



Ohio Legislative Service Commission

Bill Analysis

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Sub. H.B. 340*

131st General Assembly
(As Reported by S. Finance)

Reps. Amstutz, Rogers, Duffey, Grossman, Sweeney, Hambley, Ryan, R. Smith, Baker, Hackett, Ruhl, Young, Derickson, Ginter, Anielski, Antonio, Arndt, Boose, Boyce, Brown, Buchy, Burkley, Conditt, Craig, Cupp, Dovilla, Green, Hagan, Hall, Henne, Kunze, Leland, Maag, McClain, M. O'Brien, Patterson, Reece, Retherford, Scherer, Schuring, Sears, Slesnick, K. Smith, Sprague, Stinziano, Strahorn, Rosenberger

BILL SUMMARY

Local government

- Extends the operation of the Local Government Innovation Council until December 31, 2019.
- Defines "political subdivision" for purposes of the Local Government Safety Capital Grant Program, which is administered by the Council.
- Authorizes the issuance of Clean Ohio Conservation Fund grants to Lake Facilities Authorities (LFAs).
- Increases the competitive bidding threshold amount applicable to LFA construction contracts from \$25,000 to \$50,000.

Education

- Revises the law regarding qualification of private high schools located outside of the Cleveland Municipal School District to participate in the Cleveland Scholarship Program.

* This analysis was prepared before the report of the Senate Finance Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

- Revises the "third-grade reading proficiency percentage" used to calculate the third-grade reading bonus that is paid to qualifying school districts and community schools.
- Requires the State Board of Education to issue an "administrator license," rather than an "alternative administrator license," to an individual who completes the Bright New Leaders for Ohio Schools Program.
- Limits exclusion of persons employed by a privately operated community school from State Teachers Retirement System and School Employees Retirement System membership to those employed by an operator that, on or before February 1, 2016, was withholding and paying Social Security taxes for persons employed in that school.

Taxation

- Authorizes a reduction in the commercial activity tax for railways' purchases of dyed diesel fuel.
- Eliminates the regulatory assessments and fees imposed on certain financial institutions by the Division of Financial Institutions to fund the Division's operations.
- Repeals the financial institutions tax (FIT) credit allowed to those institutions for the payment of those assessments and fees.
- Authorizes a qualifying partnership formed by a career-technical education compact, subject to voter approval, to issue general obligation bonds for the purpose of acquiring the classroom facilities.
- Increases the maximum principal amount and maturity of notes issued by a qualifying partnership in anticipation of a property tax levy to 75% of the estimated levy proceeds and ten years, respectively.
- Corrects an error related to the law authorizing a property tax exemption for fraternal organizations.

Workforce development

Workforce Grant Program

- Creates the Workforce Grant Program to award grants to eligible students who are pursuing a degree, certification, or license that is required to be employed in a job



considered to be an in-demand job in Ohio or one of its regions and terminates the Program on December 31, 2019.

- Caps each grant awarded at \$5,000, not to exceed 75% of the cost of tuition per year, and distributes the largest portion of the grant at the end of the student's academic program.
- Requires the Chancellor of Higher Education to adopt rules for operating the Program.
- Requires the Chancellor, in consultation with the Governor's Office of Workforce Transformation and the Departments of Job and Family Services and Taxation, to develop a methodology for collecting information regarding grants awarded and to perform a cost-benefit analysis of program costs against grant recipients' earnings.
- Requires the Department of Higher Education to issue a request for proposals to coordinate and conduct the statewide promotion of the Program.
- Requires the Department, in consultation with the Department of Education, to adopt rules for distributing information about the Program to Ohio high school students.
- Requires the Director of Job and Family Services to determine Ohio regions, and the Department of Job and Family Services to work with public or private institutions in addition to the Governor's Executive Workforce Board as under continuing law to identify jobs that are in demand in Ohio and its regions.

Health and human services

- Provides that a certificate of need (CON) for a long-term care facility does not have to be denied because of a previous proposed license revocation notice for a nursing home owned or operated by the CON applicant or a principal participant if the notice was issued solely because the nursing home had already closed or ceased operations.
- Provides that a prohibition against assigning or transferring the right to operate a home (nursing home, county home, district home, or residential care facility) that is the subject of a revocation notice or other disciplinary order does not apply if the notice or order is issued solely because the home has already closed or ceased operations.
- Makes changes to the definition of an "owner" of a child day-care center, type A family day-care home, or licensed type B family day-care home.



