



## Ohio Township Association

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## Legislative Update

Friday, May 22, 2009

MONDAY, MAY 18 2009

### **BUDGET HOLE UPDATE: \$912 MILLION; HARRIS SAYS SENATE STILL LOOKING AT TWO-YEAR PLAN, PRESERVATION OF TUITION FREEZE**

The Office of Budget and Management on Monday updated its estimate for the revenue gap in the current fiscal year, and the \$912 million figure is at the top of the range announced earlier this month.

OBM had said the hole in the FY 2009 budget, which closes June 30, would range from \$600 million to more than \$900 million. That announcement followed one of the worst years for personal income tax performance as it relates to state coffers and OBM estimates.

"The governor continues to believe that a collaborative, bipartisan approach is the best way to address this budget shortfall," Amanda Wurst, spokeswoman for Gov. Ted Strickland, said Monday in an email.

"The rainy day fund continues to be one possible solution to end the fiscal year in balance, but the Governor will work in a collaborative way with the Speaker of the House, Senate President and other legislative leaders to reach a consensus decision."

OBM Director Pari Sabety said earlier this month that separate legislation would likely be needed for a Budget Stabilization Fund transfer, however as of Monday no such bill had emerged.

Since the announcement of the worst-ever income tax intake from one year to the next, OBM has taken steps to save \$150 million in the current fiscal year, including a delay in paying off about \$53 million in state debt.

That leaves another \$712 million shortfall to address over the next six weeks or so.

Monday's development also signals the worst for the pending budget bill, which will have to be adjusted not only to accommodate for the loss of BSF money in the plan but also a lower basis on which to build revenue estimates for the next biennium that were already expected to be revised downward in June.

Senate Republicans initially estimated that the bill would face upwards of \$3 billion in adjustments through conference committee as a result of the state's ever-shrinking economic fortunes.

**Senate Deliberations:** Meanwhile, the Senate is heading into its first full week of public testimony on the budget, but the chamber's leader said lawmakers and special interests alike already have a pretty good grasp on the dour circumstances.

In light of the ongoing revenue squeeze resulting from the historic economic slump, the discussions have been and will be mostly about where the cuts will occur in the \$54 billion plan (HB 1) versus where funding will be increased.

"We're just explaining to them that the issue is the budget we got from the governor was underfunded, as we know, and the budget we got from the House was further underfunded," Senate President Bill Harris (R-Ashland) said in a recent interview.

The lawmaker said the House used "rubber money" to make certain promises while adding to spending totals in the bill it sent the Senate.

"Although the House did some very good things for different groups, there's not money to support that, so we're going through the budget basically line item by line item, and comp doc issue by issue, to see where we can find any type of revenue. We realize and I think most people we've talked to understand that it's a tight budget and the state is in a position where some of the things that are in the budget are not funded and they can't go forward."

Sen. Harris, who has already stated his intentions to reinstate funding cut from charter schools, said the GOP-led Senate would be making such adjustments from within the current revenue streams versus raising taxes or fees.

"Anything that takes additional money out of the pockets of taxpayers - we're not for doing. I'm concerned about fees and we're going to look at fees equally," he added. "If its something... for entertainment or enjoyment, that's one thing. But if it's taking money away from what they use to buy their medicine and so forth, we don't think that ought to happen."

Although the higher education budget was among the first to be cut during past economic doldrums because it's considered to be the largest pot of discretionary funds in the state budget, Sen. Harris said his chamber would look to preserve the plan to maintain a tuition freeze through the biennium for two-year colleges and for the first year at four-year institutions.

"If we could find revenue we'd like to freeze tuition in the second year," he said. "I don't think we're going to be able to find those revenues to do that."

Remaining among his top priorities for shifting funds is the charter school program, Sen. Harris said. The Senate will first look to "keep charter schools whole" in the budget by realigning appropriations within the plan. "That's a place where we need to get revenue," he added.

Concerns about the extensive use of one-time money and other budgetary complications have led some lawmakers and others, including the Ohio Chamber of Commerce, to call for a one-year spending plan. Sen. Harris said that's not his plan at the moment.

"We feel collectively that we have a responsibility to prepare the budget as set forth in the constitution, a biennium budget, and we're going to work to do that," he said. "If we get to a point and see for whatever reason that we're not moving forward to where we're in a position to do a biennium budget then we'll look to a one-year budget."

"We will do everything we can to do a biennium budget. If we do a one-year budget, then in my humble opinion that puts us in a much more difficult position to turn the state around, to get people back to work and do all the things we're saying we need to do."

Sen. Harris confirmed that the Senate would try and separate more distinctly in the budget plan the federal stimulus and state general revenue fund components. He could not say how that would impact budgets in future years under the State Appropriations Limitation (SAL), which restricts GRF increases to 3.5% a year.

"We're working to do that," he said of sorting out federal and state funds in the measure. "It's a complex mathematical process because the folks that did the embedding of the stimulus money did a very good job of it."

"Along with that, in those stimulus dollars there are restrictions that were created, and since so much of it is embedded in the budget, it's difficult to know what we can cut and what we can't cut. Some of it obligates part of the GRF."

"We're not looking for ways to not spend the stimulus money," Sen. Harris said. "We're just looking for ways to do a balanced budget that's fiscally responsible and doesn't create a circumstance where in 2011 we're going to have to have a huge tax increase."

### **OHIO'S PLAN EARMARKS ONE-THIRD OF \$96 MILLION IN ENERGY STIMULUS FUNDS TO RENEWABLES DEVELOPMENT**

More than a third of Ohio's share of State Energy Program funds from the federal stimulus package would go toward the development of renewable energy under a plan announced Monday by the Department of Development.

Lisa Patt-McDaniel, the DOD interim director, and Mark Shanahan, energy adviser to Gov. Ted Strickland, said Ohio had filed its proposal for using the \$96 million, which remains subject to review by the U.S. Department of Energy.

More than a third of the money, or \$35 million, would go "toward increasing renewable energy projects that will propel Ohio forward in the solar, wind and biomass waste industries, and deploying related technologies in combination with fuel cells and energy storage for electricity, heat, biofuel and bioproducts," the state announced.

"The development of renewable energy and alternative fuel strategies in Ohio is critical to positioning our state for sustainable, long-term, and efficient growth," Ms. Patt-McDaniel said in a news release.

"Through Governor Strickland's leadership, Ohio's Advanced Energy Standard is one of the most aggressive in the country, positioning Ohio to utilize American Recovery and Reinvestment Act resources to deploy the technologies that will help Ohio families save on energy while accelerating market-driven job creation in our state."

