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Legislative Update

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MONDAY, MARCH 16 2009

HOUSE MINORITY LEADER SEEKS OBM CHIEF'S OUSTER; GOVERNOR DISMISSES REQUEST AS 'ATTACK POLITICS'

The House minority leader asked for the resignation of Office of Budget and Management director Monday, but the governor defended Pari Sabety in brushing off the request as "Washington-style attack politics."

Minority Leader Bill Batchelder (R-Medina) said in a letter dated March 15 that the OBM director "has failed to provide reliable revenue projections" and caused enough other budgetary problems to warrant her dismissal.

Gov. Ted Strickland's spokeswoman Amanda Wurst said the governor viewed the Republican's letter as "disappointing" and inaccurate.

"The governor will not allow the partisan political shots of some to distract him from pursuing a bipartisan agenda to strengthen Ohio's economy, create jobs," Ms. Wurst said.

"A few budgets ago the minority party called for the resignation of the sitting budget director, so I guess the shoe is on the other foot," she added. "Even so, it's a little disappointing that Minority Leader Batchelder would bring this kind of Washington-style attack politics to Columbus."

Legislative Democrats unsuccessfully called for the resignation of then-OBM Director Tom Johnson in 2003. Budget-related revenue estimates were also an issue six years ago for the minority, which questioned the timing and accuracy of OBM's numbers toward the end of biennium budget deliberations in June of that year.

Rep. Batchelder said Director Sabety's shortcomings extend beyond OBM revenue estimates. He argued that the official has "not been transparent in the construction or the explanation of the budget," which he alleged was "unbalanced" at introduction.

"I am also concerned with the fact that our auditor of State has been forced to delay the legally required audit of the state's financial records for fiscal year 2008 due to a failure to disclose the necessary financial information," he said.

"Of further concern is the potential use of federal education funds (Title I) in a manner not allowed by federal regulations that could possibly have drastic implications for the state budget and we may face a federal recall of funds as a result."

Ms. Wurst said the lawmaker was incorrect on all counts. Regarding the access of financial information, she said the legislature has the same access to updated financial data as OBM does - through the Ohio Administrative Knowledge System (OAKS).

"So the notion that they aren't aware of the state's financial condition is questionable at best," she said.

On the subject of revenue estimates, Ms. Sabety several months ago correctly forecasted three possible scenarios including the worst-case version the state now finds itself in, Ms. Wurst said. And on the subject of the Title I funds announced last week by the federal government, those dollars are already accounted for under the governor's proposed "evidence-based" school-funding model and will be distributed to districts next year through the new formula.

Speaker Armond Budish (D-Beachwood) also defended the budget director.

"We are in the midst of the worst economy in decades and economic forecasting is particularly challenging. I've heard Rep. Batchelder say that if you put 10 economists in a room, they'll come up with 15 different forecasts," he said in a statement.

"This is not the time for partisan attacks on the good faith efforts of the Office of Budget and Management. In a time of economic crisis we should be working together, Democrats and Republicans, to construct a budget that will create jobs, put Ohioans back to work and maintain the safety net for those in need."

The Ohio Republican Party, however, accused Democrats of a "double standard" when it comes to budget directors and revenue estimates.

"Gov. Strickland ran for office promising to change the way business is done in Columbus, but he often finds himself lately defending the status quo," ORP Chairman Kevin DeWine said in a news release.

"Ohio's economy is in a free fall, and the governor's staff has failed to accurately provide even the most basic information about the state budget. Ohioans are realizing once again how badly we need a leader in the governor's office, not just a caretaker."

CASINO BALLOT ISSUE BYPASSES ISSUE 6 BACKERS AND RACETRACKS

Horseracing proponents aren't happy that the recently unveiled casino proposal won't bring gambling to racetracks, but the industry isn't in any condition to put up much of a fight.

And while preliminary discussions among proponents of the Ohio Jobs & Growth Plan included gaming companies that pummeled each other during last year's failed ballot issue, Issue 6 backers are not included in the measure, raising the possibility of another expensive counter-campaign.

Spokesman Bob Tenenbaum said the issue, which is backed by Cleveland Cavaliers' owner Dan Gilbert and Penn National Gaming Inc., could eventually include other companies in the development and operation of casinos. "But they're not involved at the moment."

The proposed ballot language specifically envisions casinos on properties in Cleveland and Cincinnati that have been optioned by Mr. Gilbert's company and by Penn National for the Columbus and Toledo locations, he said.

"But that doesn't preclude other operators and owners from being included in the eventual structure of each individual casino company," he said. "There have been and there will be discussions. But there are no deals in place now."

Sen. Bill Seitz (R-Cincinnati), a vocal gambling advocate, said backers of the proposal told him that other major gaming companies would not resist the ballot issue this time.

"The Penn people have assured us that the significant players are comfortable with this proposal," he said in an interview. "What the details are, I have no idea and they're probably not going to tell you or me."

Last year Penn National, which owns Argosy Casino in Indiana near Cincinnati, spent nearly \$40 million to defeat Issue 6, which was funded by Minnesota-based Lakes Entertainment Inc. Dueling gambling interests have also funded previous failed ballot issues.

"I have been led to believe that that will not be a problem, unless the folks who own the racetracks have the muscle to oppose this. And that's questionable," Sen. Seitz said, pointing to Thistledown's recent bankruptcy filing and likelihood that Cincinnati's River Downs Racetrack will cease racing after this season. In addition, Penn National already owns Raceway Park in Toledo.

Lakes Entertainment and MRT Gaming Group, Inc., which owns Scioto Downs harness track in Columbus, didn't return requests for comment.

While the latest casino ballot issue may not encounter vigorous opposition from rival gaming companies or racetracks, anti-gambling advocates are already gearing up to oppose the measure.

American Policy Roundtable blasted Penn National for canceling a televised debate over the proposed ballot issue.

