 4729.86)

OARRS, the Ohio Automated Rx Reporting System, is the drug database established and maintained under current law by the State Board of Pharmacy. Rules adopted by the Board require that when a reported drug (a controlled substance or tramadol) is dispensed by a pharmacy or personally furnished by a dentist, optometrist, or physician to an outpatient, this information must be reported to OARRS on a daily basis.

The bill increases to three years (from two) the amount of time that information collected in OARRS must be retained in the database. In a corresponding change, the bill increases to three years (from two) the amount of time that information that identifies a patient may be retained in OARRS before that information must be destroyed. Under continuing law, information that identifies a patient may be retained in OARRS for a longer period of time if a law enforcement agency or other specified government entity requests that the information continue to be retained.

Existing law requires or authorizes the Board to provide information from OARRS to specified individuals. The bill adds both the Director of Health and a pharmacy director of a Medicaid managed care organization to the list of those to whom the Board is required to provide OARRS information under certain conditions.

Current law also prohibits the specified individuals to whom the Board provides information from OARRS from disseminating that information, except in limited circumstances. The bill repeals a provision under which a prescriber or pharmacist who provides OARRS information to a patient or patient's personal representative is not subject to the existing prohibition on disseminating OARRS information.

ODH Director

With respect to the Director of Health, the bill requires the Board, on receipt of a request from the Director, to provide to the Director information from OARRS relating to the duties of the Director or the Department of Health in implementing the Ohio Violent Death Reporting System (OH-VDRS). OH-VDRS is a reporting system that collects information from multiple sources in an attempt to better understand the circumstances surrounding violent deaths.[173]

Pharmacy director

In the case of a Medicaid managed care organization, the bill requires the Board, on receipt of a request from a pharmacy director of an organization that has entered into a contract with the Department of Medicaid (ODM) and a data security agreement with the Board, to provide to the director information from OARRS relating to a Medicaid recipient enrolled in the organization. Under the bill, the information provided from OARRS includes information related to prescriptions for the recipient that were not covered or reimbursed under a program administered by ODM. Current law already requires the Board to provide OARRS information to a medical director of the Medicaid managed care organization.

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[173] Ohio Department of Health, *Ohio Violent Death Reporting System (OH-VDRS),* available at www.healthy.ohio.gov/vipp/ohvdrs.aspx.

STATE BOARD OF PSYCHOLOGY

- Expands the list of qualifications for a psychologist license to include a doctoral degree from an accredited or recognized degree program that does not meet the program accreditation requirements under continuing law.
- Requires professional experience for applicants for a psychology license with a foreign psychology degree or its foreign equivalence, or those with degrees from institutions that do not meet the program accreditation requirements under continuing law.
- Removes specified enrollment and graduation deadline requirements from alternatively accredited degree programs from the list of qualifications for a psychology license.
- Requires certified Ohio behavior analysts to report the abuse or neglect, or a reasonable cause to suspect abuse or neglect, of a child under 18 or a mentally retarded, developmentally disabled, or physically impaired child under 21.
- Requires certified Ohio behavior analysts to report a reasonable cause to believe that an adult is being abused, neglected, or exploited or is in a condition that is the result of abuse, neglect, or exploitation.
- Requires certified Ohio behavior analysts to provide a patient or the patient's personal representative or another authorized person with access to the patient's medical records when requested in accordance with the law.

Qualifications for licensure as a psychologist

(R.C. 4732.10)

The bill expands the list of qualifications for a psychologist license to include a doctoral degree in psychology or school psychology from an accredited institution if the degree program does not meet the program accreditation requirements under continuing law. Under current law a psychology license applicant must receive a doctoral degree from a program accredited by the American Psychological Association, the Accreditation Office of the Canadian Psychological Association, a program listed by the Association of State and Provincial Psychology Boards/National Register Designation Committee, or the National Association of School Psychologists. The bill permits licensure for degrees earned in programs not accredited by those offices listed above that are accredited or recognized by a national or regional accrediting agency.

The bill imposes at least two years of supervised professional experience requirements on an applicant with such a degree or a degree from a foreign institution (outside the U.S. or Canada) deemed equivalent to a domestic doctorate in psychology, including a mandatory one year post-doctoral year of supervised training.

The bill removes from the list of qualifications for a psychologist license that the applicant be enrolled in an accredited institution not later than 60 days after April 7, 2009, and receive a doctoral degree in psychology or school psychology no later than April 7, 2017.

Certified Ohio behavior analysts

Reporting abuse or neglect

(R.C. 2151.421 and 5101.61)

The bill adds certified Ohio behavior analysts to the list of professionals that are required to report abuse or neglect. Certified Ohio behavior analysts, when acting in an official or professional capacity, are required to report the abuse or neglect, or a reasonable cause to suspect abuse or neglect, of a child under 18, or a mentally retarded, developmentally disabled, or physically impaired child under 21. Under continuing law, such a professional makes the report to the public children services agency or a municipal or county peace officer in the county where the child resides or where the abuse or neglect is taking or has taken place.

The bill also adds certified Ohio behavior analysts to the list of professionals that are required to report a reasonable cause to believe that an adult is being abused, neglected, or exploited or is in a condition that is the result of abuse, neglect, or exploitation. Under continuing law, such a professional makes the report to the county department of job and family services.

Permitting access to the patient's medical records

(R.C. 3701.74)

The bill adds certified Ohio behavior analysts to the list of health care providers that are required to provide a patient, the patient's personal representative, or other authorized person with access to the patient's medical records. Under continuing law, the patient, the patient's personal representative, or other authorized person must submit a signed written request to examine or obtain a copy of the medical record. Certified Ohio behavior analysts or other health care providers must take reasonable steps to establish the identity of the person making the request for records.

- Requires the State Board of Emergency Medical, Fire, and Transportation Services to establish an Expedited Veterans Paramedic Certification Program, whereby a veteran who received paramedic training in the armed forces receives credit for the training toward an Ohio paramedic certificate.

Community paramedicine

- Authorizes a basic, intermediate, or paramedic emergency medical technician to perform medical services that the technician is authorized by law to perform in nonemergency situations if the services are performed under the direction of the technician's medical director or cooperating physician advisory board.

- Provides that in nonemergency situations, no medical director or cooperating physician advisory board may delegate or otherwise authorize a technician to perform any medical service that the technician is not authorized by law to perform.

Abbreviated driver training course

- Delays implementation of the abbreviated driver training course for adults that was created by the Transportation Appropriations Act (H.B. 53, 131st G.A.), until one year after the effective date of the rules that govern the course.

Value of a motor vehicle for which certain entities may take title

- Allows a "repair garage or place of storage" or "towing service or storage facility" to deduct a towing fee, if applicable, from the wholesale value of a vehicle for purposes of determining whether the vehicle has a value of less than $3,500 (the threshold for allowing such entities to take title to an unclaimed vehicle).

Lincoln highway license plate

- Creates the "Lincoln Highway" license plate and specifies that the proceeds from the required $20 contribution must be used by the Ohio Lincoln Highway Historic Byway to promote and support the historical preservation and advertisement of the Lincoln Highway in Ohio.

The "Women Veterans" license plate

- Creates the "Women Veterans" license plate, which may be issued to any woman who is a retired or honorably discharged veteran of any branch of the armed forces of the U.S.

- Prohibits any person from falsifying an application for "Women Veterans" license plates or displaying such license plates if the person is ineligible to receive the plates.

Nonstandard license plates

- Modifies the law governing the establishment, termination, and reestablishment of nonstandard license plates.

- Requires the sponsor of a nonstandard license plate to verify that sponsor's contact information with the Registrar of Motor Vehicles by December 1 of each year.

- If the sponsor fails to verify the sponsor's contact information, requires the Registrar to deposit contributions received for a nonstandard license plate in the General Revenue Fund rather than in the License Plate Contribution Fund for distribution to the sponsor.

Temporary license placards

- Specifies that a temporary license placard issued for an off-highway motorcycle or all-purpose vehicle is valid for 45 days rather than 30 days as under current law.

- Permits the Multi-Agency Radio Communications System (MARCS) Steering Committee to establish a subcommittee to represent local government MARCS users, and permits the chairperson of the subcommittee to serve as a member of the Steering Committee.

Deputy Registrar Funding Study Committee

- Establishes the Deputy Registrar Funding Study Committee to study the long-term financial solvency of deputy registrars in Ohio and whether the existing statutory charges that may be levied by deputy registrars are sufficient.

- Requires the Committee to issue a report of its findings and recommendations not later than six months after the effective date of the bill.

Definition of "apportionable vehicle"

- Removes a provision of current law that excludes buses used for the transportation of chartered parties from the definition of apportionable vehicle; thereby requiring such vehicles, if such vehicles otherwise fall within the definition of an apportionable vehicle, to register under an International Registration Plan (IRP).

Ohio Investigative Unit Fund

- Establishes the Ohio Investigative Unit Fund consisting of nonfederal money received by the Investigative Unit in the Department of Public Safety that is not otherwise required to be deposited into another fund.

- Requires money in the Fund to be used to pay the expenses of administering the law relative to the powers and duties of the Investigative Unit.

Expedited paramedic certification for veterans

(R.C. 4765.161)

The bill requires the State Board of Emergency Medical, Fire, and Transportation Services to adopt rules to establish an Expedited Veterans Paramedic Certification Program for any person who, while serving in the armed forces, received training as what Ohio categorizes as a paramedic. The program must provide for a method to evaluate the veteran to determine the extent of the training received in the armed forces. If the evaluation indicates that the training was such that the veteran is eligible to be issued a certificate to practice as a paramedic, the Board must issue the veteran a certificate upon payment of the appropriate fee.

If the evaluation indicates that the training was such that the veteran is not eligible for a paramedic certificate, the veteran must receive credit for the training the veteran did receive, and must be required to successfully complete only the additional training or instruction necessary to be issued a certificate.

Community paramedicine

(R.C. 4765.361)

The bill authorizes a basic, intermediate, or paramedic emergency medical technician to perform medical services that the technician is authorized by law to perform in nonemergency situations if the services are performed under the direction of the technician's medical director or cooperating physician advisory board. However, in nonemergency situations, no medical director or cooperating physician advisory board may delegate or otherwise authorize a technician to perform any medical service that the technician is not authorized by law to perform.

Abbreviated driver training course

(R.C. 4507.21)

The bill delays implementation of the abbreviated driver training course for adults that was created by H.B. 53 (131st G.A.), the Transportation Appropriations Act, until one year after the effective date of the rules that govern the course. Under that Act, an applicant for an initial driver's license who is 18 years of age or older and who fails the required road or maneuverability test is required to present satisfactory evidence of having successfully completed the abbreviated driver training course prior to attempting the test a second or subsequent time. The Director of Public Safety is required to adopt rules for purposes of implementing the course.

Value of a motor vehicle for which certain entities may take title

(R.C. 4505.101)

The bill allows a "repair garage or place of storage" or "towing service or storage facility" to deduct a towing fee, if applicable, from the wholesale value of a vehicle for purposes of determining whether the vehicle has a "value" of less than $3,500 (the threshold for allowing such entities to take title to an unclaimed vehicle). Under current law, the "value" of a vehicle for purposes of the threshold is the wholesale value of that make and model of motor vehicle minus the estimated cost of repairs to restore the motor vehicle to the wholesale value and the cost of any agreed-upon repairs.

Lincoln highway license plate

(R.C. 4501.21 and 4503.86)

The bill creates the "Lincoln Highway" license plate and specifies that the proceeds from the required $20 contribution must be used by the Ohio Lincoln Highway Historic Byway to promote and support the historical preservation and advertisement of the Lincoln Highway in Ohio. The bill also requires applicants for the license plate to:

(1) Comply with all applicable laws related to motor vehicle registration;

(2) Pay all applicable taxes and fees; and

(3) Pay a Bureau of Motor Vehicles administrative fee of $10 to compensate the Bureau for the costs of issuing the plate.

The "Women Veterans" license plate

(R.C. 4503.581)

The bill creates the "Women Veterans" license plate, which may be issued to any woman who is a retired or honorably discharged veteran of any branch of the armed forces of the U.S. Under the bill, the license plate may be issued by the Registrar upon:

(1) Receipt of an application and presentation of satisfactory evidence documenting that the applicant is a retired or honorably discharged veteran of a branch of the armed forces of the U.S.;

(2) Payment of all applicable taxes and fees; and

(3) Compliance with all other applicable laws relating to motor vehicle registration.

The bill also specifies that the provisions of current law pertaining to the termination of a nonstandard license plate do not apply to "Women Veterans" license plates.

Falsifying an application for the "Women Veterans" license plate

The bill prohibits any person who is not a woman and is not a retired or honorably discharged veteran of any branch of the armed forces from willfully and falsely representing that the person is such a veteran for the purpose of obtaining the license plates. The bill also prohibits any person from permitting a motor vehicle owned or leased by the person to bear such license plates unless the person is eligible to be issued such license plates. Under the bill, any person who commits a violation of either prohibition is guilty of falsification. Generally, falsification is a first-degree misdemeanor.[174]

Nonstandard license plates

(R.C. 4503.77, 4506.771, and 4503.78)

The bill modifies the law governing the establishment, termination, and reestablishment of nonstandard license plates. Nonstandard license plates are special license plates such as the Breast Cancer Fund of Ohio license plate. The sale of special license plates often raises money for various organizations through payment of a

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[174] R.C. 2921.13(F), not in the bill.

contribution by persons who obtain or renew the license plates. The changes made by the bill are indicated in the table below as follows:

Description of the law amended by the bill	Current law	H.B. 64
Number of persons who must indicate in writing that they intend to obtain a new nonstandard license plate in order for the Registrar of Motor Vehicles to issue the new license plate	500	150
Total number of annual new and renewal motor vehicle registrations for a nonstandard license plate necessary to preclude nonstandard license plate termination procedures	500	25
Total number of persons who must indicate in writing that they intend to obtain a previously terminated nonstandard license plate in order for the Registrar to reestablish the program involving that nonstandard license plate	500	25

In addition to the changes specified above, the bill requires the sponsor of a nonstandard license plate to verify the sponsor's contact information by December 1 of each year on a form prescribed by the Registrar. If the sponsor fails to do so by December 31 of any year, the Registrar, beginning January 1 of the following year, must transmit the contribution for each registration involving that nonstandard license plate to the Treasurer of State for deposit in the General Revenue Fund instead of for deposit in the License Plate Contribution Fund for later distribution to the sponsor. The Registrar also must send a notice immediately to the sponsor that no additional funds will be deposited into the License Plate Contribution Fund until the Registrar receives that sponsor's contact information form. Upon receiving the contact information form, the Registrar must resume transmitting the contributions received for that license plate to the Treasurer of State for deposit into the License Plate Contribution Fund for later distribution to the sponsor.

If the sponsor of a nonstandard license plate ceases to exist, the Registrar is required to transmit the contributions for the associated license plate for deposit in the General Revenue Fund. If that sponsor is later reestablished, the sponsor must submit to the Registrar written confirmation of the sponsor's reestablishment along with the contact information form. Upon receipt of the confirmation and form, the Registrar must resume transmitting all contributions received for the associated license plate for deposit in the License Plate Contribution Fund for later distribution to the sponsor.

Temporary license placards

(R.C. 4519.10)

The bill specifies that a temporary license placard issued for an off-highway motorcycle or all-purpose vehicle is valid for 45 days from the date of issuance. A temporary license placard is issued in order to allow the applicant to legally operate an off-highway motorcycle or all-purpose vehicle after its purchase while proper title and registration are being obtained. Under current law, a temporary license placard is valid for 30 days from the date of issuance.

MARCS Steering Committee

(Sections 610.20 and 610.21)

The bill permits the Multi-Agency Radio Communications System (MARCS) Steering Committee to establish a subcommittee to represent local government MARCS users. If the Committee establishes the subcommittee, the chairperson of the subcommittee also may serve as a member of the Steering Committee.

Deputy Registrar Funding Study Committee

(Section 745.10)

The bill establishes the Deputy Registrar Funding Study Committee to study the long-term financial solvency of deputy registrars in Ohio and whether the existing statutory charges that may be levied by deputy registrars are sufficient. The committee must consist of six members, three of whom are appointed by the President of the Senate and three of whom are appointed by the Speaker of the House. Members of the committee are not compensated for serving on the committee, but may continue to receive the compensation and benefits accruing from their regular officers or employments. The members must be appointed not later than 30 days after the provision's effective date.

The committee must meet within one month after the provision's effective date at the call of the President of the Senate, and thereafter at the call of its chairperson as necessary to carry out its duties. The committee also is required to issue a report of its findings and recommendations, not later than six months after the provision's effective date, to the Governor, the President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House. After submitting the report, the committee ceases to exist.

Definition of "apportionable vehicle"

(R.C. 4501.01)

The bill removes a provision of current law that excludes buses used for the transportation of chartered parties from the definition of apportionable vehicle. Thus, the bill requires such buses, if such buses otherwise fall within the definition of an apportionable vehicle, to register under an International Registration Plan (IRP).

Ohio Investigative Unit Fund

(R.C. 5502.132)

The bill establishes the Ohio Investigative Unit Fund, which consists of nonfederal money that is received by the Investigative Unit in the Department of Public Safety and that is not otherwise required to be deposited into another fund. Under the bill, the Director of Public Safety is required to use the money in the Fund to pay the expenses of administering the law relative to the powers and duties of the Investigative Unit.

PUBLIC UTILITIES COMMISSION

Telecommunications

Withdrawal or abandonment of basic local exchange service

- Would lift the current prohibition against an incumbent local exchange carrier withdrawing or abandoning basic local exchange service (BLES) in an exchange area if the carrier were to withdraw the interstate-access component of its BLES in accordance with an order of the Federal Communications Commission.

- Requires a carrier withdrawing or abandoning BLES to give 120 days' notice to the Public Utilities Commission of Ohio (PUCO) and affected customers.

Voice service for customers who petition the PUCO (or are identified)

- Permits a residential customer who will be unable to obtain reasonable and comparatively priced voice service upon the withdrawal or abandonment of BLES to petition the PUCO to find a willing provider of such service, and permits a collaborative process at the PUCO to identify customers in similar positions.

- Permits the willing provider to use any technology or service arrangement to provide the voice service.

- Permits the PUCO to order the withdrawing or abandoning carrier to provide a reasonable and comparatively priced voice service to a customer described above for one year at the customer's residence if, after an investigation, no willing provider is identified.

- Permits the carrier subject to an order to provide the voice service using any technology or service arrangement.

- Permits the order described above to be extended for one additional year if no alternative reasonable and comparatively priced voice service is available, upon further evaluation.

- Permits the PUCO, at the end of the second year, to issue a new order under which the carrier must *continue* to provide a reasonable and comparatively priced voice service to the customer if no alternative reasonable and comparatively priced voice service is available.

- Permits a carrier subject to the new order to provide the voice service using any technology or service arrangement.

Transition to an Internet-protocol network

- Requires the PUCO to use its appropriation in part to plan for the transition from the current public switched telephone network to an Internet-protocol network.

- Requires the PUCO to establish a collaborative process with incumbent and competitive local exchange carriers, the Office of the Ohio Consumers' Counsel, a representative of cable operators, and other invited members to focus on the Internet-protocol-network transition process and related consumer issues.

Existing carrier agreements, rights, and obligations not affected

- Ensures that an incumbent local exchange carrier that withdraws or abandons BLES under the bill would still be subject to the PUCO's oversight of the rates, terms, and conditions for carrier access, pole attachments, and conduit occupancy.

- States that the bill does not affect any contractual obligation, including agreements under the federal Telecommunications Act of 1996, as amended, any right or obligation under federal law or rules, or certain state laws or rules related to wholesale rights or obligations.

Video service authorization

- States that, for purposes of applying for a video service authorization, the video service area of a person using telecommunications facilities to provide video service is the geographic area in which the person offered BLES on September 24, 2007, rather than the geographic area in which the person *offers* BLES.

Percentage of Income Payment Plan

- Requires, rather than permits, the Director of Development Services to aggregate Percentage of Income Payment Plan (PIPP) Program customers and hold an auction for their electric service.

- Requires the auction to result in the best value for universal service plan rider payers, rather than the lowest and best value for PIPP customers.

- Requires the auction to be held until the selection of a winning bid (or bids).

- Requires the winning bid (or bids) to reduce the cost of the PIPP program relative to the otherwise applicable standard service offer established under Ohio law.

- Eliminates the requirement that the Director adopt bidder eligibility rules.

- Eliminates the requirement that any difference between Universal Service Fund revenues and savings resulting from a competitive auction for the PIPP supply be reinvested in the Targeted Energy Efficiency and Weatherization Program.

- Requires the PUCO, upon written request by the Director of Development Services, to design, manage, and supervise the competitive procurement process for PIPP and requires the Director to reimburse the PUCO for costs it incurs.

- Requires the Public Benefits Advisory Board to submit a report to certain members of the General Assembly, the Governor, the Director of Development Services, the Chairperson of the PUCO, the Ohio Consumers' Counsel, and the board members by December 15, 2015, regarding funding for PIPP and other similar programs.

Intermodal equipment

- Grants the PUCO the authority to regulate intermodal equipment providers and requires the PUCO to adopt rules with respect to the use and interchange of intermodal equipment (e.g. a semi-trailer transporting a ship container).

- Defines "intermodal equipment," "intermodal equipment provider," and related terms the same as those terms are defined in federal motor carrier safety rules.

Broadened subpoena power relating to motor carriers

- Broadens PUCO subpoena power, currently limited to the production of documents and other materials relating to hazardous materials transportation, by expanding its application to the production of all books, contracts, records, and documents relating to compliance with motor carrier law and rules.

Setback requirement for wind farms

- Creates an exception to the setback requirement for wind farms for an amendment to an existing certificate for a wind farm's construction if the amendment is applied for within 90 days of the provision's effective date, if the sole purpose of the amendment is to make turbine upgrades, and if other requirements are met.

Natural gas company SiteOhio economic development projects

- Permits a natural gas company to file an application with the PUCO for approval of an economic development project if the project has been submitted to (instead of certified by) the Director of Development Services for the SiteOhio certification program.

Towing advertisement certificate number requirement

- Authorizes the Public Utilities Commission to adopt rules exempting certain types of advertising from provisions of law that require a towing service to include its certificate of public convenience and necessity number on all advertising.

Telecommunications

(R.C. 1332.25, 4905.71, 4927.01, 4927.02, 4927.07, 4927.10, 4927.101, 4927.11, and 4927.15; Sections 363.20, 363.30, and 749.10)

Withdrawal or abandonment of basic local exchange service

The bill would lift the current prohibition against an incumbent local exchange carrier withdrawing or abandoning basic local exchange service (BLES) in an exchange area if:

(1) The Federal Communications Commission (FCC) allows the carrier to withdraw the interstate-access component of its basic local exchange service;

(2) The carrier withdraws that component in the exchange area; and

(3) The carrier gives at least 120 days' prior notice to the Public Utilities Commission (PUCO) and to its affected customers.

Along the same lines, if (1) and (2) above occurred and the notice requirement was met, the bill would relieve the carrier of its carrier-of-last-resort obligation with regard to that exchange area. The carrier-of-last-resort obligation is the requirement that an incumbent local exchange carrier must provide BLES to all persons or entities in its service area requesting BLES (and that BLES must be provided on a reasonable and nondiscriminatory basis).

Under current law, there are also customer-service requirements for the provision of BLES, such as requirements for service installation and reliability. These requirements would not apply to a carrier's service in an exchange area where the carrier withdraws or abandons BLES under the bill, since the requirements apply only to the provision of BLES.[175] The bill expressly states that any "voice service" to which customers are transitioned following the withdrawal of BLES is *not* BLES. Therefore, voice service would not be subject to any requirements governing BLES. "Voice service"

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[175] R.C. 4927.08, not in the bill.

is defined as including "all of the applicable functionalities" described in federal regulations. These regulations describe eligibility requirements for federal universal service support in rural, insular, and high-cost areas. The regulations require the provision of voice grade access to the public switched network or its functional equivalent, minutes of use for local service provided at no additional charge to end users, access to emergency service, and toll limitation services to qualifying low-income consumers.[176]

Terminology explained

"Incumbent local exchange carrier" (ILEC)

An incumbent local exchange carrier (commonly called an "ILEC") is, under continuing law, the local exchange carrier that, on February 8, 1996 (the date of enactment of the federal Telecommunications Act of 1996), (1) provided telephone exchange service in an area and (2) was deemed to be a member of the Exchange Carrier Association under federal regulations or, since February 8, 1996, became a successor or assign of a member of the Exchange Carrier Association. According to the PUCO, as of 2012 there were 43 ILECs in Ohio.[177]

"Interstate-access component"

The bill defines "interstate-access component" as the portion of carrier access that is within the jurisdiction of the FCC. "Carrier access" is defined under continuing law as access to and usage of telephone company-provided facilities that enable end user customers originating or receiving voice grade, data, or image communications, over a local exchange telephone company network operated within a local service area, to access interexchange or other networks and includes special access.

"Basic local exchange service"

The bill defines BLES as residential-end-user access to and usage of telephone-company-provided services over a single line or small-business-end-user access to and usage of such services over the primary access line of service, which in both cases are not bundled or packaged services, that enables the customer to originate or receive voice communications within a local service area as that area existed on September 13, 2010, or as that area is changed with the PUCO's approval. BLES includes services such as local dial tone service, flat-rate telephone exchange service (for residential end users),

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[176] 47 C.F.R. 54.101(a).

[177] "Telephone Service Areas in Ohio: 2012," available at www.puco.ohio.gov/puco/index.cfm/utility-maps/#sthash.DlRcF2R6.dpbs (click the link for "8.5 x 11 (PDF)" under "Telephone Maps.")

touch tone dialing service, access to and usage of 9-1-1 services, and other basic services.

PUCO process for identifying providers of voice service

If a residential customer receives notice of a BLES withdrawal or abandonment, and the customer will be unable to obtain "reasonable and comparatively priced" voice service upon the withdrawal or abandonment, the bill permits the customer to petition the PUCO.

The bill requires the PUCO to define "reasonable and comparatively priced voice service" to include service that provides voice grade access to the public switched network or its functional equivalent, access to 9-1-1, and that is **competitively priced, when considering all the alternatives in the marketplace and their functionalities**. The language in bold is the more crucial provision. The other language is arguably redundant because the bill's definition of "voice service" already includes, through reference to federal regulations, voice grade access to the public switched network or its functional equivalent and access to emergency service (see "**Withdrawal or abandonment of basic local exchange service**," above).

The petition must be filed not later than 90 days prior to the effective date of the withdrawal or abandonment. The PUCO must then issue an order disposing of the petition not later than 90 days after the petition's filing. If the PUCO determines after an investigation that no reasonable and comparatively priced voice service will be available to the customer at the customer's residence, the PUCO must attempt to identify a willing provider of a reasonable and comparatively priced voice service. The willing provider may utilize any technology or service arrangement to provide the voice service.

ILECs may be ordered to provide voice service

If no willing provider is identified under the process described above, the PUCO may order the withdrawing or abandoning ILEC to provide a reasonable and comparatively priced voice service to the customer at the customer's residence for 12 months. The ILEC may utilize any technology or service arrangement to provide the voice service.

The PUCO must evaluate, during any 12-month period in which an ILEC has been ordered to provide a reasonable and comparatively priced voice service, whether an alternative reasonable and comparatively priced voice service exists for the affected customer. If no alternative voice service is available, the PUCO may extend the order for an additional 12-month period.

ILECs may be ordered to continue to provide voice service

After an ILEC has been ordered to provide voice service for 12 months and the order has been extended for an additional 12 months, the bill permits the PUCO to order the ILEC to *continue* to provide a reasonable and comparatively priced voice service to the affected customer at the customer's residence under a new, distinct order. Under this new order, the ILEC would still be required to provide voice service using any technology or service arrangement. Similar to the original order, the new order may be issued if, at the end of the 12-month extension period, no alternative reasonable and comparatively priced voice service is available.

Collaborative process to address the network transition

The bill requires the PUCO, not later than 90 days after the provision's effective date, to establish a collaborative process to address the Internet-protocol-network transition, with all of the following:

- ILECs;
- Any competitive local exchange carriers that provide BLES and are affected by the transition;
- The Office of the Ohio Consumers' Counsel;
- A representative of cable operators;
- At the invitation of the PUCO, other interested parties and members of the General Assembly.

The collaborative process must focus on the Internet-protocol-network transition processes underway at the FCC and the issues of universal connectivity, consumer protection, public safety, reliability, expanded availability of advanced services, affordability, and competition. The process must ensure that public education concerning the transition is thorough.

The process must include a review of the number and characteristics of BLES customers in Ohio, an evaluation of what alternatives are available to them, including both wireline and wireless alternatives, and the prospect for the availability of alternatives where none "currently" exist. The process must also embark on an education campaign plan for those customers' eventual transition to advanced services.

If the collaborative process identifies residential BLES customers who will be unable to obtain "voice service" upon the withdrawal or abandonment of basic local exchange service (the bill does not use the phrase "reasonable and comparatively priced" here), the PUCO may find those customers to be eligible for the process described above (see "**PUCO process for identifying providers of voice service**") regardless of whether they have filed petitions with the PUCO. The bill states that any customers identified through the collaborative process must be treated as though they filed timely petitions under the bill's provisions.

The collaborative process must, pursuant to the PUCO's rules, respect the confidentiality of any data shared with those involved in the process.

Transition to an Internet-protocol network

The bill requires the PUCO to use its appropriation for Utility and Railroad Regulation in part to plan for the transition, consistent with the directives and policies of the FCC, from the current public switched telephone network to an Internet-protocol network that will stimulate investment in the Internet-protocol network in Ohio and that will expand the availability of advanced telecommunications services to all Ohioans. The transition plan must include a review of statutes or rules that may prevent or delay an appropriate transition. The bill requires the PUCO to report to the General Assembly on any further action required to be taken by the General Assembly to ensure a successful and timely transition.

Rulemaking

The bill requires the PUCO, not later than 180 days after the effective date of the requirement, to adopt rules to implement the bill's provisions related to the withdrawal or abandonment of BLES, and to bring its rules into conformity with the relevant provisions of the bill. Rules adopted or amended must include provisions for reasonable customer notice of the steps to be taken during, and the actions resulting from, the transition plan described above (see "**Transition to an Internet-protocol network**"). Rules adopted or amended must be consistent with the FCC's rules.

If the PUCO fails to comply with these rulemaking requirements before the FCC adopts an order permitting the withdrawal of the interstate-access component of BLES, the bill states that any rule of the PUCO that is inconsistent with that order shall not be enforced.

Rights and obligations not affected by the bill

Contractual obligations and federal and wholesale rights and obligations

The bill states that it does not affect any contractual obligation, including agreements under the federal Telecommunications Act of 1996, as amended, any right or obligation under federal law or rules, or any state laws or rules under the Public

Utilities Title of the Revised Code (Title 49) that are related to wholesale rights or obligations.

Carrier access, pole attachments, and conduit occupancy

The bill ensures that an ILEC that withdraws or abandons BLES under the bill would still be subject to the PUCO's oversight of the rates, terms, and conditions for carrier access, pole attachments, and conduit occupancy. Current law on this subject generally requires that the rates, terms, and conditions for carrier access, pole attachments, and conduit occupancy, provided in Ohio by a telephone company *that is a public utility*, be approved and tariffed as prescribed by the PUCO. The bill adds that this requirement also applies when an ILEC provides carrier access, pole attachments, or conduit occupancy. The reason for the addition is that an ILEC is not a public utility with respect to its provision of certain advanced and newer services. So, if an ILEC were to withdraw or abandon BLES and instead provide only an advanced service, that ILEC would no longer be a public utility. Therefore, without the bill's addition, that ILEC could be considered no longer subject to the PUCO's regulation of carrier access, pole attachments, and conduit occupancy.

The bill makes parallel changes in two other provisions of law governing pole attachments and conduit occupancy:

- The bill requires ILECs, in addition to telephone companies that are public utilities, to permit pole attachments and conduit occupancy upon reasonable terms and conditions and the payment of reasonable charges.
- The bill requires an ILEC, in addition to a telephone company that is a public utility, to obtain PUCO approval before withdrawing a tariff for pole attachments or conduit occupancy, or abandoning the service of providing pole attachments or conduit occupancy.

Finally, the bill states that its provisions related to the withdrawal or abandonment of BLES do not affect carrier-access requirements under Ohio law, or rights or obligations under Ohio law governing pole attachments and conduit occupancy.[178]

Video service authorizations

The bill states that, for purposes of applying for a video service authorization, the video service area of a person using telecommunications facilities to provide video

[178] R.C. 4905.02(A)(5), not in the bill.

service is the geographic area in which the person offered BLES on September 24, 2007, rather than the geographic area in which the person *offers* BLES.

Percentage of Income Payment Plan for Utilities

(R.C. 4928.54, 4928.541, 4928.542, 4928.543, 4928.544, 4928.55, 4928.581, 4928.582, and 4928.583)

PIPP aggregation and auction

The bill makes the following changes to the method of procuring electric service under the Percentage of Income Payment Plan (PIPP) program established in Ohio law.

Subject	The bill	Current law
Aggregation and Auction	Requires the Director of Development Services to aggregate PIPP program customers for purposes of a competitive procurement process (competitive auction) for the supply of competitive retail electric service to such customers.	***Permits***, instead of requires, the aggregation and competitive auction. Provides that the auction is for the supply of competitive retail electric ***generation*** service.
Auction length	Requires the auction to be held until a winning bid is or bids are selected.	No provision.
Value of winning bid or bids	Requires the winning bid or bids to result in the best value for persons paying the universal service rider (retail electric distribution customers).	Provides that the auction objective is to result in the winning bid providing retail electric generation service at the lowest cost and best value to PIPP customers.
Reduce PIPP costs	Requires the winning bid or bids to reduce the cost of the PIPP program relative to the otherwise applicable standard service offer established under Ohio law.	No provision.
Mandatory bidder eligibility rules	No provision (repeals the current law requirement).	Requires bidders to be qualified under eligibility criteria the Director of Development Services prescribes by rule under the Administrative Procedure Act. Requires the rules to be adopted after consultation with the Public Utilities Commission and electric light companies.
Reinvestment of Universal Service Fund revenues	No provision (repeals the current law requirement).	Requires any difference between Universal Service Fund revenues and savings in PIPP program costs after a competitive auction for

Subject	The bill	Current law
		electric supply for PIPP customers to be reinvested in the Targeted Energy Efficiency and Weatherization Program, which targets high-cost, high-volume structures occupied by customers eligible for PIPP.

PUCO competitive procurement process responsibilities

Upon written request of the Director of Development Services and to facilitate compliance with the process, the PUCO must design, manage, and supervise the competitive procurement process that the bill requires for PIPP. The competitive procurement process may be designed based on an existing competitive procurement process to establish the default generation supply price for electric distribution utilities (EDUs) to the extent reasonably possible and to minimize costs. Under the bill, the process may include a process design that is based on a competitive procurement process for the combined certified territories of EDUs subject to common ownership.

The Director must reimburse the PUCO for its costs incurred for the process, and the reimbursements are considered to be administrative costs of the low-income customer assistance programs (including PIPP) eligible for payment from the Universal Service Fund.[179]

Public Benefits Advisory Board investigation and report

The bill requires the 21-member Public Benefits Advisory Board[180] to conduct an independent investigation and analysis of, and prepare a written report on, funding issues involving the Universal Service Fund and the low-income customer assistance programs. To accomplish this, the Board may obtain professional services as it determines appropriate, and the professionals must be promptly reimbursed for their actual and necessary expenses by the Director of Development Services. Reimbursements are considered to be administrative costs of the low-income customer assistance programs (including PIPP) eligible for payment from the Universal Service Fund.[181] The bill permits the Board chairperson to execute any professional-services retention agreements that the Board determines are appropriate, but specifies that this be done subject to the advice and consent of the Board.

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179 R.C. 4928.51(A), not in the bill.

180 R.C. 4928.58(A), not in the bill.

181 R.C. 4928.51(A), not in the bill.

Report

The Board's report must be prepared with the approval of the majority of its 13 voting members[182] and must contain the following:

- For each EDU, the annual revenue amount collected from customers, for each year since the year the Universal Service Fund was established, for the purpose of supporting the Fund and the low-income customer assistance programs;

- For each EDU, a forecast of the revenue that will be collected from customers for 2016, 2017, and 2018 for the purpose of supporting the Fund and the low-income customer assistance programs assuming no changes are made to the programs; and

- A recommendation as to any changes that should be made to the design and implementation of the current Universal Service Fund and the low-income customer assistance programs to ensure that energy services are provided to low-income and other Ohio consumers in an affordable manner consistent with the state electric service policy.[183]

As required by the bill, the forecast included in the report must identify all assumptions, input variables, and the values assigned to the variables. To show how sensitive the forecasts are to alternative inputs, the forecast may include alternative outcomes based on variations in the assumptions, variables, and values. The report may also include dissenting views and alternative recommendations.

