



Local Impact Statement Report

For Bills Enacted in
2009

SEPTEMBER 2010

Legislative Service Commission
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Introduction

R.C. 103.143 requires the Legislative Service Commission (LSC) to determine whether a local impact statement (LIS) is required for each bill that is introduced and referred to committee. An LIS may be required when a bill could result in net additional costs beyond a minimal amount to school districts, counties, municipalities, or townships. An LIS is not required for budget bills or joint resolutions. It is also not required when the bill is permissive or when the bill's potential local costs are offset by additional revenues, offset by additional savings, or caused by a federal mandate. The LIS determination is based solely on the "As Introduced" version of the bill.

R.C. 103.143 also requires LSC to annually compile the final local impact statements completed for laws enacted in the preceding calendar year. The report is to be completed by September 30 each year. This 2010 report covers the 14 bills enacted in calendar year 2009, only one of which required an LIS. The LIS requirement is met through the detailed analysis of local fiscal effects included in LSC's fiscal notes.

Regardless of whether a bill requires an LIS, the fiscal note analyzes the bill's fiscal effects on both the state and local government. However, under R.C. 103.143, when a bill requiring an LIS is amended in a committee, the bill may be voted out of the committee by a simple majority vote with a revised LIS (a requirement fulfilled by preparing an updated fiscal note) or by a two-thirds vote without a revised LIS. Because various bills are exempted from the LIS requirement, this report does not include every bill enacted in 2009 that may have fiscal effects on local government. It should also be noted that the fiscal note in this report was prepared for the General Assembly's deliberations on pending legislation. This means that cost estimates included in the fiscal note may differ from the actual costs of implementing these laws, as the estimates were made before the enacted legislation was implemented. For those who are interested in the local fiscal effects of all legislation enacted in 2009, please see the LSC fiscal notes for those laws, which are available on the LSC web site (www.lsc.state.oh.us).

In addition to this introduction, the report contains comments from the County Commissioners' Association of Ohio, the Ohio Municipal League, the Ohio Township Association, and the Ohio School Boards Association. LSC is required to circulate the draft report to these associations for comment and to include their responses in the final report. The main section of the report includes the final version of the fiscal note for H.B. 19, the only bill enacted in 2009 that required an LIS and became law. The 11 House bills and three Senate bills enacted in 2009 are listed in the appendix.

This report may be viewed online at www.lsc.state.oh.us by clicking on *Publications*, and then *Local Impact Statement Report* under the *Staff Research Reports* heading.

**LOCAL GOVERNMENT ASSOCIATION
COMMENTS**



As noted in the Introduction to this Report, various bills are exempted from the LIS requirement and, consequently, a Local Impact Statement Report inadequately represents the burden of unfunded mandates placed upon county government by the General Assembly. This was a unique year in that only one piece of enacted legislation required a local impact statement and that legislation pertained to school districts and not counties.

As a general observation the impact of unfunded mandates has become more severe for all units of local government due to the current economic climate. For counties the demands for services, most of which the county delivers on the state's behalf, continue to increase while revenue sources have stagnated or declined. Unfunded mandates continue to erode the foundation of a viable state/county partnership by threatening the county governments' fiscal security.

Because the General Assembly has exempted budget bills from the LIS process, the Local Impact Statement process does not give a comprehensive and accurate view of unfunded mandates from the perspective of counties. This Report fails to reflect the effects upon county government contained within HB 1, the state biennial budget for fiscal years 2010 and 2011, which also was enacted in 2009. A reader of this Report would "miss" the provisions of HB 1 that reduced appropriations in the human services areas for adoption assistance, child and adult protective services, and mental health and drug addiction services and for soil and water conservation funding. Similarly, while the budget took positive strides to assist counties with the provision of indigent defense services, the level of funding for indigent defense reimbursement to the counties remains highly inadequate.