Ohio's proposal stems from a collaboration between DOD and the Ohio Air Quality Development Authority, which Mr. Shanahan directs. Along with improving development efforts for renewable and alternative energy sources, the initiative also aims to "upgrade the energy efficiency of public and private facilities and promote innovative state efforts to help families save money on energy," according to the agency.

"Ohio will be able to reach our energy efficiency goals because of President Obama and Ohio's Congressional members who worked to pass the important federal stimulus bill," Mr. Shanahan said. "They recognized the critical importance of investing in renewable and advanced energy projects for the future success of our state and national economies."

Other planned program spending under the energy stimulus program, according to DOD, includes:

- Making Efficiency Work: \$8 million in grants to conduct commercial and residential building retrofits in existing and new construction to attain greater energy efficiency.
- Targeting Industry Efficiency: \$15 million in grants to the manufacturing companies seeking to improve the sustainability of Ohio industry and build expertise and awareness in industrial carbon management projects.
- Banking on New Energy Financing: \$30 million to transform the energy finance landscape in Ohio by creating an Energy Alliance and bringing more significant funding to energy efficiency and renewable energy projects.
- Setting the Stage for Ohio's Carbon Management Strategy: \$500,000 to identify industries and businesses seeking to lessen their carbon footprint, assess the economic impacts, and develop scenarios to provide policy guidance for future energy efficient economic development.

The agency said remaining funds would be used to "ensure appropriate oversight, reporting, administration and implementation over the three-year grant period."

Entities that submitted project proposals Recovery.Ohio.gov will be kept apprised of the initiatives, DOD said. The process will include applications for each area and a determination of eligibility and viability. More information on the State Energy Program is also available on DOD's website.

TUESDAY, MAY 19 2009

### **BUDISH, STRICKLAND WANT NEW THIRD FRONTIER ISSUE ON FALL BALLOT**

Speaker Armond Budish hopes the legislature can pass a resolution in time to put another Third Frontier ballot issue before the voters in November - an idea for which the governor offered his support on Tuesday.

During their speeches before a Dayton Area Chamber of Commerce event in Columbus, both Speaker Budish and Gov. Ted Strickland praised the bond-funded high-tech development program, saying it should be renewed or expanded.

Asked by reporters later whether he hoped to pass legislation in time for a fall ballot issue to reauthorize the program, the speaker said, "That is my hope."

"Obviously we've been focused on this budget (HB 1), which is the most important thing we have going right now," he said. "But we will turn our attention to the Third Frontier and, if at all possible, deal with it before August, I believe."

Mr. Budish allowed the time frame to pass the resolution would be "tight" and asking the voters to authorize more spending during the ongoing economic recession could prove difficult.

"I think we have to look at where we are financially. I'm not saying it's not a problem," he said about the possibility of increasing the state's debt obligations.

The speaker said he'd like to not only renew, but also expand the program, which includes a constitutional amendment authorizing \$500 million in debt. "It would be nice to be able to expand it. I'm not sure we'll be able to do it."

The total \$1.6 billion initiative has awarded funding in the biomedical, advanced energy, advanced materials, advanced propulsion and instruments, controls and electronics fields. Some groups have been pushing for a renewal before current resources run out in about two years.

Gov. Strickland said he would like to see a Third Frontier proposal on the November ballot.

"It's something that we would have to agree on, but it's something that I would look positively toward," he told reporters.

"I don't want to get ahead of my legislative colleagues of either party or of either chamber, so, is that something I would look forward to discussing with them? Yes, but I don't want to jump out front and start a discussion that we're not yet ready for," he added.

Sen. Jon Husted (R-Kettering), who as speaker pushed for passage of the measure a few years ago, said he thought it was too early to say whether the state should pursue another ballot issue this fall.

"We need to get a grasp around what's in this budget, what we can afford and what the debt obligations will be going forward," he said. "It's a really hard sell to go and ask people to spend more money and do more debt before you're really certain that you're on solid financial ground."

Changes to the state school facility construction program and dwindling revenues could prove detrimental to any effort to expand the state's debt, he said.

"There's no question that it's a valuable program that's been successful," he added.

### **STATE, LOCAL AUTHORITIES STEP UP ENFORCEMENT IT'S STILL NOT A PRIMARY OFFENSE**

Although the Department of Public Safety lost its bid earlier this year to strengthen Ohio's safety belt law, state and local police agencies began a drive Tuesday for strict enforcement of the existing statute.

Authorities in Cuyahoga County kicked off the 2009 "Click It or Ticket" campaign, citing an urgent need to increase belt use in Northeast Ohio.

Interim Chief Mark Kwiatkowski of the Bedford Heights Police Department said goal of the stepped-up enforcement is not to issue citations, but to give more motorists an incentive to buckle up.

"We're not trying to surprise anyone. We're telling people right now, we'll be out there and we'll be watching, so you'd better buckle up," he said.

The Ohio Department of Public Safety said more than 900 law enforcement agencies around the state, including the State Highway Patrol, would be "aggressively enforcing the law" during the special mobilization that runs through May 31.

"Consistent research from our national partners has shown that fewer people are buckling up at night, when the risk of a being in a fatal crash is greatest," said Henry Guzman, the department director.

"That's why we're reminding everyone that wearing a seat belt is not just a safety recommendation, it's the law," he said in a news release.

The department said that 414 of the people killed in crashes on Ohio roads last year were not wearing seat belts. An estimated 83% of motorists in Ohio use their vehicle safety belts.

Authorities in Cleveland said Cuyahoga County has one of the lowest belt usage rates in the state at 69 percent.

Earlier this year, Gov. Ted Strickland's administration proposed making non-use of seat belts a primary offense, meaning law enforcement could initiate a traffic stop for that reason alone. The General Assembly rejected the proposal.

As a result, even during the current aggressive enforcement period, authorities must have another reason to stop a vehicle other than non-belt use.

Failing to buckle up carries a \$25 fine for drivers, although a motorist's out of pocket expenses are ultimately much larger when court costs are included.

Over the last five years alone, the Ohio Highway Patrol has issued 582,369 safety belt citations statewide.

The single-highest tally was in 2006 with 127,738 tickets. The lowest was 2004, with 101,782. Last year, there were 117,840 safety belt citations from the patrol.

### **REPORT INDICATES DISPARITY IN EDUCATIONAL OPPORTUNITIES**

Ohio minority students have one quarter the "opportunity to learn" that the state's white students have, according to a national study of educational disparity released Tuesday.

Low-income students in Ohio have less than two-thirds the opportunities to learn as all white pupils have, the Schott Foundation for Public Education study found. The state ranked 16<sup>th</sup> in the nation when the access to students' educational opportunity was combined with the overall education proficiency in the state.