"No wonder they won't debate. All we have to do is run their commercials from 2008 against them," Roundtable CEO David Zanotti said in a news release.

The company's Vote No on Issue 6 campaign centered on protesting the use of the state constitution to establish a private monopoly for Lakes Entertainment, the group said.

"This year they are the casino monopoly owner. They plan to lay low until the fall, hoping Ohioans will forget the last campaign. Then Penn will spend at least \$50 million in propaganda spots trying to spin the issue, but they will never debate the constitutional and legal questions because they simply don't care. They just want the money," he said.

Sen. Seitz said that while the latest proposal is "not necessarily the plan I would have written," he nonetheless intends to support it to remain consistent with his pro-gambling position.

However, he remains concerned about Ohio's ailing horseracing industry, which, while it would receive an estimated \$18 million a year to bolster purses, would also face additional competition from casinos located nearby several tracks. "I don't know how the tracks compete with that."

Ohio Racing Commission Executive Director Sam Zonak said the proposed ballot issue would do little to help horseracing in Ohio.

"We don't believe \$18 million is sufficient to save an industry," he said.

The measure is a likely topic of discussion for Thursday's commission meeting, he said. Members adopted a resolution last year officially opposing Issue 6 as potentially harmful to the racing industry.

Instead, the commission is promoting a measure that would legislatively authorize the state's seven racetracks to operate slot machines, he said. The agency has not yet finalized the proposal.

Sen. Seitz said he would work with the commission to help save the horseracing industry, but thinks legislative approval is unlikely without the backing of Gov. Ted Strickland.

"I really think the key is, can the Racing Commission convince the governor that something needs to be done to help the racetracks?" he said. "It might be the last salvation of the tracks."

The Attorney General's Office is currently reviewing the proposed ballot issue before it can be cleared for petition circulation.

SPEED CAM DETECTORS FOR SALE AS SENATE WEIGHS GOVERNOR'S PLAN; PATROL CITES 74,507 FOR 'AGGRESSIVE SPEED'

Gov. Ted Strickland's plan to use automated cameras to catch speeders in highway construction zones has yet to be enacted, but one enterprising company cited the proposal Monday in marketing a detection device.

Separately, the Ohio Highway Patrol said it issued 74,507 citations for aggressive speed - defined as 20 mph or more over the limit - last year. Eighteen percent of the tickets were handed out on the Ohio Turnpike.

Speed Cams: A provision in the governor's proposed \$7.6 billion transportation budget (HB 2) would authorize a two-year pilot project for installing cameras in construction zones along Interstate highways.

Citations would be issued against operators of vehicles, who would face a civil penalty of up to \$250. An unspecified administrative fee that also could be imposed would be paid to the private entity chosen to operate the system.

Fifty percent of the civil penalty collected would go to the municipality or county in which the violation occurred. Forty-five percent of the revenue would go to the state's general revenue fund, and five percent for the Trauma and Emergency Medical Services Fund.

No points would be assessed against a violator's driver license.

Escort Radar of West Chester, a company that sells radar detectors, proclaimed in an email "Ohio now has a statewide speed camera program," and offered a detector for motorists.

The company said the "Passport 9500ix" would provide GPS-based alerts for high-risk intersections and fixed position speed cameras.

"With this recent news affecting Ohio drivers, we've extended our popular Trade In Offer so you, your friends and family can all drive protected," the company ad said.

Speed cameras drew opposition before the Senate Highways & Transportation Committee last week from the National Motorists Association, and reservations from the Ohio Conference of AAA Clubs.

Proposed amendments were due at the office of Chairman Thomas Patton (R-Strongsville) by 4 p.m. Monday. The bill was marked for possible amendments, substitute, and vote at a hearing Tuesday (2:30 p.m.).

Patrol Citations: Statistics the patrol released Monday showed Hamilton and Sandusky counties had the most citations for aggressive speed of 20 plus miles per hour over the posted limit last year.

The statistical recap said troopers issued 4,797 aggressive speed citations in Hamilton County during 2008, and 3,111 in Sandusky County.

Following them were Franklin (2,838 citations), Erie (2,593), and Lorain (2,523) counties.

Troopers on the Ohio Turnpike cited 13,198 motorists, a tally that represented 18% of all the aggressive speed citations statewide.

"(It's) an open road," said Sgt. Darrin Blosser, a patrol spokesman, in explaining the toll road total. "The tendency is just there more for those people to go at excessive speeds."

Of the total traffic stops resulting in an aggressive speed citation, 850 also included an arrest for drunken driving; 709 involved the driver of a commercial vehicle; and 1,543 involved a violation for driving under a suspended license.

Seat Belts: Other patrol records show that from 2003 through 2007, troopers issued a total of 587,147 citations for failure to use vehicle safety belts.

The number of annual citations ranged from a low of 101,782 in 2004 to a high of 127,738 in 2006. The total for 2007, the most recent year posted, was 126,349.

The patrol said fines for the offense vary among counties.

A violation currently is a secondary offense, meaning authorities cannot stop a motorist solely for not buckling up.

Gov. Strickland's proposal would elevate the seat belt law to a primary offense, and would entitle the state to a one-time, \$26.7 million federal highway safety grant.

REPORT URGES HOME LOAN MODIFICATIONS AS FORECLOSURES INCREASE AGAIN

State officials should enact policies that encourage modifications of current home loans to help slow continual growth in Ohio's home foreclosures, according to a report released Monday.

The study, from Policy Matters Ohio, shows that new Ohio foreclosures increased by 1.2% last year, which produced a record 85,782 new actions.

"As foreclosures continue to wreak havoc on all Ohio communities, the state must do more to help homeowners and tenants," said report author David Rothstein. "No county is untouched by this crisis."

The report notes that foreclosures were centered in Ohio's urban centers, where 62% of the actions were filed, but also indicates that rural area of the state were affected.