- Corrects an erroneous statutory cross-reference in the laws pertaining to the criminal records check that a person must undergo when seeking to practice as a dispensing optician or ophthalmologist.

Other provisions

- Requires OSU Extension to pay any fee required under the Criminal Records Check Law if any Extension policy or guideline requires 4-H volunteers to be fingerprinted for purposes of a criminal records check.
- Eliminates recently enacted law that stipulates that OSU Extension may require only individuals who become volunteers for 4-H programs on or after September 29, 2015, to be fingerprinted and to be fingerprinted only once.
- Requires that personal leave used by a legislative employee be deducted from the employee's leave balance in the manner prescribed by the employee's administrative authority.
- Permits the Treasurer of State to determine by rule the total market value of securities that must be pledged to secure the repayment of all uninsured public deposits at a particular public depository, as part of the Ohio Pooled Collateral Program.
- Requires a public depositor to be responsible for periodically confirming the accuracy of its account balance with the Treasurer; otherwise, the Treasurer is the sole public depositor responsible for monitoring and ensuring the sufficiency of securities.
- Postpones the expiration of agencies, by operation of the Sunset Review Law, until December 31, 2016, thereby preventing affected agencies from expiring until after having been reviewed by the Sunset Review Committee that is being convened during the 131st General Assembly.
- Declares an emergency.

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CONTENT AND OPERATION

Local government

Local Government Innovation Council

(R.C. 189.10; Sections 610.10 and 610.11 (amending Section 701.120(C) of H.B. 64 of the 131st G.A.))

The bill extends the operation of the Local Government Innovation Council until December 31, 2019. Under current law, the Council ceases to exist on December 31, 2015. The bill also defines "political subdivision" for purposes of the Local Government Safety Capital Grant Program, which is administered by the Council.

The 15-member Local Government Innovation Council, along with the Development Services Agency, administers the Local Government Innovation Program, which provides loans and grants for local government innovation projects.¹ The Council

¹ R.C. 189.01 to 189.09, not in the bill.



also administers the Local Government Efficiency Program and may award grants and loans to political subdivisions, and scholarships to their employees, for training in process efficiency programs such as Six Sigma, Kaizen, and Lean; may award a grant to the Department of Administrative Services for the provision of training in those process efficiency programs; and may award grants or loans to assist political subdivisions in implementing the Director of Administrative Service's recommendations proposing uniform standards for public offices that choose to post public records on their websites.²

In addition, the Council administers the recently established Local Government Safety Capital Grant Program. Under the Program, the Council is authorized to award grants to political subdivisions to be used for the purchase of vehicles, equipment, facilities, or systems needed to enhance public safety. Applications for grants must be submitted to the Development Services Agency, but the Council evaluates applications and selects the grantees. The bill defines the political subdivisions that may be eligible for a grant under the Program as follows: a county, township, municipal corporation, joint emergency medical services district (organized by two or more counties), fire district (organized by a township or a township and a municipal corporation), joint fire district (organized by one or more townships and one or more municipal corporations, two or more townships, or two or more municipal corporations), fire and ambulance district (organized by one or more townships and one or more municipal corporations, two or more townships, or two or more municipal corporations), joint police district (organized by two or more townships, or one or more townships and one or more municipal corporations), and joint ambulance district (organized by one or more townships and one or more municipal corporations, two or more townships, or two or more municipal corporations).

Lake Facilities Authorities

LFAs are public bodies created by one or more counties that contain property in an "impacted watershed." An impacted watershed is one that contains territory in a state park that has averaged at least 400,000 visitors per year for four consecutive calendar years and that contains a natural or man-made lake of at least one-half square mile that, within the last two years, has experienced levels of microcystin toxins in excess of 80 parts per billion. The purpose of an LFA is to rehabilitate, improve, or promote the watershed. Under continuing law, LFAs may issue bonds, receive sales tax revenue, and, with voter approval, levy property and lodging taxes.³

² Sections 701.30 and 701.40 of H.B. 59 of the 130th General Assembly.