CCAO feels that the General Assembly would do itself a greater service and bring to itself a greater awareness of how their decisions have financial implications to counties and other local governments by eliminating the current provisions which exempt certain legislation from the LIS process. A review of all legislation enacted for its impact upon Ohio's local governments would be more appropriate. Only then, will the General Assembly and the public receive the true picture of the impacts of unfunded mandates on local governments.

CCAO thanks the Legislative Service Commission for the opportunity to comment on this report and wishes to acknowledge the professionalism and extreme competence of the LSC staff. Irrespective of the concerns CCAO raises regarding the LIS process, CCAO has always found the work of LSC to be invaluable and much appreciated.



Ohio Municipal League

Our Cities and Villages ★ Bringing Ohio to Life

The Ohio Municipal League has reviewed the draft of the Local Impact Statement Report for Bills Enacted in 2009 and would like to make the following comments.

The report provides helpful information to organization representing local governments, their respective members and the public: information that would otherwise be difficult to compile. This report shows that numerous pieces of legislation have a potential negative impact on local government whose officials are already faced with declining revenues.

An area that still needs to be addressed is the section of law that exempts LSC from having to update a local impact statement for the biennial budget, capital appropriation bill or any other budget corrections bill. The League would support legislation that would allow the General Assembly to include these bills that are now exempted in Division (F) of RC 103.143 from these local impact statements. OML also believes that local impact statements should be required at each phase of the legislative process. This is particularly important as substitute versions and amended substitute versions of bills are enacted. Legislation can have a huge fiscal impact upon local government and should be known to all as these bills progress through the legislature.

We are always optimistic that this document will gain a larger recognition with state decision makers as they consider imposing additional programs or duties on local government or reducing limiting funding.

The Ohio Municipal League commends the staff of the Legislative Service Commission for the time and effort they put into the individual statements and to this report.



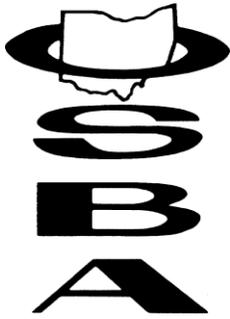
The Ohio Township Association (OTA) would like to thank the Ohio Legislative Service Commission (LSC) for the opportunity to comment on the *2010 Local Impact Statement (LIS) Report*. The fiscal impact legislation may have on townships often is underestimated but the Legislative Service Commission has done a nice job of recognizing the impacts on local governments, specifically townships.

While the *2010 Local Impact Statement Report* offers an analysis of legislation passed in 2009, it is not comprehensive. State budget bills are exempted from local impact statement requirements and, therefore, are not included in this report. For example, included in HB 1, the biennial budget, was a provision that requires all employers, including townships, with ten or more employees to adopt and maintain a Section 125 cafeteria plan to assist employees with health insurance should the township not offer or provide for health insurance. This mandate will have a fiscal impact on townships with ten or more employees should the township not currently provide such benefits.

The OTA encourages the General Assembly to include budget bills in the LIS report in order to provide a more comprehensive look at how legislation passed affects local governments. A procedure should be established by which local governments can contest new laws that are not fully funded, yet give the General Assembly adequate time to modify or fund the mandates they impose.

Given the fact only 17 bills were enacted and became law in 2009 *and* budget bills are exempted from local impact statement requirements, this report, for the first time in nine years, does not contain any bills with a fiscal impact on township government.

The LIS Report is an important educational resource for our members and the members of the General Assembly as it highlights the effect certain legislation passed the previous year will have on townships' budgets, and keeps legislators and local officials aware of any unfunded mandates created in legislation. Although the actual impact new laws will have on townships will not be known until the laws are put into practice, the fiscal analyses provide a base for which townships can determine how a new law may affect their budgets. The Ohio Township Association appreciates the opportunity to provide our input and thanks the Legislative Service Commission for all of their hard work in compiling this data, as it is truly beneficial to legislators and local government organizations.



The Ohio School Board Association believes that the 2010 Local Impact Statement Report is a valuable tool provided by the Ohio Legislative Service Commission (LSC) to the members of the Ohio General Assembly, and to all Ohioans.