The largest number of foreclosures-per-person was recorded in Cuyahoga County, which was followed by Lucas, Montgomery and Allen counties.

In total, Cuyahoga recorded the most new foreclosures (13,858), followed by Franklin (9,307), Hamilton (6,674), Montgomery (5,194) and Lucas (4,359), the report says.

The report indicates that a handful of bills (HB 3, HB 9, SB 13) that address the subject are pending in the legislature, and says the state shouldn't wait to act until federal foreclosure prevention plans are established.

TUESDAY, MARCH 17 2009

PARTISAN VOTE READIES GOP REWRITE OF GOVERNOR'S TRANSPORTATION BUDGET FOR SENATE ACTION; DEMOCRATS CLAIM BILL IS GUTTED

Passenger trains and higher truck speed limits are in; speed cams, primary seat belt enforcement and the entire Department of Public Safety are out of a rewrite of Gov. Ted Strickland's transportation budget that cleared a Senate panel late Tuesday night.

The Senate Highways & Transportation Committee approved its version of what had been the governor's \$7.6 billion, two-year transportation budget (HB 2) on a 6-3 party line vote.

The full Senate was expected to approve the measure Wednesday, setting the stage for a conference committee showdown with the House.

Chairman Thomas Patton (R-Strongsville) called for a final vote about 10:25 p.m. after the committee approved an omnibus amendment that removed the public safety agency and commensurate fee increase proposals from the bill.

The change declared legislative intent to make public safety appropriations in the state's main operating budget for the next two fiscal years starting July 1.

Republicans indicated the change was logical because the department no longer relies on gasoline tax revenue for support.

Democrats said the omnibus amendment - made up of 66 items - gutted Mr. Strickland's transportation budget.

"The governor put forth a very important piece of transportation legislation to the House and to the Senate, and it has been totally dismantled over here in the Senate. This is not what we need," said Sen. Nina Turner (D-Cleveland), the ranking minority member.

"Public safety, our highway patrol in particular, have been great servants to us. And to me, tonight, we have failed them with these amendments," she said.

"Sixty-six amendments and to expect us to be able to talk about this ... in a very strong way when we only had a couple of hours to deal with 66 amendments I think is disingenuous," Sen. Turner said.

Chairman Patton said the GOP proposal would move to the operating budget (HB 1) a public safety department that historically was in the highway spending plan because of its past reliance - at least the highway patrol - on the gasoline tax. The patrol no longer is funded with gas tax revenue.

"I think we improved the bill," Sen. Patton said.

He said the measure asks the Department of Transportation and the Rail Development Commission "to aggressively go after rail funding," and provides for the General Assembly to determine if the amount of money received and the potential ridership justifies the project.

"We stand by and defend the other issues," Sen. Patton said, including deletion of a provision to make violation of the state's vehicle seat belt law a primary offense.

He said belt usage already is at 84% in Ohio with a secondary offense, a rate higher than some other states with primary enforcement. He also said the state should not "have to be coerced" into primary enforcement by the prospect of a one-time, \$26.7 million federal highway safety grant.

Transfer of the public safety department trimmed the budget to \$6 million for the ODOT.

Also remaining in the bill is a House provision authorizing various other agencies to spend about \$2.2 billion in federal economic stimulus funds.

The Senate-amended bill retains Gov. Strickland's priority proposal to begin running Amtrak passenger trains from Cleveland to Cincinnati via Columbus and Dayton.

The measure authorizes ODOT and the ORDC to apply for a share of at least \$8 billion in federal passenger rail funding. But it specifies the General Assembly would have to authorize expenditure of any money received.

The House version would allow the money to be released upon a vote of the seven-member Controlling Board.

A three-page synopsis of the omnibus amendment shows the Senate version of the budget:

- Deletes the governor's proposal for a pilot project using automated cameras to cite speeders in construction zones along Interstate highways. Motorists could have faced fines of up to \$250 plus an administrative fee for the private vendor who operated the system.
- Deletes a proposal to create local Transportation Innovation Authorities.
- Deletes provisions to expand the use of tolls for certain new construction projects.
- Maintains permit fees for moving oversize vehicles at rates in effect as of March 1. The rates would continue through July 1, 2010.
- Deletes all references to motor fuel shrinkage and evaporation in the bill, returning the payments to permanent law. As a result, fuel dealers and retailers retain about \$54 million the governor had proposed to siphon for other purposes.

- Deletes a House provision that would require headlight usage when windshield wipers are in use.

Republicans said the budget rewrite also makes changes needed to allow Ohioans to participate in continuation of health insurance coverage after they lose their jobs. A recent federal law change provides for federal funds to pay 65% of certain health care premiums.

The GOP said the language was the result of discussions involving the Department of Insurance and interested parties.

In final public testimony Tuesday afternoon:

Rail: Patrick Simmons of the North Carolina Department of Transportation said its state-supported rail passenger system created in 1990 operates at a cost of \$20 million annually. About \$15 million is generated through rider fares, and the state provides a \$5 million subsidy. North Carolina's population is about 8.4 million, and about 1,900 passengers ride trains daily. He acknowledged, in response to a question from Chairman Patton, that without the system's destination trips to Washington and New York, ridership would likely be cut in half.

Barry Fromm, executive director of the Ohio Railway Museum, said that if the state did not try to attract federal money for rail routes, the money would flow to other states. "Passenger rail may be a bold move for Ohio, but it is a move that will pay dividends for future generations by limiting congestion on our roads and highways, decreasing transportation costs, reducing air pollution, and revitalizing communities, both large and small," he said. Mr. Fromm is chief executive officer of Value Recovery Group, an asset management and financial restructuring firm in Columbus.

Kevin Brubaker, deputy director of the Environmental Law & Policy Center of the Midwest, said the world of passenger rail changed with enactment of the federal stimulus bill and it's \$8 billion in competitive grants. "While no state match is required for these funds, the U.S. Department of Transportation will be looking for projects that will succeed - projects where states have made a commitment to success," Mr. Brubaker said. He urged approval of the 3C Corridor for transportation, environmental, and job stimulus reasons.