Nationally, 84% of the states failed to adequately provide disadvantaged students an opportunity to learn, the report said. Minority and low-income students have only half the educational access as their white peers.

The report dissects test scores by race and income to determine the "Opportunity to Learn Index," which is designed to measure different student groups' access to educational opportunities.

"This serves as a wake-up call to Ohio policymakers who falsely believe we are getting the job done in our classrooms," John Jackson, Schott Foundation president and CEO, said in a statement. "According to its own data, 65% of Ohio's minority and low-income students don't have access to a moderately proficient public education system."

### **INTRODUCED IN THE HOUSE**

**HB 184 EMPLOYMENT VERIFICATION (Combs)** To require employers to register and participate in a status verification system to verify the work eligibility status of all new employees and to affirm their participation on their state income tax returns, to specify that an employer's failure to affirm their participation in the status verification system on their state income tax returns constitutes falsification or dereliction of duty, to require public agencies to cancel contracts with private employers who do not participate in a status verification system, to require jail officials to make a reasonable effort to verify the citizenship of confined persons, to collect electronic fingerprints of illegal aliens, and to notify the United States Department of Homeland Security in certain circumstances, to prohibit political subdivisions from restricting communication and cooperation with federal officials regarding a person's citizenship status, to require judges and magistrates to consider immigration status and other factors in determining a defendant's bail, and to declare an emergency. Am. & En. 2937.23, 5747.07, 5747.99 and 8.01 to 8.04.

WEDNESDAY, MAY 20 2009

### **HOUSE DEMOCRATS PASS SIX-MONTH 'TIME OUT' FOR FORECLOSURES OVER GOP COMPLAINTS**

The House passed a half-year moratorium on foreclosure actions Wednesday, with Democrats arguing that legislative action was long overdue and Republicans expressing doubts about the effectiveness and constitutionality of the package.

Rep. Denise Driehaus (D-Cincinnati), a main sponsor, said the bill comes in response to a wave of foreclosures in the state that has gone unabated despite Gov. Ted Strickland's efforts to get mortgage servicers on board with a "compact" to help mitigate the problem.

"While some servicers were committed to the compact, many were not," she said.

The "time out" for foreclosures will allow time for squeezed consumers to access forthcoming federal assistance and provide for other efforts toward keeping people in their homes, Ms. Driehaus said.

Under the bill, the state would impose a six-month moratorium on mortgage foreclosures, license mortgage servicers and require a \$750 foreclosure filing fee that would fund a database to track the actions as well as fraud prevention efforts and other related initiatives.

Ohio "community banks" with less than \$2.5 billion in assets and credit unions were exempted from the moratorium under one of several amendments added to the bill in committee, where a vote to move the legislation forward last week fell along party lines.

Rep. Matthew Dolan (R-Novelty) called the bill a flawed "knee-jerk reaction" to the problem that goes too far beyond appropriate licensure in imposing the moratorium and new fee. He said he was disturbed by "the cavalier attitude" regarding the state constitution that he witnessed during deliberations on the bill.

Rep. Mike Foley (D-Cleveland), the other key sponsor, has said the package would be strongest state response to the foreclosure crisis in the nation if enacted.

During a floor speech Wednesday, he said, "We've got 13 straight years of increases in foreclosure filings - the longest in state history. The lions are swarming the zebras in Ohio."

The House included a handful of floor amendments before passing the measure. Those changes were:

- The removal of the emergency clause from the bill (Garrison).
- An increase from up to 5% to 10% in the share of fee funding that would go to the Ohio Supreme Court and clarification on how other funds are used for fraud-prevention and related initiatives (Stewart).
- Language regarding attorney-client communication and moratorium notices to defendants in pending foreclosures (Foley).

- The inclusion of job and family services agency information with moratorium notices to borrowers (Baker).

As a result of the earlier Democratic amendments, Republicans were blocked in offering some changes of their own because of restrictions on the number of changes to specific sections of bills.

Rep. Bill Coley (R-West Chester) said he would have otherwise offered an amendment to improve the measure, which he deemed to be comprised of "a number of terrible things" including the fee increase, moratorium and committee-added restrictions on county auditors' ability to value property subjected to "short sales."

Republicans also failed at attempts to amend the bill by: changing language that allows the Department of Commerce to conduct civil and criminal background checks on mortgage servicers (Blessing); remove the fee and reduce the moratorium period to six weeks (Stautberg).

Rep. Peter Stautberg (R-Cincinnati) said the bill does little to address the main reasons for foreclosures, which are death, divorce, disability and job losses.

Rep. Shannon Jones (R-Springboro) said she opposes the bill because some provisions are unconstitutional, such as the filing fee, which she described as a "tax" on court access.

Remarking that she can spy eight homes in foreclosure from her front porch in Cleveland Heights, where 1,700 homes face the same fate, Democratic Rep. Barbara Boyd said she supported the bill and would be able to tell her constituents that the legislature was trying to make an impact.

"This may be all we have right now," she said, adding of her community: "I live it, I love it and I'll do anything to hold it together."

Rep. Dolan was unsuccessful with a motion to re-refer the measure to Rules Committee, saying that the GOP-led Senate was unlikely to pick up and quickly move the package as currently proposed.

Rep. Driehaus disagreed, saying the House needed to move forward after four months of conversations on the proposals. "We do not have a lot of extra time" given the ongoing foreclosure crisis, she said.

The bill passed 54-43, with three Republicans joining all present Democrats in support. They were: Rep. Ross McGregor of Springfield, Rep. Josh Mandel of Lyndhurst and Rep. Scott Oelslager of Canton.

Speaker Armond Budish (D-Beachwood) said after session that the measure would provide some needed "breathing space" for strapped consumers.

"We have a terrible crisis in this state," he said. "It hurts entire neighborhoods and everyone in those neighborhoods."

"The legislature has made absolutely no move until this year to address this crisis," Speaker Budish added.

In other business, the House unanimously passed legislation to require that BMVs provide supplements to vehicle registrations that do not include addresses (HB 50). Sponsor Rep. John Domenick (R-Smithfield) said his measure stems from an incident in which an alleged predator tracked down a woman at home based on information he retrieved from BMV documents after he stole her auto.

Rep. Domenick amended the bill on the floor to, as he explained, clarify how the BMV will implement the new requirements.

### **TAYLOR SEEKING RE-ELECTION AS AUDITOR; MAHONING VALLEY LEADERS OPPOSE CASINO PLAN**

State Auditor Mary Taylor confirmed Wednesday that she will seek re-election to her office, bypassing a potential run for a U.S. Senate seat that will come open next year.