³ R.C. Chapter 353. and section 5705.55, not in the bill.



Clean Ohio Conservation Fund grants

(R.C. 164.20)

The bill authorizes the issuance of Clean Ohio Conservation Fund grants to Lake Facilities Authorities. Under continuing law, the Clean Ohio Conservation Fund grant program is administered by the Ohio Public Works Commission and natural resource assistance councils for the purpose of supporting projects that provide open space or protect and enhance riparian corridors and watersheds. Under current law, nonprofit organizations, counties, municipal corporations, townships, conservancy districts, soil and water conservation districts, joint recreation districts, park districts, and other similar park authorities are eligible to receive the grants.

Competitive bidding

(R.C. 353.03)

The bill increases the competitive bidding threshold amount applicable to LFA construction contracts from \$25,000 to \$50,000 (the same amount applicable to county construction contracts under continuing law). Most LFA construction contracts involving expenditures greater than the competitive bidding threshold may not be entered without publication of notice calling for bids and awarding of the contract to the lowest responsible bidder.

Education

Cleveland Scholarship Program

(R.C. 3313.976)

The bill revises the law regarding the qualification of private high schools for the Cleveland Scholarship Program (officially known as the Pilot Project Scholarship Program), so that a private high school located outside of the Cleveland School District but within five miles of the district (current law) and in a municipal corporation with a population of at least 15,000, rather than at least 50,000 as under current law, may participate in the program. The bill continues to qualify private high schools located in the district for the program, and it continues the requirement that private elementary schools must be located in the district in order to participate in the program.

Third-grade reading bonus

(R.C. 3314.085 and 3317.0216)

The bill revises the "third-grade reading proficiency percentage" that is used to calculate the third-grade reading bonus to be the percentage of a district's or school's



students scoring at a proficient level of skill or higher on the district's or school's most recent administration of the tenth-grade English language arts assessment, as reported on the district's or school's most recent state report card. The bonus is paid to school districts and community schools based on how many of their respective students score at a proficient level or higher on that assessment. Under current law, this "proficiency percentage" is equal to the number of students scoring proficient or higher on the most recent administration of the English language arts assessment divided by the total number of the district's or school's students required to take that administration of the assessment.

Bright New Leaders for Ohio Schools Program

(R.C. 3319.271)

Currently, the State Board of Education must issue an alternative principal license or an alternative administrator license to an individual who completes the Bright New Leaders for Ohio Schools Program and who also satisfies rules adopted by the State Board for obtaining an alternative principal license or an alternative administrator license. The bill makes changes to this provision by requiring the State Board to issue an "administrator license" instead of an "alternative administrator license."

(The Bright New Leaders Program provides an alternative path for individuals to receive training, earn degrees, and obtain licenses in public school administration.)

Community school membership in STRS and SERS

(R.C. 3307.01 and 3309.013)

Sub. H.B. 2 of the 130th General Assembly excludes certain employees of privately operated community schools from State Teachers Retirement System (STRS) and School Employees Retirement System (SERS) membership. Previously all community school employees had to contribute to either STRS or SERS, even if the community school's governing board contracted with an operator to run the school. Because the U.S. Internal Revenue Service stated that employees of private operators are not public employees and, therefore, are subject to Social Security,⁴ those employees, and their employers contributed to both Social Security and STRS or SERS.

H.B. 2 excludes from STRS and SERS new community school employees (for SERS, those who begin employment on or after July 1, 2016) and certain employees

⁴ Internal Revenue Service letter to National Heritage Academy, May 20, 2015, available as an attachment to www.cleveland.com/metro/index.ssf/2015/10/whose_pension_changes_under_ohios_new_charter_school_reform_law_details_are_emerging.html.



rehired after employment termination, if they work in schools that have operators that pay Social Security taxes on behalf of their employees. Existing employees remain included in STRS or SERS and will contribute to both Social Security and STRS or SERS for their service.

The bill limits exclusion of community school employees from STRS and SERS membership to employees of an operator that on or before February 1, 2016, was withholding and paying Social Security taxes for persons employed in that school.