The bill specifies that the Director of Development Services, the PUCO, and each EDU must promptly respond to requests by the Board for information needed to prepare its report.

By December 15, 2015, the Board must submit its report to the Governor, President of the Senate, Speaker of the House, each member of the House and Senate standing committees with jurisdiction regarding public utility legislation, the Director of Development Services, the chairperson of the PUCO, the Ohio Consumers' Counsel, and each member of the Board.

[182] R.C. 4928.58(D), not in the bill.

[183] R.C. 4928.02, not in the bill.

Background

The PIPP program allows certain low income customers to pay a percentage of their household income rather than the actual bill for residential electric service.[184] The PIPP program and other low-income customer assistance programs, such as weatherization and energy efficiency programs, are funded by the Universal Service Rider, which is charged to retail electric distribution service customers.[185] Under continuing law, the purpose of the aggregation of and auction for PIPP customers is to provide reliable electric service to those customers through a fair and unbiased auction process. The process will continue to require bidders to be certified to provide competitive retail electric services, and the PIPP program rules adopted by the Director will continue to ensure the performance of the winning bidder or bidders.[186]

Intermodal equipment

(R.C. 4905.81, 4923.04, and 4923.041)

Providers

The bill expressly authorizes the PUCO to regulate the safety of operation of each intermodal equipment provider, in addition to regulating the safety of operation of each motor carrier as required in current law. Though not explained in the bill, intermodal equipment is generally considered equipment for combination transport where the freight is not handled when it changes modes of transport. A semi-trailer transporting a ship container would be an example.

Rules

The bill also requires the PUCO to adopt rules with respect to the use and interchange of intermodal equipment.

Definitions

"Intermodal equipment," "intermodal equipment provider," and related terms are given the same definitions in the bill as those terms currently have in federal rules. Intermodal equipment means trailing equipment that is used in the intermodal transportation of containers over public highways in interstate commerce, including trailers and chassis. An intermodal equipment provider is any person that interchanges intermodal equipment with a motor carrier pursuant to a written interchange

[184] O.A.C. 122:5-3-01; R.C. 4928.53, not in the bill.

[185] R.C. 4928.52, not in the bill.

[186] R.C. 4928.53, not in the bill.

agreement or has a contractual responsibility for the maintenance of the intermodal equipment. Interchange is the act of providing intermodal equipment to a motor carrier pursuant to an intermodal equipment interchange agreement for the purpose of transporting the equipment for loading or unloading by any person or repositioning the equipment for the benefit of the equipment provider. Interchange does not include the leasing of equipment to a motor carrier for primary use in the motor carrier's freight hauling operations.[187]

Broadened subpoena power relating to motor carriers

The bill broadens the PUCO's subpoena power relating to motor carriers. Under the bill, the PUCO may issue a subpoena to compel the production of all books, contracts, records, and documents that relate to compliance with the state's motor carrier laws and rules. Current law limits the power to compelling the production of all books, contracts, records, and documents that relate to the transportation and offering for transportation of hazardous materials.

Exception to the wind-farm setback for turbine upgrades

(Section 749.20)

The bill creates an exception to the setback requirement under current law for the construction of wind farms. The bill narrowly tailors the exception to amendments to previously approved certificates for wind-farm construction only if all of the following conditions are satisfied:

- The person seeking the amendment applies to make the amendment not later than 90 days after the provision's effective date.
- The sole purpose of the amendment is to make changes to one or more turbines that are approved under the existing certificate but have not yet been installed.
- The amendment does not increase the number of turbines to be installed under the existing certificate.
- The type of turbine to be installed is more efficient or otherwise more technologically advanced, as determined by the Power Siting Board, than the type planned to be installed under the existing certificate.

[187] 49 C.F.R. 390.5.

- The type of turbine to be installed is not more than 8% taller, as measured from its base to the tip of its highest blade, than the height of the type of turbine, measured in the same manner, that is approved to be installed under the existing certificate.

- The amendment applies to a wind farm that is obligated by contract to provide wind energy to one mercantile customer that consumes at least seven million kilowatt-hours per year.

- The turbine or turbines to be installed will be installed in the same spot where it is or they are approved to be installed under the existing certificate.

If all of the conditions are met, the bill prescribes that the setback requirement that applies to the existing certificate also applies to the amendment to that certificate.

Both the bill's exception and the setback under current law apply to any wind farm that is designed for, or capable of, operation at an aggregate capacity of at least five megawatts.[188]

Natural gas company SiteOhio economic development projects

(R.C. 4929.164)

The bill specifies that a natural gas company may apply to the PUCO for approval of an economic development project that has been *submitted to* the Director of Development Services for the SiteOhio certification program. Current law permits an application for PUCO approval of such projects, if they have been *certified by* the Director.[189] Infrastructure development costs of approved projects are paid for by an infrastructure development rider approved by the PUCO.[190]

As specified in ongoing law, the purpose of the SiteOhio certification program is to "certify and market" eligible projects in Ohio. An eligible project is one that, upon completion, will be primarily intended for commercial, industrial, or manufacturing use and does not include projects intended primarily for residential, retail, or government

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188 R.C. 4906.13, 4906.20, and 4906.201, not in the bill.

189 R.C. 4929.164(A).

190 R.C. 4929.161, not in the bill.

use. The Director of Development Services sets criteria for certification of a SiteOhio project by rule.[191]

A natural gas company is a public utility that supplies natural gas to its Ohio consumers for lighting, power, or heating purposes.[192] "Infrastructure development costs" means investment to which both of the following apply: (1) the investment is for any deposit required by the company, as defined in the line-extension provision of the company's tariff, less any contribution in aid of construction received from the owner or developer of the project and (2) the investment is in constructing extensions of transmission or distribution facilities that the company owns and operates.[193]

Towing advertisement certificate number requirement

(R.C. 4513.67)

The bill authorizes the Public Utilities Commission to adopt rules exempting a towing service from the current requirement to include its certificate of public convenience and necessity number on all advertising when the size or nature of the advertisement makes it unreasonable to add a certificate number.

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[191] R.C. 122.9511, not in the bill.

[192] R.C. 4929.01, not in the bill.

[193] R.C. 4929.16, not in the bill.

- Establishes a District Administration Costs Program for natural resource assistance councils representing public works districts.

Sewer Development Advancement Fund; connection to sewerage systems

- Requires the Ohio Public Works Commission to make advances to certain public entities to meet that portion of the costs of extending water and sewer lines to be financed by assessments and certain other funding sources for which collections are deferred or exempt.

- Creates the revolving Sewer Development Advancement Fund, and requires the Director of the Commission to use money in the Fund to make those advances.

- Requires the Director to establish policies and procedures for the administration of the Fund, and provides for interest to be charged under specified conditions.

- Assigns to the Commission all functions of and requirements and procedures that applied under former law to the Water and Sewer Commission, which was eliminated in 2012.

- Generally authorizes the owner of property that is served by a household sewage treatment system and that is accessible to a proposed private sewerage system, county sewer, or regional sewerage system to elect to postpone connection to the sewerage system or sewer for a 15-year period under specified conditions.

- Establishes procedures governing the notification of property owners who may be required to connect to a sewerage system or sewer and governing the election by a property owner to postpone connection.

- Requires a property owner who elects to postpone connection to ensure that the household sewage treatment system is maintained and operated in accordance with the law governing such a system for 15 years from the date on which the property owner receives notice that the sewerage system or sewer is substantially complete.

- Requires such a property owner whose household sewage treatment system is not operating in accordance with law during the 15 years and cannot be brought into compliance to connect to the sewerage system or sewer.

- Requires a property owner, regardless of whether the owner has elected to postpone connection to a sewerage system or sewer, to pay the costs of the installation of the connection tap in one of three specified manners.

- Prohibits a public entity with the authority to levy special assessments or other specified types of rentals, charges, or fees on real property from collecting such an assessment, rental, charge, or fee for purposes of sewer service on real property during the 15-year postponement period.

District Administration Costs Program

(Section 365.10)

The bill authorizes the Director of the Public Works Commission to create a District Administration Costs Program for public works districts that are represented by natural resource assistance councils. The Program is to be used by the councils to pay the direct costs of council administration. Participating councils may be eligible for as much as $15,000 per fiscal year from the allocation to the corresponding public works district from the Clean Ohio Conservation Fund (a fund consisting of proceeds from the sale of general obligation bonds of the state issued to pay the costs of conservation projects). Under the Program, the Director must define allowable and nonallowable administration costs. The bill provides that nonallowable costs include indirect costs, elected official salaries and benefits, and project-specific costs.

Under continuing law, there are 19 public works districts, each with a district public works integrating committee.[194] Each district committee is required to appoint a natural resource assistance council.[195] Councils have the job of reviewing and either approving or disapproving applications for grants (of the district's allocation of Clean Ohio Conservation Fund money) for open space acquisition and related projects and to protect and enhance riparian corridors and watersheds.[196]

Sewer Development Advancement Fund; connection to sewerage systems

(R.C. 164.13, 317.08, 929.03, 6103.052, 6112.01, 6112.03, 6112.06, 6117.062, 6117.51, 6117.52, 6117.521, 6117.522, 6119.60, 6119.601, and 6119.602; Section 761.10)

Sewer Development Advancement Fund

The bill requires the Ohio Public Works Commission to make advances to counties, municipal corporations, regional sewer and water districts, and other public

[194] R.C. 164.03 and 164.04, not in the bill.

[195] R.C. 164.21, not in the bill.

[196] R.C. 164.22, not in the bill.

entities to meet that portion of the costs of extending water and sewer lines to be financed by assessments and certain other funding sources for which collections are deferred or exempt pursuant to continuing law or the bill as discussed below. The bill then creates the revolving Sewer Development Advancement Fund to be administered by the Director of the Commission. The Fund consists of the following money:

(1) Money appropriated by the General Assembly;

(2) Money repaid to the Fund for such advances; and

(3) Interest paid by those public entities for delay in repayment of advances from the Fund.

The bill requires money in the Fund to be used by the Director of the Commission to make advances to those public entities. Accordingly, it requires the Director of the Commission to establish policies and procedures for the administration of the Fund, including criteria to be used in determining the disposition of requests for advances from the Fund, and provides for interest to be charged under specified conditions.

Finally, the bill assigns to the Commission all functions of and requirements and procedures that applied under former law to the Water and Sewer Commission, which was eliminated in 2012.

Connection to sewerage systems

The bill generally authorizes the owner of property that is served by a household sewage treatment system and that is accessible to a proposed private sewerage system, county sewer, or regional sewerage system (hereafter, sewerage system or sewer) to elect to postpone connection to the sewerage system or sewer for a 15-year period if both of the following apply:

(1) The property owner, after receiving notice that a sewerage system or sewer will be constructed and the property owner may be required to connect, so notifies both the owner or operator of the private sewerage system, the board of county commissioners, or the board of trustees of a regional water and sewer district, and the applicable board of health; and

(2) The board of health determines that the household sewage treatment system is not causing a nuisance as specified in the Household and Small Flow On-site Sewage Treatment Systems Law. If upon inspection the board determines that the system is causing such a nuisance, and repairs either have not eliminated the nuisance or are not made, the property owner must connect to the sewerage system or sewer.

The bill establishes procedures governing the notification of property owners who may be required to connect to a sewerage system or sewer and governing the election by a property owner to postpone connection for a 15-year period.

Under the bill, a property owner who has elected to postpone connection must ensure that the household sewage treatment system serving the property is maintained and operated in accordance with the above Law for 15 years from the date on which the property owner receives notice from the applicable entity that the sewerage system or sewer is substantially complete. Not later than 15 years after the property owner receives that notice, the property owner must connect to the sewerage system or sewer. If during the 15 years the household sewage treatment system is not operating in accordance with that Law and cannot be brought into compliance within 60 days after the property owner is so notified by the board of health, the property owner must connect to the sewerage system or sewer.

If an affected parcel of property is transferred during the 15-year period, the transferor must notify the transferee of the requirement to connect to the sewerage system or sewer and the date by which the connection must occur. The notice must be a written affidavit and be recorded with the county recorder.

The bill's authorization and procedures for electing to postpone connection to a sewerage system or sewer do not apply to a discharging system and within specified areas. The bill specifies what constitutes a discharging system.

A property owner, regardless of whether the owner has elected to postpone connection to a sewerage system or sewer under the bill, must pay the costs of the installation of the connection tap in accordance with one of the following:

(1) Pay the total amount at the time of the installation of the connection tap;

(2) Make incremental payments in accordance with a payment plan agreed to by the entity constructing the sewerage system or sewer; or

(3) Pay the total amount at any time the parcel of property is required to connect to the sewerage system or sewer under the bill.

Finally, the bill prohibits a public entity with the authority to levy special assessments or other specified types of rentals, charges, or fees on real property from collecting such an assessment, rental, charge, or fee for purposes of sewer service on real property concerning which the owner of the property elects to postpone connection to a sewerage system or sewer until the property owner is required to connect under the bill.

OHIO STATE RACING COMMISSION

- Eliminates the requirement that the Governor, State Racing Commission, and necessary parties discuss, negotiate, and reach an agreement for providing annual $500,000 payments to certain municipal corporations or townships in which a racetrack is located.
- Requires each municipal corporation or township to receive $1 million over the next two fiscal years with half from the Casino Operator Settlement Fund and half from the permit holder of the racetrack.
- Removes a provision prohibiting the maximum number of live racing days for any permit holder from exceeding 210.
- Removes a provision that prohibits simulcast hosts from conducting pari-mutuel wagering on certain simulcast racing programs if certain live harness horse racing programs are being conducted at a nearby track.
- Eliminates the Ohio Quarter Horse Development Fund and specifies that funds currently paid into the Fund instead must be paid into the Ohio Thoroughbred Race Fund to support quarter horse development and purses.
- Increases the amount of moneys paid to the Tax Commissioner by thoroughbred racing permit holders that the Tax Commissioner must pay into the Ohio Thoroughbred Race Fund.
- Abolishes the Ohio Quarter Horse Development Commission.
- Requires the State Racing Commission to adopt rules regarding the maintenance and use of money collected for quarter horse development and purses.

Payments to eligible entities with video lottery terminal facilities

(Sections 610.32 and 610.33)

The bill limits payments and specifies funding sources for payments to municipal corporations and townships in which racetracks with video lottery terminals are located. Under the bill, each eligible entity[197] must receive a total of $1 million in the following manner:

--By December 31, 2015:

--The Director of Budget and Management must pay $250,000 to each eligible entity from the Casino Operator Settlement Fund.[198]

--The permit holder of a track located in an eligible entity must pay $250,000 to the eligible entity.

--By December 31, 2016:

-- The Director of Budget and Management must pay $250,000 to each eligible entity from the Casino Operator Settlement Fund.

--The permit holder of a track located in an eligible entity must pay $250,000 to the eligible entity.

The bill eliminates the requirement that the Governor, State Racing Commission, and necessary parties discuss, negotiate, and reach an agreement for providing $500,000 payments to certain municipal corporations or townships in which a racetrack is located. Under current law, the first payment was to have been made by December 31, 2014, and annually thereafter.

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[197] "Eligible entity" means the municipal corporation or township in which more than 50% of the real property of a commercial racetrack was located on June 11, 2012, or a municipal corporation or township to which more than 50% of the real property of a commercial racetrack is to relocate. The law excludes a municipal corporation or township in a county with a population between 1.1 million and 1.2 million (Franklin County) from receiving the payments and limits payments to not more than six municipal corporations or townships: Anderson Township in Hamilton County; Austintown Township in Mahoning County; City of Dayton in Montgomery County; Turtlecreek Township in Warren County; Village of Northfield in Summit County; and Village of North Randall in Cuyahoga County (Section 10 of H.B. 386 of the 129th General Assembly, as subsequently amended).

[198] The Casino Operator Settlement Fund is in the state treasury and receives any money paid to the state by the casino operators in excess of any required licenses, fees, or taxes. The Fund can be used for activities related to workforce development, economic development, job creation, training, education, food banks, and expenses (R.C. 3772.34, not in the bill).

Live racing days

(R.C. 3769.089(B))

For horse racing tracks with video lottery terminals, the bill eliminates maximum racing days. In this regard, the bill removes the prohibition that maximum number of live racing days for any permit holder must not exceed 210 racing days. The bill also removes the provision that allows an agreement, subject to the State Racing Commission's approval, to increase the number of live racing days to a number that is greater than the permitted maximum.

Simulcast racing

(R.C. 3769.089(D))

The bill removes a provision of current law that provides that if a simulcast host conducts a racing program that features thoroughbred or quarter horses on the same day that another simulcast host conducts a live harness horse racing program at a track located in the same county as, or within 20 miles of, the first simulcast host's track, the first simulcast host must not conduct pari-mutuel wagering on simulcast racing programs that begin after 4 p.m. on that day and the second simulcast host must not conduct wagering on simulcast racing programs that begin before 3 p.m. on that day.

Quarter Horse Development Fund

(R.C. 3769.03, 3769.08, 3769.083, 3769.086 (repealed), 3769.087, and 3769.101; Section 803.210)

The bill eliminates the Ohio Quarter Horse Development Fund, the current purpose of which is to "advance and improve the breeding of racing quarter horses in Ohio." The funds currently paid into the Fund, five-eighths of one percent of moneys wagered, beginning January 1, 2016, instead must be paid into the Ohio Thoroughbred Race Fund to support quarter horse development and purses.

Beginning January 1, 2016, the bill increases the amount of additional moneys retained and paid to the Tax Commissioner by thoroughbred racing permit holders, from one-twelfth to one-sixth, that the Tax Commissioner must pay into the Ohio Thoroughbred Race Fund.

The Quarter Horse Development Commission, which currently administers the Quarter Horse Development Fund, is eliminated by the bill. The State Racing Commission is required to adopt rules regarding the maintenance and use of money collected for quarter horse development and purses.

DEPARTMENT OF REHABILITATION AND CORRECTION

Judicial release on compassionate medical grounds

- Authorizes a court, on its own motion, to grant judicial release to an offender in a state correctional institution on compassionate medical grounds if the offender has not been sentenced to death or imprisonment for life.

Community-based substance use disorder treatment program

- Requires the Department of Rehabilitation and Correction (DRC) to establish and operate a community-based substance use disorder treatment program for "qualified prisoners," and gives DRC discretion in determining the prisoners to place in the program.

- Specifies that the program's purpose is to provide assessment and treatment to help reduce substance use relapses and recidivism for qualified prisoners while preparing them for community reentry and improving public safety.

- Authorizes DRC to permit a prisoner successfully participating in the program to reside at an approved residence, with electronic monitoring, if it determines that residing there will serve the program's purposes for the prisoner.

- Specifies that a prisoner's program placement, participation, or completion generally does not reduce the prisoner's prison term, but, along with the prisoner's substance abuse recovery needs, must be considered in making post-release control decisions for the prisoner.

Halfway house and community-based correctional facility programs

- Allows the Division of Parole and Community Services to expend up to one-half percent of the annual appropriation made for halfway house programs and community-based correctional facility programs for goods or services that benefit those programs.

- Specifies that a term in a halfway house or an alternative residential facility is not considered imprisonment.

Ohio penal industry prices

- Removes the requirement that the Office of Budget and Management approve prices fixed by the Department of Rehabilitation and Correction (DRC) for labor and services performed, agricultural products produced, and articles manufactured in correctional and penal institutions.

Classified employee fallback rights

- Modifies fallback provisions for DRC permanent classified employees, including adding reasons for which the employee may be reinstated to the classified position and specifying reasons for which the employee forfeits the right of reinstatement.

Monthly personnel report

- Eliminates a current law requirement that the managing officer of each DRC institution must file a monthly report with the DRC Director outlining all appointments, resignations, and discharges.

Community-based correctional officer collective bargaining

- Limits the ability of employees of community-based correctional facilities and district community-based correctional facilities who were subject to a collective bargaining agreement on June 1, 2005, to collectively bargain with their public employers to allow them to do so only if the public employer only elects.

- Makes these community-based correctional facilities employees ineligible to serve on the Ohio Elections Commission.

Substance Abuse Recovery Program Study

- Requires DRC, by June 30, 2016, to study the feasibility of converting an existing facility into a substance abuse recovery prison.

Fund closures

- The bill abolishes the Confinement Cost Reimbursement Fund and the Laboratory Services Fund.

Judicial release on compassionate medical grounds

(R.C. 2929.20)

The bill authorizes a sentencing court to grant judicial release to an offender in a state correctional institution who is in imminent danger of death, terminally ill, or medically incapacitated and who is neither on death row nor serving a life sentence. The court may grant the release on its own motion when the Director of Rehabilitation and Correction certifies to the court that the offender is in imminent danger of death, terminally ill, or medically incapacitated, so long as the court determines that the release would not create undue risk to public safety. The court may request health care records from the Department of Rehabilitation and Correction (DRC) to verify the certification.

A motion made by the court to release an offender on compassionate medical grounds is subject to all of the notice, hearing, and other procedural requirements that apply to judicial release generally. However, the court may waive the offender's appearance due to the offender's condition and grant the motion without a hearing if the prosecutor and the victim or victim's representative indicate that they do not wish to participate or present relevant information.

After granting judicial release, the court must place the offender under an appropriate community control sanction and under the supervision of the Adult Parole Authority or the court's probation department. The period of the community control must not expire earlier than the date on which all of the offender's mandatory prison terms expire. If the offender violates the community control sanction, the court may revoke the judicial release.

If the offender's health improves so that the offender is no longer terminally ill, medically incapacitated, or in imminent danger of death, the court must revoke the judicial release upon its own motion and specify its findings on the record. The court must hold a hearing concerning the revocation unless the offender waives the hearing. If the court holds a hearing, the court must allow all of the following individuals to present written and oral information relevant to the motion:

- The offender and the offender's attorney;
- The prosecutor;
- The victim or the victim's representative;
- Any other person the court determines is likely to present additional relevant information.

Community-based substance use disorder treatment program

(R.C. 2967.193 and 5120.035)

Establishment, purpose, and "qualified prisoners"

The bill requires the Department of Rehabilitation and Correction (DRC) to establish and operate a program for community-based substance use disorder treatment (SUDT program) for qualified prisoners. The purpose of the program is to provide substance use disorder assessment and treatment through community treatment providers to help reduce substance use relapses and recidivism for qualified prisoners while preparing them for community reentry and improving public safety. As used regarding the SUDT program, "qualified prisoner" means a person who satisfies all of the following:

(1) Is confined in a state correctional institution under a prison term imposed for a fourth or fifth degree felony that is not an offense of violence;

(2) Has not previously been convicted of an offense of violence;

(3) As determined by DRC, using a standardized assessment tool, has a substance use disorder;

(4) Has not more than 12 months remaining to be served under that prison term;

(5) Is not serving any prison term other than that term;

(6) Is 18 or older;

(7) Does not show signs of drug or alcohol withdrawal and does not require medical detoxification; and

(8) As determined by DRC, is physically and mentally capable of uninterrupted participation in the SUDT program.

Placement and community treatment providers

DRC is required to determine which qualified prisoners in its custody should be placed in the SUDT program, and it has full discretion in making that determination. If DRC determines that a qualified prisoner should be placed in the program, it may refer the prisoner to a community treatment provider it has approved (see below) for participation in the program and transfer the prisoner from prison to the provider's approved and licensed facility. Except as otherwise described below regarding authorized residence placement, no prisoner may be placed under the program in any facility other than such an approved facility of a community treatment provider.

If DRC places a prisoner in the program, the prisoner must receive credit against the prisoner's prison term for all time served in the provider's facility and may earn days of credit under DRC's existing earned credit program, but the prisoner's program placement, participation, or completion otherwise does not result in any reduction of the prisoner's prison term. As used regarding the SUDT program, "community treatment provider" means a program that provides substance use disorder assessment and treatment for persons, is located outside of a state correctional institution, provides the assessment and treatment for qualified prisoners referred and transferred to it under the SUDT program in a suitable facility licensed under R.C. 2967.14 (i.e., a halfway house, reentry center, or community residential center), and initially houses all qualified prisoners referred and transferred to it under the SUDT program in its suitable licensed facility while undergoing assessment and treatment.

Prisoner unsatisfactory participation and return to prison

If DRC places a prisoner in the SUDT program, the prisoner does not satisfactorily participate in the program, and the prisoner has not served the prisoner's entire prison term, DRC may remove the prisoner from the program and return the prisoner to a prison.

Prisoner satisfactory participation, housing, and conviction record sealing

If DRC places a prisoner in the SUDT program and the prisoner is satisfactorily participating in the program, DRC may permit the prisoner to reside at a residence it has approved if it determines, with input from the community treatment provider, that residing at the approved residence will help the prisoner prepare for community reentry and will help reduce the prisoner's substance use relapses and recidivism. If a prisoner is permitted under this division to reside at an approved residence, the prisoner must be monitored during the period of that residence by an electronic monitoring device.

If DRC determines that a prisoner it placed in the SUDT program successfully completed the program and successfully completed a term of post-release control, if applicable, and the prisoner submits an application under the Conviction Record Sealing Law for sealing the record of the conviction, DRC's Director may issue a letter to the court in support of the application.

DRC evaluation of participating prisoner

When a prisoner has been placed in the SUDT program, before the prisoner is released from DRC's custody upon completion of the prisoner's prison term, DRC must conduct and prepare an evaluation of the prisoner, the prisoner's participation in the program, and the prisoner's needs regarding substance use disorder treatment upon release. Before the prisoner is released, the Parole Board or a court acting pursuant to an agreement must consider the evaluation, in addition to all other information and materials considered, in making post-release control decisions for the prisoner.

Community treatment provider application for participation

DRC must accept applications from community treatment providers that satisfy the requirement specified in this paragraph and that wish to participate in the SUDT program, and must approve for participation in the program at least four and not more than eight of the providers that apply. To the extent feasible, DRC must approve one or more providers from each geographical quadrant of the state. Each community treatment provider that applies to participate in the program must be certified by the Department of Mental Health and Addiction Services under R.C. 5119.36 to provide substance use disorder treatment, but is not be required to be certified by that Department to provide halfway house or residential treatment.

DRC rules

DRC must adopt rules for the operation of the SUDT program and must operate the program in accordance with the bill's provisions and those rules. The rules must establish, at a minimum, criteria: that establish which qualified prisoners are eligible for the program; that must be satisfied to transfer a qualified prisoner to an approved residence; for the removal of a prisoner from the program; for determining when an offender has successfully completed the program; and for community treatment providers to provide assessment and treatment including minimum standards for treatment.

Earned credits

As stated above, if DRC places an offender in the SUDT program, the offender may earn days of credit under DRC's existing earned credit program. The offender may earn one day or five days of credit, determined as described below, for each completed month during which the offender productively participates in the SUDT program.

Under the bill, the provisions of the existing program that disqualify offenders serving sentences for specified offenses from earning credits under the program, specify procedures for determining whether an offender is to be awarded credits, specify procedures for denial or withdrawal of a day of credit that otherwise could have been awarded, and specify the number of days of credit an offender may earn based on the offender's offense and the number of aggregate days that an offender may earn apply with respect to an offender who DRC places in the SUDT program, except that the existing provisions that refer to the offender being confined in a state correctional institution are replaced with references to the offender being placed in the SUDT program. The bill does not change the application of the existing program to offenders who are confined in a state correctional institution.

Regarding the days of credit that an offender placed in the SUDT program may earn, the offender may earn: (1) one day of credit if the prison term the offender is serving includes a term imposed for a "sexually oriented offense" (as defined in the SORN Law) committed prior to September 30, 2011, or includes a term imposed for a felony other than carrying a concealed weapon an essential element of which is any conduct or failure to act expressly involving any deadly weapon or dangerous ordnance, (2) one day of credit if the offender's fourth or fifth degree felony was committed prior to September 30, 2011, and (3) five days of credit if the offender's fourth or fifth degree felony was committed on or after September 30, 2011. The aggregate days of credit the offender may earn may not exceed eight per cent of the total number of days in the person's stated prison term.

Halfway house and community-based correctional facility programs

(R.C. 1.05, 2967.14, and 5120.112)

DRC or the Adult Parole Authority may require or allow a parolee, a releasee, or a prisoner otherwise released from a state correctional institution to reside in a halfway house or other suitable community residential center. Any county that has a population of 200,000 or more is eligible to formulate a community-based correctional proposal that, upon implementation, would provide a community-based correctional facility and program for the use of that county's common pleas court.[199] The biennial operating budget historically includes an appropriation for halfway house programs and community-based correctional facility programs. The bill allows the Division of Parole and Community Services to expend up to one-half percent of the annual appropriation made for halfway house programs and community-based correctional facility programs for goods or services that benefit those programs.

The bill also specifies that a term in a halfway house or an alternative residential facility is not considered imprisonment.

Ohio penal industry prices

(R.C. 5120.28)

The bill removes the requirement that the Office of Budget and Management approve the prices fixed by DRC at which all labor and services performed, agricultural products produced, and articles manufactured in correctional and penal institutions are furnished to the state, its political subdivisions, and public institutions, and to private persons.

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[199] R.C. 2301.51, not in the bill.

Classified employee fallback rights

(R.C. 5120.38, 5120.381, and 5120.382)

Continuing law allows a DRC employee who moves from a classified position to an unclassified position (as a managing officer, deputy warden, or otherwise), to resume the classified position held by the employee immediately prior to the move. The bill expands these "fallback rights" to allow the employee to resume the classified position (or a substantially equal position, as certified by the DRC Director and approved by the Director of Administrative Services (DAS)) even if the employee has held multiple unclassified positions since the move. If the employee's prior classified position has been placed in the unclassified service or is otherwise unavailable, the DRC Director must appoint the employee to a classified DRC position that is comparable in compensation to the prior position, as certified by the DAS Director.

Triggering fallback rights

Under the bill, fallback rights for DRC employees are triggered only when the employee is demoted to a pay range lower than the employee's current pay range or when the DRC Director revokes the employee's appointment to the unclassified service. And an employee forfeits the right to resume the classified position if the employee is removed from the unclassified position due to incompetence; inefficiency; dishonesty; drunkenness; immoral conduct; insubordination; discourteous treatment of the public; neglect of duty; a violation of DRC law or DRC or DAS rules; any other failure of good behavior; any other acts of misfeasance, malfeasance, or nonfeasance in office; or a conviction of or plea of guilty to a felony. An employee who transfers to a different agency also loses any right to resume a classified position with DRC upon that transfer.

Currently, fallback rights are triggered when an employee is relieved of the employee's duties in the unclassified service. Current law does not specify employee behavior that may result in a forfeiture of the rights.

Treatment of a DRC employee who exercises fallback rights

If a DRC employee utilizes the bill's fallback rights, the bill requires that the employee's unclassified DRC service be counted toward that employee's service in the prior classified position. Under current law, only service in an unclassified position held pursuant to the appointment from the classified service is counted toward the employee's service in the prior classified position. The bill also entitles a DRC employee using these fallback provisions to all rights and benefits and any status that the classified position accrued during the employee's unclassified service. Current law instead entitles such an employee to the rights and emoluments accrued during that time.

Monthly personnel report

(R.C. 5120.38)

The bill eliminates a current law requirement that the managing officer of each DRC institution file with the DRC Director a monthly report of all appointments, resignations, and discharges.

Community-based correctional officer collective bargaining

(R.C. 4117.01(C))

The bill limits the ability of employees of community-based correctional facilities and district community-based correctional facilities who were subject to a collective bargaining agreement on June 1, 2005, to collectively bargain with their public employers. Under the bill, these employees can collectively bargain with their public employer only if the public employer elects to do so, similar to current law with respect to community-based correctional facility employees who were not covered by a collective bargaining agreement on that date. The public employer cannot be compelled to bargain with these employees.

Currently, these employees have the right to collectively bargain with their public employer, and thus the public employer is required to do so if certain procedures contained in continuing law are satisfied.[200]

Membership on the Ohio Elections Commission

Because the community-based correctional facilities employees described above are no longer considered to be public employees for purposes of collective bargaining, they also become ineligible to serve on the Ohio Elections Commission. Under continuing law, a person or employee excluded from the definition of "public employee" under the Public Employees' Collective Bargaining Law cannot be a Commission member.[201]

Substance Abuse Recovery Program Study

(R.C. 5120.037)

The bill requires DRC, not later than June 30, 2016, to study the feasibility of converting an existing state correctional facility, another existing facility controlled by

[200] R.C. 4117.03, not in the bill.

[201] R.C. 3517.152, not in the bill.

DRC, an existing facility owned by the state or a political subdivision of the state, or an existing facility owned by a private entity into a substance abuse recovery prison. The purpose of the prison would be to help reduce relapses and recidivism while preparing offenders confined in the prison for reentry into the community. In conducting the study, DRC must do all of the following:

(1) Explore all alternatives for providing substance abuse recovery for offenders confined in the prison;

(2) Consider drug treatment and rehabilitation services to be provided in the prison to help to prepare offenders confined in the prison for reentry into the community;

(3) Consider the categories of offenders that should be confined in the prison, including whether DRC should be limited to placing an offender sentenced to or serving a prison term in the prison only if DRC knows or has reason to believe that drug usage by the offender was a factor leading to the offense for which the offender was sentenced to the prison term.

Upon completion of the study, DRC must submit copies of the study to the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, and the Governor.

Fund closures

(R.C. 2929.18, 2969.14, and 5120.135)

Current law requires offenders to reimburse DRC for certain costs it incurs in operating prisons or other facilities used to confine offenders. Those reimbursements are deposited into the Confinement Cost Reimbursement Fund and used by DRC to fund the operation of those prisons and facilities. The bill abolishes the Fund but retains the reimbursement requirement.

The bill also abolishes the Laboratory Services Fund, which consists of payments made by state agencies, local governments, and other entities for laboratory services provided to them by DRC, and removes the payment requirement.

RETIREMENT SYSTEMS

Retirement system mitigating rates

- Freezes at current rates (listed below) the percentage of an alternative retirement program (ARP) participant's compensation that must be paid by a public institution of higher education to the Public Employees Retirement System (PERS) (0.77%), State Teachers Retirement System (STRS) (4.5%), or School Employees Retirement System (SERS) (6%), to mitigate any financial impact of the ARP on the retirement system.

- If the State Teachers Retirement Board increases the mitigating rate for ARPs between July 1, 2015, and the effective date of the above provision, requires the Board to repay each public institution the difference between the Board's rate and 4.5% and to reimburse each institution for expenses related to increasing the rate and caps the rate at 4% until the difference is repaid.

STRS and SERS membership and community school operators

- Allows a community school operator to irrevocably elect to have excluded from membership in the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) all individuals employed by the operator under certain specified circumstances.

- Requires the applicable retirement system to exclude the individuals from membership on receipt of notice of the election.

- Specifies that an individual excluded under the bill from membership in STRS or SERS ceases to be a teacher or employee, as applicable, for purposes of the law governing STRS and SERS, making the individual eligible for a refund of the contributions the individual made to the retirement system.

- Requires the Auditor of State to annually review a deferred compensation plan offered in lieu of participation in STRS or SERS to determine whether the plan is in compliance with the federal law requirements for favorable tax treatment under the Internal Revenue Code.

- Requires the Auditor to order the operator to permanently close the community school if, after notice and an opportunity for a hearing, the Auditor determines a deferred compensation plan is not in compliance with the federal law requirements.

Retirement system annual reports – Ohio agents and managers

- Eliminates current law's requirement that each state public retirement system board annually submit to the Ohio Retirement Study Council two reports related to securities transactions and asset management: one on Ohio-qualified agents and minority business enterprises and one on Ohio-qualified investment managers.

Retirement system mitigating rates

(R.C. 3305.052 and 3305.062)

The bill freezes, at current rates, the percentage of an alternative retirement program (ARP) participant's compensation that must be paid by a public institution of higher education to the Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), or School Employees Retirement System (SERS) to mitigate any financial impact of the ARP on the retirement system.

Continuing law permits a full-time employee of a public institution of higher education to elect to participate in an ARP rather than the public retirement system (PERS, STRS, or SERS) that covers the employee. Each ARP must be a defined contribution plan that provides retirement and death benefits through a number of investment options. A public institution of higher education must contribute a percentage of the compensation of an employee electing to participate in an ARP to the public retirement system that would otherwise cover the employee. The purpose of this contribution, referred to as the "mitigating rate," is to offset any negative financial impact of the ARP on the retirement system.