Ms. Taylor, the only Republican to win a non-judicial statewide office in 2006, said she has made many strides in the auditor's office, including issuing reports that have identified nearly \$20 million in misspending or mismanagement.

Those reports, she noted, have also brought about a number of criminal charges. "There still is more to do."

Ms. Taylor, a certified public accountant, said she considered a run for the U.S. Senate, but decided - without party pressure - that the time is right for her to continue in the auditor's office.

"It is something that I seriously considered for a period of time," she said.

Beyond completing its traditional auditing functions, Ms. Taylor noted that her office will continue to serve as a source of information on financial issues where answers may be elusive.

"We will continue to participate where we believe there are unanswered questions," she said in reference to a recent report that outlined a potential budget shortfall that the state could face in the coming years.

Ms. Taylor said her office has offered to assist executive branch officials with performance audits and other forms of consulting, but hasn't gotten any response to its offers.

The auditor said she expects to engage in a "spirited campaign" with likely Democratic nominee David Pepper, a Hamilton County commissioner.

Ms. Taylor said Mr. Pepper's suggestions that her office has been driven by partisan politics. "We make our decisions independent, based on the facts," she said, adding that all officials are held accountable for their actions. "We are not acting in a partisan way," she said.

"I believe that we have a strong record that shows that I am doing the job that I was elected to do."

### **LAWMAKERS OPEN TALKS ON POSSIBLE SPEED LIMIT HIKE**

A provision in the transportation budget act that increases the speed limit for trucks prompted two House Democrats to push Wednesday for an increased speed limit for passenger vehicles and commercial buses.

Rep. Dan Dodd (D-Licking Township) and Timothy DeGeeter (D-Parma) told members of the House Transportation and Infrastructure committee it is time for Ohio to raise the speed limit to 70 mph, joining the 32 other states that have already done so.

Some members of the committee raised concerns about the safety of raising the speed limit, as well as the impacts it could have on the environment.

Passenger vehicles have many more safety features than when the current speed limit was set, Mr. DeGeeter said.

Mr. Dodd added that different studies on the subject come up with different results. A study at Purdue University showed a decrease in deaths following the speed limit increase, he said. However, a study in Iowa showed certain types of motor vehicle-related death increased, while others decreased.

Mr. Dodd said the Highway Patrol has the ability to issue citations if someone is going too fast in unsafe conditions regardless of the speed limit. He argued that unsafe conditions - rather than speed alone - also contribute to highway deaths.

He added that he is unaware of any state lowering the speed limit after they raised it. Connecticut introduced legislation to lower it, but it was because of high gas prices, not safety issues, Mr. Dodd said.

Rep. Dodd said he was uncertain whether the speed limit increase would lead to a dramatic increase in gasoline consumption. People can always choose to go slower, he observed, noting that President Obama's announcement calling for greater fuel efficiency would also help counteract any negative effects.

When asked, both representatives guaranteed the bill would only raise the speed limit in rural areas, omitting construction zones, and would not affect minimum speed limits.

Carl Boeckman, a member of the National Motorists Association also testified on behalf of the bill, saying Ohio's roads are well maintained and designed to handle greater speeds.

According to the Manual for Uniform Traffic Control Devices, state speed limits should be based on the 85<sup>th</sup> percentile speed, he said. Based on the association's data, they suggest setting the speed limit to 75 mph.

This increase would not negatively affect interstate safety, Mr. Boeckman said. According to a study done in Montana, after the state lowered its speed limit to 65 in 2000, deaths increased by 111%.

Increasing the speed limit could improve the transportation system by eliminating gridlock and getting drivers to their destinations faster, he said.

"The Ohio Legislature needs to set reasonable speed limits to facilitate the expedient, efficient and low cost movement of people, goods and services," Mr. Boeckman said.

## **STATE INFRASTRUCTURE NETS 'C-' GRADE FROM CIVIL ENGINEERS**

Ohio should spend an estimated \$46 billion over the next five years to maintain crumbling bridges, dams, roads, parks, sewers and other infrastructure, civil engineers said Wednesday.

The Ohio Council of Local Sections of the American Society of Civil Engineers graded the cumulative condition of the state's infrastructure a "C-" in the organization's fourth report card. That's slightly better than the "D" grade for the nation's overall infrastructure health.

ASCE National President-Elect Blaine Leonard said the federal stimulus bill was helpful in beginning to tackle mounting costs for repairing and maintaining the country's mounting infrastructure needs, which total \$2.2 trillion over the next five years. "It's just the beginning."

Ohio received nearly \$1 billion from the federal stimulus bill for infrastructure projects, according to Kevin Carpenter, chair of the group's report card committee. Of that money, about \$774 million will be distributed by the state and another \$161 million is to be distributed by regional metropolitan planning organizations.

Mr. Carpenter said federal stimulus funding should be targeted more toward repairing and maintaining existing infrastructure, rather than launching new projects.

The ASCE Ohio report card ratings include:

- D for roads with 43% in critical, poor or fair condition.
- C for schools with an estimated \$9.32 billion investment costs.
- D+ for wastewater systems with \$11.16 billion in infrastructure needs.
- D+ for drinking water facilities with an estimated \$9.68 billion in infrastructure needs.
- B- for bridges with an estimated \$3.6 billion to replace structurally deficient and functionally obsolete spans.
- C- for aviation with 58% of runways in satisfactory condition.
- C for dams with estimated repair costs at \$300 million.
- C+ for electrical infrastructure.
- C- for parks with an estimated \$29.9 million maintenance backlog.
- C- for railroads with estimated improvement costs at \$1.19 billion.

## **PASSED IN THE HOUSE**

**HB 3 HOME FORECLOSURES (Foley)** To declare a six-month moratorium on mortgage foreclosures, to provide courts additional authority to modify mortgage payments and continued tenancy, to require registration of residential mortgage servicers, to regulate residential mortgage servicers, to adopt procedures and requirements related to residential foreclosure actions, to adopt civil and criminal penalties for violations of the bill's provisions, to terminate provisions of this act six months after its effective date by repealing section 2308.03 of the Revised Code on that date, to terminate certain provisions of this act three years after its effective date by repealing section 2308.04 of the Revised Code on that date.  
54-43 (Amended)

## **HOUSE COMMITTEE HEARING**

### **Environment & Brownfield Development**

**HB 54 DITCH MAINTENANCE (Morgan)** To allow a board of county commissioners to adjust the permanent base of a ditch improvement that is used for maintenance fund assessments and to allow a board to use certain ditch maintenance procedures to maintain soil and water conservation district improvements. (1st Hearing-Sponsor)  
CONTINUED

In sponsor testimony, Rep. Morgan said the bill is an attempt to update the method by which assessments are made to cover the costs of ditch maintenance projects. He said current law, that he understands many county engineers and county boards of commissions have ignored, limits an assessment for ditch maintenance to 20% of the original construction cost of the ditch. He added that since some ditches were originally constructed some 60 years ago, use of the 20% rule is not sufficient to appropriately maintain them.