SENATE REPUBLICANS PROMOTE REDISTRICTING MEASURE

A pair of Senate Republicans said Tuesday that this year may be the last opportunity in a decade to make the redistricting process better reflect the will of Ohio's voters.

Sen. Gary Cates (R-West Chester) and Sen. Kevin Coughlin (R-Cuyahoga Falls) are promoting a proposed constitutional amendment (SJR 4) that would make the speaker, House minority leader, Senate president and Senate minority leader members of the apportionment board, which draws state legislative districts after each decennial census.

"I think voters here are looking for reform in the process, making sure that elected officials are accountable to the voters," Sen. Cates told reporters during a news conference. "What we're trying to do here is make sure the districts are truly competitive."

Currently the panel has five members, including the governor, state auditor, secretary of state, and representatives of the speaker and the Senate president.

Sen. Coughlin said the measure, which would require a supermajority vote of five out of seven members to approve district boundaries, would force compromise between the two parties.

Unlike previous failed ballot issues, the measure would "enhance the current process" without putting "unelected bureaucrats" in charge, he said. "If a proposal becomes too complicated it will fail."

With Secretary of State Jennifer Brunner running for the U.S. Senate next year, majority control of the apportionment board is up for grabs, Sen. Cates said. "The playing field is not going to get any more level than it is right now."

INTRODUCED IN THE HOUSE

HB 72 DEFERRED COMPENSATION/PUBLIC RECORDS (Hottinger, Dodd) To provide for confidentiality of certain records maintained by the Ohio Public Employees Deferred Compensation Board, to require the Treasurer of State to be the custodian of contributions into the deferred compensation program, to require new employees to be notified of the deferred compensation program and provided with the opportunity to elect to participate or not participate in the program, and to make other changes to the Deferred Compensation Law. An. & En. 148.02, 148.04, 3105.87 and 148.05

INTRODUCED IN THE SENATE

SJR 4 LEGISLATIVE DISTRICTS (Coughlin) Proposing to amend Sections 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 15 of Article XI, to amend, for the purpose of adopting new Section numbers as indicated in parentheses, Sections 5 (4), 6 (5), 7 (6), 8 (7), 9 (8), 10 (9), 11 (10), 12 (11), 13 (12), and 15 (13) of Article XI, and to repeal Sections 4 and 14 of Article XI of the Constitution of Ohio to revise the redistricting process for General Assembly districts.

WEDNESDAY, MARCH 18 2009

SENATE OK'S ODOT BUDGET ABSENT MOST STRICKLAND INITIATIVES; SPEAKER 'DISAPPOINTED'; ODPS SCRAMBLES FOR PATROL FUNDS

The Senate voted mostly along party lines Wednesday to approve a slimmed down version of Gov. Ted Strickland's transportation budget that Republicans said was "thoughtful and responsible," and that Democrats viewed as an "assault on safety" of Ohioans.

Passage of the legislation (HB 2) on a 22-9 vote sets the stage for a conference committee to work out differences with the sharply different House version.

Two Democrats - Sens. Ray Miller of Columbus and Jason Wilson of Columbiana - joined Republicans in supporting the measure.

Nearly all of Mr. Strickland's major policy initiatives that were included in the House-passed bill were removed in the Senate. The chief exception was his priority plan to attempt a revival of passenger train service on a line from Cleveland to Cincinnati, via Columbus and Dayton.

The biggest GOP surprise: the proposed transfer of the Department of Public Safety from the transportation budget to the main state operating budget (HB 1), which is pending in the House.

Sen. Thomas Patton (R-Strongsville), chairman of the Senate Highways & Transportation Committee, indicated in floor debate the switch was logical.

"(We) believe that as the Ohio Department of Public Safety is no longer funded using revenues generated by the gas tax it is no longer necessary to be considered as part of the state transportation budget," Sen. Patton said.

"Instead it should be treated like the other state agencies and reviewed in the context of the general operating budget," he said.

As it passed the House, the two-year spending plan contained about \$6.1 billion for the Department of Transportation, and \$1.5 billion for the Department of Public Safety, of which the State Highway Patrol is a division.

The Senate removed the DPS appropriation with a declaration of legislative intent to include it in the operating budget. The DPS proposal includes a series of fee increases, about \$106 million of which were earmarked to deal with a fiscal shortfall in the patrol.

Sen. Nina Turner (D-Cleveland) said removal of the department was "the most troubling portion" of the bill.

"This unexpected move appears to be an assault on the safety and well being of the citizens of this state. Moreover, it will ensure that a portion of our men and women on the front lines, our first responders, will not have sustainable funding going forward," Sen. Turner said.

"(Pushing) it towards the general fund will result in a possible \$30 million fund loss, job loss, maintenance delays, closing of patrol posts, delay of a new patrol class which we so desperately need, which would and could have a negative impact on our troopers in the line of duty as well as the citizens they protect," she said.

Sen. Keith Faber (R-Celina) said there was not enough time to deal with all the fee increases. Legislators face a March 31 deadline for enacting the transportation budget. The operating budget is not due until June 30.

"Adopting that much in fee increases to do a short term fix on the patrol I would say is shortsighted," Sen. Faber said.

"The bigger question is, doesn't it make sense to treat the patrol like every other area of public safety, like the Department of Corrections, like ODN's budget, like all of the other issues we address in state government in a thorough, comprehensive manner," he said.

An omnibus amendment the committee approved late Tuesday night removed Gov. Strickland's proposals for primary seat belt law enforcement, use of speed cameras in highway construction zones, creation of local Transportation Innovation Authorities, new toll roads, and elimination of \$54 million in payments to gasoline wholesalers and retailers.