Continuing law specifies that the ARP mitigating rate is 6%, but may be adjusted by the Ohio Retirement Study Council (ORSC) to reflect determinations made in an actuarial study that is to be completed by ORSC every three years. Continuing law also prohibits the mitigating rate for ARPs from exceeding the mitigating rate for the retirement system's defined contribution plans.

The bill freezes the PERS, STRS, and SERS mitigating rates for ARPs at current rates. Currently, the PERS mitigating rate for ARPs is 0.77% and the rate for SERS is 6.00%. The STRS mitigating rate is currently 4.5%. H.B. 483 of the 130th General Assembly prohibits, until July 1, 2015, the STRS mitigating rate for ARPs from exceeding that percentage.

STRS ARP mitigating rate

(Section 733.40)

If the State Teachers Retirement Board increases the mitigating rate for ARPs between July 1, 2015, and the effective date of the bill's provision freezing the rate, the bill provides all of the following:

--The Board must repay each public institution an amount equal to the difference between the new rate established by the Board and 4.5%. The institution must then credit the employee's investment provider under the ARP that amount.

--The rate is limited to 4% until the Board repays each public institution the amount specified above.

--The Board must reimburse each public institution an amount equal to the reasonable costs of reprogramming the institution's computers and other administrative expenses related to increasing the rate.

STRS and SERS membership and community school operators

(R.C. 145.012, 3307.01, 3307.011, 3309.01, 3309.011, 3309.013, and 3314.075)

The bill allows a community school operator, not later than 60 days after the amendments' effective date, to irrevocably elect to have excluded from membership in the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) all individuals to whom all of the following apply:

(1) The individual's earnings from employment by the operator are subject to Social Security tax.

(2) The operator would otherwise be required to pay employer contributions on behalf of the individuals to the applicable retirement system pursuant to a contract between the operator and the community school governing authority.

(3) The operator offers each of the individuals the opportunity to participate in a deferred compensation plan that receives favorable tax treatment under the Internal Revenue Code.

The bill requires STRS or SERS to exclude the individuals described above from membership on receipt of notice of the election. The bill specifies that an individual excluded under the bill from membership in STRS or SERS ceases to be a teacher or employee, as applicable, for purposes of the respective retirement system's law, making the individual eligible for a refund of the accumulated contributions the individual made to the retirement system. Additionally, individuals excluded from membership in STRS or SERS under the bill are not members of the Ohio Public Employees Retirement System.

The bill requires the Auditor of State to annually review a deferred compensation plan offered in lieu of participation in STRS or SERS to determine whether the plan is in compliance with the federal law requirements for favorable tax treatment under the Internal Revenue Code. If, after notice and an opportunity for a hearing, the Auditor determines a deferred compensation plan is not in compliance with the federal law requirements, the bill requires the Auditor to order the operator to permanently close the community school. An operator must close the school at the conclusion of the school year in which the operator receives notice of the order. The bill requires the community school sponsor and governing authority to comply with all procedures for closing a community school adopted by the Department of Education under continuing law.

Retirement system annual reports – Ohio agents and managers

(R.C. 145.114, 145.116, 742.114, 742.116, 3307.152, 3307.154, 3309.157, 3309.159, 5505.068, and 5505.0610)

The bill eliminates the current law requirement that each state public retirement system board (Public Employees Retirement Board, Ohio Police and Fire Pension Fund Board of Trustees, State Teachers Retirement Board, School Employees Retirement Board, and State Highway Patrol Retirement Board) at least annually submit to the Ohio Retirement Study Council (ORSC) two reports related to securities transactions and asset management: one on Ohio-qualified agents and minority business enterprises and one on Ohio-qualified investment managers.

Current law requires the reports to contain all of the following information, as applicable to reports regarding agents and investment managers:

--The name of each agent or investment manager designated by the retirement board as an Ohio-qualified agent or Ohio-qualified investment manager;

--The name of each agent that executes securities transactions on behalf of the board;

--The name of each investment manager with which the board contracts;

--The amount of equity and fixed-income trades executed by Ohio-qualified agents;

--The amount of equity and fixed-income trades that are executed by agents that are minority business enterprises;

--The amount of assets managed by Ohio-qualified investment managers;

--The compensation paid to Ohio-qualified agents and Ohio-qualified investment managers;

--Any other information requested by ORSC regarding the board's use of agents or investment managers.

STATE BOARD OF SANITARIAN REGISTRATION

- Increases the renewal fee and late application fee to register as a sanitarian or sanitarian-in-training.

Fee changes for renewals and late fees

(R.C. 4736.12)

The bill increases the renewal fee to register as a sanitarian or sanitarian-in-training to $90 from $80. The bill also increases the late fee assessed for a late application to register as a sanitarian or sanitarian-in-training to $75 from $50.

SECRETARY OF STATE

- Eliminates the ability to conduct special elections in February.
- Requires a political subdivision that submits an item for placement on the ballot at a special election to prepay 65% of the estimated cost of the election.
- Creates the Absent Voter's Ballot Application Mailing Fund, which the Secretary of State must use to pay the cost of printing and mailing unsolicited applications for absent voter's ballots if funds have been appropriated for that mailing.
- Eliminates the Information Systems Fund and redirects certain revenues of that Fund to the credit of the Corporate and Uniform Commercial Code Filing Fund.
- Requires the name of a domestic or foreign limited liability partnership to be distinguishable from other registered business entities and trade names in the Secretary of State's records.

Times for holding special elections

The bill reduces the number of times per year that a political subdivision or taxing district may place an election on the ballot by eliminating special elections in February. Under the bill, special elections may appear on the ballot only on the day of a primary or general election (in May or November of most years) or in August. In presidential election years, those elections could be conducted in March, rather than in May, to coincide with the presidential primary election.

Under current law, political subdivisions and specified taxing districts may place issues, such as proposed tax levies or bond issues, on the ballot up to four times a year. However, in presidential election years, special elections currently may not be held in February or May.[202]

Prepayment of special election costs

Overview

Under the bill, a political subdivision must prepay 65% of the estimated amount of its share of the cost of a special election before the election, instead of paying its entire share after the election. Continuing law requires the political subdivisions that

[202] R.C. 3501.01, 5705.194, 5739.021, and 5739.026.

place items on the ballot at a special election to pay the cost of holding the election. Those costs include, for example, the compensation of precinct election officials, the cost of operating polling places, and the cost of printing and delivering ballots and other election supplies.[203]

Cost estimate

The bill specifies that for each special election, a board of elections must prepare an estimate of the cost for preparing for and conducting an election on one question or issue, one nomination for office, or one election to office in each precinct in the county at that special election, and must divide that cost by the number of registered voters in the county. The board of elections must file the estimate with the board of county commissioners and the Secretary of State not less than 15 business days before the deadline to submit a question or issue for placement on the ballot at that election.

When a political subdivision seeks to submit an item for placement on the ballot at a special election, the bill requires the board of elections to provide the political subdivision with the estimated cost of preparing for and conducting the election. The estimate must be calculated either by multiplying the number of registered voters in the political subdivision by the estimated cost per voter for the election or by multiplying the cost per precinct by the number of precincts in the political subdivision.[204]

Prepayment

Under the bill, a political subdivision that places an item on the ballot at a special election must pay 65% of the estimated cost of the election not less than ten business days after the deadline for submitting a question or issue for placement on the ballot at that election. The payment must be made to the county elections revenue fund. Continuing law allows a board of county commissioners to establish such a fund for the purpose of accumulating revenue withheld by or paid to the county for the payment of election expenses.[205]

Post-election payment

The bill requires the board of elections, not later than 60 days after the date of a special election, to provide to each political subdivision the true and accurate cost for the question or issue, nomination for office, or election to office that the subdivision submitted to the voters on the special election ballots.

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[203] R.C. 3501.17.

[204] R.C. 3501.17(J)(1) and (2).

[205] R.C. 3501.17(I) and (J)(2).

If the board of elections determines that a political subdivision prepaid less than the actual cost of the election, the political subdivision must remit the balance of the cost of the election to the county elections revenue fund within 30 days after being notified of the final cost. If the board of elections determines that a political subdivision prepaid more than the actual cost of the election, the board of elections must promptly notify the board of county commissioners of that difference. The board of county commissioners then must remit the amount of the overpayment from the county elections revenue fund to the political subdivision within 30 days after receiving that notification.[206]

Absent Voter's Ballot Application Mailing Fund

(R.C. 111.31)

The bill creates the Absent Voter's Ballot Application Mailing Fund, which the Secretary of State must use to pay the cost of printing and mailing unsolicited applications for absent voter's ballots if the General Assembly has appropriated funds for that mailing. The fund consists of moneys transferred to it by the Controlling Board upon the request of the Secretary of State. Under the bill, the Controlling Board must transfer any unused moneys in the fund to the proper appropriation item.

Continuing law permits the Secretary of State to mail unsolicited applications for absent voter's ballots to individuals only for a general election and only if the General Assembly has made an appropriation for that particular mailing.[207]

Elimination of Information Systems Fund

(R.C. 111.181 (repealed) and 1309.528)

The bill eliminates the Information Systems Fund, currently used by the Secretary of State's office for information technology-related expenses. The bill redirects revenues from fees charged to customers for special database requests currently received into the Information Systems Fund to the Corporate and Uniform Commercial Code Filing Fund.

Limited liability partnership name

(R.C. 1776.82)

Continuing law permits a partnership to become a limited liability partnership by filing a statement of qualification with the Secretary of State (Secretary) that includes

[206] R.C. 3501.17(J)(3).

[207] R.C. 3501.05, not in the bill.

the name of the partnership, along with other specified information.[208] The bill requires the name of a domestic or foreign limited liability partnership to be distinguishable from all of the following in the Secretary's records:

- The name of any foreign or domestic (1) limited liability partnership, (2) limited liability company, or (3) limited partnership registered with the Secretary;
- The name of any foreign or domestic corporation formed or registered pursuant to Ohio's Corporation Law;
- Any trade name the exclusive right to which is registered with the Secretary at the time in question.

[208] R.C. 1776.81, not in the bill.

DEPARTMENT OF TAXATION

Income tax

- Reduces income tax rates in all brackets by 6.3%.
- Restricts the retirement income credit, the lump-sum retirement credit, the lump-sum distribution credit, and the senior citizen credit to taxpayers whose individual or joint adjusted gross income (less personal exemptions) for the taxable year is less than $100,000.
- Exempts the first $250,000 of an income taxpayer's business income ($125,000 for spouses filing separate returns) and imposes a flat 3% tax on all business income in excess of the amount exempted.
- Extends an existing deduction for active duty military personnel pay to persons serving in the Commissioned Corps of the national Oceanic and Atmospheric Administration (NOAA) and the Commissioned Corps of the Public Health Service (PHS).
- Creates an income tax refund contribution check-off for the benefit of nonprofit organizations whose primary purpose is to grant the wishes of children diagnosed with life-threatening illnesses.
- Requires the Tax Commissioner to reduce income tax rates based upon any savings realized if the Governor vetoes substantial appropriations and expenditures included in the bill.

Sales and use taxes

- Defers the first date that the Director of Budget and Management is required to transfer new remote seller use tax collections to the income tax reduction fund (ITRF) to the last day of January or July following the effective date of federal Marketplace Fairness-like legislation.
- Modifies the computation of new use tax collections for the purposes of the ITRF transfers to include only collections from sellers that register with the Tax Commissioner after the effective date of federal Marketplace Fairness-like legislation.
- Creates a presumption that all sellers that register with the Commissioner after that date are remote sellers, unless the Commissioner or the seller present evidence that the seller has substantial nexus with Ohio.

- Prescribes new criteria for determining whether sellers are presumed to have "substantial nexus" with Ohio and therefore required to register with the Tax Commissioner and collect and remit use tax, including sellers that enter into an agreement with Ohio residents to refer potential customers to the seller.

- Allows a seller presumed to have substantial nexus with Ohio to rebut that presumption.

- Requires a person or that person's affiliates, before selling or leasing tangible personal property or services to a state agency, to register with the Commissioner and collect and remit use tax.

- Subjects to sales and use tax hotel intermediary services – i.e., arranging for the sale of hotel lodging.

- Eliminates a requirement that counties and transit authorities compensate vendors for the expense of adjusting cash registers when a county or transit authority sales and use tax rate is increased or a new tax is imposed.

- Allows new and used motor vehicle dealers licensed in Ohio to remit sales and use tax collected on vehicle sales and leases on the dealer's monthly sales and use tax return rather than to the Clerk of Courts when applying for a certificate of title.

- Exempts from sales and use tax the provision of sanitation services to a meat slaughtering or processing operation necessary for the operation to comply with federal meat safety regulations.

- Exempts from sales and use tax the provision of a rental vehicle while another vehicle is being repaired or serviced and the cost of the rental is reimbursed by certain parties, and abates any previously accrued penalties and interest charged for prior failures to pay taxes on those transactions.

Other state taxes

- Increases the rate of the cigarette excise tax from $1.25 per pack to $1.65 per pack.

- Increases the rate of the excise tax levied on tobacco products other than cigarettes and little cigars from 17% to 22.5% of such products' wholesale price.

- Requires the Tax Commissioner to prepare a quarterly report to the General Assembly that details the Department of Taxation's tobacco tax-related enforcement, investigations, and violations.

- Modifies the date the Treasurer of State is required to issue a domestic insurance premium tax bill, the due date for payment by the insurance company, and the computation of penalties for late payment.

- Explicitly exempts production credit associations (PCAs) and agricultural credit associations (ACAs) from the financial institutions tax.

- Lengthens the period of time during which wholesale dealers may buy cigarette tax stamps on credit but requires dealers to pay for such stamps no later than a week before the end of each fiscal year.

- Specifies that, when a company generates electricity but donates all of that electricity to a political subdivision, the property used to generate or supply that electricity is not subject to property taxation and the donated electricity is not subject to the kilowatt-hour tax.

- Requires a special payment for a municipal corporation where a user of a substantial amount of wind-generated electricity is located, which must be passed through to the user in some form of financial assistance.

- Specifies that the market price for propane, rather than the market price for diesel, shall be used to determine the petroleum activity tax in regard to propane used as a motor fuel.

- Authorizes a petroleum activity tax (PAT) deduction on the basis of PAT receipts derived from the sale of tax-paid blend stocks or additives for blended fuel.

- Authorizes a reduction in the commercial activity tax for railways' purchases of dyed diesel fuel.

- Extends the Ohio Grape Industries earmark of wine excise tax revenue (2%) for two more years.

- Limits information the Tax Commissioner may require a person to verify for the purpose of confirming the person's identity.

- Requires the Tax Commissioner to evaluate and report to the General Assembly on the effectiveness of identity-verification measures employed to reduce personal income tax fraud.

- Establishes a seven-member commission to review Ohio's tax structure and policies and make recommendations to the General Assembly on how to maximize Ohio's competitiveness by the year 2020, how to transition to a flat personal income tax by

2018, and, separately and by October 1, 2015, how to reform the state's severance taxes.

- Creates a permanent joint legislative committee of four legislators, one gubernatorial appointee, and two agency heads to biennially review existing and newly enacted "tax expenditures."

- Requires any act creating a new tax expenditure to include information about the expenditure, such as its purpose and the class of taxpayers it will benefit.

- Authorizes a temporary "amnesty" for taxpayers owing delinquent taxes whereby penalties and one-half the interest charges otherwise due are waived, along with criminal or civil action, if the taxpayer pays the outstanding liability and one-half the interest due.

TPP reimbursements

- Resumes the phase-out of reimbursement payments to most school districts and other taxing units for tangible personal property tax losses.

- Increases the portion of CAT revenue and kilowatt-hour excise tax revenue to be credited to the GRF and reduces the portion used to reimburse school districts and other taxing units for tangible personal property tax losses.

Tax credits and exemptions

- Revises computation of the job creation and retention tax credits so that the credit equals an agreed-upon percentage of the taxpayer's Ohio employee payroll rather than Ohio income tax withholdings.

- Removes the 75% cap on the percentage of Ohio employee payroll (or, under current law, Ohio income tax withholdings) a taxpayer and the Tax Credit Authority (TCA) may agree to for the purposes of computing the job retention tax credit.

- Authorizes the TCA to require taxpayers to refund all or a portion of job creation or job retention tax credits if the taxpayer fails to substantially meet the job creation, payroll, or investment requirements included in the tax credit agreement or files for bankruptcy.

- Reduces from 60 to 30 days the amount of time a taxpayer has to submit a copy of a job creation or job retention tax credit certificate.

- Revises the role of the Director of Budget and Management, the Tax Commissioner, and the Superintendent of Insurance in evaluating applications for job retention tax credits and data center sales tax exemptions.

- Authorizes the TCA, upon mutual agreement of the taxpayer and DSA, to revise JCTC agreements originally approved in 2014 or 2015 to conform with the bill's revisions to the JCTC.

- Requires the TCA to adjust how JCTC and JRTC credits are computed under agreements approved before 2014 to account for increases or decreases in state income tax rates since June 29, 2013.

- Extends by two years a provision temporarily authorizing owners of a historic rehabilitation tax credit certificate to claim the credit against the commercial activity tax (CAT) if the owner cannot claim the credit against another tax.

- Bases the calculation of the Ohio New Markets Tax Credit on the full amount paid for a qualified equity investment, but requires most of that investment to be made in low-income businesses in Ohio.

- Authorizes the Ohio New Markets Tax Credit to be claimed against the retaliatory tax levied on foreign insurance companies.

- Exempts from sales and use tax the purchase by certain interstate logistics businesses of forklifts used primarily to move completed products from a manufacturing facility to the products' shipping location.

- Retroactively excludes, for purposes of calculating the CAT base, certain intra-supply chain receipts of a manufacturer or distributor of health and beauty products, if the vendor is located in the same county as another such vendor in the supply chain.

Property taxes

- Authorizes any school district that contains, in its territory, a community school with an "exemplary" sponsor to propose a levy for the current operating expenses of the school district and the community school.

- Authorizes school districts other than the Cleveland Metropolitan School District to allocate 100% of the proceeds of such a levy to partnering community schools.

- Exempts electric company generation equipment and "other" electric company tangible personal property that is not transmission and distribution or energy conversion equipment from property taxation.

- Requires the Tax Commissioner to annually calculate an increased assessment rate on transmission and distribution property and energy conversion equipment and use the revenue from that increase to reimburse local governments for the revenue they will lose due to the exemption of generation equipment and other property.

- Permits the electric companies to recover from customers, through a reconcilable rider, the payment of the increased tax on transmission and distribution property and energy conversion equipment that results from the bill's changes.

- Requires that all new water-works company tangible personal property first subject to taxation in tax year 2015 or thereafter be assessed at 25% of its true value, instead of 88% as required under existing law.

- Requires the rules for real estate appraisal, established by the Tax Commissioner, to include any definitions necessary to clarify appraisal methods and specifies that, if the Commissioner has not explicitly designated a rule, "The Appraisal of Real Estate, 14th Edition" and "The Dictionary of Real Estate Appraisal, 5th Edition" published by the Appraisal Institute are controlling.

- Prescribes specific valuation methods to be applied to golf courses for which there has been no recent arm's length transaction.

- Designates as "business fixtures" – and therefore exempt from property taxation – the following: cart paths, irrigation systems, and structures that consist of soil and natural materials requiring regular maintenance and that are depreciable under the Internal Revenue Code.

- Allows unproductive farmland to continue to be valued for property tax purposes according to its current agricultural use value for up to five years if it is used to store materials dredged from Ohio's waters under a contract with certain agencies.

- For the first tax bill due after a mortgage is paid off, requires any property tax late payment penalties to be waived if the mortgage lender fails to notify the county auditor that the mortgage has been satisfied and the tax bill is not mailed to the property owner.

- Requires the county treasurer to maintain a record of the person or agent to whom each tax bill is sent.

- Extends by five years the deadlines by which the owner of a qualified energy project must submit a property tax exemption application, begin construction, and place into service an energy facility using renewable energy resources to qualify for an ongoing real and tangible personal property tax exemption.

- Lengthens, to any number of years or for a continuing period of time, the maximum term of a property tax levy to pay for operating and maintaining public cemeteries.
- Expands eligibility for the fraternal organization property tax exemption to include property used to provide educational or health services, and not just for meetings and administration.
- Authorizes townships to extend pre-1995 tax increment financing property tax exemptions for 15 more years if the township's population is at least 15,000.
- Establishes a temporary procedure by which a municipal corporation may apply for tax exemption and the abatement of unpaid taxes, penalties, and interest charged and payable in 2000 and thereafter for a submerged land lease.

Municipal income tax

- Permits a publicly traded partnership to elect to be taxed as if the partnership were a C corporation for municipal income tax purposes.
- Changes the annual return filing deadline for municipal income taxpayers that are not individuals to the 15th day of the fourth month following the end of the taxpayer's taxable year.
- Requires a municipal tax administrator to grant a taxpayer a six-month filing extension for a municipal income tax return even if the taxpayer did not request a corresponding federal extension.
- Permits a person to file an affidavit notifying a municipal corporation that the person no longer expects to be subject to the municipal corporation's income tax.
- Allows a municipal corporation that has adopted Ohio adjusted gross income as its tax base to make adjustments to that tax base with respect to resident individuals and to require individual taxpayers to file a copy of their Ohio tax return.
- Requires municipal corporations to tax an individual's foreign income under certain specified circumstances.
- Authorizes a municipal corporation that shares at least 70% of its territory with a school district to enter into an agreement to share income tax revenue with the school district, provided that a portion of the remaining 30% of the school district territory lies within another municipality with a population of 400,000 or more.
- Allows the municipal corporation to levy the revenue-sharing income tax on both residents and nonresidents.

- Clarifies a municipal income tax law, effective January 1, 2016, that requires all municipalities to allow a deduction for net operating losses (NOLs) but temporarily reduces the deduction allowed for any NOL incurred after 2016 and claimed for taxable years 2018 through 2022 to 50% of the amount otherwise allowed.

- Requires municipal corporations to publish a summary of taxpayers' rights and responsibilities online.

Other local taxes

- Authorizes a county meeting certain requirements to levy an additional 1% lodging tax for the purpose of constructing and maintaining county-owned sports facilities.

- Authorizes certain counties to levy a lodging tax of 3% or less for up to 5 years to pay for permanent improvements at sites where a county or independent agricultural society conducts fairs or exhibits.

- Authorizes Erie County to increase its general lodging tax rate by 1% to pay the costs of constructing and maintaining a sports park and promoting tourism.

- Authorizes Erie County to enter into a cooperative agreement with port authorities, nonprofit corporations, and operating companies governing the construction, financing, and operation of a sports park.

- Authorizes a county located on the Lake Erie shore to levy an additional lodging tax of up to 2% to fund the construction of port authority facilities located within one mile of Lake Erie.

- Authorizes townships and municipal corporations located in Stark County to designate a special district of not more than 200 acres as a tourism development district (TDD) before 2019 in which a gross receipts tax, admissions tax, or certain rental fees may be imposed to fund the promotion of tourism.

- Authorizes certain counties to levy a lodging tax to finance permanent improvements.

- Requires that local lodging taxes be levied on hotel lodging transactions conducted through a provider of hotel intermediary services and that the tax be imposed on the total price paid by the consumer as advertised by the hotel intermediary service provider.

Administration of county 9-1-1 assistance

- Requires the Tax Commissioner to transfer funds remaining in the Wireless 9-1-1 Government Assistance Fund to the Next Generation 9-1-1 Fund at the direction of the Statewide Emergency Services Internet Protocol Network Steering Committee rather than after monthly disbursements are made to counties.

- Requires that any shortfall in monthly disbursements to counties from the Wireless 9-1-1 Government Assistance Fund be remedied in the following month.

Income tax

Rate reduction

(R.C. 5747.02)

The bill reduces income tax rates for all income tax brackets by 6.3% for taxable years beginning in 2015 and thereafter compared to the rates in effect for 2014.

For taxable years beginning in 2014, the income tax currently is levied at rates ranging from 0.528% for taxable income up to $5,200 to 5.333% for taxable income above $208,500. There are nine income brackets with increasingly greater rates assigned to higher income brackets.

The income tax currently is levied on individuals, estates, and some trusts. The tax base for individuals is federal adjusted gross income (FAGI) after several deductions and a few additions; for estates and trusts, the base is federal taxable income after several additions and deductions. An $88 credit is granted for individuals filing a return (joint or individual) showing tax due, after personal and dependent exemptions, of $10,000 or less; the effect of the credit is to exempt such filers from the income tax. The tax applies to residents, and to nonresidents who have income that is attributable to Ohio under statutory attribution rules. For residents who have income taxable by another state with an income tax, a credit is available to offset the tax paid to other states; for nonresidents who have income attributable to Ohio and another state, a credit is allowed to the extent the income is not attributable to Ohio.

Means test for retirement income and senior tax credits

(R.C. 5747.05, 5747.055, 5747.08, 5747.71, and 5747.98; Section 803.70)

The bill restricts the retirement income credit, the lump-sum retirement credit, the lump-sum distribution credit, and the senior citizen credit to taxpayers whose individual or joint adjusted gross income (less personal exemptions) for the taxable year is less than $100,000. Under current law, the credits are available to taxpayers aged 65 years and older regardless of income. The income limits apply to taxable years beginning in or after 2015.

Calculation of the retirement income credit varies depending on whether the retiree (aged 65 years and older) claims the credit on an annual basis or on the basis of a lump-sum distribution of income. For retirees who claim the annual credit, the credit ranges from $25 for retirement income of at least $500, to $200 for retirement income of at least $8,000. The $200 credit is equivalent to exempting at least $15,000 of retirement income from taxation. Retirees who receive a lump-sum distribution of retirement income may claim a one-time credit equivalent to receiving the annual credit each year of the retiree's expected remaining life according to actuarial tables. Retirees who claim the one-time lump-sum distribution credit may not claim the annual retirement income credit in that taxable year or in any subsequent taxable years.

The senior citizen credit is an annual credit for taxpayers aged 65 years and older equal to $50; receiving retirement income is not necessary to claim the credit. As an alternative, a taxpayer aged at least 65 years who receives a lump-sum distribution of retirement income may claim a one-time credit equivalent to $50 for each year of their expected remaining life. As is the case with the retirement income tax credit, taxpayers that claim the one-time senior citizen credit may not claim the annual credit in that taxable year or in any subsequent taxable years.

The means test for the retirement income credit, the lump-sum retirement credit, the lump-sum distribution credit, and the senior citizen credit applies to taxable years beginning on or after January 1, 2015.

The bill also moves language relating to those credits and strikes obsolete language.

Business income tax exemption and flat tax

(R.C. 5747.01(A)(31) and 5747.02; Sections 757.120 and 803.70)

The bill exempts the first $250,000 of an income taxpayer's business income (or $125,000 for spouses filing separate returns) and imposes a flat 3% tax on all business income in excess of the amount exempted.

Under current law, individuals may deduct 50% of their business income, up to $125,000 per year (or $62,500 for spouses filing separate returns). The tax rates applicable to the remaining income are identical to the rates applicable to other types of income – based upon income tax bracket, the rates range from 0.528% to 5.333%. The current deduction was first available in 2013. For taxable years beginning in 2014, the deduction was temporarily increased to 75% of business income, up to $187,500 per year (or $93,750 for spouses filing separate returns) (see Section 757.80 of H.B. 483 of the 130th General Assembly).

Under continuing law, "business income" is income from the regular conduct of a trade or business, including gains or losses, and includes gains or losses from liquidating a business or from selling goodwill. It is deductible to the extent it is apportioned or allocated to Ohio, in cases of taxpayers who have business income attributable to other states. The deduction is not available to estates or trusts subject to the income tax. The deduction does not affect the school district income tax base: any taxpayer making the deduction for state income tax purposes must add the deducted amount back into the taxpayer's school district taxable income if the school district's income tax base is based on state taxable income (as opposed to just earned income).

NOAA and PHS commissioned corps active duty pay deduction

(R.C. 5747.01(A)(24))

The bill extends the deduction for active duty military personnel pay to persons serving in the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) and the Commissioned Corps of the Public Health Service (PHS). Continuing law permits such a deduction for active duty pay of persons serving in the U.S. Army, Navy, Air Force, Coast Guard, or Marine Corps., their respective reserve components, or the National Guard. Collectively, these branches of the armed forces and the NOAA and PHS Commissioned Corps are referred to as the uniformed services. "Uniformed services," has the same definition under continuing state and federal law. The deduction, both currently and as proposed, does not apply to persons while stationed in Ohio.

Under continuing law, a deduction is available for retirement pay of retired members of all the uniformed services and their survivors. The retirement pay deduction was extended to persons serving in the NOAA and PHS Commissioned Corps by H.B. 59 of the 130th General Assembly.

Wishes for Sick Children Income Tax Refund Contribution Fund

(R.C. 3701.602 and 5747.113; Section 803.300)

The bill authorizes taxpayers to contribute all or a part of their Ohio income tax refund to a nonprofit organization whose primary purpose is to grant the wishes of children diagnosed with life-threatening illnesses. Contributions are credited to the

Wishes for Sick Children Income Tax Contribution Fund, which is created by the bill. Individuals may also contribute directly to the Fund.

All contributions to the new Fund must be used to grant the wishes of individuals who are under the age of 18, who are residents of the state, and who have been diagnosed with a life-threatening medical condition. A nonprofit organization is eligible to receive and distribute money from the Fund if (1) it is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code, (2) for the past ten years, the primary purpose of the organization has been to grant the wishes of children with life-threatening illnesses, and (3) for each of the last three years, the organization spent at least $1 million for that purpose.

Under continuing law, there are five income tax refund contributions or "check-offs." They benefit the Natural Areas and Preserves Fund, the Nongame and Endangered Wildlife Fund, the Military Injury Relief Fund, the Ohio Historical Society, and the Breast and Cervical Cancer Project. As with the existing check-offs, the new check-off would authorize taxpayers to direct that all or part of their refund be credited to the new Fund. The designation is made on the annual income tax return. The designation may not be revoked once the designation is made and the return is filed.

The bill requires the Director of Health to distribute contributed funds to eligible nonprofit corporations and to submit a biennial report to the General Assembly on the effectiveness of the check-off in January of every odd-numbered year. The report must include information about how the money was spent and the amount of money contributed (including the amount contributed through the refund check-off and the amount contributed directly). Each report must provide this information for each of the five preceding years.

The Department of Taxation is entitled to reimbursement for its costs of administering the check-offs. Under current law, reimbursement is paid from the existing four check-off funds in equal one-fifth shares. The total reimbursement cannot exceed 2.5% of the total amount contributed. Under the bill, the reimbursement would be divided in equal one-sixth shares among the five existing funds and the Wishes for Sick Children Income Tax Contribution Fund. The reimbursement would continue to be limited to 2.5% of contributions.

Continuing law requires that any new check-off category created by the General Assembly be effective for no more than two years. The bill creates an exception to this rule for the Wishes for Sick Children Income Tax Contribution Fund, thereby allowing the Fund to exist beyond the two-year limit.

Taxpayers may contribute their income tax refunds to the Wishes for Sick Children Income Tax Contribution Fund beginning with taxable years that begin in or after 2015.

Income tax rate reduction based on vetoed provisions

(Section 757.100)

The bill provides for a reduction in income tax rates based upon the savings realized if the Governor vetoes appropriations and expenditures included in the bill. Under the bill, the Tax Commissioner, in consultation with the Director of Budget and Management, must (1) determine the total amount of vetoed appropriations and expenditures that would have cost at least $5 million in FY 2016 and $6 million in FY 2017 and (2) reduce income tax rates by the same proportion that that amount bears to the total amount of income revenue they estimate will be received in the 2014-2015 biennium.

The income tax rate reduction would be permanent and would apply beginning with the 2015 taxable year. However, withholding tax rates would not be adjusted to reflect the reduction until July 1, 2017.

Sales and use taxes

Use tax collection by remote sellers

(R.C. 5741.01 and 5741.03; Section 812.20)

The bill defers the first date that the Director of Budget and Management is required to transfer new remote seller use tax collections to the income tax reduction fund (ITRF) from July 1, 2015, to the last day of January or July following the effective date of any federal law that authorizes states to require sellers that lack substantial nexus with a state to collect and remit use tax. A bill proposing such a law currently is pending in Congress – the "Marketplace Fairness Act of 2015," (S. 698). Similar legislation has been introduced in prior Congresses but was never enacted.

Generally, use tax collections are credited to the state General Revenue Fund, with a portion of the revenue earmarked for the Local Government Fund and Public Library Fund. H.B. 59 of the 130th General Assembly required the Director to make biannual deposits of new use tax collections from remote sellers to the ITRF. Revenue in the ITRF is added to the surplus revenue for which an income tax rate reduction may be determined. Under continuing law, the amount of the tax rate reduction is based on the amount of "surplus revenue" that is available after the balance in the Budget

Stabilization Fund equals 5% of annual General Revenue Fund expenditures and certain inter-year fund carryovers and reserves are made.

The bill also postpones the biannual deadline for ITRF transfers in each year thereafter from the first day of January and July to the last day of January and July. The Director, along with the Tax Commissioner, would still be required to compute the new remote seller use tax collections for a preceding six-month period (June to November and December to May, respectively) by the first day of January and July each year following the effective date of federal Marketplace Fairness-like legislation.

The bill modifies the computation of new remote seller use tax collections for the purpose of making the required transfers to the ITRF. Current law requires the Director and the Tax Commissioner to compute "new" use tax collections by reference to the amounts that were voluntarily remitted in FY 2013 by sellers that did not have substantial nexus with the state. Specifically, new use tax collections currently are the collections remitted by remote sellers in excess of (1) remittances by sellers that collect use tax under the Streamlined Sales and Use Tax Agreement, (2) refunds issued to remote sellers, and (3) one-half of the use tax voluntarily remitted in FY 2013. Under the bill, only use tax remittances from sellers that register with the Commissioner after the effective date of federal Marketplace Fairness-like legislation would count as "new" use tax collections destined for the ITRF.

The bill creates a presumption that sellers that register with the Commissioner after the effective date of such federal legislation are "remote sellers" for the purposes of computing new use tax collections. The seller or Commissioner may rebut that presumption by presenting evidence that the seller has substantial nexus with the state.

"Substantial nexus" standards

(R.C. 5741.01 and 5741.17; Section 803.260)

Under continuing law, state and local sales tax applies to every retail sale conducted in Ohio. State use tax applies to sales of tangible personal property or taxable services made outside Ohio in which the property or service is used or received in Ohio and on which sales tax was not collected. Sales and use taxes are levied at the same rate. Under U.S. Supreme Court precedent, only sellers that have a "physical presence" with a state may be required to and remit sales or use tax from a customer in that state.[209] Otherwise, a state cannot require a seller to collect and remit use tax. In instances where

[209] *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992) (catalog seller that delivered products to North Dakota customers by an out-of-state common carrier outside the state did not have a physical presence with North Dakota and was not required to collect and remit the state's sales tax).

use tax is not collected by the seller, continuing Ohio law requires that the consumer remit use tax directly to the state.

Continuing law codifies the physical presence requirement by requiring sellers with a "substantial nexus" with Ohio to collect and remit use tax from Ohio customers. Current law provides several explicit examples of circumstances under which an out-of-state seller has a substantial nexus with Ohio.

The bill prescribes new criteria for determining whether sellers are presumed to have "substantial nexus" with Ohio and are therefore required to register with the Tax Commissioner to collect and remit use tax. A seller is presumed to have substantial nexus with Ohio in any of the following circumstances:

(1) The seller uses a place of business in Ohio operated by the seller or another person, other than a common carrier. Current law includes such a seller if the place of business is operated by the seller, a franchisee, a member of an affiliated group, or an employee or agent of the seller.

(2) The seller regularly uses employees or other agents and persons to conduct the seller's business or that use similar trademarks or trade names as the seller, or that sell a similar line of products under a business with the same industry classification as the seller. Current law includes only a seller that regularly employs or engages individuals in Ohio to conduct the seller's business.

(3) The seller uses any person, other than a common carrier, to receive or process orders, promote, advertise, or facilitate customer sales, perform maintenance, delivery, and installation services for the seller's Ohio customers, or facilitate delivery by allowing Ohio customers to pick up property sold by the seller. Current law includes a seller who uses a person in Ohio to receive or process the seller's orders.