Under H.B. 2 a teacher employed by a community school operator that withholds and pays Social Security taxes is included in STRS membership only if the teacher has contributing service in a community school in Ohio within one year preceding the later of July 1, 2016, or the date on which the operator for the first time withholds and pays Social Security taxes for the teacher. The bill changes the July 1, 2016, date to February 1, 2016, the effective date of H.B. 2.

Taxation

Offsetting CAT reduction for railway purchases of dyed diesel fuel

(R.C. 5751.01(F)(2)(kk); Section 803.30)

The bill authorizes a reduction in the commercial activity tax (CAT) for railways' purchases of dyed diesel fuel. The reduction compensates for the difference between the petroleum activity tax (PAT) payable on account of such fuel and the CAT that would have been owed on account of the fuel if the CAT applied to receipts from selling the fuel. (The PAT is levied at a rate of 0.65% of the receipts that fuel suppliers receive from selling motor fuel, including dyed diesel. The CAT is levied at a rate of 0.26%, and does not apply to receipts from selling motor fuel.) The difference between the PAT payable on account of the fuel and the CAT that would be payable (because of the tax rate difference) is translated into a reduction in a railway's overall CAT taxable gross receipts. The reduction applies only if a railway purchases the dyed diesel fuel directly from a fuel supplier subject to the PAT. The reduction applies to a railway's CAT tax periods beginning on or after the bill's effective date.

Repeal of financial institution regulatory assessments and FIT credit

(R.C. 1121.10, 1121.24, 1123.03, 1181.17, 5726.98, 5733.01, and 5733.98; R.C. 1121.29, 1155.13, 1163.16, 5726.51, and 5733.063 (repealed); Sections 610.10 and 610.11 (amending Section 241.10 of H.B. 64 of the 131st G.A.) and 803.20)

The bill eliminates the regulatory assessments and fees imposed on state banks, trust companies, savings banks, and savings and loan associations by the Department of



Commerce's Division of Financial Institutions to fund the Division's operations. It also repeals the financial institutions tax (FIT) credit allowed to those institutions for the payment of the assessments and fees. Additionally, it deletes language granting a similar credit against the corporation franchise tax which, before the FIT became effective, applied to financial institutions.

The Director of Commerce is authorized by the bill to transfer unclaimed funds to supplement amounts available for the oversight of the financial institutions. Any regulatory fees and assessments collected after January 1, 2015, must be refunded by the Department.

A recent opinion letter from the Office of the Comptroller of the Currency (OCC) found that the FIT credit violates 12 U.S.C. 548, which requires that, for state tax purposes, a state must treat a national bank that has its principal offices in the state as if it were a state-chartered bank. The FIT credit is allowed only to Ohio-chartered banks; no similar credit is allowed to national banks headquartered in Ohio. Because of this disparity, the OCC opined that the FIT's application to national banks is inconsistent with federal law.⁵

Career-technical education compacts

(R.C. 133.06, 3318.71, 5705.2112, and 5705.2113)

Continuing law requires the Ohio School Facilities Commission to establish guidelines for assisting a qualifying partnership to acquire classroom facilities to be used for a joint science, technology, engineering, and mathematics (STEM) program. A "qualifying partnership" is a group of city, exempted village, or local school districts that meets all of the following criteria:

(1) The districts that comprise the group are part of a career-technical education compact;

(2) The districts have entered into an agreement for joint or cooperative establishment and operation of a STEM education program;

(3) The aggregate territory of the districts is located in two adjacent counties each having a population greater than 40,000 but less than 50,000, and at least one of which borders another state.

⁵ OCC Letter to First National Bank of Dennison, dated September 17, 2015.

General obligation bonds

(R.C. 133.06, 3318.71, 5705.2112, and 5705.2113)

The bill authorizes a qualifying partnership, subject to voter approval, to issue general obligation bonds for the purpose of acquiring the classroom facilities. Before proposing the issuance of such bonds to voters, the qualifying partnership is required to obtain identical resolutions adopted by all the participating school boards. The bond issue would be authorized if the majority of electors in the combined territory of all participating school districts vote in favor of the issuance; the bill does not require that the issue be approved by the majority of electors in each participating school district.