Rep. Morgan said the bill has enjoyed bipartisan support in the past and does so now although his name is the only sponsor currently listed. He explained he was currently the only sponsor on the bill because there was an indication the language would be amended into the transportation budget bill (HB 2) and when that did not happen, the separate bill was introduced quickly.

The sponsor said the measure would allow the soil and water conservation districts certain authority to maintain ditches and authorize county commissions to use certain ditch maintenance procedures to maintain soil and water conservation district improvements. County boards of commissions or joint commissions, when appropriate, would be authorized to adjust the permanent base of a ditch improvement used from maintenance fund assessments. He assured committee members there would be no change in the process by which commissioners would adjust an evaluation through the public hearing process.

HB 141 HOUSEHOLD SEWAGE (Dodd) To revise the Household Sewage and Small Flow On-Site Sewage Treatment Systems Law, and to declare an emergency. (1st Hearing-Sponsor)

CONTINUED

Like its companion (SB 110), sponsor Dodd said the bill contains most of the recommendations of the Household Sewage and Small Flow On-Site Treatment System Study Commission created in the previous budget bill. He said, in general, the bill would give homeowners more control over which sewage treatment system they can use for their home regardless of the cost. He added he believes the bill strikes the right balance between state and local authorities by giving local communities the ability to determine what works best locally while providing some minimum standards. Additionally, the measure would require homeowners to maintain their systems and give local boards of health enforcement authority.

Rep. Wagner said one of two votes he would like to take back during his tenure in the General Assembly was one giving the state Department of Health authority to set minimum standards regarding local septic systems and asked why this was not doing the same thing. Rep. Dodd said the recommendations of the study commission, embodied in the bill, will provide common sense standards that allow local boards of health and homeowners to choose which septic systems work best for their communities while, at the same time, making sure that minimum standards for health and safety are being met.

Asked about support for the bill, the sponsor said that no one is specifically opposed to it but they are also not that enthused about it either. "There is wide agreement that this is the best we can do," he declared.

Rep. Dodd also warned committee members that based on coverage of the number of people who have testified on companion legislation and another more stringent bill (SB 100) that they might want to find a larger hearing room compared the one assigned to the committee (Rm. 113) that is tucked under the south Rotunda stairway.

## **SENATE COMMITTEE HEARINGS**

### **Environment & Natural Resources**

SB 100 HOUSEHOLD SEWAGE (Grendell) To revise the Household Sewage and Small Flow On-Site Sewage Treatment Systems Law, to establish the Household Sewage Treatment System Revolving Loan Program and the Household Sewage Treatment System Grant Program in the Department of Health, to make appropriations, and to declare an emergency. (4th Hearing-Proponent & interested party)

CONTINUED

The panel also heard proponent testimony from two Geauga County residents who expressed concern about statewide standards contained in Senate Bill 110.

Joe Berninger said the other proposal would drive up costs of septic systems for homeowners who are already struggling. "I think the law puts a real undue burden on people whose homeownership is in jeopardy."

Heavy clay soil in the area would require homeowners to update their systems under the proposed statewide standards, he said. "Everyone's going to get forced to put in a new system."

Sen. Niehaus contested Mr. Berninger's assertion. "I think there's a misunderstanding that you would have to replace the system if the system was working properly," he said. "You would not have to replace the system."

Moe Arnette demanded to know whether lawmakers were going to pass a law requiring Columbus-based officials inspect individual septic systems every year.

"You have your own people come and do this when I have a perfectly good system at home?" he said. "You have people you send to school for this? Answer my question, true or false?"

Mr. Arnette said the proposal would require new systems that cost between \$30,000 and \$60,000.

"This is hurting a lot of people in Geauga County," he said. "You will have a fight on your hands and I think its time to stop and think before you jump over a cliff."

SB 110 HOUSEHOLD SEWAGE (Niehaus) To revise the Household Sewage and Small Flow On-Site Sewage Treatment Systems Law, and to declare an emergency. (4th Hearing-Proponent & interested party)  
CONTINUED

Testifying as an interested party, Department of Health Director Alvin Jackson said roughly 25% of the more than 1 million household wastewater treatment systems in the state were failing and discharging more than 90 million gallons of sewage a day.

Failing systems are a threat to public health as disease can be transmitted through direct contact or drinking water contamination, which presents a greater risk, he said. Investigations have linked failing systems to more than 1,000 private wells contaminated with E. Coli and nitrates.

"Public health and the environment in Ohio have been adversely affected by failing sewage systems," he said, citing an outbreak on South Bass Island in 2004. The impact is often difficult to quantify as most people believe they simply have the stomach flu, he added.

While opponents have objected to increased costs associated with the proposed technology requirements, local health district data shows 74% of the systems cost between \$6,400 and \$8,500, Dr. Jackson said. Less than 1% cost \$22,000.

"ODH has no data that support dramatic increases in system costs in any soil or geologic conditions in Ohio," he said.

The proposed public nuisance definition is based on bacterial standards that are flexible and tied to the use of the water source, he said. "Senate Bill 110 does not declare every existing system a public health nuisance. Under Senate Bill 110, all existing systems are approved unless a nuisance condition occurs that affects the system owner or neighbors."

Dr. Jackson said the administration would reserve \$5 million from the federal stimulus bill to provide grants to assist homeowners with the cost of repairing or replacing failing sewage systems.

Sen. Gibbs asked how the agency was able to decipher whether well water contamination was due to failing home septic systems or agriculture and other sources. Rebecca Fuggit, manager of the Residential Water and Sewage Program, said several ODH investigations identified the bacterial source as specifically linked to human contamination.

Sen. Niehaus asked how the proposed public nuisance standard would change local boards' current practice. Ms. Fuggit said the current bacterial standard applied to any body of water regardless of likelihood of human contact, but the proposal was flexible and would adapt to the use of the water in question.

In response to a question about why the standard should be changed, Dr. Jackson said there was an economic and public health benefit to a preventive approach. "It is clear that we have a number of failing systems in Ohio. It is also clear that we have contamination in a number of our streams and waterways in Ohio."

Sen. Niehaus asked why Geauga County officials report such a low failure rate compared to ODH data. Ms. Fuggit said there was a difference in how to assess when a system was failing. "I would say we have different definitions of failure."