(4) The seller enters into an agreement to pay one or more Ohio residents to refer potential customers to the seller if gross sales to customers referred to the seller by all such residents exceed $10,000 during the preceding 12 months. The customer may be referred by a link on a web site, an in-person oral presentation, or through telemarketing. This nexus relationship has been referred to as "click-through nexus."

(5) The seller provides hotel intermediary services for lodging at a hotel located in Ohio (see "**Sales and use taxation of hotel intermediary services**," above).

A seller is presumed to have substantial nexus with Ohio if, as under current law, the seller makes regular deliveries of tangible personal property to Ohio other than by a common carrier, rents, leases, or offers on approval tangible personal property to Ohio customers, or is affiliated with a person that has substantial nexus with Ohio. For this purpose, affiliation is determined by stock ownership (50% for closely held corporations, 80% for others).

In addition, the bill eliminates the following bases in current law that would cause a seller to have substantial nexus with Ohio:

(1) The seller is registered to do business in Ohio. Current law includes such sellers, except sellers registering with the streamlined sales tax central registration system.

(2) The seller has any other contact with Ohio that forms the basis of substantial nexus as allowed under the U.S. Constitution's Commerce Clause. Current law includes such sellers.

Substantial nexus presumption

Current law provides several explicit examples of when a remote seller has substantial nexus with Ohio. The bill transforms the examples to rebuttable presumptions. A seller that has substantial nexus with Ohio, except for a seller that has click-through nexus, may rebut that presumption by demonstrating that the activities conducted by a person on the seller's behalf are not significantly associated with the seller's ability to establish or maintain an Ohio market for the seller's sales.

For a seller presumed to have click-through nexus with Ohio, the presumption may be rebutted by submitting proof that each Ohio resident the seller engaged to refer potential customers on the seller's behalf did not engage in activity significantly associated with the seller's ability to establish or maintain an Ohio market for the seller's sales during the preceding 12 months. The proof may consist of sworn written statements from each resident stating that the resident did not engage in solicitation in Ohio on behalf of the seller in the preceding 12 months, provided the statements were obtained and provided in good faith.

Out-of-state seller doing business with the state

The bill requires an out-of-state seller and the seller's affiliates, before the seller sells or leases tangible personal property or services to a state agency, to register with the Tax Commissioner to collect and remit use tax, even if that seller would not otherwise have substantial nexus with Ohio.

Eliminate cash register adjustment compensation

(R.C. 5739.212 (repealed); Section 803.170)

Eliminates an existing requirement that counties and transit authorities compensate vendors for the expense of adjusting cash registers when a county or transit authority sales and use tax rate is increased or a new tax is imposed. Compensation would no longer be required for taxes increased or imposed on or after July 1, 2015.

Currently, when a county or transit authority levies a new sales and use tax or increases the tax rate, it must compensate vendors by up to $50 per cash register or, if only one register is in a place of business, up to $100.

Sales and use taxation of hotel intermediary services

(R.C. 5739.01(B)(3)(v) and (TTT); Section 803.330)

Beginning October 1, 2015, the bill subjects to sales and use tax the sale of hotel intermediary services. A person provides such services if the person, other than a hotel itself, arranges for the sale of hotel lodging, e.g., Internet and travel agent hotel booking services.

Remission of tax on vehicle sales and leases

(R.C. 4505.06, 5739.029, 5739.13, and 5741.12)

Under continuing law, applications for certificates of title for motor vehicles are filed with the Clerk of the Court of Common Pleas. Currently, the Clerk collects sales and use taxes along with the application for a certificate of title for the vehicle. The Clerk may not issue the title before collecting the taxes stemming from the sale of the motor vehicle.

Under the bill, a new or used motor vehicle dealer licensed in Ohio may elect to remit the sales and use tax collected on vehicle sales and leases directly to the state on the dealer's monthly sales or use tax return rather than remitting the tax to the Clerk. A motor vehicle dealer that makes such an election must submit to the Clerk, along with the application for a certificate of title, a certificate that acknowledges the sale or lease of the motor vehicle, stating the purchaser's county of residence, and pledging that the dealer will report and remit the tax due to the state on the dealer's monthly return. In effect, the bill allows motor vehicle dealers to defer remission of sales and use taxes for up to one month from the date of the sale or lease. The bill does not prohibit motor vehicle dealers from continuing to remit sales and use tax to the Clerk along with the application for a certificate of title.

The bill requires the Tax Commissioner to remit the Clerk's poundage fee to the appropriate county Certificate of Title Administration Fund upon collecting the tax. Under continuing law, the poundage fee equals 1.01% of the tax collected and is to be used to defray the expenses of processing titles for automobiles and other titled vehicles and, in the case of a surplus, to fund the county general fund.

Sales and use tax exemption for meat sanitation services

(R.C. 5739.01(II); Section 803.330)

Continuing law imposes the state's sales and use tax on the provision of "building maintenance and janitorial" services – i.e., cleaning services. Beginning October 1, 2015, the bill exempts from sales and use tax the provision of such services to a meat slaughtering or processing operation if the services are necessary for the operation to comply with federal meat safety regulations.[210]

Exempt rental vehicles provided by warrantor

(R.C. 5739.02(B)(42); Section 757.110)

The bill exempts from sales and use tax any transaction by which a rental vehicle is provided to someone whose motor vehicle is undergoing repair or maintenance. The exemption applies only if the cost for the rental vehicle is reimbursed by the manufacturer, warrantor, or other provider of maintenance or service contract or agreement, with respect to the vehicle being repaired or maintained. Currently, a sales tax exemption is available only for sales of "things" that are needed to fulfill a warranty or similar contractual obligation that was included in the price of the original thing purchased or that was purchased as a separate warranty or service contract.

The bill also requires the Tax Commissioner to abate all unpaid sales and use taxes and corresponding penalties and interest stemming from the provision of rental vehicles before the effective date of the exemption. The Commissioner would be prohibited from making an assessment for such unpaid taxes, penalties, and interest.

Other state taxes

Cigarette and tobacco excise taxes

Ohio levies an excise tax on the sale, distribution, or use of cigarettes at the current rate of $1.25 per pack. The tax is paid primarily by wholesale dealers through the purchase of stamps that are affixed to packs of cigarettes. Retail sellers must pay the

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[210] 21 U.S.C. 608.

tax on cigarettes that are not taxed at the wholesale dealer level. A separate tax is levied on tobacco products other than cigarettes at the current rate of 17% of the wholesale price, or 37% of wholesale price for "little cigars" – which are noncigarette, filtered smoking rolls wrapped in any substance containing tobacco, other than natural leaf tobacco. (This tax is often referred to as the other tobacco products (OTP) tax.) Revenue from the cigarette and OTP tax is credited to the GRF.

Cigarette excise tax rate

(R.C. 5743.02 and 5743.32; Sections 803.220 and 803.230)

The bill increases the rate of the cigarette excise tax from the current $1.25 per pack to $1.65 per pack beginning July 1, 2015. On a per-cigarette basis, the increase is from 8.25¢ to 11.25¢. All revenue from the cigarette excise tax will continue to be credited to the GRF.

The rate increase also applies to cigarettes in wholesale and retail dealers' inventories and tax stamps in wholesale dealers' inventories on July 1, 2015. Dealers must pay a "net additional tax" on those inventories. The net additional tax is the additional tax resulting from the rate increase for all cigarette packs bearing a tax stamp and for all unaffixed tax stamps in the dealer's possession at the beginning of business on that day. All dealers owing additional tax must file a return with the Tax Commissioner and pay the tax by September 30, 2015. A late charge applies for late payments or returns equal to $50 or 10% of the tax due, whichever is greater.

Tobacco products excise tax rate

(R.C. 5743.01, 5743.51, 5743.62(A), and 5743.63; Section 803.280)

The bill increases the rate of the OTP tax by 32% from the current 17% of the wholesale price to 22.5% beginning July 1, 2015. All revenue from the OTP tax will continue to be credited to the GRF.

The bill places a ceiling on the amount of excise tax on "premium cigars" of 50¢ per cigar, effective July 1, 2015. The bill specifies that the maximum tax on premium cigars is 50¢ per cigar. Premium cigars are defined to be rolls of tobacco with (1) a binder and wrapper consisting entirely of leaf tobacco, (2) no tip or filter or mouthpiece that is not made of tobacco, and (3) a weight of at least six pounds per 1,000 rolls. The Tax Commissioner must annually adjust the 50¢ maximum tax to account for any increase in the Consumer Price Index (CPI) for urban consumers.

Domestic insurance premium tax

(R.C. 5725.22; Section 803.07)

Under continuing law, foreign and domestic insurance companies are subject to a franchise tax based on the company's gross premiums, subject to certain exclusions. For an insurance company that is a health insuring corporation, and for the health insuring corporation line of business of an insurer that is not a health insuring corporation, the tax is equal to 1% of all premium rate payments received. An insurance company that is not a health insuring corporation must pay a franchise tax equal to 1.4% of the gross amount of premiums received from policies covering risks within Ohio.[211]

Payment date

The bill requires the Treasurer to issue a final tax bill to each domestic insurance company on or before May 15 of each year. In case of an emergency situation, the Treasurer may issue the tax bill later than May 15 and may grant the taxpayer an extension for paying the amount due. Under current law, the Treasurer is required to issue the tax bill within 20 days after receiving the final assessment of taxes from the Department of Insurance. Continuing law requires the Department of Insurance to certify the tax liability of each insurance company to the Treasurer on or before the first Monday of May.

The bill requires domestic insurance companies to pay the franchise tax liability on or before June 15 of each year. If June 15 is a Saturday, Sunday, or legal holiday, payment is due on the next business day. Under current law, payment is due within 30 days of the date the Treasurer mails the tax bill.

Penalties

The bill also adjusts the penalties associated with late payment of the domestic insurance premiums tax. The penalty would equal $500 for each month the taxpayer fails to pay all taxes and interest due. (This equals the penalty for failure to pay foreign insurance company taxes. R.C. 5729.11.) If the taxpayer fails to demonstrate a good faith effort to pay the taxes and interest on time, the Treasurer may assess an additional penalty not exceeding 10% of the taxes and interest due. Under current law, the penalty for late payment is 5% of the taxes and interest due if the payment is made within ten days of the due date and escalates to 10% of the taxes and interest due if the payment is more than ten days late.

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[211] R.C. 5725.18.

The bill's changes to domestic insurance premium tax due dates and penalties apply to taxable years ending in or after 2016.

Financial institutions tax: exempt PCAs and ACAs

(R.C. 5726.01; Section 757.140)

The bill exempts production credit associations (PCAs) and agricultural credit associations (ACAs) from the financial institutions tax (FIT), thereby subjecting both types of organizations to the commercial activity tax. Under current law, PCAs are explicitly subject to the FIT. ACAs are neither explicitly subject to, nor exempt from, the FIT.

A PCA is an institution organized under the Farm Credit Act of 1933 to provide short- or intermediate-term loans to farmers, ranchers, and farm-related businesses, and to rural residents for housing. Currently, all PCAs are subsidiaries of ACAs. An ACA is formed through the combination of a PCA and either a Federal Land Credit Association (FLCA) or a Federal Land Bank Association (FLBA), and has similar functions to that of a PCA, except that an ACA may also make long-term loans. Under current law, FLBAs are exempt from the FIT, while FLCAs are neither explicitly subject to, nor exempt from, the tax.

The bill applies the exclusions to tax years beginning on and after January 1, 2014, the date the FIT took effect. The bill further states that the changes are intended to be "remedial in nature" and to "clarify" existing law.

Cigarette tax stamp purchase credit

(R.C. 5743.05)

Under continuing law, wholesale cigarette dealers pay the cigarette excise tax by purchasing tax stamps from the Tax Commissioner and affixing those stamps to packages of cigarettes the dealer sells. Between July 1 and May 1 of each fiscal year, current law authorizes a dealer that does not file a surety bond with the Commissioner to buy cigarette tax stamps on credit with a value up to 110% of its monthly average purchases if the dealer pays for the stamps within 30 days. The 110% limit does not apply if the dealer files a surety bond with the Commissioner, though the 30-day payment deadline does.

The bill lengthens the period of time during which dealers may purchase cigarette tax stamps on credit to between July 1 and June 23 of each fiscal year. The bill generally maintains the 30-day payment deadline, but requires dealers to pay for stamps purchased on credit no later than June 23 if the stamps are purchased within 30 days before that date.

Cigarette and other tobacco tax enforcement report

(R.C. 5703.85)

The bill requires the Tax Commissioner to prepare a quarterly report, beginning September 1, 2015, that details each of the following:

(1) The number of tobacco tax-related inspections and investigations conducted during the preceding four months.

(2) The number of tobacco tax-related violations found during those months.

(3) The number of prosecutions brought during those months in relation to tobacco tax-related violations.

(4) The number of agents designated to enforce tobacco tax-related violations in those months.

The Commissioner must submit the report to the chairpersons of the House and Senate standing committees that are normally responsible for tax legislation.

Kilowatt-hour excise and personal property tax: donated electricity

(R.C. 5727.031 and 5727.80; Section 757.90)

Under continuing law, most property used to supply electricity to other persons is subject to property taxes imposed by local taxing units. In addition, most companies that distribute electricity to end users in Ohio, and some large end users, are subject to a kilowatt-hour tax based on the amount of kilowatt-hours of electricity distributed to or consumed by the end user each month.

The bill specifies that, when a company generates electricity but donates all of that electricity to a political subdivision, the property used to generate or supply that electricity is not subject to property taxation and the donated electricity is not subject to the kilowatt-hour tax. The bill states that this provision is intended to "clarify and be declaratory of" existing law.

Kilowatt-hour tax reimbursement for wind-generated electricity

(R.C. 5709.93(A)(22), (E), and (F)(2))

The bill creates a special set of payments for a municipal corporation where a user of a substantial amount of wind-generated electricity (7,000,000 kwh/year) is located. The payment is incorporated into the bill's proposed tangible personal property tax reimbursement scheme, payable from the Local Government Tangible Property Tax Replacement Fund, although it is not related to the loss of property tax revenue from tangible personal property. The payment equals the amount of kilowatt-hour excise tax paid on the basis of wind-generated electricity received by the user. Payments would be made semiannually in any fiscal year following a calendar year in which kilowatt-hour tax is paid for the electricity. The payments would continue indefinitely as long as the electricity is distributed to the user and the tax is being paid on the basis of that electricity. The municipal corporation must credit the payment to a special fund to be used to provide grants, tax reductions, or other financial assistance to the user of the wind-generated electricity.

Petroleum activity tax – propane

(R.C. 5736.01 and 5736.02(C); Sections 757.150, 757.160, and 803.350)

The bill changes the base on which the petroleum activity tax is imposed in the case of liquid petroleum gas (a.k.a., LPG or propane) by using the market price of such gas, instead of the market price of diesel, to calculate taxable gross receipts. The change takes effect July 1, 2015.

Currently, PAT gross receipts are calculated separately for gasoline and for all other motor fuels, including diesel, propane, kerosene, and biodiesel. The distinction allows the market price of gasoline to be used to calculate gross receipts from gasoline sales, but uses the market price for diesel to be the basis for calculating gross receipts for diesel and other motor fuels (diesel being by far the most common such fuel other than gasoline).

Continuing law requires that, for purposes of calculating the PAT, the Department of Taxation must publish the average market prices of gasoline and diesel at least 15 days before the first day of each quarterly tax period. The bill applies this same requirement to the posting of propane average market prices, but creates an exception for the first tax period after the bill's changes take effect. The exception allows the Department additional time – until July 30, 2015 – to post the average market price of propane for the tax period beginning on July 1, 2015.

Petroleum activity tax credit for tax on blend stocks

(R.C. 5736.51; Section 803.190)

The bill authorizes a petroleum activity tax (PAT) deduction on the basis of receipts derived from selling blend stocks or additives used for blending with motor fuel, if the PAT has already been paid with respect to the blend stocks or additives. A supplier may rely upon an invoice issued by the seller of the blend stocks or additives as evidence that the PAT has already been paid with respect to the blend stocks or additives, provided that the seller is a licensed Ohio motor fuel supplier that complies with the recordkeeping requirements prescribed by the Tax Commissioner and the invoice lists the tax as a separate charge. Blend stocks are additives that are sold for blending with motor fuel, such as ethanol.

Continuing law levies the PAT on suppliers of motor fuel on the basis of each supplier's "calculated gross receipts" – the volume of the supplier's first sales of motor fuel in the state multiplied by the average price for unleaded gasoline or diesel fuel, as applicable. Essentially, the deduction ensures that the sale of blend stocks incorporated into motor fuel is subject to the PAT only once, i.e. the blend stock is taxed at its point of first sale, but not a second time after it is incorporated into and sold as blended motor fuel.

Offsetting CAT reduction for railway purchases of dyed diesel

(R.C. 5751.01(F)(2)(kk); Section 803.310)

The bill authorizes a reduction in the commercial activity tax (CAT) for railways' purchases of dyed diesel fuel. The reduction compensates for the difference between the petroleum activity tax (PAT) payable on account of such fuel and the CAT that would have been owed on account of the fuel if the CAT applied to receipts from selling the fuel. (The PAT is levied at a rate of 0.65% of the receipts that fuel suppliers receive from selling motor fuel, including dyed diesel. The CAT is levied at a rate of 0.26%, and does not apply to receipts from selling motor fuel.) The difference between the PAT payable on account of the fuel and the CAT that would be payable (because of the tax rate difference) is translated into a reduction in a railway's overall CAT taxable gross receipts. The reduction applies only if a railway purchases the dyed diesel fuel directly from a fuel supplier subject to the PAT. The reduction applies to a railway's CAT tax periods beginning on or after July 1, 2015.

Wine excise tax

(R.C. 4301.43)

Continuing law levies an excise tax on manufacturers, importers, and wholesale distributors who sell and distribute wine in and to Ohio. The tax is due monthly. All revenue is credited to the General Revenue Fund except for a percentage of the wine tax revenue (2%) earmarked for the Ohio Grape Industries Fund. Currently, the 2% earmark is set to expire June 30, 2015. The bill extends the earmark for another two years, until June 30, 2017.

Tax identity verification

(R.C. 5703.057, 5703.36, and 5703.361; Sections 757.40 and 803.180)

Beginning January 1, 2016, the bill limits information the Tax Commissioner may require a person to verify for the purpose of confirming the person's identity. Continuing law empowers the Commissioner to (1) take measures to inform the Commissioner on matters necessary to discharge the Commissioner's duties and (2) require that any person filing a tax document also provide identifying information to the Commissioner. The bill limits the scope of this existing authority by prohibiting the Commissioner from requesting that a person verify information created or compiled more than five years earlier.

Additionally, the bill requires the Commissioner to report on the effectiveness of any identity-verification measures the Commissioner employs to reduce personal income tax fraud. This report must be submitted by August 30, 2016, to the Speaker of the House of Representatives and the President of the Senate, as well as each member of the House and Senate standing committees dealing with taxation.

Ohio 2020 Tax Policy Study Commission

(Section 757.50)

The bill creates the Ohio 2020 Tax Policy Study Commission to review the state's tax structure and policies and make recommendations to the General Assembly on how to maximize Ohio's competitiveness by the year 2020. Specifically, the commission must make recommendations on how to transition Ohio's personal income tax to a 3.50% or 3.75% flat tax by tax year 2018 and how to reform Ohio's severance tax in a way that maximizes competitiveness and enhances the general welfare of the state.

The commission is to consist of three members of the House appointed by the Speaker, three members of the Senate appointed by the Senate President, and the Director of the Office of Budget and Management. With respect to the House members, two must be members of the majority party, one of whom is the Chairperson of the House Ways and Means Committee, and one must be a member of the minority party. With respect to the Senate members, two must be members of the majority party, one of whom is the Chairperson of the Senate Ways and Means Committee, and one must be a member of the minority party. The Chairpersons of the House and Senate Ways and Means Committees are to serve jointly as Co-chairpersons of the commission.

The bill directs the commission to utilize "dynamic analytical tools" and the Legislative Service Commission to provide any necessary services. (The bill does not define "dynamic analytical tools." In the context of analyzing tax policies, reference to "dynamic" analysis generally implies employing models intended to estimate how a change in policy affects revenue directly or indirectly through the policy's effect on macroeconomic factors such as employment, capital stock, and output.)

The commission must publish its findings and recommendations on Ohio's severance tax not later than October 1, 2015. The commission is required to publish its findings and recommendations on all other matters not later than October 1, 2017. The commission will cease to exist upon publication of both such reports.

Tax Expenditure Review Committee

(R.C. 5703.95, 5703.951, 5703.952, 5703.953, and 5703.954; Sections 757.163 and 757.165)

The bill creates a permanent committee – composed of four legislators, one gubernatorial appointee, and two agency heads – to review every existing and newly enacted tax expenditure once every two years. The Committee is named the Tax Expenditure Review Committee.

The bill adopts existing law's definition of "tax expenditure," which currently is used to define the content of the Department of Taxation's Tax Expenditure Report that accompanies the Governor's proposed biennial operating budget. Under that definition, a tax expenditure is "any tax provision in the Revised Code that exempts, either in whole or in part, certain persons, income, goods, services, or property from the effect of taxes established in the Revised Code, including, but not limited to, tax deductions, exemptions, deferrals, exclusions, allowances, credits, reimbursements, and preferential tax rates."[212] According to the most recently issued Tax Expenditure Report, there are currently 128 tax expenditures.

The Tax Expenditure Review Committee is required to establish a schedule for reviewing each tax expenditure once every two years. The Committee is required to

[212] R.C. 5703.48.

divide in half all the tax expenditures existing on April 15, 2015, pursuant to a list of such expenditures furnished by the Tax Commissioner, reviewing one-half in 2016 and every subsequent even-numbered year and the other half in 2017 and every subsequent odd-numbered year.

The Committee is also required to review each tax expenditure enacted in an odd- or even-numbered year after April 15, 2015, in every subsequent odd- or even-numbered year, respectively.

In the process of reviewing each expenditure, the Committee must hold at least one public hearing on each tax expenditure scheduled for review in that year, during which the Committee must allow persons to present testimony or evidence related to that tax expenditure. The Tax Commissioner is required to publish advance notice of those hearings in the *Register of Ohio*.

In advance of these hearings, the Commissioner or any other official responsible for administering a tax expenditure, e.g., the Director of Development Services, is required to furnish the Committee with the following information about the expenditure:

(1) The expenditure's purpose;

(2) The official's opinion as to the public need for the expenditure;

(3) The official's opinion whether the expenditure's effectiveness is impeded or enhanced by existing statutes;

(4) How, if at all, the expenditure promotes economic growth and development;

(5) An estimate of the revenue forgone each fiscal year as a result of the expenditure;

(6) The official's opinion whether the tax expenditure should be discontinued;

(7) Any other information relevant to the Committee's review.

After the hearing, the bill requires the Committee to review each tax expenditure. In doing so, the Committee is required to consider the information submitted by state officials, as well as information furnished to the Committee by the Legislative Service Commission (LSC). The Committee may request additional information that would assist in the Committee's review from state agencies, and those agencies are required to furnish requested information.

The Committee is required to issue to the Governor and each member of the General Assembly a report by November 1 of each year, beginning in 2016, containing the following information related to each reviewed tax expenditure:

(1) The expenditure's purpose;

(2) The effectiveness of the expenditure;

(3) Whether the expenditure serves a public need;

(4) Whether the expenditure's effectiveness is impeded or enhanced by existing statutes;

(5) Whether the expenditure promotes economic growth and development;

(6) An estimate of the revenue forgone each fiscal year as a result of the expenditure;

(7) The Committee's recommendation whether the tax expenditure should be discontinued;

(8) Any other relevant information.

In addition to the information required above, the report may include drafts of proposed bills that would discontinue or improve the effectiveness of reviewed tax expenditures. The report is subject to disclosure under Ohio's Public Records Law.

The bill requires LSC to annually submit to the Committee, beginning in 2016, a report describing each existing tax expenditure's purpose and, if the legislation creating the expenditure prescribed standards to evaluate its effectiveness, evaluating whether the expenditure meets those standards.

Proposed tax expenditures

The bill requires any act of the General Assembly that creates a new tax expenditure to state each of the following:

(1) The expenditure's purpose;

(2) Whether the expenditure is to be reviewed in an odd- or even-number year;

(3) The class of taxpayers that will benefit from the expenditure;

(4) Methods to be used to evaluate the expenditure's effectiveness in serving its purpose.

Tax amnesty

(Section 757.130)

The bill requires the Tax Commissioner to administer a temporary tax "amnesty" from January 1 to February 15, 2016, with respect to delinquent state taxes, county and transit authority sales and use taxes, school district income taxes, and taxes on business tangible personal property.[213] It also covers delinquent income tax withholding remittances by employers. The amnesty applies only to taxes that were due and payable as of May 1, 2015, that were unreported or underreported, and that remain unpaid on January 1, 2016. The amnesty does not apply to any tax for which a notice of assessment or audit has been issued, for which a bill has been issued, or for which an audit has been conducted or is pending.

If, during the amnesty, a person pays the full amount of delinquent taxes owed and one-half of any accrued interest, the Commissioner must waive all penalties and the other one-half of accrued interest. The bill authorizes the Commissioner to require a person to file returns or reports, including amended returns or reports. Persons owing tangible personal property taxes are required to file a return with the Commissioner listing all taxable personal property not previously listed by the person on a tangible personal property tax return; the taxes would be collected by county treasurers in the same manner as the taxes originally due.

In addition to receiving a waiver of penalties and one-half of accrued interest, a person who pays the amount due and one-half accrued interest is immune from criminal prosecution or any civil action with respect to the tax paid, and no assessment may be issued against the person.

The Commissioner must issue forms and instructions for the amnesty, must publicize the amnesty so as to maximize public awareness and participation, and may take any other actions necessary to implement the amnesty.

Taxes and interest collected under the amnesty will be distributed in the same manner as the underlying tax liability would have been distributed had it been paid as required by law. Thus, collections related to state taxes will be credited to the General Revenue Fund unless a different fund is specified by law (e.g., motor fuel taxes to the various highway funds), with the portion attributable to county and transit authority sales and use taxes being credited to the appropriate county or transit authority and the

[213] Tangible personal property used in business has not been subject to taxation since 2008 (2010 in the case of telecommunications property). Presumably, the amnesty applies to taxes on such property to the extent the property was not listed in those prior years and the taxes remain unpaid on May 1, 2015.

portion attributable to school district income taxes being distributed to the appropriate school district. Collections related to tangible personal property taxes will be distributed to the appropriate taxing unit, but no payment will be made for a prior reimbursement by the state for a $10,000 exemption from such taxes.

The most recent general tax amnesty was conducted in 2012.

Tangible personal property tax reimbursements

Background

The bill resumes the phase-out of payments currently being made to school districts and other local taxing units to partly reimburse them for the loss of property tax revenue resulting from previously legislated reductions in local property taxes on tangible personal property. Beginning in 2001, the taxable value of some electric utility tangible personal property (TPP) was reduced by legislation that partly deregulated electric utilities. Subsequent utility deregulation legislation in following years reduced the taxable value of natural gas utility TPP and telephone utility TPP. In 2005, legislation eliminated taxes on TPP used in business over a five-year period. These reductions caused locally levied property taxes to decline accordingly. The legislation provided initial reimbursement for most of the revenue loss and gradual phase-out of the reimbursement over several years. In 2011 and 2012, reimbursement payments were immediately reduced by about 25% and 50%, respectively, and the phase-out of the reduced payments accelerated relative to the original phase-out schedule.[214]

School district reimbursement

(R.C. 5709.92, 5727.84, 5727.85, 5751.20, and 5751.21)

Under current law, reimbursement payments are generally constant for those districts whose reimbursements have not already been phased out under the 2011-2012 changes. The bill's resumption of the reimbursement phase-out begins in FY 2016 on the basis of a district's combined business and utility property tax replacement payments received in FY 2015. (The bill includes an offsetting provision, effective for FY 2016 and 2017 only, requiring a supplemental payment ensuring that each school district receives combined state aid and TPP reimbursement for fixed-rate current expense levies at least equal to its combined FY 2015 state aid and TPP reimbursement for fixed-rate current expense levies. See Section 263.325, entitled "School District TPP Supplement.")

[214] A complete description of the 2011-2012 changes to the reimbursement scheme is available in the LSC bill analysis for H.B. 153 of the 129th G.A., pp. 655-665.

Under the bill, different phase-out schedules are prescribed for different classes of tax levies, as follows:

Current expense levies: Payments for most current expense-purpose levies are phased out according to the amount of a district's FY 2015 current expense levy replacement payment ("current expense allocation") relative to its total operating revenue from state and local sources ("total resources"). Payments are phased out more quickly for districts whose current replacement payments are a relatively small percentage of their total resources. The phase-out also incorporates a tax-raising capacity factor designed to continue relatively greater payments for more years for districts that have relatively lower personal income and per-pupil property wealth. For districts in the middle 20% (third quintile) of tax capacity, the replacement payment will be made in FY 2016 only if and to the extent that the FY 2015 payment represents more than 1.5% of the district's total resources; in FY 2017, the percentage increases from 1.5% to 3%, and it increases by an increment of 1.5% each year thereafter. The percentage for each quintile, both the initial and annual increment, is as follows:

Quintile	Percentage
Fifth (highest capacity)	2%
Fourth	1.75%
Third	1.5%
Second	1.25%
First (lowest capacity)	1%

As each percentage increases incrementally each year, the amount of the payment decreases until the payments eventually end.

The percentage for all joint vocational school districts is 2% initially, with a 2% incremental increase each year.

Currently, school districts and JVSDs receive payments for such current expense levies only if the district's FY 2011 payment for those levies exceeds 4% of its total resources for the corresponding year. The annual payment equals the amount by which a district's FY 2011 payment for those levies exceeds 4% of its total resources for the corresponding year.

Noncurrent-expense, nondebt levies: Replacement payments for levies funding purposes other than current expenses or debt payment (e.g., permanent improvement levies) are made in FY 2015 in an amount equal to 50% of a district's FY 2015 payment.

No payments for such levies will be made after FY 2016. Current law provides for annual payments equal to 50% of the payment a district received in FY 2011.

Emergency and other fixed-sum levies: Replacement payments for emergency levies and other levies designed to raise a fixed amount of revenue for current expenses or other purposes (except debt levies) are phased out in one-fifth increments over five years. The phase-out begins in 2017 for utility property-based replacement payments and in 2018 for business property-based payments. Currently, payments for nondebt fixed-sum levies are scheduled to end in 2017 for utility TPP-based reimbursements and in 2018 for business TPP-based reimbursements.

Debt levies: Replacement payments for voter-approved fixed-sum debt levies will continue to be paid in the same amount paid in 2014 until the levy is no longer imposed. Payments for debt levies imposed without the need for voter approval (i.e., within the 10-mill limitation on unvoted taxes) and that qualified for reimbursement in FY 2015 will be reimbursed through FY 2016 (for utility TPP-based payments) or through FY 2018 (for business TPP-based payments). This is a continuation of current law.

Other local taxing unit reimbursement

(R.C. 5709.93, 5727.84, 5727.86, 5751.20, and 5751.22; Section 757.10)

Similar to school district reimbursements, reimbursement payments for other local taxing units currently are generally constant for those still receiving payments after the 2011-2012 changes. The bill's resumption of the phase-out of reimbursements begins in FY 2016 on the basis of a district's combined business and utility property tax replacement payments received in FY 2015.

As with school district reimbursements, different phase-out schedules are prescribed for different classes of tax levies, as follows:

Current expense levies: Most current expense-purpose levies are phased out according to the amount of a taxing unit's FY 2015 current expense levy replacement payments ("current expense allocation") relative to its total operating revenue from state and local sources ("total resources"). Payments are phased out more quickly for taxing units whose FY 2015 replacement payments are a relatively small percentage of their total resources. Replacement payments for most current expense levies will be made in FY 2016 only if and to the extent that the FY 2015 payment represent more than 2% of the district's total resources. In FY 2017, the percentage increases from 2% to 4%, and it increases by 2% each year thereafter. As the percentage increases incrementally each year, the amount of the payment decreases until the payments eventually end.

Currently, taxing units and libraries receive payments for such current expense levies only if their CY 2010 payment for those levies exceeds 6% of its total resources for the corresponding year. The annual payment equals the amount by which the CY 2010 payment for those levies exceeds 4% of total resources for the corresponding year.

Unvoted debt levies: Replacement payments for debt levies imposed without the need for voter approval (i.e., within the 10-mill limitation on unvoted taxes) and that qualified for reimbursement in CY 2015 will be reimbursed through CY 2016 (for utility TPP-based payments) or through CY 2017 (for business TPP-based payments).

Nuclear power plant-affected taxing units

(R.C. 5709.92 and 5709.93)

Replacement payments for certain school districts and other taxing units are exempted from the bill's phase-out of TPP replacement payments for fixed-rate current expense levies. In fiscal year 2016 and thereafter those districts and taxing units will continue to receive the same payment amount they received for such levies in fiscal year 2015. To be exempted from the phase-out, the district or taxing unit must have a nuclear power plant located in its territory and its FY 2015 TPP reimbursement payment for fixed-rate current expense levies ("current expense allocation") must equal at least 10% of its total resources. (The exempted school districts and taxing units are designated "qualifying school districts" and qualifying taxing units.") Reimbursement for other kinds of levies is phased out as the bill provides for other school districts and taxing units.

Library total resources certification

The bill requires each county auditor to certify to the Tax Commissioner the amount of money distributed from the County Public Library Fund in 2014 to each public library system that received a TPP reimbursement in 2014. Certification must be made by July 31, 2015. The certification is to enable the Commissioner to compute a library system's total resources used in the computation of new reimbursements.

Appeal of reimbursement computation

(Section 757.20)

The bill authorizes school districts and other local taxing units affected by the bill's TPP reimbursement changes to contest how the Tax Commissioner has classified a levy or calculated its total resources for the purpose of computing the reimbursement payments. Appeals must be filed with the Commissioner and the Commissioner may adjust the classification or computation if warranted by the appeal's merits. The

Commissioner's decision is final and not appealable. No adjustments may be made after June 30, 2016.

CAT revenue to GRF

(R.C. 5751.02 and 5751.20)

The bill increases the percentage of commercial activity tax revenue to be credited to the GRF beginning July 1, 2015, and reduces the percentages to be credited to the School District Tangible Property Tax Replacement Fund and Local Government Tangible Property Tax Replacement Fund. Aside from the small percentage of CAT revenue (0.85%) that will continue to be earmarked for CAT administration expenses and to implement unspecified "tax reform measures," the percentage of CAT revenue credited to the GRF increases from 50% to 75%. The percentage credited to the school district replacement fund decreases from 35% to 20%, and the percentage credited to the local government replacement fund decreases from 15% to 5%.

The bill also moves language related to the use of CAT revenue from one section of law (R.C. 5751.20(B) and (J)) to another (R.C. 5751.02(C) to (F)) without changing the substance of the language other than to change the allocation of revenue between the GRF and the replacement funds as described above.

Under continuing law, the School District Tangible Property Tax Replacement Fund and Local Government Tangible Property Tax Replacement Fund are used to make payments to school districts and other local taxing units to partially reimburse them for the phase-out and eventual repeal (2009) of property taxes on business tangible personal property.

Kilowatt-hour excise tax revenue to GRF

(R.C. 5727.81, 5727.811, and 5727.84)

The bill directs that nearly all revenue from the kilowatt-hour excise tax be credited to the General Revenue Fund beginning July 1, 2015. Currently, almost all revenue from the tax is apportioned among the GRF and two other funds, as follows: 88% to the GRF, 9% to the School District Property Tax Replacement Fund, and 3% to the Local Government Property Tax Replacement Fund. The latter two funds are used to make payments to school districts and other local taxing units to partially reimburse them for previously legislated reductions in property tax assessments on tangible personal property of electric and natural gas utilities as part of the deregulation of some aspects of such utilities. In accord with the change in the revenue distribution, the bill changes the statement of the purpose of the tax.

Kilowatt-hour tax revenue that currently is payable to a municipal electric utility on the basis of electricity distributed to end users in the municipal corporation will continue to be payable to the municipal corporation. Currently, tax revenue payable on the basis of electricity provided by a municipal electric utility to end users in the municipal corporation is payable to the municipal corporation (if the user is a self-assessing user) or is retained by the municipal corporation (in the case of other users).

The kilowatt-hour excise tax is levied on the basis of electricity distributed to electricity meters in Ohio. In most cases it is payable by the company that distributes the electricity. Consumers that receive electricity directly from suppliers outside Ohio and large-volume commercial and industrial consumers (using at least 45 million kwh annually at a single site) must pay the tax directly.

