



Ohio Legislative Service Commission

Bill Analysis

Amber Hardesty

Am. H.B. 5

131st General Assembly
(As Passed by the House)

Reps. Kunze and Koehler, Rogers, Boose, Hambley, Amstutz, Anielski, Antonio, Baker, Barnes, Bishoff, Blessing, Boyd, Brenner, Brown, Buchy, Burkley, Celebrezze, Cera, Conditt, Cupp, Dever, Dovilla, Duffey, Ginter, Green, Grossman, Hackett, Henne, Kraus, McClain, McColley, M. O'Brien, S. O'Brien, Reineke, Retherford, Rezabek, Romanchuk, Ruhl, Ryan, Schaffer, Scherer, Schuring, Sheehy, K. Smith, R. Smith, Sprague, Stinziano, Strahorn, Sweeney, Terhar, Thompson, Young, Rosenberger

BILL SUMMARY

Business case studies

- Allows a state agency or local public office to request that the Auditor of State conduct a business case study to determine how the state agency or local public office may achieve greater efficiency.
- Requires the team that conducts performance audits to conduct business case studies at its discretion and as funds allow.
- Requires the Auditor to use not more than 50% of the funds in the Leverage for Efficiency, Accountability, and Performance Fund to conduct business case studies.
- Requires the Auditor to notify each state agency or local public office that will be reviewed by a business case study before commencing the study.
- Requires the Auditor to conduct a public hearing regarding business case study findings.

Shared equipment service agreement program

- Allows the Auditor to establish a Shared Equipment Service Agreement Program.
- Allows an agreement entered into under the Program to provide that, when capital equipment is shared, the recipient state agency or political subdivision assumes liability in a civil action for damages allegedly resulting from use of the equipment.

CONTENT AND OPERATION

Business case studies

The bill allows a state agency or local public office to request that the Auditor of State conduct a business case study to determine how the state agency or local public office may achieve greater efficiency. "State agency" means every organized body, office, agency, institution, or other entity established by the laws of the state for the exercise of any function of state government. "Public office" means any state agency, public institution, political subdivision, other organized body, office, agency, institution, or entity established by Ohio laws for the exercise of any function of government. "Public office" does not include JobsOhio.¹ The team that conducts performance audits must conduct business case studies at its discretion and as funds allow. The Auditor must pay the costs incurred by conducting business case studies.²

The bill requires the Auditor to use, during a fiscal year, not more than 50% of Leverage for Efficiency, Accountability, and Performance (LEAP) Fund moneys to pay the costs of conducting business case studies. The other 50% of the LEAP Fund money must be used to make loans to state agencies and local public offices to pay costs of conducting performance audits. Currently, the Auditor uses all the moneys in the Fund to make loans to state agencies and local public offices to pay the costs of conducting performance audits.³

The bill requires the Auditor, before commencing a business case study, to notify each state agency or local public office that will be reviewed, in whole or in part, for purposes of the study. Finally, the bill requires the Auditor to conduct a public hearing on the business case study findings within 180 days after completing the study. The Auditor, not later than ten days before the date of the public hearing, must give written notice of the date, time, and location of the hearing to each state agency or local public office included in the study, and also must give notice on its website.⁴

Shared equipment service agreement program

The bill authorizes the Auditor to establish a Shared Equipment Service Agreement Program. Under the Program, state agencies and political subdivisions may

¹ R.C. 117.01(D) and (F), not in the bill.

² R.C. 117.473.

³ R.C. 117.47.

⁴ R.C. 117.473.



enter into an agreement whereby the lender state agency or political subdivision lends its capital equipment to the recipient state agency or political subdivision for temporary use in the performance of a governmental or proprietary function by the recipient state agency or political subdivision.⁵ An agreement under the Program may provide that the recipient state agency or political subdivision, and its officers and employees, as the case may be, assume any potential liability in a civil action for damages for injury, death, or loss to person or property allegedly caused by an act or omission of the recipient state agency or political subdivision or its officers or employees resulting from the use of the equipment in the performance of the recipient state agency's or political subdivision's governmental or proprietary functions. Such an assumption of liability applies insofar as the recipient state agency or political subdivision or any of its officers or employees is engaged in use of the equipment covered by the agreement in the performance of a governmental or proprietary function.⁶

HISTORY

ACTION	DATE
Introduced	01-28-15
Reported, H. Local Gov't	03-24-15
Passed House (95-0)	04-29-15

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⁵ R.C. 117.48(B). For definitions of "governmental function," "political subdivision," and "proprietary function," see R.C. 2744.01, not in the bill. R.C. 117.48(A).

⁶ R.C. 2743.31 and 2744.11.