Added to the bill were higher speed limits for tractor-trailers, and changes needed to allow Ohioans who lose their jobs to continue health insurance coverage. An emergency clause was included to allow the insurance provision to take effect immediately.

Remaining in the bill: a non-transportation provision authorizing various state agencies to spend \$2.2 billion in federal economic stimulus funds.

Budish Response: After the Senate vote, House Speaker Armond Budish (D-Beachwood) said he was "extremely disappointed" in the changes.

"I believe the changes in the evaporation credit will cost Ohio hundreds and possibly thousands of jobs. Elimination of the seat belt provision and prohibiting cameras in construction zones while people are working will make Ohioans less safe," Rep. Budish said in a news release.

"And I fear that the changes made to the 3C passenger rail project will make us less able to compete for federal funds," he said.

Public Safety: Separately, Director Henry Guzman said Senate deletion of the public safety department from the bill "came out of the blue." He said the switch poses an immediate \$25.6 million problem for the patrol budget because of timing for proposed fee increases.

"(Now) I have to scramble to figure out how we're going to find that \$25.6 million, number one, because of the timing of when we were going to start collecting the fees. And now that delays the collection of the fees so that delay represents about \$25.6 million," Mr. Guzman said in an interview.

The delay in a proposed increase in fees charged for copies of driver records could cost about \$15 million.

"It could mean I won't be able to start a patrol class this year that I intended to. We'll have 88 (vacancies) by the end of the year," the director said.

"We'll just have to scramble and see how we're going to make this money up some how. We don't have it around, so the only way to do it is take some cuts. So that's a real concern," Mr. Guzman said.

SENATE DEMOCRATS SELECT STRAHORN TO TAKE VACANT SEAT

Former state Rep. Fred Strahorn has been selected to fill a vacancy in the 5th Senate District seat.

Mr. Strahorn, who served in the House from 2001 through 2008, was chosen for the seat over Victor Harris, a military speechwriter who was unsuccessful in a recent bid for the Ohio House.

"I am very impressed with Fred Strahorn's intellect and his commitment to public service," Sen. Minority Leader Capri Cafaro (D-Hubbard) said. "I believe he's going to be a great asset to our caucus as we tackle the challenges facing the state of Ohio."

Mr. Strahorn, who became vice-president of governmental affairs at the Ohio United Way after leaving the House, said he is looking forward to the new role.

"I'm excited about the opportunity to come back and serve in the General Assembly," he said. "I love the work of representing the people of Dayton and the Miami Valley. I have many things I want to accomplish as I work with my new colleagues in the Senate Democratic Caucus."

Mr. Strahorn will succeed former Sen. Tom Roberts, who resigned for an appointment to the Ohio Civil Rights Commission.

HOME RULE CAUSES DISPARITY IN OPEN GOVERNMENT ACCESS, STUDY SAYS

Ohio's home rule law means citizens' access to local government business often lags behind the state regulations on open meetings, according to a report issued Wednesday.

In other Sunshine Week developments, lawmakers introduced bills that would shield from public records law federal law enforcement officers' personal information (HB 77) and certain documents maintained by the Ohio Public Employees Deferred Compensation Board (HB 72).

The Citizen Advocacy Center study of government access regulations also criticized Ohio's lack of firm deadlines for agencies to respond to public records requests. Current language specifying that documents be supplied "promptly" is ambiguous and encourages delays.

"The fact that cities can overrule state open government laws seriously impinges on citizens' rights," said Catherine Turcer, director of Ohio Citizen Action's Money in Politics Project. "Regardless of their city's charter, taxpayers should have the right to access municipal public meetings."

The lack of any administrative appeals process to adjudicate public information challenges encourages costly litigation, the report said. And a law allowing the state to recover attorney fees when Open Meeting Act violations are deemed frivolous causes a "chilling effect."

Further, the auditor of state, which oversees open government laws, has no power to enforce the regulations, the study said. The group recommends granting the Ohio Government Unit enforcement authority.

New 'Yellow Book': Separately, Attorney General Richard Cordray and State Auditor Mary Taylor this week released a new version of book that details the state's public record and open meeting laws.

The new Yellow Book is available online at www.SpeakOutOhio.gov/sunshine.

"Today's online tools and the Internet mean we can put Ohio's open government resources directly into the hands of any citizen and increase the level of accountability through their vigilance," Mr. Cordray said.

INTRODUCED IN THE HOUSE

HB 86 LAND USE (Hagan) To authorize in certain counties the creation of a land reutilization corporation to facilitate the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property and to authorize in those counties the use of the expedited, nonjudicial foreclosure procedure for abandoned lands. Am. 323.78 and 1724.04

PASSED IN THE SENATE

HB 2 TRANSPORTATION BUDGET (Ujvagi) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of those programs. Emergency: 22-9; Bill: 22-9 (Amended)

SENATE COMMITTEE HEARING

Ways & Means & Economic Development

SB 26 NON-RESIDENT TAXPAYERS (Schaffer) To require municipal corporations with more than \$100 million in annual income tax collections to provide a tax credit to nonresident taxpayers. (2nd Hearing-All testimony) CONTINUED

Both proponents and opponents of the measure said income tax dollars from commuting workers was crucial to their continued municipal operations. Representatives from smaller cities accused Ohio's big cities of "taxation without representation" under current tax laws.

Presently, some cities keep the income taxes raised from nonresident workers without crediting the worker's local government. Dayton tax administrator Bejoy John said that the lost revenue and increased administrative costs of SB 26 would cause an "undue financial burden" to the state's six largest cities.

Opponents testified that the constitutionality of the measure was also problematic. "The provisions of SB 26 are in clear conflict with the City of Cleveland's Home Rule rights under the Constitution of the State of Ohio. We are also concerned that SB 26 would conflict with the uniformity provision of the Ohio Revised Code 718.01," Cleveland Mayor Frank Jackson said in a letter to the panel.