Tax credits and exemptions

Job creation and retention tax credits

(R.C. 122.17, 122.171, 5725.98, 5726.50, 5729.98, 5733.0610, 5736.50, 5747.058, and 5751.50; Section 803.250)

The bill makes several revisions to the computation and administration of the job creation tax credit (JCTC) and the job retention tax credit (JRTC). Under continuing law, the Tax Credit Authority (TCA) is authorized, upon the application of a taxpayer and the recommendation of JobsOhio and the Director of Development Services, to enter into JCTC and JRTC agreements with the taxpayer to foster job creation, job retention, and capital investment in this state.

The bill revises the computation of JCTCs so that the amount of the credit equals an agreed-upon percentage of the taxpayer's Ohio employee payroll minus baseline payroll. For JRTCs, the amount of the credit would equal an agreed-upon percentage of the taxpayer's Ohio employee payroll. The bill defines "Ohio employee payroll" as the compensation paid by an employer and used in computing the employer's withholding requirements (an inexact figure which may be greater than taxable income). It includes compensation paid in the form of retirement and other benefits as well as compensation paid to nonresident employees that are not exempt from Ohio income tax under a reciprocity agreement with another state. The bill defines "baseline payroll" as the employer's Ohio employee payroll during the 12 months preceding the agreement.

Under current law, both credits are calculated as a percentage of the taxpayer's Ohio income tax withholdings. The bill's change to the credit base would prevent a reduction in the credit amount due to declining Ohio income tax rates.

The bill also removes the 75% cap currently placed on the JRTC percentage. The JRTC percentage is multiplied by the taxpayer's Ohio employee payroll (or, under current law, the taxpayer's Ohio income tax withholdings) to determine the amount of the credit. Under continuing law, the JRTC percentage is negotiated by the TCA and the taxpayer as part of the JRTC agreement.

With respect to agreements approved on and after January 1, 2014, the bill authorizes the TCA to require the taxpayer to refund all or a portion of a JCTC or JRTC if the taxpayer fails to substantially meet the job creation, payroll, or investment requirements included in the tax credit agreement or files for bankruptcy. Under continuing law, the TCA may seek to recoup all or a portion of the credit if the taxpayer fails to maintain operations at the project site (generally, the business's place of operations in Ohio) for the period of time specified in the tax credit agreement.

The bill reduces from 60 to 30 days the amount of time a taxpayer has to submit a copy of a JCTC or JRTC certificate after a request of the Tax Commissioner or the Superintendent of Insurance. Continuing law permits the Tax Commissioner or Superintendent of Insurance to request a copy of the certificate only when the taxpayer fails to include a copy with their return as required by continuing law.

The TCA, upon mutual agreement of the taxpayer and the Development Services Agency, may revise JCTC agreements originally approved in 2014 or 2015 to conform with the bill's revisions to the credit. Otherwise, the bill's Ohio employee payroll formula applies to JCTC and JRTC agreements entered into after the bill's 90-day effective date.

The bill also changes the formula for computing the credits awarded under JCTC and JRTC agreements approved by the TCA before 2014. Each year, beginning in 2016, TCA is required to compute a withholding adjustment factor for the purpose of accounting for increases and decreases in state income tax rates since June 29, 2013 (the effective date of the second most recent reduction in income taxes). The withholding adjustment factor would apply to a JCTC or JRTC in each year that the employer satisfied its employment, payroll, and investment commitments. The failure of an employer to meet its commitments in one reporting period does not preclude the application of the withholding adjustment factor in ensuing reporting periods if the employer achieves compliance during those periods.

With the recent, post-June 2013 income tax reductions, the withholding adjustment factor would result in a greater credit for taxpayers subject to existing agreements. However, if income tax rates ever were to exceed 2013 levels, the withholding adjustment factor would result in a lesser credit for such taxpayers.

Evaluation of JRTC and data center sales tax exemption applications

(R.C. 122.171 and 122.175)

The bill revises the role of the Director of Budget and Management, the Tax Commissioner, and the Superintendent of Insurance in evaluating applications for JRTCs and data center sales tax exemptions. Continuing law authorizes the Ohio Tax Credit Authority (TCA) to grant JRTCs to qualifying businesses that complete a capital investment project and agree to retain a specified number of full-time equivalent employees or maintain a certain threshold payroll. The TCA is also authorized to exempt purchases of certain personal property that will be used at an eligible computer data center by a business, or group of businesses, that agrees to invest at least $100 million in the data center and maintain a minimum payroll of $1.5 million.

Under current law, the Director of Budget and Management, the Commissioner, and the Director of Development Services are required to review JRTC and data center sales tax exemption applications and determine the economic impact of proposed projects on state and the affected political subdivisions. These determinations must be sent, along with a recommendation on the application, to the TCA to assist in its determination of whether to grant the credit or exemption. The Superintendent is required to complete this process with respect to JRTC applications submitted by insurance companies.

The bill eliminates the requirement that such government officials' submission to the TCA include a recommendation on the application. The Director of Development Services would still be required to determine the local economic impact of proposed projects and submit recommendations to the TCA.

Temporary historic rehabilitation CAT credit

(Section 757.170)

The bill extends, to July 1, 2017, a provision authorizing owners of a historic rehabilitation tax credit certificate to claim the credit against the CAT if the owner cannot claim the credit against another tax and the certificate becomes effective after 2013 but before June 30, 2017 ("qualifying certificate owner"). Uncodified law enacted by H.B. 483 of the 130th General Assembly authorizes certificate owners to claim a similar credit against the CAT only for tax periods ending before July 1, 2015, provided the owner cannot claim the credit against another tax and the certificate becomes effective after 2013 but before June 30, 2015.

Continuing law authorizes a certificate holder to claim the credit against the personal income tax, financial institutions tax, or foreign or domestic insurance company premiums tax.

Under the bill, a qualifying certificate owner may claim the credit against the CAT for the calendar year specified in the certificate, but only for CAT tax periods ending before July 1, 2017. The amount of the CAT credit equals the lesser of 25% of the owner's rehabilitation costs listed on the certificate or $5 million. Although the credit is refundable, if an amount would be refunded to the owner in a calendar year, the owner may not claim more than $3 million of the credit for that year. However, the owner may carry forward any unused credit for up to five years. The bill requires the certificate owner to retain the tax credit certificate for four years after the last year the owner claims the CAT credit for possible inspection by the Tax Commissioner.

As under the existing provision, the bill authorizes corporate owners of a qualifying certificate owner that is a pass-through entity that are not themselves pass-through entities to claim the credit against the owners' CAT according to mutually agreed-upon proportions if the certificate so permits or if the owners are part of the same consolidated elected or combined taxpayer as the pass-through entity.

Additionally, the bill authorizes a qualifying certificate owner that is not a CAT taxpayer to file a CAT return for the purpose of claiming the historic rehabilitation tax credit. This enables a business with less than $150,000 in taxable gross receipts that is not a sole proprietor or a pass-through entity composed solely of individual owners, or a nonprofit organization, to claim a tax "credit" as if the business or organization were a CAT taxpayer.

Ohio New Markets Tax Credit

(R.C. 5725.33, 5726.54, 5729.16, and 5733.58)

The bill makes several changes to Ohio's New Markets Tax Credit, which is a nonrefundable tax credit authorized under continuing law against the insurance and financial institution taxes for insurance companies and financial institutions that purchase and hold securities issued by low-income community organizations to finance investments in qualified active low-income community businesses in Ohio, in accordance with the federal New Markets Tax Credit law.

Federal law provides a credit against the federal income tax, totaling 39% of the cost of the investment at original issue, for making qualified equity investments in investment vehicles known as Community Development Entities (CDEs). A CDE is a United States corporation or partnership with the primary mission of serving or providing investment capital for businesses in low-income communities, that maintains accountability to residents of low-income communities through representation by them on the CDE's governing board or an advisory board, and that is certified as a CDE by the Secretary of the Treasury.

A qualified equity investment is the purchase of capital stock or capital interest in a partnership. The credit provided to the investor is applied over a seven-year period. Substantially all of the taxpayer's investment must in turn be used by the CDE to make qualified investments in "low-income communities."[215]

Ohio credit

The current Ohio New Markets Tax Credit totals 39% of the "adjusted purchase price" of qualified equity investments in CDEs that use substantially all of the proceeds to make investments in qualified active low-income community businesses. To obtain the Ohio credit, a person must have qualified for the federal credit by holding a qualified equity investment. Under the federal program, a CDE can make qualified investments in any state. Under current law related to Ohio's credit, the "adjusted purchase price" of qualified investments is the percentage of those investments that are made in businesses located in Ohio. Under continuing law, a qualified equity investment is an equity investment in a qualified CDE.

Under rules adopted by the Director of Development Services to administer the Ohio New Markets Tax Credit, a qualified CDE applies to the Director for an allocation of the credit, which would authorize the qualified CDE's investors to claim a credit for their qualified equity investments in the CDE.[216] Under continuing law, an investor eligible to receive tax credits for its investment in a qualified CDE must be an insurance company subject to the state's insurance company premiums taxes or a financial institution subject to the state's financial institution tax. To be a qualified equity investment for purposes of the state's credit, the equity investment must be acquired after October 16, 2009, for cash, and at least 85% of the purchase price must be used by the issuer to make qualified low-income community investments.

Instead of basing the amount of a credit on the percentage of qualified investments made in Ohio businesses, the bill bases the credit on the full amount paid for a qualified investment approved as eligible for the credit by the Director of Development Services, even if a portion of that investment was made in businesses outside Ohio. However, under a separate requirement, a credit is allowed for a

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[215] 26 U.S.C. 45D.

[216] O.A.C. 122:22-11-02.

qualified investment only if, in general, at least 85% of the proceeds of the investment are made in Ohio businesses.

Under current law, a foreign insurance company is authorized to claim the Ohio New Markets Tax Credit against the foreign insurance company franchise tax. In addition to the franchise tax, a foreign insurance company may be subject to a "retaliatory" tax, which is levied on insurance companies organized in a state whose insurance franchise tax rate as charged against Ohio insurance companies exceeds the tax rate charged in Ohio against that other state's companies. The rate of the retaliatory tax is the difference between that state's and Ohio's insurance franchise tax rate.

The bill authorizes a foreign insurance company to claim the Ohio New Markets Tax Credit against this retaliatory tax.

The bill specifies that a credit allowed to a pass-through entity may be allocated to the owners of the entity for each owner's direct use in accordance with an agreement between such owners. Continuing law does not prohibit the credit from being allocated in such a manner.

Sales and use tax exemption: certain forklifts

(R.C. 5739.02(B)(54); Section 803.270)

Beginning October 1, 2015, the bill exempts from sales and use tax the purchase of forklifts used primarily to move completed products from the products' manufacturing facility to the point at which the products will be shipped from that facility. But the exemption is available only for forklifts purchased by logistics businesses primarily engaged in transporting products to destinations outside Ohio with the business' own commercial freight trucks.

Exclusion for health and beauty product supply chain receipts

(R.C. 5751.01(F)(2)(jj); Section 803.310)

Continuing law levies the CAT on the basis of a business' taxable gross receipts. The bill retroactively excludes, for purposes of calculating the base of the CAT, receipts from sales of beauty, health, personal care, or aromatic products, or packaging or components of those products, between businesses or a retailer within an integrated supply chain.

Under the bill, an integrated supply chain is defined as two or more businesses that do not share a common owner and have a location within a 100-500 acre parcel or parcels of land in a county with a population between 150,000 and 200,000, provided each business is primarily involved in manufacturing, assembling, or packaging retail goods and coordinates its operations with a retailer to improve the long-term financial performance of the business and its entire supply chain. Currently, such counties include Clermont, Delaware, Greene, Licking, Medina, and Portage counties.

Under the bill, a retailer includes not only a person making retail sales, but any member of the same group of businesses grouped with the retailer for purposes of paying CAT as a single taxpayer (referred to as a consolidated elected or combined taxpayer), even if that grouped business is not engaged in making retail sales.

The bill states that the exclusion applies retroactively, for tax periods beginning on or after July 1, 2005 – the date the CAT was first levied – and is to be construed as "clarifying" the law, subject to existing statutes of limitations that generally impose a four-year limit on claiming CAT refunds or issuing CAT assessments.

Property taxes

Current expense levies allocated to partnering community schools

(R.C. 5705.21 and 5705.212)

Continuing law authorizes certain school districts to propose and levy a property tax for current operating expenses and allocate a portion of the proceeds to one or more "partnering" community schools. The tax may be levied for up to ten years or for a continuing period of time. It may be renewed or replaced, imposed as an "incremental levy," or combined with a bond levy for permanent improvements. If combined with such a bond levy, only the current expense levy revenue may be shared; the bond levy is solely for the purpose of the school district. A levy imposed for a continuing period of time may be reduced by initiative petition in the same manner as any school district continuing expense levy.

The resolution and ballot language proposing such a levy must specify the portion of the proceeds allocated to the school district and the portion allocated to partnering community schools. The revenue allocated to the partnering community schools is credited to a "partnering community schools fund" created by the school district board of education and distributed to the partnering community schools on a per-pupil basis. Only pupils residing in the school district levying the tax are counted for the purposes of determining a partnering community school's share of the revenue deposited to the partnering community schools fund.

The bill extends the authority to levy property taxes for community schools to any school district that contains a community school sponsored by an "exemplary" sponsor according to the annual ratings published by the Department of Education.[217] Current law limits this authority to the Cleveland Metropolitan School District and the Columbus City School District.

The bill retains all provisions in current law pertaining specifically to the Cleveland Metropolitan School District, but removes criteria that were enacted specifically to enable the Columbus City School District to seek approval of such a levy. A proposed tax in the Columbus district was rejected by voters in 2013.

The bill revises the qualifications for community schools that are allocated levy revenue in school districts other than the Cleveland Metropolitan School District. Under the bill, the community school must be located within the territory of the school district and be sponsored by a sponsor rated "exemplary" in the ratings most recently published before the resolution proposing the levy is certified to the board of elections. Under continuing law unchanged by the bill, a community school located in the Cleveland Metropolitan School District must be sponsored by the district or be a party to an agreement with the district whereby the district and the community school endorse each other's programs.

The bill authorizes school districts other than the Cleveland Metropolitan School District to levy a property tax solely for and on behalf of one or more partnering community schools. Current law does not cap the percentage of levy revenue that may be allocated to community schools, but could imply that at least a portion must be levied for the school district's own expenses. The resolution and ballot language proposing such a levy would be required to specify that all of the levy proceeds are allocated to partnering community schools.

Tax exemption for electric generation property

(R.C. 321.24, 4909.161, 5705.34, 5709.92, 5709.93, 5709.94, 5727.031, 5727.06, 5727.09, 5727.11, 5727.111, 5727.15, and 5727.75; Sections 375.10, 757.20, and 803.353)

The bill exempts from property taxation electric company generation equipment and "other" electric company tangible personal property that is not transmission and distribution ("T&D") or energy conversion equipment. Correspondingly, the bill requires the Tax Commissioner to annually calculate an increased assessment rate on T&D property and energy conversion equipment and use the revenue from that

[217] Continuing law requires the Department to annually rate all entities that sponsor community schools as either "exemplary," "effective," or "ineffective" based on academic performance of students, adherence to quality practices prescribed by the Department, and compliance with laws and administrative rules. R.C. 3314.016.

increase to reimburse local governments for the revenue they will lose due to the exemption.

Under current law, electricity generation property is assessed at 24% of its true value, while all other property, including T&D property, is assessed at 85% of its true value.

Local government reimbursements

The bill requires the Tax Commissioner each year to determine the amount of tax revenue that all taxing units would have collected with respect to generation equipment and "other" property for the tax year if the tax on such property were still in effect. The Commissioner must then determine the amount by which the baseline 85% assessment rate must be increased in order to raise enough additional revenue to fully reimburse the taxing units for their lost revenue. The increased assessment rate applies to all T&D property and energy conversion equipment statewide.

Once taxes are collected at the county level, each county treasurer must forward to the Treasurer of State the amount of tax revenue collected on T&D property and energy conversion equipment that is attributable to the difference between the increased assessment rate and the baseline 85% assessment rate. The Treasurer deposits all of the amounts forwarded into a newly created Production Equipment Property Tax Replacement Fund. From that fund, the Tax Commissioner reimburses taxing units for their lost revenue. The reimbursements are made twice per year, according to the same timeline used for existing local government tangible personal property tax reimbursements.

Recovery of the increased tax through electric rates

The bill permits the electric companies to recover from customers, through a reconcilable rider, the payment of the increased tax on transmission and distribution property and energy conversion equipment that results from the provisions described above. To initiate the recovery, the company is to file a request for the rider with the Public Utilities Commission (PUCO) outside of a rate case. The PUCO must then promptly approve the rider. The payment may then be recovered in accordance with the PUCO's order.

Water-works tangible personal property tax assessment

(R.C. 5727.111)

Continuing law imposes a property tax on the tangible personal property of public utilities. The tax is calculated by determining the taxable value of a company's property, allocating that value among the jurisdictions in which the property is located, and multiplying the apportioned values by the property tax rates in effect in the respective jurisdictions. The taxable value of a company's tangible personal property equals its "true" value (the cost of the property as capitalized on the company's books, less composite annual allowances prescribed by the Tax Commissioner), multiplied by an assessment percentage specified in law.

Under current law, the tangible personal property of a water-works company is assessed at 88% of its true value. The bill reduces the assessment rate for all new water-works property first subject to taxation in tax year 2015 or thereafter to 25% of the property's true value.

Uniform rules for appraisal of real estate

(R.C. 5715.01)

The bill requires the rules for real estate appraisal, established by the Tax Commissioner, to include any definitions necessary to "clarify" appraisal methods. Under continuing law, all real property is subject to reappraisal once every six years and to reevaluation in the third year after an appraisal. The Commissioner is required to direct and supervise this process. Part of this duty includes adopting rules for the determination of the true value and taxable value of real property, including rules that prescribe the methods of making appraisals. In effect, the bill requires a higher degree of detail with respect to the Commissioner's rules of appraisal.

The bill specifies that, if the Commissioner has not explicitly designated a rule, "The Appraisal of Real Estate, 14th Edition" and "The Dictionary of Real Estate Appraisal, 5th Edition" published by the Appraisal Institute are controlling. The Appraisal Institute is an association of real estate appraisers. It generates several publications that provide appraisal guidelines, offers appraisal courses to persons involved in the field, and is involved in advocacy efforts at the state and federal level with respect to real estate appraisal industry issues.[218]

The bill requires that appraisal rules established by the Commissioner be applied uniformly to all parcels. Current law requires that the Commissioner establish "uniform rules." The Commissioner's rules currently describe several methods of valuation and allow the appraiser flexibility in determining the best approach to arrive at an accurate approximation of the value of the property.

The valuation of real property for tax purposes is governed generally by Article XII, Section 2 of the Ohio Constitution (which requires all property to be taxed "be

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[218] "About Us," *Appraisal Institute*, available at http://www.appraisalinstitute.org/about/.

uniform rule, according to value") and judicial construction of that provision, as well as pertinent statutes and administrative rules.

Golf course property valuation

(R.C. 5713.031)

Real property valuation: background

Under continuing law, real property is valued at its "true value in money" or "fair market value," the price for which real property would sell on the open market. A recent sale price in an arm's length transaction is considered the best evidence of true value but, failing such a recent sale, an appraisal must be conducted.[219] Under the administrative rules governing appraisals for taxation, three approaches are recognized: the market data, income, and replacement cost approaches. Generally, the market data approach compares properties with similar ones that have recently sold; the income approach estimates value based on discounted net income from the property; and the replacement cost approach estimates the current cost of replacing property with a similar improvement. The rules encourage the application of a combination of approaches.

Golf course valuation

The bill prescribes specific valuation methods to be applied to golf courses for which there has been no recent arm's length transaction, and for which appraisal based on use as a golf course is justified either as the highest and best use or as a special purpose use. The valuation method to be applied depends on whether or not a golf course is operated for profit and on a daily-fee basis.

If a golf course is operated for profit on a daily-fee basis, the income approach prescribed in the state's tax assessment rules is to be used. The value of all tangible and intangible personal property that contributes to the net operating income of the taxable property is to be deducted from the value obtained from the income approach. The bill specifies that the capitalization rate is to reflect all anticipated risks of operating a golf course, including weather-related risks and competition from tax-exempt golf courses.

For all other golf courses (i.e., those that are not for-profit and daily-fee basis courses), the valuation methods to be applied are the market data approach in combination with the replacement cost approach.

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[219] See *State, ex rel. Park Investment Co. v. Bd. of Tax Appeals*, 175 Ohio St. 410 (1964).

The bill authorizes county auditors to request income and expense data from the owner of a for-profit, daily-fee basis golf course to enable auditors to determine the golf course's value based on the income approach. If an owner of a golf course does not provide the required data and the auditor is unable to determine the true value in money of golf course real property using the income approach, then the auditor is to use a combination of the market data approach and the cost approach. Under the bill, income and expense information provided by the owner of a golf course in connection with the request by a county auditor is confidential and exempt from public disclosure under the public records law.

Golf course property as "business fixtures"

(R.C. 5701.03)

Current law distinguishes real property from tangible personal property for the purpose of taxation. For property tax purposes, real property is taxable, and tangible personal property is taxable only if it is used to render a public utility service. For sales and use tax purposes, transactions involving tangible personal property are taxable (unless specifically exempted or excluded), whereas sales of real property are not. Further, the person who is liable for paying sales or use tax may depend on whether tangible personal property is incorporated into real property, as may occur in a construction contract or other manner of installing tangible personal property so that it becomes part of real property. For example, if a construction contractor purchases tangible personal property to incorporate into real property, the construction contractor is the consumer of the property and owes sales or use tax on the price of the property.

Business fixtures are a form of tangible personal property. Business fixtures include, but are not limited to, "machinery, equipment, signs, storage bins and tanks, and broadcasting, transportation, transmission, and distribution systems" that primarily benefit the business and not the building. Business fixtures do not include fixtures that are common to buildings such as heating, ventilation, and air conditioning systems to control the environment for people, and other systems that primarily benefit the property rather than the business conducted by the occupant.

The bill specifies that cart paths, irrigation systems, and structures that consist of soil and natural materials requiring regular maintenance and that are depreciable under Section 167 of the Internal Revenue Code are business fixtures for Ohio tax purposes. The property tax effect of the bill would be to make such property nontaxable, if it is currently considered to be real property. And, since such property is defined as a business fixture – and, therefore, as tangible personal property – its contribution to the net operating income of a golf course would be deducted in appraising the true value of the golf course when the income approach is applied as prescribed by the bill (see above).

The bill also appears to shift sales and use tax liability for sales involving such property (or materials used in the construction or installation of such property) from the person that constructed or installed the property or materials (e.g., the construction contractor) to the person for whom the property is constructed or installed (i.e., the property owner or lessee), because the property, being a business fixture, does not become real property. Further, repairs to the property appear to become taxable.[220]

Tax valuation for farmland storing dredged material

(R.C. 5713.30; Section 803.140)

Beginning with tax year 2015, the bill allows unproductive farmland intended to later be returned to productivity to remain valued at its current agricultural use value (CAUV) for property tax purposes, provided the land is used to store dredged material pursuant to a contract between the land's owner and the Department of Natural Resources or the Army Corps of Engineers. Such farmland may maintain its CAUV status for the lesser of five tax years or the last tax year in which dredged material is stored on the land pursuant to that contract. Dredged materials are materials excavated or dredged from Ohio waters, but do not include materials obtained as a result of normal farming activities.

Pursuant to authority granted in the Ohio Constitution, productive farmland may be valued at its CAUV value rather than its fair market value for property tax purposes. Under continuing law, unproductive farmland that is intended to later be used as farmland may retain its CAUV status for one year, and for up to two additional years for good cause as proven by the landowner to the county board of revision. Thereafter, the land is considered to have been converted from agricultural use to nonagricultural use and a recoupment charge is imposed to recoup the CAUV tax savings for the preceding three years.

Property tax bill records and penalty waiver

(R.C. 323.13 and 5715.39)

The bill adds a circumstance under which a county auditor is required to waive late payment penalties when property taxes are not paid on time. The circumstance is when a property owner satisfies a mortgage, the lender fails to notify the county auditor that the mortgage has been satisfied, and the tax bill is not mailed to the property owner

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[220] *See* R.C. 5739.01(B)(3)(a) and *Funtime, Inc. v. Wilkins,* 105 Ohio St.3d 74, 75 (2004).

(i.e., the bill is instead mailed to the lender). The penalty waiver applies only to the first tax bill after the mortgage is satisfied.

Continuing law requires county auditors to waive late payment penalties under certain circumstances, including when the taxpayer is incapacitated, mail delivery fails, the county auditor or treasurer errs, or the taxpayer does not receive the bill but tries, in good faith, to obtain the bill within 30 days after the due date. In all other cases, the failure to receive a tax bill does not excuse a taxpayer from having to pay taxes on time or prevent the imposition of late payment penalties, unless the county board of revision finds that the lateness is "due to reasonable cause and not willful neglect."

The bill also requires the county treasurer to maintain a record of the person or agent to whom each tax bill is sent. Under continuing law, county treasurers are required to mail property tax bills to the address provided by the property owner at least 20 days before the due date. If the property owner has designated an agent to pay the taxes (e.g., a mortgage lender), the bill is to be mailed to the agent. If the agent is a mortgage lender, a bill does not have to be mailed; instead, the lender and the county treasurer may arrange for payment of the taxes directly through the lender without a bill having to be mailed.[221]

Renewable energy project tax exemption

(R.C. 5727.75)

The bill extends by five years the deadlines by which the owner or lessee of a qualified energy project must submit a property tax exemption application, submit a construction commencement application, begin construction, and place into service an energy facility using renewable energy resources (wind, solar, biomass, etc.) to qualify for an ongoing real and tangible personal property tax exemption.

With respect to an energy facility using renewable energy resources, current law requires the owner or lessee to submit an exemption application to the Director of Development Services (DSA), to submit a construction commencement application to the Power Siting Board (or, for smaller projects, to any other state or local agency having jurisdiction), and to commence construction before 2016. The law also requires the owner or lessee to place the energy facility into service before 2017. The bill extends each of these deadlines by five years.

[221] R.C. 323.134, not in the bill.

Term of tax levies benefitting cemeteries

(R.C. 5705.19)

The bill lengthens the maximum term of a property tax levy to pay the operating and maintenance expenses of public cemeteries. Continuing law allows board of township trustees or municipal legislative authorities to propose and, with the approval of voters, levy a property tax for maintaining and operating a cemetery. Under current law, such a levy may be imposed for a term of up to five years. The bill instead allows such a levy to be imposed for any number of years or for a continuing period of time.

Townships and municipal corporations have authority to acquire land for public cemeteries and to own and operate them with public funds, separately or jointly.[222] The expenses of operating and maintaining public cemeteries may be paid from taxes, gifts and bequests, sale of plots, general fund money, or, in the case of a municipal corporation, any other funds lawfully available for the purpose.

Fraternal organization exemption

(R.C. 5709.17(D); Section 757.190)

The bill expands eligibility for property tax exemption for property held or occupied by certain kinds of fraternal organizations by permitting the exemption if the property is used to provide educational or health services on a not-for-profit basis. Currently, the property must be used primarily for meetings or administration of the organization. Another qualification – not affected by the bill – is that annual gross income from renting the property to others may not exceed $36,000.

For the purpose of the tax exemption both currently and under the bill, a fraternal organization must be a domestic fraternal society, order, or association that operates under the lodge, council, or grange system, qualifies for federal income tax exemption under Internal Revenue Code section 501(c)(5), 501(c)(8), or 501(c)(10), provides financial support for charitable purposes, and has been operating in Ohio with a state governing body for at least 85 years.

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[222] R.C. Chapter 517. for townships; R.C. 759.27 to 759.43 for township-municipal "union" cemeteries. Municipal corporations' authority derives from their home rule powers.

Township tax increment financing extension

(R.C. 5709.73(L))

The bill authorizes the board of trustees of a township with a population of at least 15,000 to extend property tax exemptions originally granted under a pre-1995 tax increment financing resolution. The tax exemptions may be extended for up to 15 additional years. The board would have to notify the affected school board and the board of county commissioners of the extension at least 14 days before taking formal action to approve the extension.

Under continuing law, townships, counties, and municipal corporations may grant property tax exemptions under "tax increment financing" (TIF) legislation that enables the subdivision to essentially divert the property tax revenue from increased property values on parcels (i.e., the increment) to finance public infrastructure improvements that benefit the parcels. The tax exemptions may be for up to 30 years. TIF legislation adopted before July 22, 1994, had to comply with a 14-day notice requirement, and affected school boards were allowed to "comment" on the tax exemption. However, TIF legislation adopted on or after that date must be approved by the affected school board if the exemption is to last longer than ten years or exempt more than 75% of the increased property value, and school boards may exchange approval for compensation from the subdivision granting the TIF exemption; a 45-day notice also is required for the 75%-plus and ten-year-plus exemptions. Compensation was allowed under the pre-July 1994 law, but school boards lacked the authority to approve any TIF exemption in exchange. Compensation also is required under continuing law for counties in the case of a township-initiated TIF, but was not required as of December 31, 1994. (See 5709.73(D), 5709.82, and 5709.83 as amended by S.B. 19 of the 121st General Assembly.)

Property tax abatement for submerged land leases

(Section 757.180)

The bill establishes a temporary procedure by which a municipal corporation may apply for a tax exemption and the abatement of unpaid property taxes, penalties, and interest charged and payable in 2000 and thereafter for a submerged land lease held by a municipal corporation pursuant to an assignment of the lease from a previous lessee. To qualify for the exemption and abatement, the unpaid charges must exceed the assessed value of the property for 2014 and the property must currently be used for an exempt purpose. No taxes, penalties, or interest may be abated for any tax year in which the property was used in the operation of a business.

The application for exemption and abatement must be filed with the Tax Commissioner before January 1, 2016.

Under continuing law, municipally owned property is tax-exempt if it is used "exclusively for a public purpose," but such property may not be exempted if more than three years' worth of taxes remain unpaid. Submerged land leases are agreements by which the state leases submerged land within the state's territory in and along Lake Erie for development and improvement. Submerged land leases are administered by the Department of Natural Resources through the submerged lands program.

Municipal income tax

Municipal corporations' authority to levy taxes is an aspect of their home rule powers conferred by Article XVIII, Section 3, Ohio Constitution. Although the General Assembly does not grant municipal corporations the authority to tax, it may limit their taxing authority or prohibit municipal taxes by express acts; however, it cannot command a municipal corporation to impose a tax when the municipal corporation chooses not to do so. The limits on municipal income taxes are codified in Chapter 718. of the Revised Code. H.B. 5 of the 130th General Assembly modified many of the limits previously codified in that chapter and imposed new limits and procedures. The changes enacted in H.B. 5 generally apply to taxable years beginning on and after January 1, 2016.

Publicly traded partnership tax status election

(R.C. 718.01)

The bill permits a publicly traded partnership to elect to be taxed as if the partnership were a C corporation for municipal income tax purposes. Under recently enacted legislation, an entity's federal tax status as a C corporation or a non-C corporation determines how its net profit is treated for municipal income tax purposes: beginning in 2016, municipal corporations must tax net profit from pass-through entities (like partnerships) at the owner (e.g., partner) level, and must tax net profits of C corporations at the corporate entity level (H.B. 5 of the 130th G.A.). The bill permits publicly traded partnerships to choose to have its net profit taxed at the entity level instead of at the level of its partners even though its net profit is taxed as a partnership – i.e., at the partner level – for federal income tax purposes. If the election is made, the partners' shares of net profit from the partnership is not treated as the partners' net profit for municipal income tax purposes. This would have implications for, among other things, the extent to which the partners' net profit is taxable by the municipal corporation where a partner lives and partners' reporting obligations.

If the election is made in any municipal corporation, it would have to be made for every municipal corporation where its net profits are taxed. The election would have to be made on the annual return filed with each such municipal corporation.

The bill defines a publicly traded partnership as any partnership for which partnership interests are publicly traded on an established securities market. This is similar, but not identical, to the definition of publicly traded partnerships for federal income tax purposes (I.R.C. 7704). Under federal law, publicly traded partnerships are taxed as corporations unless at least 90% of its annual gross income consistently arises from interest, dividends, real property, natural resources, capital assets held to produce income, and certain other sources, in which case the partnership may elect to not be treated as a corporation.

Due date for returns

(R.C. 718.05(G)(1); Sections 803.03 and 803.160)

H.B. 5 requires that all municipal income tax returns for all taxpayers – individuals and entities – are required to be filed on or before the date prescribed for filing individual state income tax returns (April 15). The bill changes the annual return filing deadline for municipal income taxpayers that are not individuals to the 15th day of the fourth month following the end of the taxpayer's taxable year. This change would affect nonindividual taxpayers whose taxable year does not correspond with the calendar year. The change applies to taxable years beginning on or after January 1, 2016.

Filing extensions

(R.C. 718.05(G)(2); Section 803.03)

Beginning January 1, 2016, the bill requires a municipal income tax administrator to grant a taxpayer a six-month extension for filing the taxpayer's municipal income tax return even if the taxpayer did not request a corresponding federal extension. The taxpayer is required to request the extension not later than the date the return is otherwise due. The bill does not specify the manner of that request.

Under current law scheduled to apply on and after January 1, 2016, municipal income tax returns are due the same day as state income tax returns – generally by April 15. However, a taxpayer that requests a six-month extension for filing the taxpayer's federal income tax return automatically receives a six-month extension for filing any of the taxpayer's municipal income tax returns.

For both the new and existing extension procedures, a taxpayer's receipt of a filing extension does not also extend the time to pay any tax due, unless the tax administrator also grants an extension of that date.

Alternative municipal income tax base adjustments

(R.C. 718.01(A)(1); Section 803.01)

The bill allows a municipal corporation that has adopted Ohio adjusted gross income as its tax base (a "qualified municipal corporation") to make adjustments to that tax base with respect to resident individuals. Such a municipal corporation is still prohibited from exempting income of nonresident individuals and businesses unless it did so before 2013.

Under continuing law, a municipality that adopted Ohio adjusted gross income as the municipality's tax base before January 1, 2012, may continue to use that tax base instead of the tax base prescribed in Chapter 718. of the Revised Code. However, under current law, the tax base that may be used is that which was in effect on December 31, 2013 – no further adjustments may be made.

Former taxpayer affidavit

(R.C. 718.05(N))

The bill authorizes a person who has been subject to a municipal corporation's income tax to file an affidavit notifying a municipal corporation that the person no longer expects to be subject to the municipal corporation's income tax. To be eligible to file such an affidavit, the person must have been required to file a tax return with the municipal corporation for the preceding year on the basis of having performed services there, must no longer provide services there, and must not expect to be subject to the tax in the current year. Once the affidavit is filed, the municipal tax administrator may not require the person to file a return unless the administrator has information conflicting with the representations in the affidavit. The administrator retains the authority to audit the person, however. The affidavit must explain the person's circumstances, indicate the place in the municipal corporation where the person previously provided services, and the most recent date the services were performed or sales were made by the person in the municipality. Signing the affidavit is subject to the penalty of perjury.

Under continuing law, municipal income taxes apply to residents, and to nonresidents who work or otherwise perform services in a municipal corporation or make sales there.

Documents submitted with municipal income tax returns

(R.C. 718.05(F)(2); Section 803.03)

The bill allows the municipal tax administrator of a municipal corporation that adopted Ohio adjusted gross income as the municipality's tax base before January 1, 2012, to require an individual taxpayer to submit their Ohio individual income tax form (IT-1040) along with the individual's municipal income tax return. Under current law to take effect in 2016, an administrator may require an individual to submit only the individual's federal 1040 return and W-2 statements and, if the individual files an amended return or refund request, the documentation needed to support the refund request or adjustments in the amended return.

Municipal income taxation of foreign income

(R.C. 718.01(R)(2)(f))

Beginning January 1, 2016, the bill requires a municipal corporation to tax an individual's foreign income under the following conditions:

(1) The income is compensation paid to an employee for services;

(2) The income either (a) is included in the taxpayer's federal gross income or (b) would have been included in the taxpayer's federal gross income if the taxpayer did not elect to exclude the income under section 911 of the Internal Revenue Code. (I.R.C. 911 authorizes U.S. citizens and residents living abroad for an extended period to elect to exclude foreign-earned income from their U.S. gross income for federal tax purposes under certain conditions.)