Bonds issued by a qualifying partnership under the bill are governed by the state Uniform Public Securities Law (R.C. Chapter 133.), have a maximum maturity of 15 years, and do not count against a participating school district's maximum allowable debt.

Anticipation notes

(R.C. 5705.2112)

Under continuing law, a qualifying partnership, subject to voter approval, may levy a property tax for the purpose of funding classroom facilities. The fiscal board of the qualifying partnership is authorized to issue notes in anticipation of the levy proceeds. Under current law, the principal amount of the notes may not exceed 50% of the estimated proceeds of the levy and the maturity of the notes may not exceed five years. The bill increases the maximum principal amount to 75% of the total estimated proceeds and increases the maximum maturity to ten years.

Correction: exemption of fraternal organization property

(R.C. 5709.17)

Continuing law exempts from taxation certain property owned or occupied by certain fraternal organizations. The bill corrects an error in that law by reinserting a word that was inadvertently stricken in an amendment to H.B. 64 of the 131st General Assembly.



Workforce development

Workforce Grant Program

(R.C. 3333.93 and 6301.11)

The bill creates the Workforce Grant Program to allow the Chancellor of Higher Education to award grants to eligible students. To receive a grant, a student must be enrolled in a public or private institution and pursue a qualifying degree, certification, or license, which is one that is required to become employed in an in-demand job. A public or private institution is a state university or college or university branch, community college, or technical college, a private university, or a technical center providing adult technical education services.

An "in-demand job" is a job that is in-demand in Ohio and its regions, as determined by JFS and the public or private institutions in a manner that is similar to current law. Under current law, the Governor's Executive Workforce Board must develop, in coordination with JFS, a methodology for identifying jobs that are in demand in Ohio. JFS, in consultation with the Governor's Executive Workforce Board, must create a list of those jobs and publish the list on its website.

The bill expands this determination to include in the methodology an analysis of the jobs that are in demand in each region of Ohio. The bill requires the JFS Director to determine the state's regions. The Governor's Executive Workforce Board must work with the public or private institutions in determining the methodology under the bill in addition to JFS. And JFS and public or private institutions (in consultation with the Governor's Executive Workforce Board) must identify jobs that are in demand in Ohio and each of these regions. Both lists must be published on JFS' website. The bill requires JFS and the public or private institutions to periodically update the lists of in-demand jobs, similar to current law.

Grant award limits, distribution, and restriction

(R.C. 3333.93(C))

Under the bill, a grant is awarded to an eligible student for the period of time the student takes to complete a qualifying degree, certification, or license. The annual maximum award available to each eligible student is \$5,000, but the grant cannot exceed 75% of the cost of tuition during an academic year. A student receiving a grant is given the largest portion of the grant as the student is completing the academic program and seeking an in-demand job.



A public or private institution is prohibited from using grant moneys dispersed under the Program to underwrite a tuition increase.

Rules

(R.C. 3333.93(D))

Under the bill, the Chancellor must adopt rules regarding the operation of the Program, including all of the following:

- Application procedures;
- A method for selecting grant recipients that considers both the student's financial need, including other sources of income and financial aid, and an analysis that the student is pursuing a qualifying degree, certification, or license;
- Milestones necessary to continue receiving a grant, including participating in an internship or cooperative that requires the degree, certification, or license for employment or spending 30 to 90 days in a workplace that requires the degree, certification, or license for employment;
- Other requirements a grant recipient must complete, including a curriculum that includes skills needed by employers and counseling on student loan management and how to minimize student loan debt;
- The method for determining grant distribution, including the amount of grant disbursements and a schedule for making grant disbursements;
- Establishing a procedure for a public or private institution to take disciplinary action against a grant recipient who fails to continue in an academic program leading to a qualifying degree, certification, or license after receiving a grant, including determining appropriate reimbursements.

Program termination

(Sections 125.10 and 733.10)

The bill terminates the Program on December 31, 2019. An eligible student who has been awarded a grant prior to the date the Program is terminated must receive the remainder of the grant until the student completes a qualifying degree, certification, or license.