Mr. John said that the city of Dayton estimated a loss of \$8 million from its total tax revenue of \$117 million. In Cleveland, Mayor Jackson expects as much as a \$25 million decrease in annual city income tax revenues.

While Ohio's large cities are facing tightened city budgets during the recession, smaller cities have faced decreased tax revenues due to current laws for the past two decades.

"The issue of paying income tax to the city in which you work rather than to the city in which you reside has been controversial with the smaller cities since its conception," said Mary Green, Lancaster city auditor. "Lancaster and all other like cities across Ohio are suffering the same consequences of a legislative action that took place many years ago."

Steve Butcher, mayor of the Pataskala, said that most residents are not even aware that their income taxes do not benefit their home governments.

"It is certainly fair that a small portion of the total taxes paid by our resident is shared to help cover the cost of providing a meaningful workforce to our larger cities," Mayor Butcher said.

Both proponents testified that the impact of current parameters has created difficult circumstances. In Pataskala, Mayor Butcher said, the lack of funds is slowly obliterating their local police force. In Lancaster, government officials passed a measure to "double tax" residents in order to maintain local services.

THURSDAY, MARCH 19 2009

HOUSE PANEL APPROVES BWC BUDGET AFTER DEBATING GOP POLICY PROPOSALS

Republicans unsuccessfully tried to force changes in operations of the Bureau of Workers' Compensation prior to the House Finance & Appropriations Committee's approval of the agency's budget on Thursday.

The agency's \$657 million biennial spending bill (HB 15) came to the House Finance Committee after being approved by both the House Insurance Committee and the Workers' Compensation Council. The measure appropriates funding collected from employer premiums and includes no general revenue.

In asking members to support the measure, House Insurance Chairman Dan Dodd (D-Licking Twp.) said there were very few "substantive policy changes."

The only notable provision is a proposal to eliminate the requirement that 10% of the money paid into the State Insurance Fund be set aside for the Surplus Fund, he said. "We're just getting rid of some outdated language to give the administrator more flexibility to determine how much money is in the surplus fund."

Prior to unanimously reporting the BWC budget bill, members adopted what Rep. Linda Bolon (D-E. Palestine) said was a "technical amendment" to correct the appropriation amount for lease payments on the William Green Building.

The committee then split along party lines in tabling three amendments that Republicans previously sought during deliberations on the bill in the House Insurance Committee.

Democrats expressed general agreement that several of the Republicans' proposals warranted further discussion, but clashed with minority members over whether to include "broad policy changes" in the appropriations measure.

Rep. Ross McGregor (R-Springfield) proposed a two-year moratorium on making any changes to the Drug Free Workplace Program. BWC staff has proposed eliminating the premium discounts available to participating employers.

Noting the program is BWC policy, as opposed to law, Rep. Dodd said the measure was more appropriate as separate legislation.

"For General Assembly to basically step in at this point in time and essentially micromanage the BWC would certainly infringe on the authority of administrator... that they have enjoyed for quite some time," he said.

Rep. Robert Mecklenborg (R-Green Twp.) offered an amendment that would require BWC to provide a year's notice before making any changes to an employer's premium rates. He proposed a separate rider to prevent the bureau from changing a company's experience rating due to accidents caused by a third party.

"Employers need certainty with regard to the expenses they incur in order to run their businesses," he said. "This is something our business community needs."

In opposing the amendments, Rep. Dodd said they would "hamstring" the bureau's ability to set rates for employers and would complicate the current "no-fault system" by requiring the agency to determine negligence. The decrease in revenue would be passed on to all employers, he added.

Rather than amending the proposals to the BWC budget, members should sponsor legislation to debate the issues in Insurance Committee, he said. "Just introducing the concept and saying, 'BWC, you figure it out,' I don't think is responsible."

Rep. Mecklenborg said, "I'm not interested in hearing, 'Gee we might make life a little more difficult for a certain bureaucracy in the state of Ohio.'"

Before voting to table the provisions, Chairman Vernon Sykes (D-Akron) said he objected to the amendments, but not their intent. "It seems at this time it would be inappropriate for us to take positive

ODOT SAYS \$250 MILLION CAPITAL COST FOR STARTING PASSENGER RAIL 'VERY ROUGH' ESTIMATE

The \$250 million construction cost previously assigned to Gov. Ted Strickland's passenger train plan is a "very rough" estimate that the Department of Transportation said is not included on its request to a legislative panel for initial planning money.

ODOT is to ask the Controlling Board to waive competitive selection Monday for a \$450,000 contract this fiscal year with a California firm in conjunction with the proposed revival of rail passenger service.

Estimated construction cost of running the trains through Cincinnati, Dayton, Columbus, and Cleveland - the 3-C Corridor - is not listed on the request.

Gov. Strickland's office said last week it would cost an estimated \$250 million in federal economic stimulus money to begin the service.

Scott Varner, ODOT deputy director of communications, said this week that the Ohio Rail Development Commission did not want to include the figure on the Controlling Board request.

"(While) there are very rough estimates that construction of the 3-C Corridor would cost \$250 million, the ORDC did not feel those numbers were appropriate to list with the request because the numbers are still so preliminary," Mr. Varner said.

ORDC wants to contract with the Woodside Consulting Group of Palo Alto, California. The firm is to prepare a railroad capacity analysis for the proposed state-sponsored intercity passenger service. Federal funds will be used to pay for the study.

When initially submitted as a stand-alone request earlier this month, the contract amount was \$750,000.

It is being resubmitted as part of a request to spend \$21 million to hire 42 consulting firms during fiscal year 2009, which ends June 30.

Mr. Varner said the contract was deferred from a previous agenda because ODOT thought it was more appropriate to treat it like other similar requests, no matter the mode of transportation.