(3) The amount was not subject to federal or municipal income tax withholding in any previous taxable year;

(4) The amount will not be subject to federal income tax withholding in any future year.

Current law makes no specific reference to foreign earned income. Consequently, under municipal income tax law in effect until January 1, 2016, a municipal corporation may tax such income at its discretion, subject to any other limits in federal or state law. Beginning January 1, 2016, municipal corporations must adopt a uniform definition of taxable income, as specified in state law.

Municipal corporation and school district revenue-sharing income tax

(R.C. 718.04(G); Sections 803.160 and 803.290)

The bill allows a municipal corporation that shares at least 70% of its territory with a school district to enter into an agreement to share municipal income tax revenue with the school district, provided that a portion of the remaining 30% of the school district territory lies within another municipal corporation with a population of 400,000 or more. Under current law, municipal corporations may enter into a similar agreement if the municipality and school district have at least 95% of their territories in common, or if 90% of the territories are in common and the remaining 10% of school district territory lies entirely within another municipality with a population of 400,000 or more.

The new authorization is similar to the existing authority to levy revenue-sharing taxes, with two exceptions: first, current law requires that the municipality share at least 25% of the tax revenue with the school district. The bill includes no such requirement. Second, under current law, revenue-sharing taxes first levied after 2005 may apply only to residents of the municipality. The bill allows the newly authorized tax to be levied on both residents and nonresidents.

Municipal income taxation of net operating losses

(R.C. 718.01(E)(8)(e))

The bill clarifies a provision of H.B. 5 of the 130th General Assembly that requires all municipal corporations to adopt a uniform law related to the deduction of net operating losses (NOLs). The provision, which takes effect January 1, 2016, requires all municipalities to allow businesses to deduct new NOLs, but temporarily reduces the deduction allowed for any NOL incurred after 2016 and claimed for taxable years 2018 through 2022 to 50% of the amount otherwise allowed.

Under continuing law, if an NOL is not fully utilized due to this temporary limit, it may be carried forward for up to five future taxable years. The bill specifies that, if the amount is carried forward to the 2019, 2020, 2021, or 2022 taxable year, the 50% limit continues to apply to that carried-forward amount.

Electronic publication of municipal income tax information

(R.C. 718.07)

Under continuing law, municipal corporations must publish electronic versions of income tax ordinances, rules, instructions, and forms online. The bill provides that, in addition to these documents, municipal corporations must also publish online a summary of taxpayer's rights and responsibilities.[223] Current law also requires that documents be posted on a site created by the Department of Taxation or on the municipal corporation's own website. The bill instead requires that the required documents be posted on both websites if the municipal corporation has established a website for its municipal income tax.

H.B. 5 of the 130th General Assembly, which made significant changes to the Municipal Income Tax Law, included a provision identical to that described above, but the provision was inadvertently removed before the act's enactment due to a technical drafting error.

Other local taxes

Lodging tax

Counties, townships, municipal corporations, and certain convention facilities authorities are authorized to levy lodging taxes. In general, the maximum lodging tax rate permitted in any location is 6%. Municipalities and townships may levy a lodging tax of up to 3%, plus an additional 3% if they are not located, wholly or partly, in a county that already levies a lodging tax. Counties may levy a lodging tax of up to 3%, but only in municipalities or townships that have not already enacted an additional 3% levy. On occasion, the General Assembly has authorized certain counties to levy additional lodging taxes for special purposes.

Unless specifically authorized otherwise, a county that levies a lodging tax must return up to one-third of its net lodging tax revenue to the municipalities and townships within the county that do not levy a lodging tax. The remaining revenue must be used to support a convention and visitors' bureau. The bureau must generally use the revenue for tourism sales, marketing, and promotion.

For sports facilities

(R.C. 305.31 and 5739.09(A)(8))

The bill authorizes a county with a population between 175,000 and 225,000, that has an amusement park with an average annual attendance over two million, and that levied a 3% lodging tax on December 31, 2014, to levy an additional 1% lodging tax for the purpose of constructing and maintaining county-owned sports facilities and

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[223] H.B. 5 of the 130th General Assembly defined a "taxpayer's rights and responsibilities" to include certain duties of both the taxpayer and the municipal corporation. The "rights and responsibilities" include, for example, a taxpayer's right to appeal a tax assessment or refund denial and a taxpayer's responsibility to file returns or produce certain records at the request of the tax administrator.

funding efforts by the convention and visitors bureau to promote travel and tourism with respect to the sports facilities. A county levying this lodging tax would not be required to return any portion of the additional revenue to townships or municipal corporations.

Currently, only Warren County appears to qualify to levy the tax under the bill's requirements.

For county agricultural societies

(R.C. 1711.15, 1711.16, and 5739.09(L))

The bill authorizes a county with a county or independent agricultural society that hosts an annual harness horse race with at least 40,000 one-day attendees to levy, subject to the approval of county voters, a lodging tax of up to 3% for up to five years. Revenue from this tax must be used by the county to pay for the construction or maintenance of permanent improvements at sites where the agricultural society conducts fairs or exhibits. Similar to other lodging taxes, the bill requires the county to adopt rules necessary to administer the tax, but limits the amount of penalties and interest the county may charge for late payments.

For sports park financing and tourism promotion

(R.C. 133.07, 307.679, and 5739.09(A)(9))

The bill authorizes a county with a 2010 population between 75,000 and 78,000 – Erie County – to increase the rate of its general lodging tax by 1% to pay the cost of constructing and maintaining a "sports park" and promoting county tourism. A county would not be required to return any portion of the revenue from this increased lodging tax to townships or municipal corporations. The tax must be levied by a resolution adopted by the county not later than October 15, 2015.

Under the bill, a sports park is an entertainment and recreation venue that hosts athletic events and teams, and includes related parking facilities and walkways.

The bill also authorizes the Erie County board of commissioners to enter into a cooperative agreement with a port authority, nonprofit corporation, operating company, or another person for the purpose of financing, constructing, maintaining, and operating a sports park. Each party to the agreement is authorized to agree to perform some or all of the following obligations:

Obligation	Erie County	Port authority	Nonprofit corporation	Operating company
Increase the rate of its lodging tax (see above)	X			
Construct a sports park	X	X	X	
Acquire, convey, or lease real property for the sports park project	X	X	X	X
Issue bonds to fund sports park construction or maintenance	X	X		
Finance sports park bonds using lodging tax revenue and other sources	X	(Erie County is required to service port authority bonds)		
Authorize another person to administer on its behalf contracts related to a sports park	X	X	X	
Lease a sports park, including an agreement to purchase a sports park for $1 following the end or the lease or retirement of sports park bonds				X
Operate and maintain a sports park				X

Any such agreement terminates if no sports park bonds are issued within two years after the agreement takes effect.

For Lake Erie shoreline improvements

(R.C. 305.31, 4582.56, and 5739.09(M))

The bill authorizes a county located on the Lake Erie shore to levy an additional lodging tax of up to 2%. The county must pledge the revenue from the tax to a port authority, which must use the revenue to fund the construction of port authority facilities under an agreement between the county and port authority. The facilities must be located within one mile of Lake Erie.

Under the bill, the port authority is authorized to issue bonds supported by the lodging tax revenue. Bond proceeds may be used to make eligible port authority facility improvements. The bonds would have a maximum maturity of 30 years.

For permanent improvements

(R.C. 133.07, 305.31, and 5739.09(A)(10))

The bill authorizes two counties, Defiance and Hancock, each to levy a lodging tax specifically to finance permanent improvements. The lodging tax increase would be subject to a referendum if a petition is signed by at least 10% of the number of people who voted for the office of Governor and is filed within 30 days after the board of county commissioners adopts the tax. Defiance County qualifies by having a 2010 population of between 39,000 and 40,000 and by not currently levying a lodging tax. Hancock County qualifies by having a 2010 population of between 71,000 and 75,000 and by currently levying a 3% lodging tax to fund a convention and visitors bureau. The tax would apply throughout the county, including in any township or municipal corporation that levies its own lodging tax. If the county issues bonds and pledges the tax revenue to the payment of the associated debt charges, the bonds do not count toward the county's statutory debt limit.

Under continuing law, a permanent improvement is any property, asset, or improvement having an estimated life of at least five years.

Hotel intermediary lodging tax

(R.C. 351.021, 353.06, 5739.08, and 5739.09; Section 803.330)

Under continuing law, counties, townships, municipal corporations, convention facilities authorities, and lake facilities authorities are authorized, by resolution or ordinance, to levy taxes on transactions by which lodging by a hotel is or is to be furnished to transient guests. The bill requires that lodging taxes imposed by such subdivisions and taxing authorities apply to transactions conducted through a provider of hotel intermediary services. Furthermore, the bill requires that the tax apply to the total price paid by the consumer for lodging as advertised by the provider of the hotel intermediary service.

Tourism development districts

The bill authorizes certain townships and municipal corporations to designate a special district of not more than 200 contiguous acres, within which the municipal corporation or township may levy certain taxes or fees or receive certain revenue to fund tourism promotion and development in that district. These districts are referred to as "tourism development districts" (TDD).

Creation of TDD

(R.C. 503.56 and 715.014)

Under the bill, only a township or municipal corporation located in a county that meets certain qualifications may create a TDD. In particular, the subdivision must be located in a county with a population between 375,000 and 400,000 and that levies county sales taxes, the aggregate rate of which do not exceed 0.50%. Only Stark County currently is capable of meeting both requirements.

Before a subdivision may create a TDD, it must hold two public hearings on the creation of the proposed TDD and receive a petition signed by every person owning land in the proposed TDD and the owner or agent of every business operating in the TDD. A business is a sole proprietorship or business entity or corporation, and also includes the federal government, the state, political subdivisions, nonprofit organizations, and school districts. However, a business only operates within the proposed TDD if it would be subject to a special gross receipts tax levied in the proposed TDD (see "**TDD gross receipts tax**," below).

That petition must include an explanation of the taxes and fees that may be levied in the TDD (see below). After holding those hearings and receiving that petition, the subdivision may adopt a resolution designating the area of the subdivision to be included in the TDD.[224] The area cannot be more than 200 contiguous acres. The subdivision must submit this resolution, which the subdivision must adopt before 2019, to the Tax Commissioner within five days after its adoption, along with a description of the boundaries of the TDD.

A subdivision may enlarge an existing TDD before 2019 by following the same procedures for creating a new TDD subject to the 200-acre limit.

TDD gross receipts tax

(R.C. 5739.101, 5739.102, and 5739.103)

The bill authorizes a subdivision creating a TDD to levy a gross receipts tax of up to 2% on business' gross receipts derived from making sales in the TDD (excluding food sales). Under the bill, a subdivision levying the tax must do so before 2019.

A TDD gross receipts tax is administered and collected by the Tax Commissioner in the same manner as a gross receipts tax authorized to be levied by certain "resort

[224] References to resolutions include ordinances if ordinances are the form by which a municipal legislative authority adopts its laws.

areas" under continuing law. However, the bill specifies that a business subject to a TDD or resort area gross receipts tax may separately or proportionately bill or invoice the tax to another person, e.g., a consumer as part of the price of the good or service sold.

TDD admissions taxes

(R.C. 503.57 and 715.014(D))

The bill authorizes a township creating a TDD to levy up to a 5% tax on admissions to places located in the TDD, including ticket purchases, cover charges, golf course membership fees and green fees, and parking charges.

The bill requires every person receiving an admission payment to collect the tax from the person making the payment. The township levying the tax may prescribe all rules necessary to administer the tax. However, late penalties may not exceed 10% of the amount due and interest may not accrue on unpaid amounts in excess of the interest rate charged by the state for unpaid taxes – the federal short-term rate plus 3%. Revenue a township collects from the admissions tax must be used exclusively to promote and develop tourism in the TDD and pay the expenses of administering the tax.

The bill specifies that it does not prohibit a municipal corporation from levying an admissions tax in a TDD pursuant to the municipal corporation's constitutional home rule authority.

TDD lessee fee

(R.C. 503.56(C) and 715.014(C))

Once a TDD is created, the bill authorizes lessors leasing real property in the TDD to impose and collect a uniform fee on each parcel of leased property. The fee is imposed on the lessees (i.e., renters or tenants) of such property. However, the fee may be imposed only if the leave includes a provision stating the amount of the fee and if the lessor files a copy with the subdivision's fiscal officer. Lessors charging the fee must remit all collections to the subdivision pursuant to rules prescribed by the subdivision. Similar to the township TDD admissions tax, late penalties may not exceed 10% and interest is limited to the federal short-term rate plus 3%. Fee revenue must be used exclusively to promote and develop tourism in the TDD and pay the expenses of administering the fee.

TDD bonds

(R.C. 133.01, 133.04, 133.05, 133.083, and 133.34)

The bill authorizes a subdivision creating a TDD to issue bonds to be repaid with revenue from taxes or fees levied for the purpose of developing and promoting tourism in the TDD. The bonds may be supported by TDD gross receipts taxes, admissions taxes, or lessee development fees. All bond proceeds must be used for the same purposes as the supporting revenue sources – to develop and promote tourism in the TDD.

Administration of county 9-1-1 assistance

(R.C. 128.54 and 128.55; conforming changes in R.C. 128.57)

Transfers to the Next Generation 9-1-1 Fund

The bill requires the Tax Commissioner to transfer funds remaining in the Wireless 9-1-1 Government Assistance Fund to the Next Generation 9-1-1 Fund *at the direction of the Statewide Emergency Services Internet Protocol Network Steering Committee*. Current law requires these transfers to be made on a monthly basis after disbursements are made to counties from the Wireless 9-1-1 Government Assistance Fund. Under continuing law, the Next Generation 9-1-1 Fund is used for costs associated with phase II wireless systems and a county's migration to next generation 9-1-1 systems and technology.[225]

Remedying shortfalls in monthly county disbursements

The bill requires that any shortfall in monthly county disbursements from the Wireless 9-1-1 Government Assistance Fund be remedied in the following month. Under continuing law, counties receive monthly disbursements from the fund based on how much was distributed to each county in the year 2013. The funds come from a 25-cent monthly charge on Ohio wireless subscribers (and a charge of 0.5% of the sale price of prepaid wireless services).[226] Under continuing law, if the amount available in the Wireless 9-1-1 Government Assistance Fund is insufficient to make the required monthly disbursements, each county's share is proportionately reduced for the month. Current law does not provide for this shortfall to be remedied.

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[225] R.C. 128.022, not in the bill.

[226] R.C. 128.42, not in the bill.

DEPARTMENT OF TRANSPORTATION

- Requires a P-3 agreement to contain a contract performance bond and a payment bond only if the P-3 agreement contains a construction services component, rather than in all cases as under current law.

- Requires a contract performance bond or payment bond, for purposes of a P-3 agreement, to be executed by a surety authorized by the Department of Insurance to write surety bonds.

- Removes a provision of current law that requires a contract performance bond or payment bond under a P-3 agreement to be in conformance with any terms or conditions specified by the Director of Transportation.

- Modifies the penalties that must be imposed in a civil action against a towing service or storage facility by limiting the consideration of prior violations to a one-year look back period.

- Modifies the prohibition against failure to display the certificate of public convenience and necessity number and business telephone number on the front doors of a towing vehicle to instead prohibit the failure to display that information on the sides of a towing vehicle.

- Creates the Airport Improvement Fund, and requires that the Director of Transportation distribute money in the Fund to provide matching funds, loans, and grants for aviation infrastructure and economic development projects.

- Requires the Joint Legislative Task Force on Department of Transportation Issues to study the cost and feasibility of establishing a limited driving privilege license.

- Extends the deadline for the report that the Maritime Port Funding Study Committee must issue from January 1, 2015, to January 1, 2016.

- Requires the Director of Transportation to relocate a traffic light in Clinton County that is currently located at the intersection of the off ramp of the northeast bound lanes of I-71 and S.R. 73 to the intersection of S.R. 73 and S.R. 380.

Quarterly report by ODOT on MBE/EDGE compliance

- Requires ODOT to submit a quarterly report on Minority Business Enterprise (MBE)/Encouraging Diversity, Growth and Equity (EDGE) compliance to the majority and minority leaders of the General Assembly and the Governor to reaffirm compliance with federal and state mandates.

Contents of a public private (P-3) agreement

(R.C. 5501.73)

The bill modifies the required contents of a P-3 agreement related to contract performance and payment bonds. Under current law, among other requirements, a P-3 agreement must provide for both of the following:

(1) A contract performance bond in an amount specified by the Director of Transportation, conditioned upon the private entity performing the work in accordance with the agreed upon terms, within the time prescribed, and in conformance with any other such terms and conditions as are specified by the Director; and

(2) A payment bond in an amount specified by the Director, conditioned upon the payment for all labor, work performed, and materials furnished in connection with the agreement and any other such terms and conditions as are specified by the Director.

The bill specifies that those requirements only apply if the P-3 agreement contains a construction services component. For purposes of the bill, "construction services" means design-build, construction, reconstruction, replacement, improvement, or repair services. The bill also requires such a bond to be executed by a surety authorized by the Department of Insurance to write surety bonds and eliminates language that requires such bonds to conform with any other terms and conditions specified by the Director of Transportation.

Towing Law changes

(R.C. 4513.611 and 4513.67)

The bill modifies the penalties that must be awarded to a vehicle owner in a civil action against a towing service or storage facility for a violation of specified provisions of the Towing Law by limiting the consideration of prior violations to a one-year look back period. Under current law, if a court determines in such a civil action that a towing service or storage facility has committed a violation, the penalty that must be imposed upon the towing service or storage facility is based on the number of prior violations the towing service or storage facility has committed. The court must award the vehicle owner $1,000 for a first violation, $2,500 for a second violation, and $2,500 for a third violation. Current law does not specify any look back period. However, under current law unchanged by the bill, upon the expiration of a six-month revocation of a towing service or storage facility's certificate of public convenience and necessity due to a third violation, a court is prohibited from considering violations committed prior to the revocation for purposes of any civil action initiated after the expiration of the certificate revocation.

The bill also modifies a prohibition related to the failure to display specified information on a towing vehicle. Current law prohibits a person from operating a towing vehicle unless the certificate of public convenience and necessity number issued by the PUCO and business telephone number are visibly displayed on the left and right front doors of the towing vehicle. Additionally, current law prohibits any person who owns a towing vehicle used by a towing service, or any person with supervisory responsibility over a towing vehicle used by a towing service, from permitting the operation of a towing vehicle that does not comply with that display requirement. The bill modifies the display requirement to instead require the certificate number and business telephone number to be displayed on both the left and right sides of the towing vehicle.

Funding for airport improvements

(Section 399.15)

The bill establishes, in uncodified law, the Airport Improvement Fund, to be administered by the Director of Transportation. Money appropriated to the Fund in the upcoming biennium must be used to:

(1) Provide matching funds for federal grants and funding under the Federal Aviation Administration's (FAA) Airport Improvement Program, or similar federal programs;

(2) Provide loans and grants for airport capital improvements, which may include infrastructure projects, safety projects, and the development and implementation of the FAA's "NextGen" programs and unmanned aerial systems technologies;

(3) Provide loans and grants for job creation projects, which may involve cooperation between airports and state and local economic development agencies.

The bill requires the Director to adopt rules for the distribution of money from the Fund. Before the Director may submit the rules to the Joint Committee on Agency Rule Review (JCARR), the Director must first submit, by October 1, 2015, the rules to the Ohio Aerospace and Aviation Technology Committee (OAATC).

Study regarding limited driving privilege license

(Sections 610.01 and 610.02)

The bill requires the Joint Legislative Task Force on Department of Transportation Issues, created in H.B. 53 of the 131st General Assembly, to study the cost and feasibility of establishing a limited driving privilege license. Specifically, the Task Force must consider the creation of a license that contains embedded information, accessible only to law enforcement officers, specifying the period during which the license holder may exercise limited driving privileges and the purposes for which those privileges are granted. The Task Force must consider the issuance of such a license to any person to whom one of the following applies:

(1) The person has been granted limited driving privileges during the suspension of the person's license;

(2) The person has been granted driving privileges while complying with a Bureau of Motor Vehicles fee installment plan to pay the person's reinstatement fees after the person's license suspension has ended; or

(3) A court has granted the person occupational or family necessity operating privileges to enable the person to acquire delinquent reinstatement fees.

Report of the Maritime Port Funding Study Committee

(Sections 610.14 and 610.15)

The bill extends the deadline for the Maritime Port Funding Study Committee report from January 1, 2015, to January 1, 2016. The Committee was created in 2014 by H.B. 483 of the 130th General Assembly to study alternative funding mechanisms for Ohio maritime ports that may be utilized beginning in fiscal year 2016-2017.

Traffic light relocation

(Section 745.20)

The bill requires the Director of Transportation to relocate a traffic light in Clinton County that is currently located at the intersection of the off ramp of the northeast bound lanes of I-71 and S.R. 73 to the intersection of S.R. 73 and S.R. 380.

Quarterly report by ODOT on MBE/EDGE compliance

(Section 745.30)

The bill requires ODOT to submit a quarterly report on Minority Business Enterprise (MBE)/Encouraging Diversity, Growth and Equity (EDGE) compliance to the majority and minority leaders of the General Assembly and the Governor to reaffirm compliance with federal and state mandates.

TREASURER OF STATE

Agricultural Linked Deposit Program

- Modifies the existing Agricultural Linked Deposit Program, as follows:

  (1) Makes agricultural businesses with land in the western basin of the state eligible for larger reduced rate loans if the businesses certify that the loan proceeds will materially contribute to the businesses' compliance with the provisions of S.B. 1 (131st General Assembly) that restrict the surface application of manure in certain circumstances;

  (2) Provides an alternative interest rate at which a lending institution may lend the linked deposit to eligible agricultural businesses;

  (3) Increases the period of time in which a lending institution may lend the funds after placement of the linked deposit with the institution.

Public depositories: pledging of security

- Modifies the Uniform Depository Law relative to the pledging of security for the repayment of uninsured public deposits that is required of financial institutions designated public depositories, as follows:

  --Requires the perfection of security interests in the eligible securities pledged by the public depositories in accordance with applicable state and federal laws;

  --Requires the Treasurer of State to create the Ohio Pooled Collateral Program not later than July 1, 2017, and, upon creation of the Program, terminates the existing procedures for a public depository to pledge a single pool of securities to secure the repayment of all public moneys deposited in that financial institution;

  --Under the Program, requires a public depository to pledge the entire pool of securities to the Treasurer of State, rather than to the public depositors, as is required under current law;

  --Makes other procedural changes with respect to the pledging requirements.

Agricultural Linked Deposit Program

(R.C. 135.731 and 135.74)

The bill modifies the existing Agricultural Linked Deposit Program, as follows:

--Before July 1, 2020, agricultural businesses that maintain land or facilities for agricultural purposes in the western basin of Ohio are eligible for loans of not more than $500,000 (currently, loans cannot exceed $150,000) if the businesses certify that the reduced rate loan (1) will be used exclusively for agricultural purposes on the land or facilities in the western basin and (2) will materially contribute to the businesses' compliance with the provisions of S.B. 1 (131st General Assembly) that restrict the surface application of manure in certain circumstances.

--The interest rate at which the lending institution may lend the linked deposit to eligible agricultural businesses is changed to be *either:*

(1) The rate specified in current law (that is, a rate equal to the present borrowing rate applicable to the specific business minus the difference between the market rate and the actual rate at which the CDs were placed, or the market rate and the actual rate at which the investments that constitute the linked deposit were made, as applicable), *or*

(2) A rate not more than 300 basis points below the present borrowing rate applicable to the specific business.

--The period of time in which the lending institution may lend the funds upon placement of the linked deposit is increased from two to five years, and the Treasurer of State's option to renew the period for an additional two years is eliminated.

Public depositories: pledging of security

(R.C. 135.01, 135.18, 135.181, 135.182, and 135.37 (primary); R.C. 113.06, 131.09, 131.15, 135.04, 135.14, 135.144, 135.145, 135.35, 135.353, 135.354, 731.59, 991.03, and 3315.08 (conforming changes))

The bill modifies the Uniform Depository Law (R.C. Chapter 135.) relative to the Law's requirement that financial institutions designated as public depositories pledge security for the repayment of uninsured public deposits. First of all, the bill requires the perfection of security interests in the eligible securities pledged by the public depositories in accordance with applicable state and federal laws. Additionally, it requires the Treasurer of State to create the Ohio Pooled Collateral Program not later than July 1, 2017. Upon creation of the Program, the procedures set forth in existing law for a public depository to pledge a single pool of securities to secure the repayment of all public moneys deposited in that financial institution would terminate. Under the Program, a public depository is required to pledge the entire pool of securities to the Treasurer of State, rather than to the public depositors, as is required under current law. The bill also makes other procedural changes with respect to the pledging requirements.

DEPARTMENT OF VETERANS SERVICES

- Clarifies that the moratorium prohibiting induction of a person into the Ohio Veterans Hall of Fame may be waived by the Veterans Hall of Fame Executive Committee if the person is over 70 years of age.
- Permits any person who is a U.S. armed forces veteran, upon presentation of a driver's license or state identification card that indicates that the person is such a veteran to board and travel on any mode of public transportation without payment of any fee, fare, or charge.

Ohio Veterans Hall of Fame

(R.C. 5904.01)

The bill clarifies that the moratorium, which prohibits induction into the Ohio Veterans Hall of Fame of certain public officials and employees until two years after the official or employee has vacated the government position, may be waived by the Veterans Hall of Fame Executive Committee. The moratorium may be waived only if the person is over age 70, and may be waived whether or not the person currently holds the position or has vacated the position. Under continuing law, the moratorium applies to the following persons: state elected officials, members of the General Assembly, members of the Ohio Veterans Hall of Fame Foundation, members of the Veterans Hall of Fame Executive Committee, members of the Governor's staff, members of the Veterans Hall of Fame staff, members of any county veterans service commission, and the Director of Veterans Services.

Free public transportation for certain veterans

(R.C. 5902.10)

Under the bill, a veteran of the U.S. armed forces who has a service-connected disability rated at 100% by the U.S. Department of Veterans Affairs, upon presentation of the veteran's commercial driver's license, driver's license, or state identification card that indicates that the person is such a veteran, may board and travel on any mode of public transportation without payment of any fee, fare, or charge.

For purposes of this provision, "public transportation" means publicly owned or operated transportation by bus, rail, or other conveyance, that provides to the public transit or paratransit service on a regular and continuing basis within Ohio, including demand responsive transportation.

STATE VETERINARY MEDICAL LICENSING BOARD

- Authorizes the Ohio Veterinary Medical Licensing Board to suspend the certificate of license of an individual without first holding a hearing if the Board's Executive Director recommends that such action be taken after determining both of the following:

  --There is clear and convincing evidence that certain conditions apply to or certain actions have been committed by the individual, including alcohol or drug addiction and cruelty to animals; and

  --The individual's continued practice presents a danger of immediate and serious harm to the public.

- Establishes procedures to be followed for such suspensions.
- Automatically suspends the license or registration of an individual who is found guilty of, has pleaded guilty to, or is subject to a judicial finding in relation to specified crimes, including murder and felonious assault.
- Removes the requirement that an individual seeking to take a nationally recognized veterinary examination apply to the State Veterinary Medical Licensing Board for permission to take the examination.
- Increases the cost of an initial veterinary license by $50.
- Removes the fee charged for examinations offered by the Board.
- Expands the list of veterinary college approval entities to include the Program for the Assessment of Veterinary Education Equivalence of the American Association of State Veterinary Boards and removes the Board's ability to approve other certification programs.

Suspension of veterinary license

(R.C. 4741.22 and 4741.31)

The bill authorizes the Ohio Veterinary Medical Licensing Board to suspend the certificate of license of an individual without first holding a hearing if the Board's Executive Director recommends that such action be taken after determining that there is clear and convincing evidence that certain conditions apply to or certain actions have been committed by the individual, including alcohol or drug addiction and cruelty to animals, and that the individual's continued practice presents a danger of immediate and serious harm to the public. The Executive Director must prepare written allegations for consideration by the Board. The Board, upon review of those allegations and by an affirmative vote of at least four of its members, may then suspend the certificate without a prior hearing. The bill allows a telephone conference call to be utilized for reviewing the allegations and taking the vote on the suspension. It then establishes procedures to be followed for such a suspension, including an adjudicatory hearing if requested by the individual.

Finally, under the bill, the license or registration of an individual who is found guilty of, has pleaded guilty to, or is subject to a judicial finding in relation to specified crimes, including murder and felonious assault, is automatically suspended. If the individual fails to either request or participate in an adjudication, the Board must permanently revoke the individual's license or registration.

Veterinary licensing

(R.C. 4741.03, 4741.09 (repealed), 4741.11, 4741.12, 4741.17, 4741.19)

The bill makes changes to the law pertaining to veterinary licensing. First, the bill removes a requirement that an individual seeking to take a nationally recognized veterinary examination apply to the State Veterinary Medical Licensing Board for permission to take the examination. It also makes corresponding changes.

Second, the bill increases the cost of an initial veterinary license, as follows:

- To $425 from $375 for a two initial license;
- To $300 from $250 for a one year initial license.

Third, the bill removes a separate initial license fee for licenses issued by reciprocity in favor of the standard license fee.

Fourth, the bill removes the fee for examinations offered by the Board. The amount of this fee is not prescribed in the Revised or Administrative Codes, but is rather determined by the Board. The bill also removes the right of an applicant who fails the examination to request a written report showing the reasons for the failure.

Finally, the bill expands the list of veterinary college approval entities to include the Program for the Assessment of Veterinary Education Equivalence of the American Association of State Veterinary Boards. A veterinary college in receipt of such an approval has been determined by the Board to provide an education sufficient to meet the board's education requirement for licensure. The bill also removes the Board's ability to approve other certification programs.

- Makes a peace officer, firefighter, or emergency medical worker who is diagnosed with post-traumatic stress disorder (PTSD) eligible to receive compensation and benefits under Ohio's Workers' Compensation Law for up to one year, regardless of whether the person suffers an accompanying physical injury.
- Prohibits a claimant from receiving compensation or benefits under the Workers' Compensation Law for PTSD with no accompanying physical injury at the same time as the claimant is receiving a disability benefit or from a state retirement system for that injury.

Workers' compensation coverage for PTSD

(R.C. 4123.01, 4123.86, 145.27, 145.364, 742.391, 742.41, 3309.22, 3309.402, 5505.04, and 5505.182, with conforming changes in R.C. 4123.026 and 4123.46)

Under the bill, a peace officer, firefighter, or emergency medical worker who is diagnosed with post-traumatic stress disorder (PTSD), received in the course of and arising from the person's employment as a peace officer, firefighter, or emergency medical worker, may be eligible to receive compensation and benefits under Ohio's Workers' Compensation Law for up to a year beginning on the date the compensation or benefit payments start, regardless of whether the PTSD is connected to a compensable physical injury. Under current law, an employee is not eligible to receive any compensation or benefits under Ohio Workers' Compensation Law for PTSD unless the PTSD arose from a compensable physical injury incurred by the employee.

Under the bill, a claimant is not entitled to compensation or benefits under the Workers' Compensation Law for PTSD as provided under the bill while the claimant receives a disability benefit or disability retirement, as appropriate, from the Public Employees Retirement System (PERS), the Ohio Police and Fire Pension Fund (OP&F), the School Employees Retirement System (SERS), or the State Highway Patrol Retirement System (SHPRS).

The bill requires the Administrator of Workers' Compensation, or a self-insuring employer providing compensation and benefits to a claimant under the PTSD provision added by the bill, to terminate that compensation and benefits upon the claimant receiving a disability benefit or disability retirement from any of those retirement systems for that injury.

Upon a PERS, OP&F, SERS, or SHPRS member receiving a disability benefit or disability retirement for PTSD without an accompanying physical injury, the bill requires the appropriate retirement system to notify the Administrator of all of the following: the member's name, that the member's PTSD without accompanying physical injury qualifies the member for a disability benefit or disability retirement, the effective date of the member's disability benefit or disability retirement, and the date on which payments for the disability benefit or disability retirement commence. The bill exempts these reports from current law confidentiality requirements applicable to certain PERS, OP&F, SERS, or SHPRS records.

DEPARTMENT OF YOUTH SERVICES

- Modifies the composition of the Department of Youth Services Release Authority to a minimum of three but not more than five members.

Release Authority

(R.C. 5139.50)

The bill modifies the composition of the Release Authority in the Department of Youth Services. Under the bill, the Release Authority must consist of a minimum of three but not more than five members. Under current law, the Release Authority consists of five or perhaps six members.[227]

Under the bill, the Director of Youth Services must ensure that appointments include all the following:

(1) At least one member who has five or more years of experience in criminal justice, juvenile justice, or an equivalent relevant profession;

(2) At least one member who has experience in victim services or advocacy or who has been a victim of a crime or is a family member of a victim; and

(3) At least one member who has experience in direct care services to delinquent children.

Current law requires that at least four members be appointed who meet this qualification described in (1) above.

The Release Authority serves as the final and sole authority for making decisions, in the interests of public safety and the children involved, regarding the release and discharge of children committed to the legal custody of the Department.

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[227] The bill resolves an ambiguity in current law. The ambiguity makes it uncertain whether the Release Authority consists of five or six members.

LOCAL GOVERNMENT

- Permits a political subdivision to enter into a sale and leaseback agreement under which the legislative authority conveys a building to a purchaser who must lease all or portions of the building back to the legislative authority.
- Requires the agreement to obligate the lessor to make public improvements to the building.
- Authorizes a board of township trustees, by resolution, to authorize the acceptance of payments for township expenses by financial transaction devices, and specifies procedures for implementing a program to accept these payments.
- Allows a township to contract with any department, agency, or political subdivision for the purchase or sale of a motor vehicle.
- Authorizes a board of township trustees to purchase real or personal property at public auction through a designee.
- Allows a township to appropriate money for a community improvement corporation to fund any of the corporation's activities and programs, rather than solely to defray the corporation's administrative expenses.
- Removes the population necessary for a county to adopt and implement the procedures for the effective reutilization of nonproductive land through a county land reutilization corporation.
- Extends the time during which local governments may enter enterprise zone agreements with businesses by two years, to October 15, 2017.
- Increases the competitive bidding limit for conservancy district contracts for improvements from $25,000 to $50,000.
- Increases the salaries of county sheriffs and prosecuting attorneys by 5% per year for calendar years 2016 through 2019 and reduces the number of pay classes for sheriffs and prosecuting attorneys from eight to six beginning in 2017.
- Increases the annual salaries of county auditors, county treasurers, common pleas court clerks, county recorders, county commissioners, county engineers, and coroners by 5% in 2016 and by 5% in 2017.
- Reduces from eight to six the number of population classes that are used to determine the salaries of these county elected officers.

- Increases an appropriation for Operating Expenses—Judiciary/Supreme Court by $33,840 in fiscal year 2017 to pay the state's share of salary increases for common pleas court clerks.

- Increases the per diem compensation amount for township trustees and the annual compensation of township fiscal officers by 5% in 2016 and by 5% in 2017.

- Revises the monetary size of the budgetary amounts that determine the pay ranges for township trustees and township fiscal officers.

- Increases the annual compensation of members of boards of elections by 5% in 2016 and by 5% in 2017.

- Enables certified local government building departments to issue building permits, conduct inspections, and conduct certain other administrative actions in relation to a park district upon approval of the board park commissioners of the park district in question.

Report of traffic camera penalties; LGF reductions

- Requires any local authority that has operated a traffic camera between March 23, 2015, and June 30, 2015, to file either of the following with the Auditor of State on or before July 31, 2015:

  --If the local authority has complied with the traffic camera law, a statement of compliance with the traffic camera law; or

  --If the local authority has not complied with the traffic camera law, a report including the civil fines the local authority has billed to drivers for any violation that is based upon evidence recorded by a traffic camera.

- Requires any local authority that operates a traffic camera to submit a report or statement of compliance, as discussed above, to the Auditor of State every three months beginning with the three-month period that commences July 1, 2015, and ends September 30, 2015.

- Suspends Local Government Fund (LGF) payments to a subdivision that fails to comply with the reporting requirements.

- Reduces LGF payments to a subdivision reporting fines by the amount of such fines and redistributes that amount among other subdivisions in the county.

Hourly rates for indigent defense

- Provides a county with a supplemental amount for appointed counsel for indigent defense if the board of county commissioners establishes a fee schedule on an hourly basis for appointed counsel that exceeds $50 per hour.

Minimum security jail

- Provides for the use of a minimum security jail for a person charged with a traffic violation or misdemeanor or a fourth or fifth degree felony who has not been released on bail and who is confined in jail pending trial, if the person is classified as a minimal security risk.

