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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 5
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 5's Bill Analysis](#)

Version: As Passed by the House

Primary Sponsors: Reps. Hillyer and Leland

Local Impact Statement Procedure Required: No

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Highlights

- The bill transfers \$1.5 million in each of FY 2020 and FY 2021 from the GRF to the Public Defender Loan Repayment Fund (Fund 5VY0), and appropriates those amounts in each fiscal year for the purpose of providing loan repayments on behalf of eligible attorneys.
- The annual costs to be incurred by the State Public Defender to implement and administer the Ohio Public Defender State Loan Repayment Program will depend upon the number of participants, which is indeterminate.
- It is likely that the state agencies (LSC, the Supreme Court of Ohio, the Public Defender, and the Attorney General) participating in the indigent defense task force created by the bill will be able to more or less absorb any related work utilizing existing staff and appropriated resources.
- Since the income benefit (in the form of the loan repayment money) is not taxed, there is no effect on tax revenue collected.

Detailed Analysis

Loan repayment program

The bill creates the Ohio Public Defender State Loan Repayment Program under which the State Public Defender may repay an attorney's student loans if the attorney agrees to be a public defender for at least three years in a public defender shortage area. The bill creates two state funds for the implementation and administration of the program: the Ohio Public Defender State Loan Repayment Fund, consisting of gifts of money, and the Public Defender Shortage Area Fund, consisting of all damages collected from program participants who fail to fulfill their service obligations.

The annual costs associated with the implementation and administration of the Ohio Public Defender State Loan Repayment Program will depend upon the number of participants, which is indeterminate. The bill transfers \$1.5 million in each of FY 2020 and FY 2021 from the GRF to the Public Defender Loan Repayment Fund (Fund 5VY0), and appropriates those amounts in each fiscal year for the purpose of providing loan repayments on behalf of eligible attorneys.

Under the program, an attorney would receive up to \$50,000 for three years of service as a full-time public defender, and up to \$25,000 for three years of part-time employment. For a fourth or fifth year of service, an attorney could receive up to an additional \$35,000 for full-time service and \$17,500 for part-time employment.

Income tax deduction

The bill also allows an income tax deduction for any amounts repaid by the state under the program that are included in the federal adjusted gross income. Since the income benefit (in the form of the loan repayment money) is not taxed, there is no effect on tax revenue collected.

Indigent defense task force

The bill: (1) creates a 16-member task force to study Ohio's indigent defense system and to provide recommendations to the General Assembly regarding the delivery, structure, and funding of indigent defense, (2) requires the task force to report its recommendations to the General Assembly not later than August 1, 2020, and (3) requires LSC to assist the task force as needed. The bill does not authorize task force members to be compensated or reimbursed for expenses incurred in the performance of their duties.

It is likely that participating state agencies, including LSC, the Supreme Court of Ohio, the Public Defender, and the Attorney General can more or less absorb task force-related work utilizing existing staff and appropriated resources.

Additionally, the bill permits the task force to reimburse the travel expenses of any experts invited to present to the task force, and earmarks \$9,100 in FY 2020 and \$900 in FY 2021 from the Ohio Public Defender Commission's operating budget (GRF appropriation item 019401, State Legal Defense Services) for that purpose.