"When ORDC learned that there were legislative questions about the Woodside Consulting contract as originally submitted to the Controlling Board, ORDC asked that ODOT shorten the contract to an ending date of 6/30/2009 and reduce the amount from \$750,000 to \$450,000," he said in an email response to questions.

Mr. Varner said that if ORDC finds additional work is needed, it has plans to request further Controlling Board approval later this year.

Senate Republicans cited lack of specific financial information, or conflicting data, in their decision this week to allow executive agencies to apply for federal rail passenger grants but to return to the General Assembly for spending authority.

The House-passed version of the governor's pending transportation budget (HB 2) would allow the Controlling Board alone to release any money received for passenger rail service.

Mr. Varner said Woodside Consulting is to identify some of the capacity and coordinating issues the state would face with the introduction of passenger service on track now used solely for freight movement.

"That study will help us determine where and how much new track will be needed to safely and efficiently serve both freight and passenger trains - the cost of which represents the majority of the capital costs for the construction of the 3-C Corridor," he said.

RACING COMMISSION SAYS SLOTS COULD YIELD \$1 BILLION FOR EDUCATION, MOVES TO CLOSE THISTLEDOWN

The state could raise more than \$1 billion in revenue during the 2012-2013 biennium - and save horseracing in Ohio - by allowing racetracks to install slot machines, according to a proposal the State Racing Commission finalized Thursday.

As if to underscore the ailing condition of the racing industry in Ohio, the commission also denied a request from Thistledown, Inc. to delay the deadline for the bankrupt track in Cleveland to post a \$1 million bond, Executive Director Sam Zonak said in an interview.

The commission wants lawmakers to legislatively authorize Ohio's seven racetracks to install "video lottery terminals," which are very similar to slot machines, without having to amend the constitution.

If the state acts now, the agency estimates slot machines could generate \$195 million in fiscal year 2010 and \$310 million in FY 2011 to fund primary, secondary, and higher education. By the following biennium, gambling at racetracks would yield \$460 million in FY 2012 and \$625 million in FY 2013.

"Our estimates aren't like all these other guys," Mr. Zonak said, referring to competing proposals to expand gambling in Ohio. "People are going to say they're low, but we were very realistic when we put this together."

Mr. Zonak said commissioners unanimously approved the proposal during the meeting on Thursday. It will be distributed to members of the House Finance & Appropriations Committee, which is currently deliberating over the biennial budget (HB 1).

In other business, the commission ordered Mr. Zonak to revoke Thistledown's license to operate unless the track is able to post bond by Mar. 28, he said. Magna Entertainment Corp., the track's owner, recently filed for Chapter 11 bankruptcy protection.

INTRODUCED IN THE SENATE

SB 83 RETIREMENT BENEFITS (Faber) To exclude certain compensation when determining retirement benefits under the Public Employees Retirement System. Am. & En. 145.01 and 145.016

FRIDAY, MARCH 20 2009

SENATE GOP RECOMMENDS SPECIAL PANEL TO REVIEW MISSION OF OHIO HIGHWAY PATROL

Senate Republicans are calling for creation of a special panel to review the operations and functions of the Ohio Highway Patrol as they relate to city police, county sheriffs and all other law enforcement entities.

Proposed creation of the 14-member "Highway Patrol Mission Review Task Force" was inserted into the Senate version of Gov. Ted Strickland's pending transportation budget (HB 2).

At the same time, the GOP cut the budget for the Department of Public Safety, of which the patrol is a division, out of the legislation. The Senate said the agency's appropriation instead should become part of the main state operating budget (HB 1) under consideration in the House.

Perhaps easing the decision for the budget switch: the governor's proposal for a \$106 million increase in vehicle registrations and other fees that motorists pay annually. The extra revenue was earmarked to offset a shortfall in the patrol's budget.

Sen. Stephen Buehrer (R-Delta) said survival of the fee increase remains an open question.

"There was not a lot of support for them here," he said in an interview.

"I think people recognize that we need to provide some funding for the patrol, but there was an uneasiness, and that's part of the reason why the bill was passed over," he said.

Sen. Buehrer said creation of the task force, inserted in an omnibus amendment at his request, was not focused on funding for the patrol but instead on its mission.

"I continue to hear from my sheriffs that the relationship with the patrol is not always a good one. Sometimes it's fine, but at other times they feel like there's overlap and duplication," he said.

"Why don't we get them together and talk around the table so policymakers across the state - whether they're county commissioners or us - can make good decisions about how to allocate and fund," Sen. Buehrer said.

"One thing we learned here, and it's been going on for years, is the patrol is doing the administering of the driver's exams out in the local communities. Well, it seems like there could be a local way to provide that service and not involve in the statewide police force in that," he said.

The amendment would require the proposed panel to identify services of the patrol that overlap with those of other police agencies, opportunities to consolidate current operations, and ways to improve efficiency.

"It's really been something that's been on my mind for years. We have some overlap of services, we have some, in my mind, duplication of services," Sen. Buehrer said.

"What my intent to this is that ... whoever the interested parties are, we get them together, let them sit down and talk about their unique missions, and find the places where they can each use their own specializations, and refocus law enforcement in the state of Ohio, including the mission of the patrol," he said.

Among interested parties he mentioned: municipal police, county sheriffs, the highway patrol, public safety department, and the Fraternal Order of Police.

"I think it's important that the patrol look at their mission. Every year we're in this scramble to put more and more money into the program without really looking at how we're providing law enforcement services across the state," Sen. Buehrer said.

The amendment provides for the task force to compile a written report with recommendations and deliver them to the governor and the General Assembly.

Legislators created the patrol in 1933 (HB270, 90th General Assembly), initially with restrictions on jurisdiction and number of officers that have long since been lifted.

APPLICATIONS AT A TRICKLE FOR STATE'S ADVANCED ENERGY STIMULUS FUNDING, OFFICIALS SAY

Although the state received much initial interest in the \$150 million bond program lawmakers created for alternative energy projects, companies have been slow to follow up, the governor's energy advisor said recently.