Regional transit authorities: private grants and loans

- Permits a regional transit authority to apply for and accept grants and loans from any private source, and to acquire real and personal property by borrowing from any federal, state, other governmental, or private sources.

Veteran identification cards

- Requires county recorders to issue veteran identification cards to individuals who satisfy specified requirements, commencing on January 1, 2017.

- Requires the Director of Veterans Services, in consultation with the Ohio Recorders Association, to establish material and design standards with which county recorders must comply in producing veteran identification cards.

- Specifies that veteran identification card application materials are not a public record under the Public Records Act.

- Requires county recorders to deposit fees received from the issuance of veteran identification cards into the county recorder's technology fund, if one exists in the county.

Township removal of unsafe buildings

- Provides an express right to a hearing to owners and lienholders of insecure, unsafe, or structurally defective or unfit buildings before a board of township trustees proceeds to remove, repair, or secure the buildings.

- Generally requires a board of township trustees to give notice including a statement informing parties in interest that each party is entitled to a hearing if requested in writing within 30 days after the day on which the notice was mailed.

- Establishes the time and manner of the hearing to be held before the board of township trustees if timely requested by a party in interest.

Maintenance of buffer around drinking water reservoir

- Requires a municipal corporation that has a watershed management program with regard to a drinking water reservoir to allow an owner of property that is contiguous to a buffer around such a reservoir to maintain the buffer if the maintenance is for specified purposes.

- Prohibits a peace officer or other specified officials from issuing a citation to an individual who enters the buffer for the sole purpose of mowing vegetation or for any of the specified purposes.

Regional council of government infrastructure loans

- Permits an educational service center serving as a fiscal agent for a regional council of governments to establish an infrastructure loan program for the member governments.

Health district licensing councils

- Makes the establishment of a health district licensing council in a city health district, general health district, or combined district permissive, rather than mandatory, at the discretion of the board of health.

- Eliminates a discrepancy in the health district licensing council law by clarifying that the licensing council appoints one member to the board of health, rather than appointing one of its own members to the board of health.

Annexation petitions

- Adopts, until January 1, 2017, in a chartered county with a population of at least one million, a lower petition signature threshold for purposes of an annexation of municipal territory to a contiguous municipal corporation.

Permanent cemetery endowment funds

- Allows a board of township trustees or a board of cemetery trustees to use the principal of a permanent cemetery endowment fund to maintain a cemetery if income from the fund is insufficient for this purpose and the board unanimously consents.

Refunding general obligation debt

- Modifies the last maturity of refunding securities issued by a subdivision.
- Expands the types of securities a subdivision may issue to fund or refund various types of outstanding securities.
- Expands the types of securities that a subdivision may issue securities to fund or refund.
- Specifies when certain special obligations issued to fund or refund other securities are payable.
- Authorizes a subdivision to hold in cash any money derived from proceeds of securities issued to fund or refund other securities or obligations that is in escrow.

Cemetery lots sold before July 24, 1986

- Grants townships the right of reentry for burial lots for which the deed of sale was executed prior to July 24, 1986, and for an entombment, columbarium, or other interment right for which the terms of sale or deed was executed before the effective date of the amendment.
- Expands the provisions regarding a township sale of burial lots to other interment rights, including entombment or columbarium.

Township payment via direct deposit

- Specifies that a board of township trustees may adopt a resolution authorizing the payment of lawful obligations of the township by direct deposit of funds by electronic transfer.

Force account limits for townships

- When a township proceeds by contract with regard to a road maintenance or repair project requires the board of township trustees to use competitive bidding when the contract exceeds $90,000 rather than $45,000 as under current law.
- When a board proceeds by force account for a road maintenance or repair project (i.e., using township employees, materials, etc.), requires the county engineer to conduct a force account assessment when the project costs $45,000 or more rather than $15,000 or more as under current law.
- When a township proceeds by contract with regard to a road construction or reconstruction project, requires the board of township trustees to use competitive

bidding when the total estimated cost of the work exceeds $30,000 per mile rather than $15,000 per mile as under current law.

- When a board proceeds by force account for a road construction or reconstruction project, requires the county engineer to conduct a force account assessment when the project costs more than $15,000 or more rather than $5,000 or more as under current law.

County hospital board funds

- Specifies the disposition of charter county hospital funds and the permissible investment of such funds by the hospital board.

- Permits a regional council of governments established to provide health care benefits to pool funds, including from out-of-state members, for the payment of health care related claims and expenses.

New community authorities

- Eliminates or makes permanent provisions that applied only to new community authorities established between March 22, 2012, and March 22, 2015.

- Includes telecommunications facilities in the definition of "community facility."

- Shifts various roles from the board of county commissioners with which the petition was filed to the organizational board of commissioners.

- Eliminates the requirement that the acreage included in a proposed new community district be developable as one functionally interrelated community.

- Specifies differing hearing and notice requirements if the organizational board of commissioners is the legislative authority of the only proximate city for the proposed new community district.

- Eliminates the requirement that the organizational board of commissioners' resolution be entered of record in its journal and in the journal of the board of county commissioners with which a petition was filed.

- Modifies how the property of a new community authority is distributed upon dissolution.

Political subdivision sale and leaseback agreement

(R.C. 9.483)

Notwithstanding contrary statutory limitations, the bill permits a political subdivision to enter into a sale and leaseback agreement under which the legislative authority agrees to convey a building owned by the political subdivision to a purchaser who is obligated, immediately upon closing, to lease all or portions of the building back to the legislative authority. The sale and leaseback agreement must obligate the lessor to make public improvements to all or portions of the building subject to the lease, including renovations, energy conservation measures, and other measures that are necessary to improve the functionality and reduce the operating costs of the portions of the building that are subject to the lease.

Townships acceptance of payments by financial transaction device

(R.C. 503.55)

The bill authorizes a board of township trustees to adopt a resolution authorizing the acceptance of payments by financial transaction devices for township expenses. The resolution must include the following:

(1) A specification of those township offices that are authorized to accept payments by financial transaction devices;

(2) A list of township expenses that may be paid for through the use of a financial transaction device;

(3) Specific identification of financial transaction devices that the board authorizes as acceptable means of payment for township expenses; however, uniform acceptance of financial transaction devices among different types of township expenses is not required;

(4) The amount, if any, authorized as a surcharge or convenience fee for persons using a financial transaction device; however, uniform application of surcharges or convenience fees among different types of township expenses is not required;

(5) A specific provision requiring the payment of a penalty if a payment made by means of a financial transaction device is returned or dishonored for any reason; and

(6) A provision designating the township fiscal officer as an administrative agent to solicit proposals from financial institutions, issuers of financial transaction devices, and processors of financial transaction devices, to make recommendations about those proposals to the board, and to assist township offices in implementing the township's

financial transaction devices program. The solicitation of proposals must be within guidelines established by the board in the resolution and in compliance with the procedures described below.

Procedures for soliciting proposals

The township fiscal officer must request proposals from financial institutions, issuers of financial transaction devices, or processors of financial transaction devices, as appropriate in accordance with the resolution. Upon receiving the proposals, the fiscal officer must review them and make a recommendation to the board of trustees on which proposals to accept. The board of trustees must consider the fiscal officer's recommendation and review all proposals submitted, and then may choose to contract with any or all of the entities that have submitted proposals, as appropriate. The board of trustees must provide any financial institution, issuer, or processor that submitted a proposal, but with which the board does not enter into a contract, notice that its proposal is rejected. The notice must state the reasons for the rejection, indicate whose proposals were accepted, and provide a copy of the terms and conditions of the successful bids.

Posting the resolution

The board of township trustees must post a copy of the adopted resolution in each township office accepting payment by a financial transaction device. Each township office that is permitted by the resolution to accept the payments may use only the financial institutions, issuers of financial transaction devices, and processors of financial transaction devices with which the board of township trustees contracts, and each such office is subject to the terms of those contracts.

Convenience fee

A board of township trustees may establish a surcharge or convenience fee that may be imposed upon a person making payment by a financial transaction device. The surcharge or convenience fee may not be imposed unless authorized or otherwise permitted by the rules prescribed by an agreement governing the use and acceptance of the financial transaction device. But, if a surcharge or convenience fee is imposed, every township office accepting payment by a financial transaction device must clearly post a notice in that office, and must notify each person making a payment by such a device, about the surcharge or fee. This notice must be provided regardless of the medium used to make the payment and in a manner appropriate to that medium. Each notice must include all of the following:

(1) A statement that there is a surcharge or convenience fee for using a financial transaction device;

(2) The total amount of the charge or fee expressed in dollars and cents for each transaction, or the rate of the charge or fee expressed as a percentage of the total amount of the transaction, whichever applies; and

(3) A clear statement that the surcharge or convenience fee is nonrefundable.

If a person elects to make a payment to the township by a financial transaction device and a surcharge or convenience fee is imposed, the payment of the surcharge or fee must be considered voluntary. The surcharge or convenience fee is not refundable.

Insufficient funds and liability

If a person makes payment by financial transaction device and the payment is returned or dishonored for any reason, the person is liable for a penalty over and above the amount of the payment due. The board of township trustees must determine the amount of the penalty to be assessed. The penalty may be a fee not to exceed $20 or payment of the amount necessary to reimburse the township for banking charges, legal fees, or other expenses incurred by the township in collecting the returned or dishonored payment.

The remedies and procedures described above are in addition to any other available civil or criminal remedies provided by law.

No person making any payment by financial transaction device to a township office may be relieved from liability for the underlying obligation except to the extent the township realizes final payment of the underlying obligation in cash or its equivalent. If final payment is not made by the financial transaction device issuer or other guarantor of payment in the transaction, the underlying obligation survives and the township retains all remedies for enforcement that would have applied if the transaction had not occurred.

A township official or employee who accepts a financial transaction device payment in accordance with the procedures described above and any applicable state or local policies or rules is immune from personal liability for final collection of the payment.

Township sale of motor vehicle

(R.C. 505.101)

The bill allows a township to contract with any department, agency, or political subdivision for the purchase or sale of a motor vehicle. Currently, a township's only means of selling a motor vehicle, if the fair market value of a motor vehicle exceeds $2,500, is by public auction or sealed bid process.

Township purchases at public auction through a designee

(R.C. 505.1010)

The bill authorizes a board of township trustees to purchase real or personal property at public auction by adopting a resolution to designate an individual, officer, or employee to represent the board and tender bids at the auction. Purchases are subject to a maximum purchase price established by resolution of the board or by an appraisal obtained before the auction and approved by the board of township trustees. Purchases must comply with current law's requirement for expenditures to have a certificate of available funds signed by the township's fiscal officer; the certificate indicates that the amount of money required for the purchase has been lawfully appropriated for the purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Community improvement corporations: use of township funds

(R.C. 505.701)

The bill allows a township to appropriate money for a community improvement corporation to fund any of the corporation's activities and programs. Under current law, a township may provide funding only to defray a community improvement corporation's administrative expenses.

Continuing law allows townships, counties, and municipalities to create a community improvement corporation to perform economic development functions on behalf of the subdivision. Unlike townships, counties and municipalities are currently able to fund any of a community improvement corporation's economic development activities.

County land reutilization corporations

(R.C. 1724.04)

The bill removes the current population threshold necessary for a county to adopt and implement the procedures for the effective reutilization of nonproductive land through a county land reutilization corporation (CLRC). Current law allows any county having a population of more than 60,000 as of the most recent decennial census to elect to organize a county land reutilization corporation for that purpose. A CLRC's purpose under continuing law generally, is, to return blighted properties in the county to productive use. As part of that purpose, CLRCs may administer a land bank program whereby it acquires (without paying) tax-foreclosed properties that failed to sell at the sheriff's sale, clears or rehabilitates the property, and attempts to sell it to pay the delinquent taxes and other costs and return the property to productive use.

Under the bill, there would be no population threshold; any county of any population would be allowed to create a CLRC.

Enterprise zone agreement extension

(R.C. 5709.62, 5709.63, and 5709.632)

Under continuing law, counties and municipal corporations may designate areas within the county or municipal corporation as "enterprise zones." After designating an area as an enterprise zone, the county or municipal corporation must petition the Director of Development Services for certification of the designated enterprise zone. If the Director certifies a designated enterprise zone, the county or municipal corporation may then enter into enterprise zone agreements with businesses for the purpose of fostering economic development in the enterprise zone. Under an enterprise zone agreement, the business agrees to establish or expand within the enterprise zone or to relocate its operations to the zone in exchange for property tax exemptions and other incentives.

Current law authorizes local governments to enter into enterprise zone agreements through October 15, 2015. The bill extends the time during which local governments may enter into these agreements to October 15, 2017.

Competitive bidding threshold for conservancy districts

(R.C. 6101.16)

The bill increases the limit above which contracts for improvements of a conservancy district must be competitively bid. If the contract amount will exceed $50,000, instead of the current limit of $25,000, bids must be advertised as provided in current law, and the contract generally must be awarded to the lowest responsive and most responsible bidder under continuing law.

Salaries of sheriffs and prosecuting attorneys

(R.C. 325.06 and 325.11)

The bill increases the salaries of county sheriffs and prosecuting attorneys by 5% each calendar year from 2016 through 2019. The increases for 2016 do not apply to any sheriff or prosecuting attorney who holds office on the bill's effective date. Under both current law and the bill, the pay of sheriffs and prosecuting attorneys varies in accordance with population of the county. The bill reduces the number of pay classes from eight to six beginning in 2017.

The following charts show the salaries of sheriffs and prosecuting attorneys for calendars 2015 (current) through 2019.

County Sheriffs						
Salary Class	Current	CY 2016	Salary Class	CY 2017	CY 2018	CY 2019
1	$ 47,900	$ 50,295	1	$ 58,347	$ 61,264	$ 64,327
2	$ 50,912	$ 53,458	2	$ 67,985	$ 71,384	$ 74,953
3	$ 52,922	$ 55,568	3	$ 82,832	$ 86,974	$ 91,322
4	$ 61,664	$ 64,747	4	$ 92,797	$ 97,437	$ 102,309
5	$ 75,131	$ 78,888	5	$ 98,332	$ 103,249	$ 108,411
6	$ 84,170	$ 88,379	6	$ 101,182	$ 106,241	$ 111,553
7	$ 89,190	$ 93,650				
8	$ 91,775	$ 96,364				

Prosecutors with Private Practice						
Salary Class	Current	CY 2016	Salary Class	CY 2017	CY 2018	CY 2019
1	$ 54,218	$ 56,929	1	$ 64,203	$ 67,413	$ 70,784
2	$ 56,226	$ 59,037	2	$ 71,399	$ 74,969	$ 78,717
3	$ 58,234	$ 61,146	3	$ 77,488	$ 81,363	$ 85,431
4	$ 64,761	$ 67,999	4	$ 86,344	$ 90,662	$ 95,195
5	$ 70,284	$ 73,798	5	$ 91,877	$ 96,471	$ 101,294
6	$ 78,317	$ 82,233	6	$ 95,276	$ 100,040	$ 105,042
7	$ 83,335	$ 87,502				
8	$ 86,418	$ 90,739				

Prosecutors without Private Practice						
Salary Class	Current	CY 2016	Salary Class	CY 2017	CY 2018	CY 2019
1	$ 92,565	$ 97,193	1	$ 114,809	$ 120,549	$ 126,577
2	$ 104,135	$ 109,342	2	$ 127,563	$ 133,941	$ 140,638
3	$ 104,135	$ 109,342	3	$ 127,563	$ 133,941	$ 140,638
4	$ 115,703	$ 121,488	4	$ 127,563	$ 133,941	$ 140,638
5	$ 115,703	$ 121,488	5	$ 130,661	$ 137,194	$ 144,053
6	$ 115,703	$ 121,488	6	$ 133,759	$ 140,447	$ 147,469
7	$ 118,513	$ 124,439				
8	$ 121,323	$ 127,389				

Pay increases for certain county elected officers, township trustees, township fiscal officers, and members of boards of elections

Overview

The bill increases the compensation of county auditors, county treasurers, common pleas court clerks, county recorders, county commissioners, county engineers, and coroners; township trustees and township fiscal officers; and members of boards of elections. (Pay increases for sheriffs and prosecuting attorneys are discussed above.) The salaries of these elected officers were last increased by H.B. 712 of the 123rd General Assembly, which took effect December 8, 2000. Ohio Constitution, Article II, Section 20 requires the General Assembly, in cases not provided for in the Constitution, to fix the compensation of all officers. The Ohio Supreme Court has ruled that the General Assembly cannot delegate the authority to fix the compensation of officers conferred upon it by this constitutional provision.[228]

In H.B. 712, the salaries of these local elected officers were increased and then indexed to the consumer price index[229] (CPI) each calendar year from 2002, 2003, or 2005 (depending on the group whose salaries were being increased) through 2008. The annual cost-of-living adjustment, or COLA, that was applied to the salaries was the lesser of 3% or the percentage increase, if any, in the CPI for the previous year. Because the COLA ceased after 2008, salaries have not changed since that year. The exception to

[228] *Neff v. Bd. of County Commissioners*, 166 Ohio St. 360 (1957); *State ex rel. Godfrey v. O'Brien*, 95 Ohio St. 166 (1917).

[229] The CPI used is the U.S. city average for urban wage earners and clerical workers: all items, 1982-1984=100. If that index is no longer published, a generally available comparable index may be used.

this appears to be members of boards of elections, whose salaries were not adjusted by the COLA, but instead were given 3% increases in 2001, 2002, and 2003, with no increases in 2004 or thereafter.[230]

County elected officers

(R.C. 325.03, 325.04, 325.08, 325.09, 325.10, 325.14, and 325.15)

The bill has two major components that affect the compensation of county auditors, county treasurers, common pleas court clerks, county recorders, county commissioners, county engineers, and coroners (county elected officers). The bill increases the annual compensation they receive in calendar years 2016 and 2017, and collapses the eight population classes presently used to determine the officers' salaries into six classes, starting in 2017. Because the change to the population classes is incorporated into the salary increases, it is addressed first.

New salary classification schedules

The salaries of the county elected officers are established by separate schedules that classify an officer according to the population of the county. In general, the larger the county population, the larger the salary. The bill maintains this system of classification, but reduces the number of population classes from eight to six, beginning in 2017. The bill's changes are shown in the following table:

Former Classifications		2017 New Classifications	
Class	**Population Range**	**Class**	**Population Range**
1	1-20,000	**1**	1-55,000
2	20,001-35,000	**2**	55,001-95,000
3	35,001-55,000	**3**	95,001-200,000[231]
4	55,001-95,000	**4**	200,001-400,000
5	95,001-200,000[232]	**5**	400,001-1,000,000
6	200,001-400,000	**6**	1,000,001 or more
7	400,001-1,000,000		
8	1,000,001 or more		

[230] R.C. 3501.12.

[231] Under the bill, for coroners without a private practice, population class 3 is 175,001-200,000. *See* R.C. 325.15.

[232] Under current law, for coroners without a private practice, population class 5 is 175,001-200,000.

Pay increases

The bill increases the annual salaries of county elected officers by 5% in 2016 and by 5% in 2017, as reflected in the charts below. The bill does not reinstate the annual COLA that was last applied to their salaries in 2008.

The increased salaries will not be available to a county elected officer who is mid-term. Ohio Constitution, Article II, section 20 prohibits any change in the compensation of an officer during the officer's existing term, unless the office is abolished.

The following charts indicate the existing annual compensation of county elected officers in 2015, which are not increases, and show the 2016 and 2017 increases:

County Auditor[233]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$53,431	$56,103	$64,091	Same as 2017
2	$56,256	$59,069	$75,400	Same as 2017
3	$58,132	$61,039	$84,621	Same as 2017
4	$68,390	$71,810	$94,935	Same as 2017
5	$76,754	$80,592	$100,601	Same as 2017
6	$86,109	$90,414	$103,618	Same as 2017
7	$91,248	$95,810		
8	$93,985	$98,684		

County Treasurer[234]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$39,157	$41,115	$49,813	Same as 2017
2	$42,172	$44,281	$58,668	Same as 2017
3	$45,182	$47,441	$67,525	Same as 2017
4	$53,214	$55,875	$75,273	Same as 2017
5	$61,247	$64,309	$80,807	Same as 2017
6	$68,275	$71,689	$83,636	Same as 2017

[233] R.C. 325.03.

[234] R.C. 325.04.

County Treasurer[234]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
7	$73,294	$76,959		
8	$75,860	$79,653		

Common Pleas Court Clerk[235,236]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$39,157	$41,115	$49,813	Same as 2017
2	$42,172	$44,281	$58,668	Same as 2017
3	$45,182	$47,441	$67,525	Same as 2017
4	$53,214	$55,875	$75,273	Same as 2017
5	$61,247	$64,309	$80,807	Same as 2017
6	$68,275	$71,689	$83,636	Same as 2017
7	$73,294	$76,959		
8	$75,860	$79,653		

County Recorder[237]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$38,153	$40,061	$47,599	Same as 2017
2	$41,165	$43,223	$55,349	Same as 2017
3	$43,174	$45,333	$63,098	Same as 2017
4	$50,203	$52,713	$71,951	Same as 2017
5	$57,232	$60,094	$78,594	Same as 2017
6	$65,262	$68,525	$82,051	Same as 2017

[235] R.C. 325.08. Under R.C. 2303.03, a common pleas court clerk who also serves as the clerk of the court of appeals receives from the state one-eighth of the clerk's county-paid compensation. As county-paid compensation increases, the amount paid by the state also increases.

[236] Under R.C. 1901.31 and 1907.20, clerks serving as municipal or county court clerks are paid by the municipality or county an additional 25% of their county compensation. As their county compensation increases, so does this additional amount.

[237] R.C. 325.09.

County Recorder[237]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
7	$71,287	$74,851		
8	$74,423	$78,144		

County Commissioner[238]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$37,353	$39,221	$48,974	Same as 2017
2	$40,888	$42,932	$61,215	Same as 2017
3	$44,421	$46,642	$72,346	Same as 2017
4	$55,524	$58,300	$84,866	Same as 2017
5	$65,620	$68,901	$96,000	Same as 2017
6	$76,976	$80,825	$101,953	Same as 2017
7	$87,075	$91,429		
8	$92,474	$97,098		

County Engineer with a Private Practice[239]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$56,629	$59,460	$67,746	Same as 2017
2	$59,039	$61,991	$73,059	Same as 2017
3	$61,448	$64,520	$78,594	Same as 2017
4	$66,267	$69,580	$83,022	Same as 2017
5	$71,287	$74,851	$88,556	Same as 2017
6	$75,303	$79,068	$92,009	Same as 2017
7	$80,323	$84,339		
8	$83,455	$87,628		

[238] R.C. 325.10.

[239] R.C. 325.14.

County Engineer without a Private Practice[240]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$80,536	$84,563	$94,103	Same as 2017
2	$82,944	$87,091	$99,417	Same as 2017
3	$85,354	$89,622	$104,950	Same as 2017
4	$90,174	$94,683	$109,378	Same as 2017
5	$95,193	$99,953	$114,914	Same as 2017
6	$99,209	$104,169	$118,361	Same as 2017
7	$104,230	$109,442		
8	$107,357	$112,725		

Coroner with a Private Practice[241]				
Class	**2015 Compensation**	**2016 Compensation**	**2017 Compensation**	**Compensation in 2018 and after**
1	$22,090	$23,195	$30,993	Same as 2017
2	$25,102	$26,357	$45,384	Same as 2017
3	$28,112	$29,518	$56,458	Same as 2017
4	$41,165	$43,223	$69,739	Same as 2017
5	$51,209	$53,769	$78,594	Same as 2017
6	$63,255	$66,418	$83,310	Same as 2017
7	$71,287	$74,851		
8	$75,565	$79,343		

Coroner without a Private Practice[242]					
Class	**2015 Compensation**	**2016 Compensation**	**Class**	**2017 Compensation**	**Compensation in 2018 and after**
5	$115,703	$121,488	**3**	$127,563	Same as 2017
6	$115,703	$121,488	**4**	$127,563	Same as 2017
7	$118,513	$124,439	**5**	$130,661	Same as 2017
8	$121,323	$127,389	**6**	$133,759	Same as 2017

[240] R.C. 325.14.

[241] R.C. 325.15.

[242] R.C. 325.15.

Appropriation

(Section 311.10)

The bill appropriates an additional $33,840 in fiscal year 2017 to GRF appropriation item 005321, Operating Expenses – Judiciary/Supreme Court, to be used to pay the state share of the salary increases for common pleas court clerks. The state pays one-eighth of the annual compensation that the clerk receives for acting as the clerk of the court of appeals of the county.

Salary increases for township trustees and township fiscal officers

(R.C. 505.24 and 507.09)

Township trustees are paid an amount for each day of service, based on the monetary size of the township's budget. The days of service for which township trustees can be paid are capped at 200 days. The bill increases the compensation of township trustees by 5% in calendar year 2016 and by 5% in calendar year 2017, and, in 2016, revises the monetary ranges of the budgets they oversee. For example, for 2015, the smallest budget size for a township is $50,000 or less, for which a township trustee is paid $25.72 per day for not more than 200 days, but for 2016, the smallest budget size is $250,000 or less, for which a township trustee will be paid $38.49 per day for not more than 200 days. The bill retains the existing law requirement that the number of days of service for which a township trustee can be paid cannot exceed 200 days.

Like township trustees, township fiscal officers are paid a salary that is based on the monetary size of the township's budget. The bill increases the annual compensation of township fiscal officers by 5% in calendar year 2016 and by 5% in calendar year 2017, and, in 2016, also revises the budget sizes they manage. For example, for 2015, the smallest budget size is $50,000 or less, for which a township fiscal officer is paid $4,502 annually, but for 2016, the smallest budget size is $250,000 or less, for which a township fiscal officer will be paid $10,398.

The bill does not reinstate the annual COLA that was last applied in 2008 to the salaries of township trustees and township fiscal officers.

The increased salaries will not be available to a township trustee or a township fiscal officer who is mid-term. Ohio Constitution, Article II, Section 20 prohibits any change in the compensation of an officer during the officer's existing term, unless the office is abolished.

The following table shows the current budget sizes and per day pay for township trustees in 2015, and what the bill proposes for increases in 2016 and 2017:

Township Trustees (Amount per day, not to exceed 200 days)				
2015 Budget Size	**2015 Amount**	**Budget Size in 2016 and after**	**2016 Amount**	**2017 Amount**
$50,000 or less	$25.72	$250,000 or less	$38.49	$40.42
$50,000.01-$100,000	$30.87	$250,000.01-$500,000	$44.57	$46.80
$100,000.01-$250,000	$36.66	$500,000.01-$750,000	$47.27	$49.63
$250,000.01-$500,000	$42.45	$750,000.01- $1.5 million	$54.01	$56.71
$500,000.01-$750,000	$45.02	$1,500,000.01-$3.5 million	$59.42	$62.39
$750,000.01- $1.5 million	$51.44	$3,500,000.01- $6 million	$64.82	$68.06
$1,500,000.01-$3.5 million	$56.59	$6,000,000.01-$10 million	$83.99	$88.19
$3,500,000.01- $6 million	$61.73	More than $10 million	$107.98	$113.38
$6,000,000.01- $10 million	$79.99			
More than $10 million	$102.84			

The current budget sizes and annual compensation for township fiscal officers in 2015, and what the bill proposes for increases in 2016 and 2017, are as follows:

Township Fiscal Officers				
2015 Budget Size	**2015 Annual Compensation**	**Budget Size in 2016 and after**	**2016 Annual Compensation**	**2017 Annual Compensation**
$50,000 or less	$4,502	$250,000 or less	$10,398	$10,918
$50,000.01-$100,000	$7,074	$250,000.01-$500,000	$13,370	$14,038
$100,000.01-$250,000	$9,903	$500,000.01-$750,000	$14,854	$15,597
$250,000.01-$500,000	$12,733	$750,000.01-$1.5 million	$17,826	$18,717
$500,000.01-$750,000	$14,147	$1,500,000.01-$3.5 million	$20,796	$21,836

Township Fiscal Officers				
$750,000.01-$1.5 million	$16,977	$3,500,000.01-$6 million	$22,282	$23,396
$1,500,000.01-$3.5 million	$19,806	$6,000,000.01-$10 million	$25,573	$26,851
$3,500,000.01-$6 million	$21,221	More than $10 million	$29,585	$31,064
$6,000,000.01-$10 million	$24,355			
More than $10 million	$28,176			

Salary increases for members of county boards of elections

(R.C. 3501.12)

The annual compensation of a member of a county board of elections is based on the population of the county the member serves. Since 2004, a member of a board of elections has been paid $92.89 for each full 1,000 of the first 100,000 population, $44.26 for each full 1,000 of the second 100,000 population, $24.04 for each full 1,000 of the third 100,000 population, and $7.37 for each full 1,000 above 300,000 population. The minimum annual compensation of a member of the board is $3,687, but the annual salary cannot exceed $21,855. The revisions in the bill for 2015 are not increases and merely reflect what board members are currently paid.

In 2016, the bill increases each member's annual compensation by 5% over the preceding year, and specifies that a member's compensation cannot be less than $4,830. In 2017, the bill increases each member's annual compensation by 5% over the preceding year, and specifies that a member's compensation cannot be less than $6,000. In calendar year 2018, and in each calendar year thereafter, the annual compensation and compensation minimum is the same as in 2017.

The bill does not reinstate the annual COLA that was last applied in 2003 to elections board members' compensation.

The Ohio Supreme Court, in 1950, held that members of a county board of elections, although appointed by the Secretary of State, are officers whose compensation is subject to Ohio Constitution, Article II, Section 20, which precludes an in-term change of compensation.[243] But since the date of that decision, the General Assembly amended

[243] *State ex rel. Milburn v. Pethtel*, 153 Ohio St. 1 (1950).

the compensation statute, R.C. 3501.12, to provide that members of boards of elections are not subject to that constitutional provision. The Ohio Attorney General has advised that, in the absence of a judicial determination as to the constitutionality of the changes to R.C. 3501.12, members of boards of elections are entitled to receive in-term raises.[244]

Local government building departments and park districts

(R.C. 3781.10)

The bill enables certified local government building departments to issue building permits, conduct inspections, and conduct certain other administrative actions in relation to a park district upon approval of the board park commissioners of the park district in question.

Report of traffic camera penalties

(R.C. 4511.0915)

The bill specifies that on or before July 31, 2015, any local authority that has operated a traffic law photo-monitoring device ("traffic camera") between March 23, 2015, and June 30, 2015, must file either a report or statement of compliance with the Auditor of State as follows:

(1) If the local authority operated any traffic camera during the specified period without fully complying with the traffic camera law, the local authority must file a report that includes a detailed statement of the civil fines that the local authority has billed to drivers for any violation of any municipal ordinance that is based upon evidence recorded by a traffic camera, including the gross amount of fines that have been billed.

(2) If the local authority has fully complied with the traffic camera law during the specified period, in lieu of a report, the local authority must submit a signed statement affirming compliance with all requirements of the traffic camera law.

Additionally, under the bill, beginning with the three-month period that commences July 1, 2015, and ends September 30, 2015, and for each three-month period thereafter, during which a local authority has operated a traffic law photo-monitoring device, the local authority must file either a report or a signed statement of compliance with the Auditor of State in the same manner as described above. The local authority must file the report or statement not later than 30 days after the end of the three-month period.

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[244] O.A.G. 97-027 (1997).

The Auditor of State must immediately forward a copy of each report or signed statement of compliance to the Tax Commissioner for purposes of calculating Local Government Fund (LGF) payments (see "**LGF adjustments**," below) and must notify the Commissioner about each subdivision that was required to file a report or signed statement and that did not do so. The Auditor of State also must notify the Commissioner when a subdivision that failed to submit a report or signed statement does file a report or signed statement.

LGF adjustments

(R.C. 5747.50, 5747.502, 5747.51, and 5747.53)

The bill suspends or reduces LGF payments to a subdivision that fails to file a civil fine report or statement of compliance with the Auditor of State ("delinquent subdivision") or to a subdivision filing a civil fine report with the Auditor ("noncompliant subdivision").

Under continuing law, 1.66% of general revenue tax receipts are credited monthly to the LGF to provide revenue to counties, townships, municipal corporations, and other subdivisions.[245] Continuing law allocates LGF funds through two mechanisms. First, the bulk of LGF revenue is divided between the undivided local government funds of each county. This revenue is distributed to the county and subdivisions located in that county pursuant to a formula either prescribed in state law or adopted by the county budget commission. Under the second mechanism, the remaining money is distributed directly to municipal corporations that levied a municipal income tax in 2006. Payments are made monthly.

"Delinquent" subdivisions

The bill requires the Tax Commissioner, when informed by the Auditor of State that a subdivision has not reported fines or filed a statement of compliance, to do both of the following:

(1) If the subdivision is a municipal corporation receiving direct LGF payments, suspend such payments beginning with the next required monthly disbursement.

(2) Immediately instruct the appropriate county auditor and treasurer to suspend payments to the subdivision from the county undivided local government fund beginning with the next required disbursement.

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[245] R.C. 131.51(B), not in the bill.

Payments to a delinquent subdivision remain suspended until the subdivision files all delinquent reports or statements of compliance with the Auditor. Once the Auditor notifies the Commissioner that all required reports or statements have been filed, the LGF payments to the subdivision resume.

"Noncompliant" subdivisions

The bill requires the Tax Commissioner, when informed by the Auditor that a subdivision is a noncompliant subdivision, to do both of the following:

(1) If the noncompliant subdivision is a municipal corporation receiving direct municipal payments, reduce the amount of the next three such payments by one-third of the gross civil fine revenue reported by the subdivision in its most-recent quarterly report.

(2) In the case of other subdivisions, immediately instruct the county auditor and treasurer to reduce the amount of the next three payments to the subdivision from the county undivided local government fund by one-third of the gross civil fine revenue reported by the subdivision in its most-recent quarterly report.

If the noncompliant subdivision is a municipal corporation receiving direct LGF payments and one-third of the amount of its gross fines would exceed the amount of its monthly direct LGF payment, its next three payments from the county undivided local government fund are reduced by the difference.

Distribution of suspended or reduced LGF payments

If a delinquent or noncompliant subdivision's LGF payments are suspended or reduced, the unpaid amount is distributed to other subdivisions in the same county that are not delinquent or noncompliant. Those subdivisions receive a share of such money based on the proportion of undivided local government fund revenue the subdivision would receive compared to amounts received by all subdivisions in the county that are not delinquent or noncompliant.

Any subdivision receiving an increased undivided local government fund payment must use the increase for the same purpose as other undivided local government distributions – to pay for the subdivision's operating expenses.

Hourly rates for indigent defense

(R.C. 120.33 and 2941.51)

Under the bill, if the board of county commissioners establishes a fee schedule on an hourly basis for appointed counsel for indigent defense (required under existing law) that exceeds $50 per hour, the county will receive a supplemental amount that constitutes 5% of the total reimbursement the county receives from the State Public Defender for appointed counsel.

Minimum security jail

(R.C. 341.34)

The bill provides that a person may be confined in a minimal security jail if the person meets all of the following conditions:

(1) The person is charged with a traffic violation, a misdemeanor, or a fourth or fifth degree felony.

(2) The person has had bail set and has not been released on bail and is confined in a county or municipal jail pending trial.

(3) The jail administrator or the jail administrator's designee has classified the person as a minimal security risk.

In determining whether the person is a minimal security risk, the administrator or designee must consider all relevant factors, including the person's escape risk and propensity for assaultive or violent behavior, based upon the person's prior and current behavior. Additionally, the bill specifies that nothing in the provision described in the paragraph above authorizes the operation or management of a minimum security jail by a private entity.

Regional transit authorities: private grants and loans

(R.C. 306.35)

The bill permits a regional transit authority to apply for and accept grants and loans from any private source, and to acquire real and personal property by borrowing from federal, state, other governmental, or private sources. Current law permits a regional transit authority to apply for and accept grants and loans only from the United States, the state, or another public body, and to acquire real and personal property by installment payments, lease-purchase agreement, by lease with an option to purchase, or by condemnation.

Veteran identification cards

(R.C. 317.241 and 5902.09; Section 759.20)

Issuance

The bill, commencing on January 1, 2017, requires county recorders to issue an Ohio veteran identification card to an individual who has met the requirements of the bill for the Ohio card, and who is not eligible for a federally issued veterans identification card. To obtain a veterans ID card, an individual must satisfy the following requirements: (1) present the individual's armed forces discharge record for recording in the county recorder's office, (2) provide, in person at the county recorder's office, two forms of current and valid identification, one of which bears a photograph of the individual, and (3) pay a fee. The fee may not exceed $2.