Bob Shank, vice president of Spoerr Precast Concrete, testified as a proponent, saying a statewide system for approving septic tanks would keep prices low for homeowners. Hitherto manufacturers have had to adapt technology to local rules that vary from district to district.

In addition, state level approval will reduce the financial burden on local health departments because they won't have to "perform redundant approvals for each septic tank manufacturer serving their district," he said.

### **Finance & Financial Institutions**

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. 17th Hearing-Public testimony)  
CONTINUED (Also see separate story)

Su Cave, executive director of the Ohio Municipal League, Suzanne Dulaney, associate CEO of the Ohio Association of County Behavioral Health Authorities, and Heidi Fought, director of government affairs for the Ohio Township Association, also asked the Senate to back the additional funds for entities impacted by the loss of TPP tax.

OML is also in discussions with the Department of Insurance over requirements for employers to offer 125 "cafeteria-style" health care plans, which she said would cost members money to implement.

Additionally, Ms. Cave said certain fee hikes proposed to fund programs under EPA and DNR would come from municipalities. "We respectfully ask that you seriously consider significantly reducing these increases or better yet eliminate the increases," she said

And OML, she added, is opposed to increased court costs in the measure as well as an administrative proposal to include government contracting law changes. "Ohio's construction contracting laws deserve a review and may require changes," Ms. Cave said. "But this review needs to occur in a manner where all the affected parties can participate."

Ms. Fought provided OTA's input regarding: the support of fire department grants; opposition to collective bargaining for certain township firefighters; concerns over the cafeteria health plan mandate; a proposed increase in community host fees for waste disposal; and funding support for the Rural University Program and the OSU Extension.

Lawrence Burdell, a supervisor with the Gallia County Soil and Water Conservation District and president of the Ohio Federation of SWCDs, relayed his group's backing of the budget provisions that increase disposal fees for construction and demolition debris, and municipal solid waste. He said the plan provides for a "dedicated funding mechanism" for Ohio's SWCDs and will ultimately serve as a one-to-one match for federal and other funding sources.

Phillip Nunes, past-president of the Ohio Justice Alliance for Community Corrections, and Denise Robinson, past-president of the Ohio Community Corrections Association, spoke in support of the as-introduced version of the bill's increase of \$10 million in funds for community corrections along with the sentencing reforms the House stripped from the bill.

"These reforms are both well researched and based on impact studies of Ohio's corrections system," Mr. Nunes said. The changes would save the state money while addressing the dramatic increase in prison population, he added.

Members of mental health recovery organizations presented testimony, urging the committee to consider the importance of Ohio's mental health community in the budget.

As of about 5 p.m., the panel had some three dozen witnesses remaining to testify on the budget.

THURSDAY, MAY 21 2009

#### **SENATE TO TRIM ADMIN AREAS IN LARGE PROGRAMS, CHAIRMAN SAYS; BUDGET SCHEDULE ALTERED**

The Senate plans to steer clear of cuts that run afoul of federal guidelines for stimulus funds but will scour administrative areas in the education and Medicaid budgets in making some \$1 billion in adjustments to the pending two-year state spending plan, a key lawmaker said Thursday.

Sen. John Carey (R-Wellston), chairman of the Senate Finance & Financial Institutions Committee, reiterated before Thursday's public testimony on the \$54 billion measure (HB 1) that the main components of K-12, higher education and entitlement budgets would be spared funding reductions.

That's partly because of the numerous strings attached to the billions in federal stimulus funds in the bill, which among other things require states to maintain current service levels as a precondition for receiving the money.

"There are certain line items that are not part of maintenance of effort that we can cut" out of administrative areas for education, higher education and Medicaid, Sen. Carey said. "The administration is working with us and helping to identify a portion of that."

Sen. Carey said the Senate's target for adjustments remains "in the neighborhood" of \$1 billion.

More cuts are expected once the bill gets to conference committee and policymakers get new revenue estimates for the FY 2010-2011 biennium.

The first round of cuts exacted by the Senate will not be across the board, Sen. Carey said, because some agencies have already been "cut to the bone" through previous reductions. As such, the chamber will be focusing on areas of the spending plan with more discretionary outlays.

Although some members have individually expressed opinions on areas ripe for reductions, Senate Republican leadership has yet to finalize any decisions in that regard, Sen. Carey said.

"We're still conferring with our colleagues. The process is going well," he said. "We're striving our best to make it balanced."

One thing that remains unlikely at this point is any significant increases in budget areas, as has been requested repeatedly over the past week by numerous special interest groups testifying on the plan. "It's going to be difficult to balance let alone add money to the budget," Sen. Carey said.

There continued to be no shortage of spending and revenue-generating recommendations on Thursday, as the lengthy parade of witnesses continued unabated during the last day scheduled for public input this week.

For instance, Zach Schiller, research director for Policy Matters Ohio, continued to prompt skepticism from Republicans with his contention that there's scant evidence the tax system cuts enacted in 2005 have stimulated the state's economy as advertised. In fact, he said, the resulting dearth of revenues is hurting Ohio in the way of reduced services to the needy.

"Those who say we should give tax reform more time should be asked: Why should Ohioans experience real cutbacks in public services to test their theory, incorrect so far, that tax cuts will fuel an economic revival," he said.

Despite ongoing resistance to tax hikes from Democrats and Republicans, Policy Matters has proposed restoring the 7.5% top rate for the personal income tax, restoration of the corporate franchise tax and other revenue generating changes to the budget.

Unlike many witnesses that have asked the Senate for additional funding, Lisa Hamler-Fugitt, executive director of the Ohio Association of Second Harvest Foodbanks, gave panelists some suggestions on how the state could provide another \$5 million a year in the budget to support the "critical lifelines" her group's members provide.

She suggested that, among other things, lawmakers consider a sales tax on lobbying and debt collection services, a temporary sales tax increase, a \$5 million earmark from Medicare Part D funds and a 5% cap on "all administrative expenses" for "all grants, contracts and service agreements on all goods and services" funded through the budget.

"This provision would ensure limited state resources are directed to providing services, not funding administrative bureaucracies," Ms. Hamler-Fugitt said.

**Schedule Update:** Meanwhile, Chairman Carey said the schedule for unveiling the substitute version of the bill has been pushed back to next Wednesday, May 27 or Thursday, May 28. The panel will hold continuing hearings on the measure that Wednesday through Sunday as needed.

### **OHIO PANEL CLEARS WAY FOR \$78 MILLION IN FEDERALLY FUNDED RAIL LINE IMPROVEMENTS**

The Ohio Rail Development Commission on Thursday authorized its staff "to take any and all necessary action" to administer \$77.9 million in federal economic stimulus funds for 22 railroad related projects.