Distribution of information to students

(R.C. 3333.93(E))

The bill requires the Department of Higher Education, in consultation with the Department of Education, to adopt rules establishing a procedure for training and outreach for school counselors to distribute information about the Program to Ohio high school students regarding jobs that are most in demand in Ohio and its regions and the educational requirements for those jobs.

Program report

(R.C. 3333.93(G))

The bill requires the Chancellor, in consultation with the Governor's Office of Workforce Transformation, JFS, and the Department of Taxation, to develop a methodology for collecting all of the following information:

- The total number of grants awarded to eligible students;
- The total grant amount awarded to each grant recipient;
- The job field and occupation each grant recipient holds 12 months after completing the Program;
- The income level of each grant recipient.

Additionally, the Chancellor, in consultation with the Governor's Office of Workforce Transformation, JFS, and the Department of Taxation, must perform a cost-benefit analysis comparing the Program costs against the earnings generated by grant recipients, and submit a report to the Governor and General Assembly describing the results of the analysis not later than December 31, 2018.

Request for proposals

(R.C. 3333.93(F))

Under the bill, the Department of Higher Education must issue a request for proposals (RFP) to coordinate and conduct the statewide promotion of the Program. For two consecutive weeks before accepting proposals, the Department of Higher Education must advertise its intent to request proposals in a newspaper of general circulation and include a description of the project and a location to obtain an RFP. The RFP must contain the following information:

- Instructions concerning the submission of proposals;



- Information on communications, including how to contact persons responsible for answering questions concerning a proposal;
- A description of the performance criteria to be used to evaluate proposals;
- The relative importance of each evaluation criteria;
- Any terms or conditions of the proposed contract.

The Department of Higher Education must evaluate submitted proposals after the date specified as the deadline for receiving proposals. During the evaluation process, the Department may discuss a proposal with the respondent to clarify or revise the proposal or the terms of the contract. After reviewing the proposals, the Department may enter into a written agreement with one of the respondents to conduct the statewide promotion of the Program.

Health and human services

Transfer of the right to operate a long-term care facility

(R.C. 3702.59 and 3721.03)

Within the context of certificate of need

Current law prohibits the Director of Health from approving an application for a certificate of need (CON) for the addition of long-term care beds to an existing long-term care facility or for the development of a new long-term care facility if, during the 60-month period preceding the filing of the application, a notice of proposed license revocation was issued for the existing long-term care facility in which the beds are being placed or a nursing home owned or operated by the applicant or a principal participant.⁶ The bill provides that this prohibition does not apply if the notice of proposed license revocation regarded a nursing home owned or operated by the CON applicant or a principal participant and was issued solely because the nursing home had already closed or ceased operations.

⁶ A "principal participant" is (1) a person who has an ownership or controlling interest of at least 5% in an applicant, in a long-term care facility that is the subject of a CON application, or in the owner or operator of the applicant or such a facility or (2) an officer, director, trustee, or general partner of an applicant, of a long-term care facility that is the subject of a CON application, or of the owner or operator of the applicant or such a facility. (R.C. 3702.51, not in the bill.)

Within the context of licensure

Current law prohibits the operator of a home (nursing home, county home, district home, or residential care facility) from assigning or transferring to another person or entity the right to operate the home once the Director of Health notifies the operator that the home's license may be revoked or issues an order to secure compliance with the law governing the licensure of such homes. The prohibition continues until proceedings under the Administrative Procedure Act (R.C. Chapter 119.) concerning the notice or order are concluded or the Director lifts the prohibition. The bill provides that the prohibition does not apply if the notice or order is issued solely because the home has already closed or ceased operations.

Child care definitions

(R.C. 5104.013)

The bill makes changes to the definition of the "owner" of a child day-care center, type A family day-care home, or licensed type B family day-care home. Current law defines "owner" to include a person, government entity, firm, organization, institution, and agency, as well as any individual governing board members, partners, incorporators, agents, or authorized representatives of the owner. The bill removes from that definition a firm, organization, institution, or agency, as well as any individual governing board members, partners, incorporators, agents, or authorized representatives of the owner. Instead, it applies the more expansive definition only to existing law that restricts when the ODJFS Director can issue another license to an owner after the owner's license is revoked or application for a license is denied. This change has the effect of removing a firm, organization, institution, or agency, and any individual governing board members, partners, incorporators, agents, or authorized representatives of the owner from existing criminal records check and attestation requirements.