The bill specifies that the following documents are valid forms of identification for purposes of satisfying the identification requirement:

- An original or a certified birth certificate.
- An identification card issued by the U.S. Department of Veterans Affairs.
- A U.S. military identification card.
- A Social Security card.
- A license or permit to carry a concealed weapon issued by Ohio or another state.
- A motor vehicle operator's license, issued by Ohio or another state that bears a photograph of the licensee.
- An identification card, issued by Ohio or another state, that bears a photograph of the individual identified.
- A valid passport that bears a photograph of the individual to whom the passport was issued.
- A U.S. armed forces discharge record.

An applicant must be photographed in color when an application for the veteran identification card is made. A county recorder must provide the necessary equipment to take color photographs of card applicants. The bill specifies that all photographic records obtained by issuance of veteran identification cards are the property of the county recorder's office.

Veteran identification cards must conform to the material and design standards established by the Director of Veterans Services.

An individual whose current veteran identification card is lost or damaged may apply for a replacement card. A veteran identification card expires 10 years after it is issued; an individual may apply to receive a new card upon expiration. A replacement or renewal veteran identification card requires the individual to meet the requirements for issuance of the card.

Application materials not public record

The bill also specifies that all application materials, including application, photographs, documents, or other information submitted with an application or obtained by a county recorder are not public records under the Public Records Act. A county recorder is authorized to release the application materials only as follows: (1) to a state, local, or federal governmental agency for criminal justice purposes or to a court for any purpose arising in the court, (2) to the Department of Veterans Services, but only if the veteran gives prior signed, written approval, or (3) to a county veterans service commission, but only if the veteran gives prior signed, written approval. The recipient of application materials must maintain the confidentiality of any materials received.

County recorder's technology fund

A county recorder must deposit fees collected from the issuance of veteran identification cards into the county treasury to the credit of the recorder's technology fund. But if no such fund exists in the county, the fees must be deposited into the county's general fund.[246]

Miscellaneous

A county recorder may contract with any other political subdivision of the state for the production of veteran identification cards.[247]

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[246] R.C. 317.241(C). County recorder technology funds are created under R.C. 317.321.

[247] R.C. 317.241(F).

A county recorder may accept donations in the form of supplies and equipment to be used in the production of veteran identification cards.[248]

Material and design standards

The Director of Veterans Services, in consultation with the Ohio Recorders Association, must establish material and design standards for veteran identification cards, which must be prescribed in rules adopted under the Administrative Procedure Act. Initial standards must be adopted not later than six months after the bill's effective date.[249]

The rules must require that a veteran identification card include "Ohio," a distinguishing number assigned to the cardholder, the name of the issuing county, the indexing number that has been assigned to the veteran's record of discharge, the date of the cards issuance and expiration, a color photograph of the cardholder, and the cardholder's name and residence address, branch of service, dates of service, and date of discharge. The card may not display the cardholder's Social Security number unless the display is required by federal law.[250]

Township removal of unsafe buildings

(R.C. 505.86; R.C. 3929.86 (conforming))

Notice of hearing

Continuing law authorizes a board of township trustees to provide for the removal, repair, or securance of buildings or other structures in the township that have been declared insecure, unsafe, or structurally defective by any fire, health, or building enforcement authority after giving parties in interest certified mail notice at least 30 days before doing so. The bill additionally authorizes the township to take such action with respect to buildings or structures declared to be in a condition dangerous to life or health.

The bill defines "party *of* interest" as an owner of record of the real property on which the building or structure is located, and includes a holder of a legal or equitable lien of record on the real property or the building or other structure. Current law applies to the holders of legal or equitable liens of record upon the real property on which the building is located and to owners of record of the property.

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[248] R.C. 317.241(G).

[249] Section 2 of the bill.

[250] R.C. 5902.05.

The bill requires that the notice be mailed return receipt requested, and also that the notice include a statement informing the parties in interest that each party is entitled to a hearing if the party requests it, in writing, within 30 days after the date on which the notice was mailed. Under continuing law, if a party's address is unknown and cannot reasonably be obtained, the notice must be published once in a newspaper of general circulation in the township.[251]

Hearing requirements

A written request for a hearing must be made to the township fiscal officer. And if a party in interest timely requests a hearing, the board of township trustees must set the date, time, and place for the hearing and notify the party by certified mail, return receipt requested. The hearing must occur between 7 and 15 days after the party requested it, unless otherwise agreed to by the board and the party.

The hearing must be recorded by stenographic or electronic means.[252]

The order

The bill requires a board of township trustees to make an order within 30 days after the hearing, or not later than 30 days after mailing the initial notice of a right to hearing when no party in interest requested a hearing. The order may dismiss the matter or direct the removal, repair, or securance of the building or other structure. A party in interest may consent to an order at any time.

A party in interest who is adversely affected by the order, and who requested and participated in a hearing may appeal the order to a court of common pleas under the continuing authority to appeal final orders or decisions of a political subdivision.[253]

As under continuing law, the bill allows a party in interest to enter into an agreement with the board of township trustees to perform the removal, repair, or securance. The bill specifies that such an agreement may be entered into at any time.

Cost of removal

The bill requires that the cost or removing, repairing, or securing the buildings or other structures, when approved by the board, must be paid out of the township general fund from moneys not otherwise appropriated, except that, if the costs incurred

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[251] R.C. 505.86(B).

[252] R.C. 505.86(C)(2).

[253] R.C. 505.86(C)(3) and (4).

exceed $500, the board may borrow moneys from a financial institution to pay for the costs in whole or in part.[254]

The total costs may be collected in either of two ways. On the one hand, the board may have the fiscal officer certify the total costs and a description of the land to the county auditor, who must place the costs upon the tax duplicate. The total costs then are a lien upon the land from and after the date of entry on the tax list. The bill removes a sentence specifying that the costs are to be collected as other taxes and returned to the township general fund. On the other hand, the board can sue to recover the total costs from the owner. The bill clarifies that this authorization is referring to the owner of record of the real property on which the building or structure is located, and not to any other party in interest.

Maintenance of buffer around drinking water reservoir

(R.C. 743.50)

The bill requires a municipal corporation that has established and implemented a watershed management program with regard to a drinking water reservoir to allow an owner of property that is contiguous to property that constitutes a buffer around a body of water that is part of such a reservoir to maintain property that constitutes a buffer if the maintenance is for any of specified purposes, including the following:

(1) Creation of an access path that is not wider than five feet to the body of water;

(2) Removal of invasive plant species; and

(3) Creation and maintenance of a filter strip of plants and grass that are native to the area surrounding the reservoir in order to provide adequate filtering of wastewater and polluted runoff from the owner's property to the body of water.

The bill then prohibits a peace officer or other official with authority to cite trespassers on property that is owned by a municipal corporation and that constitutes a buffer as described above from issuing a civil or criminal citation to an individual who enters the property for the sole purpose of mowing vegetation or for any of the purposes specified in the bill.

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[254] R.C. 505.86(F).

Regional council of government infrastructure loans

(R.C. 167.041)

The bill permits an educational service center serving as a fiscal agent for a regional council of governments to establish a program for the council in which the fiscal agent can enter into agreements with the governing body of one or more member governments to lend money to the member or members for the purpose of improving infrastructure within the territory of the member or members located within Ohio.

Health district licensing councils

(R.C. 3709.03, 3709.05, 3709.07, and 3709.41)

The bill makes the establishment of a health district licensing council in a city health district, general health district, or combined district permissive, rather than mandatory. The board of health decides whether to establish the health district licensing council. The effect is that in a general health district, the district advisory council appoints five members to the board of health, but if the board of health has established a health district licensing council, the district advisory council appoints four members of the board of health, and the health district licensing council appoints one member of the board of health. In a city health district, the mayor, with the confirmation of the legislative authority, appoints five members to the board of health, but if the board of health has established a health district licensing council, the mayor, with the confirmation of the legislative authority, appoints four members of the board of health, and the health district licensing council appoints one member of the board of health. And in a combined district, one member of the combined board of health is appointed by the health district licensing council, if such council is established.

The bill eliminates a discrepancy in the health district licensing council law, R.C. 3709.41. Three statutes[255] require that the licensing council appoint one member or one individual to the board of health, but R.C. 3709.41 requires that the licensing council appoint *one of its own members* to serve on the board of health. The discrepancy is resolved in favor of the three statutes by having the health district licensing council appoint one member to the board of health.

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[255] R.C. 3709.03(B), 3709.05(A), and 3709.07 (fourth paragraph).

Annexation petitions

(Section 707.10)

The bill lowers the current petition signature threshold, until January 1, 2017, in a chartered county with a population of at least one million for an annexation petition under R.C. 709.24. An annexation petition under R.C. 709.24 is for the annexation of municipal territory to a contiguous municipal corporation. The current petition signature requirement is a number not less than 25% of the number of electors who voted in the last regular municipal election. The bill lowers that to a number not less than 10% of such electors.

Similarly, the existing required number of signatures necessary to compel the legislative authority of the municipal corporation with which annexation is proposed to adopt an ordinance designating three commissioners to represent it in annexation negotiations is reduced from a number that is not less than 25%, to one that is not less than 10%, of the number of electors who voted in the last regular municipal election in the municipal corporation with which annexation is proposed. This petition is necessary only when the municipal corporation with which annexation is proposed fails to designate its three representative commissioners within 30 days after receipt of a certified copy of the ordinance from the municipality proposing annexation.

Permanent cemetery endowment funds

(R.C. 517.15 and 759.36)

The bill allows a board of township trustees, upon unanimous consent, to use the principal of its permanent cemetery endowment fund to maintain, improve, and beautify its cemeteries if the board is unable to do so using only the income from the fund.

Similarly, the bill allows a board of cemetery trustees of a union cemetery, upon unanimous consent, to use the principal of its permanent cemetery endowment fund to keep its cemetery clean and in good order if the board is unable to do so using only the income from the fund.

Refunding general obligation debt

(R.C. 133.34)

The bill requires the last maturity of refunding securities issued by a subdivision to be not later than the later of: (1) 30 years from the date of issuance of the original securities issued for the original purpose, or (2) the year of the last maturity that would have been permitted for the original securities if they had been issued as general obligation securities and the law as to the maximum maturity of general obligation securities issued for the original purpose was the same at the time the original securities were issued as the law existing at the time the refunding securities are issued. Currently, the last maturity may not be later than 30 years from the date of issuance of the original securities issued for the original purposes.

The bill expands, to any special obligation security, the types of securities a subdivision may issue to fund or refund various types of outstanding securities. Currently, only sales tax supported securities may be issued.

The bill also expands, to include sales tax supported securities, the types of securities a subdivision may issue securities to fund or refund. Under current law, a subdivision may issue securities to fund or refund any outstanding revenue or mortgage revenue or general obligation or other special obligation securities.

The bill specifies that special obligation securities issued to fund or refund other securities, other than sales tax supported securities, are payable as to principal at such times and in such installments as determined by the taxing authority and not subject to the provisions of the Public Utilities Law regarding payment of principal of securities. The last maturity of these refunding securities may be not later than the year of last maturity permitted by law for the obligations being refunded.

The bill authorizes subdivisions to hold in cash any money derived from the proceeds of securities issued to fund or refund other securities or obligations that is in escrow, and specifies that the political subdivision may invest such proceeds if and to the extent authorized by the taxing authority. Under current law, a subdivision is required to invest the proceeds.

Cemetery lots sold before July 24, 1986

(R.C. 517.07 and 517.073)

The bill grants townships the right of reentry for burial lots for which the deed of sale was executed prior to July 24, 1986, and for an entombment, columbarium, or other interment right for which the terms of sale or deed was executed before the effective date of the amendment. Currently, a township has a right of reentry only for burial lots for which the deed of sale was executed after July 24, 1986. As under continuing law, the bill requires the board of township trustees to provide notice before reentering a lot or right.

The bill expands the provisions regarding a township sale of burial lots to other interment rights, including entombment or columbarium.

Township payment via direct deposit

(R.C. 507.11)

Ohio law currently allows a public official to make, by direct deposit of funds by electronic transfer, any payment the official is required or authorized to make.[256] However, the law regarding payment of township funds contains a requirement that money belonging to a township be paid out only upon an order signed by at least two township trustees. The bill specifies that, notwithstanding this requirement, a board of township trustees may adopt a resolution authorizing the payment of lawful obligations of the township by direct deposit of funds by electronic transfer.

Force account limits for townships

(R.C. 5575.01)

When a township proceeds by contract with regard to a road maintenance or repair project, the bill requires the board of township trustees to use competitive bidding for when the contract exceeds $90,000 rather than $45,000 as under current law. If a board proceeds by force account for a road maintenance or repair project, the bill requires the county engineer to conduct a force account assessment when the project costs $45,000 or more rather than $15,000 or more as under current law. When a township proceeds by force account, it generally uses its own employees, tools, equipment, and materials for the project.

Additionally, when a township proceeds by contract with regard to a road construction or reconstruction project, the bill requires a board to use competitive bidding when the total estimated cost of the work exceeds $30,000 per mile rather than $15,000 per mile as under current law. Further, if the board proceeds by force account for a road construction or reconstruction project, the bill requires the county engineer to conduct a force account assessment when the project costs $15,000 or more rather than $5,000 or more as under current law.

County hospital board funds

(R.C. 339.06 and 339.061)

The bill states that the board of trustees of a county hospital in a charter county (i.e., Cuyahoga and Summit) shall hold, administer, and possess title to funds derived from operation of the hospital and the hospital medical staff, and specifies some of the particular sources of such money. The bill also authorizes such a hospital board to

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[256] R.C. 9.37.

invest money not needed for current demands as provided in a county ordinance, and to adopt an investment policy for such money that includes all of the following:

- Requires fiduciaries to act with a specified standard of prudence;
- Specifies certain classes of instruments or deposits in which such money may be invested, including a required reserve equal to at least 25% of prior year portfolio, and with nonreserve investments pooled and invested under the Uniform Management of Institutional Funds Act;
- Creates an investment committee within the board of trustees to oversee the policy and advise the board;
- Authorizes the committee to retain investment advisory services from an advisor satisfying certain experience and licensing requirements.

The county investment advisory committee would have to approve investments made under a county ordinance or approve the investment policy, if one is adopted.

Under continuing law, all county hospital boards of trustees have "control of all funds used in the county hospital's operation, including moneys received from the operation of the hospital" as well as money appropriated to them by a board of county commissioners. The hospital boards may invest any money not needed for current demands in the same classes of investments as "inactive" money in the county treasury may be invested in, subject to the county investment advisory committee's approval (these classes overlap largely with the classes allowed by the bill, but there are differences in type and in description).

Regional council of governments pooling of funds

(R.C. 167.06)

The bill provides that a regional council of governments established to provide health care benefits to the member governments' employees and the employees' dependents can pool funds received from all the members of the council, including members from other states to the extent that the laws of such other states permit, for the payment of health care related claims and expenses.

New community authorities

(R.C. 349.01, 349.03, 349.04, 349.06, 349.07, and 349.14; Section 703.10)

The bill eliminates or makes permanent provisions that applied only to new community authorities established between March 22, 2012, and March 22, 2015. For example, under continuing law, members of the board of trustees of a new community authority represent the interest of present and future residents of the district. For a new community authority established between March 22, 2012, and March 22, 2015, the members also represent the interests of employers within the district. The bill makes this temporary, additional representation permanent.

Under the bill, telecommunications facilities are included in the definition of "community facility."

The bill requires that proceedings for the organization of a new community authority be initiated by the developer filing a petition in the office of the clerk of the organizational board of commissioners, instead of with the clerk of the board of county commissioners of one of the counties in which all or part of the proposed new community district is located, as under current law. The bill similarly shifts various roles from the former to the latter.

The current requirement that the acreage included in a proposed district be developable as one functionally interrelated community is eliminated by the bill.

The bill specifies that, if the organizational board of commissioners is the legislative authority of the only proximate city for the proposed new community district, then: (1) the required hearing on the petition for the establishment of the proposed new community authority must be held not less than 30 nor more than 45 days after the petition filing date, and (2) the clerk of the board is not required to provide written notice of the date, time, and place of the hearing or to furnish a certified copy of the petition to the clerk of the legislative authority of each proximate city that has not signed the petition. Current law requires the hearing be held not less than 95 nor more than 115 days after the petition filing date, and requires the clerk to provide written notice.

The bill eliminates the current requirement that the organizational board of commissioners' resolution be entered of record in its journal and in the journal of the board of county commissioners with which a petition was filed.

Current law specifies that, upon dissolution, any property of a new community authority that is located within a municipality vests in that municipality, and any property not located within a municipality vests in the county in which it is located (subject to acceptance by the county). A provision that applies to new community authorities established between March 22, 2012, and March 22, 2015, allows the property not located within a municipality to be vested in a township or in the developer according to a resolution adopted by the organizational board of commissioners. The bill changes this process, and specifies that property vests with a municipal corporation, township, county, or developer as provided in a resolution adopted by the organizational board of commissioners. Current law requires the vesting of property in a county or township to be subject to acceptance of the property by resolution of the board of township trustees or board of county commissioners. The bill applies this restriction also to a municipality by requiring approval by its legislative authority before property vests.

The bill specifies that its new community authority amendments apply to any proceedings commenced after the effective date of the amendments and, so far as their provisions support the actions taken, also apply to proceedings that on their effective date are pending, in progress, or completed, notwithstanding the applicable law previously in effect or any provision to the contrary in a prior resolution, ordinance, order, advertisement, notice, or other proceeding.

Finally, the bill specifies that any proceedings pending or in progress on the effective date of the new community authority amendments are to be deemed to have been taken in conformity with the amendments.

MISCELLANEOUS

OhioMeansJobs registration

- Requires, beginning in 2016, participants in certain training or education programs and recipients of specified vocational rehabilitation services to create an account on the OhioMeansJobs website by specified times established in the bill.
- Exempts certain individuals from those requirements.

OhioMeansJobs Revolving Loan Fund

- Requires the Treasurer of State, rather than the Chancellor of Higher Education or the Chancellor's designee, to service loans under the OhioMeansJobs Workforce Development Revolving Loan Fund and transfers other Program duties to the Treasurer of State that are currently performed by the Chancellor.
- Requires an institution that receives Program funds to apply the loan proceeds to program costs for Program participants who satisfy an institution's eligibility requirements for the loan instead of disbursing the loan to Program participants under current law.
- Requires the first loan under the Program to go to the Lorain County Community College to establish and operate the Ready Mix Truck Driver Training Program.

Estate law

- Permits the transfer to a surviving spouse of one watercraft trailer of the decedent associated with the transfer of a watercraft or outboard motor.
- Allows executors the same commissions as existed before repeal of the estate tax.

Division of marital property

- Makes technical corrections to the law governing the division of marital property.

General Assembly members at state agency entry points

- Requires a state agency to recognize, at all entry points and check points within the state agency's building or office, without requiring additional credentials, the state identification card of a member, officer, or employee of the General Assembly.

Joint Legislative Committee on Multi-system Youth

- Creates the ten-member Joint Legislative Committee on Multi-system Youth and requires the Committee to submit a report to the General Assembly and the Governor by December 31, 2015, and cease to exist after its submission.

- Requires the Committee to identify (1) the services currently provided to multi-system youths and the costs and outcomes of those services, (2) existing best practices to eliminate custody relinquishment as a means to receive services, (3) the best methods for person-centered care coordination, and (4) a system to monitor the progress of these youths in residential placement.

- Requires the Committee to recommend a funding and service delivery system to meet the needs of all multi-system youths.

- Permits the Committee, in the performance of its duties, to consult with specified state agency directors and representatives of any of several specified advocacy organizations.

- Defines a multi-system youth as a youth who is in need of services from two or more of (1) the child welfare system, (2) the mental health and addiction services system, (3) the developmental disabilities services system, or (4) the juvenile court system.

Non-GRF fund report to General Assembly

- Requires a court of record, mayor's court, or executive agency to submit to the General Assembly twice annually a report regarding its non-General Revenue Fund funds.

Montgomery County Workforce Study Committee

- Creates the Montgomery County Workforce Study Committee to study workforce development issues and trends in the Montgomery County region, including workforce development system options for in-demand jobs and identifying supply and demand of in-demand job areas.

- Requires the Committee to publish a report of its findings and deliver that report to the Governor, the President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House, no later than June 30, 2017.

Repeal Ohio White Sulfur Springs land conveyance authorization

- Repeals a previously authorized state land conveyance of real estate located in Delaware County.

City of Moraine conveyance

- Authorizes the Governor to execute a release of any and all rights of reversion for the benefit of the state and any deed restrictions and covenants with respect to the construction on or use of certain real estate located in the city of Moraine in Montgomery County.

Conveyance of One Government Center to the city of Toledo

- Authorizes the conveyance of state-owned real estate in Lucas County, known as One Government Center, to the city of Toledo or to an alternative grantee at a price acceptable to the Director of Administrative Services.

Eastern European Month

- Designates and encourages commemoration of April as "Eastern European Month."

Sunset Review Committee

- Requires the Sunset Review Committee to consider and make recommendations to the General Assembly, by June 1, 2016, regarding the status of the Motor Vehicle Repair Board, Ohio Landscape Architects Board, Architects Board, State Board of Optometry, and Ohio Optical Dispensers Board.

OhioMeansJobs registration

(R.C. 3304.171, 3333.92, and 6301.16)

Beginning January 1, 2016, the bill requires the following individuals to create an account on OhioMeansJobs (the electronic system for labor exchange and job placement activity operated by the state):

(1) Participants in an Adult Basic and Literacy Education funded training or education program at the 12th week of the program;

(2) Participants in an Ohio Technical Center funded training or education program at the time of enrollment in the program;

(3) Participants in an adult training or education program funded under the federal Workforce Innovation and Opportunity Act at the time of enrollment in the program;

(4) Recipients of vocational rehabilitation services provided by the Opportunities for Ohioans with Disabilities Agency upon initiation of a job search as a part of receiving those services.

The bill exempts the following individuals from these requirements (1) an individual who is legally prohibited from using a computer, (2) an individual who has a physical or visual impairment that makes the individual unable to use a computer, or (3) an individual who has a limited ability to read, write, speak, or understand a language in which OhioMeansJobs is available.

OhioMeansJobs Revolving Loan Fund

(Sections 401.40, 610.22, 610.23, and 812.20)

The OhioMeansJobs Workforce Development Revolving Loan Fund Program is a continuing law program that provides loans to eligible individuals to participate in approved workforce development programs at public and private educational institutions in Ohio. The bill requires the Treasurer of State to service loans under the Program, rather than allowing the Chancellor of Higher Education to designate either the Treasurer of State or a third party to service these loans.

The bill also transfers from the Chancellor to the Treasurer of State the duty to assess interest on a Program participant in accordance with continuing law. The bill specifically requires the Treasurer to assess interest against a participant who fails to complete the workforce development program beginning six months after the individual's enrollment is terminated.

The Treasurer of State under the bill, rather than the Chancellor as under current law, must also adopt rules that do all of the following:

- Establish repayment terms for loans under the Program;
- Assess interest on loans for a participant who fails to complete the workforce training program for which the loan was made, or whose participation in the program is on a staggered basis;
- Disperse funds to public and private educational institutions.

The bill also requires an institution that receives funds under the Program to apply the loan proceeds to program costs for Program participants who satisfy an institution's eligibility requirements for the loan. Currently, the institution must disburse the loan to the Program participants.

The first loan under the Program must go to the Lorain County Community College to establish and operate the Ready Mix Truck Driver Training Program.

The bill eliminates the Chancellor's current law authority to include in the Chancellor's annual report on the amount each institution received under the Program any recommendations for legislative changes to the Program that the Chancellor determines are necessary to improve the Program's function and efficiency.

Estates – transfer of watercraft trailer to surviving spouse

(R.C. 1548.11 and 2106.19)

The bill permits a surviving spouse who selects the decedent's watercraft or outboard motor also to select the decedent's associated watercraft trailer, if the trailer is not specifically disposed of by testamentary disposition. The surviving spouse may select only one trailer used to transport the watercraft transferred to the surviving spouse.

As under current law, the trailer passes to the surviving spouse upon receipt by the clerk of the court of common pleas of the title executed by the surviving spouse and an affidavit sworn to by the surviving spouse stating the date of the decedent's death, the description and approximate value of the trailer, and that it is not disposed of by testamentary disposition. However, the bill adds that if the trailer is untitled but registered, it passes to the spouse upon receipt of the affidavit by the Bureau of Motor Vehicles.

The bill requires the clerk to transfer a decedent's interest in one watercraft trailer selected by the surviving spouse. It specifies that the watercraft trailer is not considered an estate asset and is not included and stated in the estate inventory. The transfer does not affect the existence of any lien against the trailer. Except for a watercraft trailer transferred to a surviving spouse under the bill, the executor or administrator may transfer title to a watercraft trailer in the same manner as the transfer of an automobile under current law.

Commissions of executors and administrators

(R.C. 2113.35)

The bill allows executors and administrators the same commissions as existed before the repeal of the estate tax. Executors and administrators of the estates of decedents who died before January 1, 2013, were allowed a fee of 1% on all property that was not subject to administration and that was includable in the estate for purposes of computing the estate tax, except joint and survivorship property. The bill allows a fee of 1% on the value of property that is not subject to administration and *would have been* includable for purposes of computing the estate tax *had the decedent died on December 31, 2012* (that is, before the repeal of the estate tax took effect), except joint and survivorship property.

Division of marital property

(R.C. 3105.151)

The bill makes technical corrections to remove erroneous line numbers from the section of law governing the division of marital property in a divorce proceeding.

General Assembly members at state agency entry points

(R.C. 101.60)

The bill requires a state agency and its officers, employees, and contractors to recognize the state identification card of an individual who is a member, officer who is not a member, or employee of the General Assembly as a form of identification at all entry points and check points within the state agency's building or office and prohibits any additional credential or photograph from being required.

Joint Legislative Committee on Multi-system Youth

(Section 701.80)

The bill creates the ten-member Joint Legislative Committee on Multi-system Youth. The committee must review specified issues regarding youths in need of services from two or more of the following: the child welfare system, the mental health and addiction services system, the developmental disabilities services system, and the juvenile court system. The committee must identify (1) the services currently provided to multi-system youths and the costs and outcomes of those services, (2) existing best practices to eliminate custody relinquishment as a means of gaining access to services for multi-system youths, (3) the best methods for person-centered care coordination related to behavioral health, developmental disabilities, juvenile justice, and employment, and (4) a system of accountability to monitor the progress of multi-system youths in residential placement. The committee must also recommend an equitable, adequate, sustainable funding and service delivery system to meet the needs of all multi-system youths.

The President of the Senate must appoint five members, three from the majority party and two from the minority party. The Speaker of the House must appoint five members, three from the majority party and two from the minority party. Appointments must be made not later than 15 days after the effective date of this provision, and the first meeting must occur not later than 45 days after that date. The committee must elect a chairperson and vice-chairperson at the first meeting, and meetings take place at the call of the chairperson. Committee vacancies are filled in the same manner as appointments.

The committee may consult with the directors of specified state agencies in the performance of its duties. The bill requires the agencies to cooperate with the committee and, upon request of the committee, provide any information that will assist the committee in the performance of its duties. The state agencies specified in the bill are the Superintendent of Public Instruction and the directors of the Office of Health Transformation, Department of Youth Services, the Department of Mental Health and Addiction Services, Department of Medicaid, Department of Developmental Disabilities, Department of Job and Family Services, Department of Insurance, Office of Human Services Innovation, and the Ohio Family and Children First Cabinet Council. The committee also may consult with representatives of any of the following:

- Public Children Services Association of Ohio;
- Ohio Association of Child Caring Agencies;
- National Alliance on Mental Illness of Ohio;
- Autism Society of Ohio;
- Ohio Association of County Boards Serving People with Developmental Disabilities;
- Ohio Council of Behavioral Health and Family Services Providers;
- Ohio Association of County Behavioral Health Authorities;
- Juvenile Justice Coalition;
- Children's Defense Fund – Ohio;
- Ohio Family Care Association;
- Ohio Children's Hospital Association;
- County Commissioners Association of Ohio;

- Center for Innovative Practices;
- Disability Rights Ohio;
- The ARC of Ohio.

The committee must prepare a report of its findings and recommendations and submit it to the General Assembly and the Governor by December 31, 2015. Upon submission of its report, the committee ceases to exist.

Non-GRF fund report to General Assembly

(R.C. 101.60)

The bill requires an executive agency, mayor's court, municipal court, county court, court of common pleas (including a probate court and a juvenile court), court of appeals, and the Supreme Court to submit to the General Assembly twice annually a report containing information about the amounts contained in any non-General Revenue Fund the agency or court administers and an itemized statement as to the manner in which a fund has been expended.

For purposes of the reporting requirement, the bill defines "executive agency" as the office of an elected executive official, a cabinet department, or any other state agency, department, board, or commission that is controlled or directed by an elected executive official or that is otherwise subject to an elected executive official's authority. "Executive agency" does not include JobsOhio.

Montgomery County Workforce Study Committee

(Section 763.10)

The bill establishes the Montgomery County Workforce Study Committee. The committee must study all of the following:

(1) Workforce development system options for in-demand jobs in the Montgomery County region;

(2) Establishing a workforce sector network to develop a common agenda and shared performance measures in aerospace and manufacturing;

(3) Identifying the supply and demand of in-demand job areas over multi-time horizons and using this data to establish short-term and long-term targets for the Montgomery County region's in-demand jobs that are approved and shared by the network's partners.

(4) Identifying and implementing clear pathways and incentives for meeting educational and experiential objectives;

(5) Identifying a collaborative strategy to expand the number of internships that are available and to recommend targeted matching or seed funding to complement existing efforts or to generate new "gap filler" efforts for students interested in careers in aerospace and manufacturing industries;

(6) Creating innovative loan forgiveness programs and providing targeted matching or seed funding to complement existing efforts or generating new "gap filler" efforts for students who are completing a post-secondary credential in a high-demand workforce area.

The committee must issue a report of its findings to the Governor, the President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House no later than June 30, 2017. Once the committee submits its report, it is abolished.

The bill permits the committee to hire staff in consultation with Learn to Earn Dayton and requires the Montgomery County Educational Service Center to act as the committee's fiscal agent.

Committee membership

The committee consists of the following 18 members:

- Four representatives of the manufacturing industry;
- Four representatives of the aerospace industry;
- Six representatives from institutions of higher education; and
- Four representatives from the Department of Higher Education, the Governor's Office of Workforce Transformation, the Montgomery County Educational Services Center, OhioMeansJobs Montgomery County, or any other state or county agency involved with education or workforce development.

For each category, half of the members must be appointed by the Speaker of the House, and the other half must be appointed by the President of the Senate. Appointments must be made within 30 days after the provision's effective date, and within 30 days after the last appointment is made, the committee must meet and select a chairperson and vice-chairperson from among its members. Committee members are not entitled to compensation for serving on the committee.

Repeal Ohio White Sulfur Springs land conveyance authorization

(Section 690.10)

The bill repeals the authorization for the conveyance of state-owned real property in Delaware County that is referred to as the "Ohio White Sulfur Springs Property." The property is further described as being located in Concord Township, and as consisting of two parcels totaling approximately 99 acres. The authorization was enacted in H.B. 477 of the 130th General Assembly, effective July 16, 2014.

City of Moraine conveyance

(Section 753.10)

The bill authorizes the Governor to execute a release of any and all rights of reversion for the benefit of the state and any deed restrictions and covenants with respect to the construction on or use of certain real estate located in the city of Moraine in Montgomery County. The Auditor must State to prepare the release, and the city of Moraine must present the release for recording in the office of the Montgomery County Recorder.

The authorization expires one year after it takes effect.

Conveyance of One Government Center to the city of Toledo

(Section 753.20)

The bill authorizes the conveyance of state-owned real estate in Lucas County, known as One Government Center, to the city of Toledo or to a grantee to be determined through a real estate purchase agreement prepared by the Department of Administrative Services. Consideration for the conveyance of the real estate is to be at a price acceptable to the Director of Administrative Services. The real estate is to be sold as an entire tract and not in parcels.

Under the bill, the conveyance must include improvements and chattels situated on the real property, and is subject to all leases, easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet due and payable. The real property must be conveyed in "as-is, where-is, with all faults" condition.

The deed may contain restrictions, exceptions, reservations, reversionary interests, and other terms and conditions the Director of Administrative Services determines to be in the best interest of the state. Also, subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the Department of Administrative Services without the necessity of further legislation.

The bill requires that if the real property is conveyed to the city of Toledo, the deed to the real estate must include a deed restriction stating that subsequent to the transfer of the deed to the grantee, in the event the grantee determines the real estate interest no longer is needed for the grantee's use and purpose, the grantee must notify the grantor and offer to return title of the real estate to the grantor conditioned upon written agreement from the grantor to accept the title. Should the grantor decline to accept this reversion of title interest not later than 90 days after receipt of the notice, the grantee is authorized to proceed with any subsequent transfer, conveyance, or disposal of the real estate the grantee determines to be in its best interest.

The bill requires that, if the city of Toledo, or the grantee to be determined, does not complete the purchase of the real estate within the time period provided in the real estate purchase agreement, the Director of Administrative Services may offer to sell the real estate to an alternate grantee, through a real estate purchase agreement prepared by the Department of Administrative Services. Consideration for conveyance of the real estate to an alternate grantee is to be at a price acceptable to the Director.

Upon payment of the purchase price, the Auditor of State, with the assistance of the Attorney General, is to prepare a deed to the real estate. The deed must state the consideration. The deed must be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, presented in the Office of the Auditor of State for recording, and delivered to the grantee. The grantee must present the deed for recording in the Office of the Lucas County Recorder.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill requires that the net proceeds of the sale be deposited into the state treasury to the credit of the General Revenue Fund.

The authorization for the conveyance expires three years after its effective date.

Eastern European Month

(R.C. 5.2298)

The bill designates April as "Eastern European Month." The people of Ohio are encouraged to commemorate Eastern European culture during this month with relevant educational opportunities, ceremonies, and activities.

Sunset Review Committee

(Section 701.80)

The bill requires the Sunset Review Committee generally to hold hearings to receive testimony from the public concerning, and from the chief executive officer of, the Motor Vehicle Repair Board, the Ohio Landscape Architects Board, the Architects Board, the State Board of Optometry, and the Ohio Optical Dispensers Board, and otherwise to consider and evaluate the usefulness, performance, and effectiveness of those boards. The bill requires the Sunset Review Committee specifically to consider and make recommendations to the General Assembly, by June 1, 2016, regarding whether or not continuation of the Motor Vehicle Repair Board is necessary or if the board should be eliminated; whether or not the Ohio Landscape Architects Board and the Architects Board should be combined to improve efficiency and save costs; and whether or not the State Board of Optometry and the Ohio Optical Dispensers Board should be combined to improve efficiency and save costs.

Under continuing law, the Sunset Review Committee, which is scheduled to be convened and operate during calendar years 2015 and 2016, is required to make recommendations regarding all boards and commissions under its purview by December 31, 2016.

The bill also requires the committee, after completion of the committee's consideration and evaluation, to prepare a report and furnish a copy of the report to the President of the Senate, the Speaker of the House of Representatives, the Governor, and each affected agency. The report must be made available to the public in the offices of the House and Senate Clerks during reasonable hours. The report may be in the form of a bill prepared for introduction in the House or Senate.

NOTE ON EFFECTIVE DATES

(Sections 812.10, 812.20, 812.40, and 812.70)

Article II, Section 1d of the Ohio Constitution states that "appropriations for the current expenses of state government and state institutions" and "[l]aws providing for tax levies" go into immediate effect and are not subject to the referendum. The bill includes a default provision stating that, except as otherwise specifically provided, the amendment, enactment, or repeal of a section is subject to the referendum and takes effect on the 91st day after the act is filed with the Secretary of State (barring the filing of a referendum petition). The bill also includes many exceptions to the default provision, some of which provide that specified provisions are not subject to the referendum and go into immediate effect.

EXPIRATION CLAUSE

(Section 809.10)

The bill includes an expiration clause that traditionally is part of a budget bill. The expiration clause states that an item that composes the whole or part of an uncodified section contained in the bill (other than an amending, enacting, or repealing clause) has no effect after June 30, 2017, unless its context clearly indicates otherwise.

HISTORY

ACTION	DATE
Introduced	02-11-15
Reported, H. Finance	04-21-15
Passed House (63-36)	04-22-15
Reported, S. Finance	06-18-15
Passed Senate (23-10)	06-18-15

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