Separately, the panel approved a change in the scope of work for a combined \$624,000 in grant and loan funds to repair a critical tunnel on a City of Jackson-owned rail line.

Also approved was an additional \$68,000 for rehabilitation of the Columbus & Southern Ohio River Railroad track from Newark to Mt. Vernon.

An economic stimulus package Congress enacted in February contains \$27 billion for transportation projects nationally.

Ohio's allocation of \$774 million included money for freight and passenger rail projects.

Gov. Ted Strickland and the Ohio Department of Transportation selected 149 highway and bridge projects for funding. Twenty-two were related to the state's rail network.

Under Thursday's resolution, the commission staff is authorized to enter into agreements as required by federal regulations, to develop and administer grant agreements through which the commission reimburses railroads and communities for selected projects, and to monitor and enforce provisions of the agreements.

Included in the package was \$20 million to the City of Youngstown to relocate a Norfolk Southern rail line in connection with the V&M Star Steel expansion project.

Another \$20 million was earmarked for statewide work needed for capital improvements to allow CSX to move double-stack freight trains. Work in multiple cities and counties in northeast and north central Ohio will increase bridge height clearances to accommodate double-stacked container trains. The work is part of the multi-state, \$700 million CSX National Gateway Project. Total cost for the Ohio portion of the project is \$60 million.

Among other rail-related federal transportation stimulus projects:

- Rehabilitation of publicly owned rail infrastructure in Medina (\$950,000), Jackson (\$2 million), and along the state-owned Panhandle Line and Piney Fork Line (\$7 million).
- Double-stack capacity improvements along the Norfolk Southern Heartland Corridor Extension (\$3.6 million). The project consists of removing five rail line impediments between the Rickenbacker Intermodal Terminal in Columbus and Sharonville. Completion will allow for the movement of double-stack intermodal container trains between Columbus and Cincinnati.
- Programmatic environmental impact statement for proposed Ohio Passenger Rail Corridors (\$7 million).
- Norfolk Southern Airline Yard rail project in Lucas County (\$6.5 million).

Also on Thursday, the commission unanimously approved a second change in the scope of work for a \$324,000 grant and \$300,000 loan previously awarded the City of Jackson for a publicly owned line that runs to near Chillicothe.

The city requested the entire grant now be applied toward costs of repairing the Richland Tunnel. The commission was told that more detailed engineering, and competitive bidding, have led to "much higher costs" than originally projected.

The commission also allocated an extra \$67,367 for the cross tie project on the Columbus & Ohio River Railroad's Newark to Mt. Vernon line.

The change boosts the overall grant for the work to \$418,000. The increased funding will provide for the installation of an additional 907 cross ties, bringing to 8,240 the number installed.

### **SUPPORTERS SAY 'CAP-AND-TRADE' BILL GOOD FOR OHIO JOBS; SHERROD BROWN SAYS BORDER TAX WILL PROTECT MIDWEST STATES**

As debate over climate change legislation heats up in Congress, environmental, labor and green energy companies touted the measure Thursday as a potential economic boon for Ohio.

Meanwhile, Ohio's Democratic member of the U.S. Senate, who opposed a previous proposal based on concerns over the impact of carbon dioxide limits on manufacturing states, said was optimistic that the chamber would pass the "cap-and-trade" bill as long as it includes certain provisions.

The U.S. House Energy and Commerce Committee is expected to vote before the weekend on the "American Clean Energy and Security Act," which would establish a carbon emissions trading system designed to address global warming.

U.S. Sen. Sherrod Brown (D-Cleveland) said the bill must include protections for manufacturing jobs and ensure that consumers electricity rates won't spike in states like Ohio that are heavily dependent on coal-fired power plants.

"I think you can do cap-and-trade in a way that's sensitive to those that bear most of the costs, while also getting most of the benefits," he said in a recent interview. "It really can lead to a different kind of demand in electricity so we'll end up with a lot more wind turbines, fuel cells and solar panels producing energy."

Midwestern members of Congress have enough votes to determine the fate of the proposal, so it will have to protect the region's consumers and economy, Sen. Brown said. "This bill will not pass unless a bunch of us in the Midwest vote for it and I won't vote for it unless it protects midwestern jobs, unless it protects Ohio citizens."

A key element for Sen. Brown is the inclusion of a "border equalization" provision that would require foreign manufacturers with slacker environmental regulations to pay a border tax to import goods into the country.

"If China produces steel without these environmental safeguards they can do it more cheaply. Well they've got to pay a border tax before it's sold in the United States to reflect that additional cost. Then they're competitive with U.S. industry," he said.

Requiring polluting importers to pay a border tax would also discourage American manufacturing companies from moving operations overseas, he added.

Sen. Brown dismissed likely opposition based on concerns that the provision could spark an international trade dispute.

"Too many politicians recoil from any accusation of protectionism or trade war when in fact we have a \$2 billion-a-day trade deficit. How can we be protectionist when we have a trade deficit like that?" he said. "Our markets are more open in this country than anywhere else in the world."

On a separate conference call with reporters environmental groups and business interests said the proposal would spur investment in Ohio's fledgling green energy industry.

"Our business depends on this type of federal investment," said Shawn Grimes, of the Springboro-based Cobasys, which manufactures batteries for hybrid vehicles.

"We don't have another 30 years to wait - the time to act is now," he said. "There is a light at the end of the tunnel for this industry, but we need help from Congress."

Tracy Sabetta, representing the National Wildlife Federation, said the measure would create a long-term direction for the country's energy future.

"The sooner we invest in new and existing energy and advanced manufacturing, the sooner and faster Ohio companies will grow," she said.

### **INTRODUCED IN THE SENATE**

SB 128 PUBLIC DANCES (Strahorn) To permit townships to issue permits for public dances. En. 503.70 to 503.78 and 503.99

FRIDAY, MAY 22 2009

### **STATE UNEMPLOYMENT RATE REACHES 25-YEAR HIGH AT 10.2%, STATE SAYS**

Ohio's unemployment rate for April hit double digits for the first time in more than two decades, increasing to 10.2%, a figure that Gov. Ted Strickland said is "sad and troubling."

At 10.2%, the rate is Ohio's highest since December of 1983, when it was 10.4%. It increased from 9.7% in March, ODJFS said.

"Ohio's labor market continued to weaken in April," ODJFS Director Douglas Lumpkin said in announcing the increase. "Recurring losses in both manufacturing and construction, along with additional losses in the service providing industries, attributed to the unemployment rate increasing to 10.2 percent."