Dispensing opticians and ophthalmologists – criminal records checks

(R.C. 109.572)

The bill corrects an erroneous statutory cross-reference in the laws that require the Superintendent of the Bureau of Criminal Identification and Investigation to conduct a criminal records check of a person seeking to practice as a dispensing optician or ophthalmologist. The error occurred in the main appropriations act for the 131st General Assembly, Am. Sub. H.B. 64.



Other provisions

Fingerprinting of 4-H volunteers

(R.C. 3335.361)

Under the bill, OSU Extension is required to pay any fee required under the Criminal Records Check Law if any OSU Extension policy or guideline requires 4-H volunteers to be fingerprinted for purposes of a criminal records check conducted by the Bureau of Criminal Identification and Investigation or a vendor approved by the Bureau. The bill eliminates recently enacted law that stipulates that OSU Extension may require only individuals who become volunteers for 4-H programs on or after September 29, 2015, to be fingerprinted and to be fingerprinted only once.

Personal leave and legislative employees

(R.C. 124.386)

Under the bill, personal leave that is used by an employee of either house of the General Assembly or of a legislative agency must be deducted from the employee's leave balance in the manner prescribed by the employee's administrative authority.

Continuing law, applicable to state employees other than legislative employees under the bill, requires that when personal leave is used, it must be deducted from an employee's personal leave balance based on the employee's absence in increments of an hour as determined by the Director of Administrative Services.

Public depositories – pledge of securities

(R.C. 135.182)

The bill amends the Ohio Pooled Collateral Program ("Program"), part of the Uniform Depository Law (R.C. Chapter 135.). It authorizes the Treasurer of State to determine by rule the total market value of securities that must be pledged to secure the repayment of all uninsured public deposits at a particular public depository. Under continuing law, public depositories must pledge a security for uninsured public deposits.⁷ The Program permits a public depository to pledge to the Treasurer a single pool of securities to secure the repayment of all public moneys deposited in that financial institution, rather than for the individual deposits. Under existing law, the

⁷ R.C. 135.18(A) and 135.37(A), not in the bill. The Federal Deposit Insurance Corporation insures deposits up to \$250,000. An amount above that limit, if not insured by any other agency or instrument of the federal government, is uninsured (R.C. 135.01(Q) and 12 C.F.R. Part 330).



Program requires public depositories to pledge at least 102% of the total amount of all uninsured public deposits.

The bill permits the Treasurer to adopt rules to select a different amount, in lieu of the 102%. The criteria for selecting the different amount must include prudent capital and liquidity management by the public depository and the safety and soundness of the public depository as determined by a third-party rating organization.

Additionally, the bill holds a public depositor responsible for periodically confirming the accuracy of its account balance with the Treasurer. Otherwise, the Treasurer is the sole public depositor responsible for monitoring and ensuring the sufficiency of securities pledged in the Program.⁸

Under continuing law, "public depositor" means the state or a subdivision or a county or any municipal corporation that has adopted a charter under the Ohio Constitution that deposits public moneys in a public depository pursuant to certain provisions in the Revised Code.

Sunset Review Law

(Section 803.10)

The bill postpones the expiration of agencies, by operation of the Sunset Review Law, until December 31, 2016. This addresses a date error in the Sunset Review Law,⁹ and prevents affected agencies from expiring until after having been reviewed by the Sunset Review Committee that is being convened during the 131st General Assembly. Under the bill, an agency that will expire because of the operation of the Sunset Review Law, during the period beginning on the section's effective date and ending on December 31, 2016, continues in existence until December 31, 2016, unless the agency is earlier repealed after the section's effective date.

⁸ A corrective amendment may help clarify the intended responsibilities and consequences of this provision.

⁹ R.C. 101.83, not in the bill.



HISTORY

ACTION	DATE
Introduced	09-28-15
Reported, H. State Gov't	10-19-15
Passed House (92-0)	10-27-15
Reported, S. Finance	---

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