The state has received 134 initial requests worth more than \$454 million for a piece of last year's economic stimulus funding that the legislature dedicated to advanced energy projects, according to the Ohio Air Quality Development Authority. Of those, 23 have been rejected because the letters of intent didn't conform to the goals of the program.

However, only six companies have completed part two of the application process and only two of those projects have received approval, Executive Director Mark Shanahan, who also serves as the governor's energy advisor, told OAQDA during a meeting this week.

"I'm a little bit frustrated," he said. "We tell them to keep it moving, the sooner the better, we really want to give away this money."

In terms of job creation potential, coal project applications show the most promise with more than 18,800 new positions, according to the applicants' projections. Proposed wind power projects could create nearly 14,000 jobs, energy efficiency could create 8,250 and solar has a potential of more than 7,800.

Despite ongoing problems in the debt market, Mr. Shanahan said he expected the state to move ahead as planned with selling bonds to fund the \$150 million program.

"The state's debt office and debt manager believe that they'll be able to go to market and price those at a reasonable level," he said in an interview.

In other business, OAQDA members adopted a resolution allowing FirstEnergy Corp. to take advantage of a provision in the federal stimulus package that will enable the company to reissue debt on its Perry Nuclear Power Plant in Lake County.

The recently enacted federal measure allows bonds that were subject to the alternative minimum tax when they were originally issued, to be exempt if they are reissued over the course of the next two years, Mr. Shanahan explained.

FirstEnergy's plans to reissue bonds that are exempt from the AMT could yield a full percentage point reduction in their annual interest rate on \$119 million in debt between now and 2033, he said, calling it a "significant savings."

Meanwhile, FirstEnergy is also seeking an amendment to the transportation budget (HB 2) that would enable the company to convert the R.E. Berger plant in Belmont County from coal-fired technology to "biomass," Mr. Shanahan said.

The company has not made a final decision and would still need to seek approval from the federal government, he said. Biomass is "one of the options they're exploring, but they felt they needed some language in statute that would allow them to do that."

While adding pollution control technology to the plant could address certain emissions problems, uncertainty about federal carbon limits makes that option less feasible, he said. "They see it very difficult to try to justify investing in that plant given the unknowns about carbon dioxide control in the future."

STATE UNEMPLOYMENT RATE RISES TO 9.4% IN FEBRUARY

Ohio's unemployment rate increased to 9.4% in February, up from the 8.8% rate recorded in January, the Department of Job & Family Services announced Friday.

The total number of unemployed Ohioans last month was 566,000, up from 526,000 in January, pushing the state rate to its highest level since May of 1984.

The figures were released the same day that a separate report showed that the Ohio Employee Confidence Index fell 2.3 points.

Job cuts were recorded in service and goods-producing industries.

"Ohio's labor market continued to weaken in February," ODJFS Director Douglas Lumpkin said. "Job losses occurred in both the service-producing and goods-producing industries as the unemployment rate increased to 9.4 percent."

The U.S. unemployment rate for the same month was 8.1%, which increased from 7.6% in January.

For the month, the service sector shed 4,100 jobs while goods producers cut 3,500 positions.

Increases in government (+2,900 jobs), leisure and hospitality (+2,100) and other services (1,100) helped offset cuts in administrative, support and waste services (-4,300), educational and health services (-2,300) and trade, transportation and utilities (1,000).

Construction employment increased by 100, while manufacturers cut a total of 3,600 positions, ODJFS reported.

Confidence Report: Also on Friday, the Spherion confidence report showed that workers believe there are fewer job openings available and lack confidence in their own ability to find new work. Still, a majority of respondents said they don't think they will lose their current jobs.

"The drop in February's Ohio Employee Confidence Index is indicative of what is being seen on a national scale," said Robert Schulte, Spherion's Ohio franchise owner. "Ohio's steadily-increasing unemployment rate can largely be attributed to the mounting declines being seen in manufacturing."

Mr. Schulte added that Ohio workers are being asked to do more with less. "Workers who find themselves in this situation will be better served to view this as an opportunity to build their skill set, as opposed to those who allow feelings of 'survivor's guilt' to impact their productivity."

COMMITTEE SCHEDULE FOR WEEK OF MARCH 23

TUESDAY, MARCH 24

House Finance & Appropriations, (Chr. Sykes, 466-3100), Rm. 313, 1 p.m.

HB 1 STATE BUDGET (Sykes) To make operating appropriations for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of state programs. (Public testimony on issues related to General Government)

House Commerce & Labor, (Chr. Yuko, 466-8012), Rm. 121, 1:30 p.m.

HB 37 COMPETITIVE BIDDING (Dyer) To require the Department of Administrative Services to maintain a web site database including apparent low bidders who failed to be awarded a contract because they were found not to be "responsible," and to require public entities to conduct investigations when apparent low bidders are suspected of failing or fail to meet the "responsible" prong of the "responsive and responsible" competitive bidding threshold. (1st Hearing-Sponsor)

Senate Insurance, Commerce & Labor, (Chr. Buehrer, 466-8150), South Hearing Rm., 4 p.m.

SB 66 VOLUNTEER FIREFIGHTERS (Faber) To provide health insurance benefits to dependents of volunteer firefighters killed in the line of duty. (1st Hearing-Sponsor)

WEDNESDAY, MARCH 25

House Finance & Appropriations, (Chr. Sykes, 466-3100), Rm. 313, 9:30 a.m.

HB 1 STATE BUDGET (Sykes) To make operating appropriations for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of state programs. (Public testimony on issues related to General Government)

THURSDAY, MARCH 26

House Finance & Appropriations, (Chr. Sykes, 466-3100), Rm. 313, 9:30 a.m.

HB 1 STATE BUDGET (Sykes) To make operating appropriations for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of state programs. (Public testimony on issues related to Human Services)

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