The national unemployment rate for April was 8.9%, up from 8.5% in March.

Gov. Strickland said he had expected for some time that the state could move into double digits.

"Many states have already done that. I think it's very possible that there will be additional job loss before there is a leveling off and a slow growth back toward recovery," Mr. Strickland said in an interview.

"It's happening across the country. It isn't just in Ohio. The national average is inching up toward 10 percent. Ohio has been hard hit, and will continue to be hard hit, by job loss in the manufacturing sector," the governor said.

Overall, the agency said Ohio had 608,000 unemployed, an increase of 30,000 from last March.

Over the month, goods producers cut 18,200 jobs, led by a manufacturing sector reduction of 11,500 positions. Service producers shed 7,000 jobs.

Ohio Republican Party Chairman Kevin DeWine said Mr. Strickland is the only Ohioan who deserves to lose his job.

"He's failing in every one of his responsibilities, and his administration seems completely incapable of managing the current state budget crisis let alone developing a long-term plan to turn around Ohio's economy," he said in a statement. "This state has now lost nearly 300,000 jobs since the Strickland-Fisher administration took office, and they're out of people to blame."

House Minority Leader Bill Batchelder (R-Medina) said the figures show that the recession has hit all areas of the state.

"Putting Ohioans back to work is the number one priority of the House Republican Caucus," he said. "We are committed to addressing the difficulties Ohio is facing. Job training, job creation and opportunities for all Ohioans is job number one for the Legislature and the governor."

Mr. Strickland said unemployment statistics tend to be lagging indicators of recovery. He said that while there are some "embryonic signs of a turnaround in the national economy," a return to growth in employment numbers will take some time even after the recession ends.

Gov. Strickland cited two factors that he said are providing some relief in the current economic situation.

During the Great Depression, he noted, there was no FDIC protection for bank deposits, no Social Security, Medicare, Medicaid, unemployment compensation, or food stamps.

"These programs are helping keep the current recession from going as deep as it did in the thirties," the governor said.

"And in spite of the budget challenges we're facing in Ohio it is difficult to imagine how bad things would be if President Obama and Democrats in the Congress had not passed the stimulus bill," Mr. Strickland said.

"Those who are complaining about the current deficit, I think, should acknowledge that if we weren't getting some significant federal help, that the (budget) deficit we're dealing with ... would be insurmountable," he said.

In April of 2008, Ohio's unemployment rate was 6.2%.

### **STATE LOSES \$885,000 AFTER BANKRUPTCY OF LIMA ETHANOL PLANT; RAIL PANEL CHANGING OFFICES; PASSENGER TRAIN UPDATE**

Ohio has lost most of a \$1 million loan made to an Allen County ethanol plant before the market for the fuel additive collapsed.

Megan McClory, secretary-treasurer of the Ohio Rail Development Commission, said Greater Ohio Ethanol in Lima filed for Chapter 11 bankruptcy last October.

The ORDC previously approved a \$1 million loan to assist in providing rail service to the plant.

"About \$100,000 of our loan had been repaid at the time of the (bankruptcy) filing. The facility has been sold and our share amounts to about \$35,000. So we have received our check for that," Ms. McClory said at an ORDC meeting this week.

She said that while there are some remaining legal actions that may result in additional money, it is not clear how the proceedings will turn out. The agency does not anticipate receiving any significant additional amounts.

"Probably the only good news in that situation is that the facility was sold intact and, at least at the time of the sale, the purchaser said they planned to operate the plant," Ms. McClory said.

"The bad news is that the ethanol market still is not good, and the outlooks aren't all that good, at least in the near term," she said. "Hopefully, we will at least, as a state, end up with a rail-served ethanol facility even if we don't get the repayment that we were planning on."

### **NEWLY EXPANDED PROGRAM FOR DISPLACED WORKERS OFFERS TRAINING OPPORTUNITIES, REPORT SAYS**

Ohio should take advantage of a recent huge expansion in a federal program to retrain more workers who lost their jobs as a result of outsourcing and international trade, a report issued this week recommended.

Most of the nearly 21,000 Ohio workers dislocated by international trade between January 2007 and March 2009 don't participate in the federal Trade Adjustment Assistance program that offers retraining and income support, according to the Policy Matters Ohio study.

Less than 1,500 eligible workers received TAA training in federal fiscal year 2007 fewer than 2,000 did in FFY 2008, the study says, citing data from the Ohio Department of Job & Family Services.

However, a major expansion offers Ohio policymakers the opportunity to boost outreach efforts and retrain displaced workers, the group said.

"Far more Ohio workers should be able to participate in this important program," said Zach Schiller, one of the report's authors. "A strong outreach effort and the program expansion will allow more Ohioans to benefit."

The recent federal stimulus bill increased benefits and expanded the TAA program to cover jobless employees in the service industries and additional manufacturing workers affected by production shifts abroad, Policy Matters said.

Under the newly expanded program, workers certified by the U.S. Department of Labor as jobless because of trade up to 130 weeks of income support and a subsidy of 80% of their health care premiums.

Only Michigan exceeded Ohio in the number of jobless workers certified by the labor department last federal fiscal year, the report said. The 20,912-worker decrease in the recent 27-month period amounted to 16% of the net decline in the state's manufacturing jobs during that time frame.

Policy Matters called for the state to partner with community groups and unions to assist with a statewide marketing campaign to inform workers about the available benefits and how to obtain them.

### **AGENCY BRIEFS**

**Natural Resources:** ODNR said it plans to help 22 communities in Ohio implement or improve recycling and litter cleanup efforts. Some of the projects include commercial and deconstruction material recycling, curbside and drop-off recycling programs, and organic material processing.

"Recycling conserves energy and natural resources, saves landfill space and creates jobs," Director Sean Logan said in a news release. Grants ranging from \$4,000 to \$100,000 have been provided to each of the 22 community areas for recycling programs.

Separately, ODNR announced a project that aims to convert landfill-generated methane gas to usable energy. Seven communities will also receive grants to build the infrastructure necessary to market recyclable materials and related products.

ODNR Director Sean Logan said he hopes the projects will be beneficial to both the environment and the economy, creating 25 jobs in and around Lorain, Summit, Sandusky and Warren counties.

**Public Utilities Commission:** The PUCO this week released its annual report on highway-rail grade crossings over the past year. PUCO Chairman Alan R. Schriber described Ohio as a "leader" in rail transportation and emphasized the importance of safety.

"Last year alone, the PUCO ordered a total of 87 crossing safety upgrades, including the installation of lights and gates, supplemental assistance funding, circuitry upgrades and closings," Mr. Schriber said. Ohio is currently the fifth leading state in railway transportation of goods.

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