The 2010 Local Impact Statement Report shows that three Senate bills and 11 House bills passed in 2009 became law. Of those bills, only one was report as having a fiscal impact upon school districts in the "As Introduced" versions. OSBA believes it is of critical importance that the fiscal impact of bills upon school districts be clearly recognized. School districts have to address many unfunded and underfunded mandates from both federal and state legislation and it is essential to make certain that these costs are known throughout the legislative process.

A continuing concern that remains to be addressed is the section of law that exempts LSC from having to update a local impact statement for the biennial budget, capital appropriations bill, or any other budget correction bill. OSBA would support legislation that would require the General Assembly to include these bills that are now exempted in Division (F) of ORC 103.143 from such local impact statements. OSBA also believes that local impact statements should be required at each phase of the legislative process. This is particularly important as substitute versions and amended substitute versions are often enacted. Legislation often has a huge fiscal impact on school districts and the potential costs should be monitored and made known to all as introduced bills go through the legislative process.

OSBA would like to salute the Legislative Service Commission on a job well done and we look forward to working with you in the future.

**FISCAL NOTES FOR BILLS ENACTED
IN 2009 REQUIRING
LOCAL IMPACT STATEMENTS**



Ohio Legislative Service Commission

Edward Millane

Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 19 of the 128th G.A.](#)

Date: December 17, 2009

Status: As Enacted

Sponsor: Rep. Harwood

Local Impact Statement Procedure Required: Yes

Contents: Requires schools to adopt a policy to address incidents of dating violence and include dating violence education for grades 7 through 12 within the school's health education curriculum and makes other changes

State Fiscal Highlights

- The bill requires that the State Board of Education update its model policy to prohibit harassment, intimidation, or bullying to include dating violence and that the Ohio Department of Education (ODE) assist school districts in developing a dating violence curriculum by providing links to free dating violence prevention curriculum on its web site. Each of these provisions may result in a minimal increase in administrative costs.

Local Fiscal Highlights

- School district boards of education may incur administrative costs to incorporate dating violence into their policies prohibiting harassment, intimidation, or bullying. School districts may incur one-time minimal costs associated with the printing of new student handbooks or rules and standards of conduct.
- School districts may incur additional costs for developing the curriculum for dating violence prevention training for administrators, teachers, and certain other staff in middle and high schools as part of in-service training already required under continuing law.
- School districts may incur one-time costs to modify their health education curricula to include instruction in dating violence prevention education in grades 7 through 12.
- Fewer community schools may close at the conclusion of the 2009-2010 school year as a result of a provision that directs ODE to reevaluate each community school for closure under R.C. 3314.35 without considering the school's performance ratings for its first two years.

Detailed Fiscal Analysis

Dating violence prevention

The bill requires each school district board of education to incorporate dating violence into their policies prohibiting harassment, intimidation, or bullying; include training on dating violence prevention in the in-service training in the prevention of child abuse, violence, and substance abuse and the promotion of positive youth development required under continuing law; and include instruction in dating violence prevention education in grades 7 through 12. To help school districts with these requirements, the bill requires the Ohio Department of Education (ODE) to incorporate dating violence into its model policy prohibiting harassment, intimidation, or bullying and to provide links to free dating violence prevention curricula on its web site.

Fiscal effects

The State Board of Education may incur minimal administrative costs to update its model policy to prohibit harassment, intimidation, or bullying to include dating violence. ODE may also incur some minimal costs to update its web site to include links to free dating violence prevention curricula for use by school districts.

School district boards of education may incur some administrative costs incorporating dating violence into their existing policies prohibiting harassment, intimidation, or bullying, including costs associated with the printing of new student handbooks and other publications that are required under continuing law to contain the policy. The bill requires that these policy updates be completed within six months of the bill's effective date. This timing allows districts to wait for the 2010-2011 school year to update their publications, which may mitigate some of the additional costs if the publications are normally updated and printed annually.

The bill requires school districts and educational service centers to develop a curriculum for the training of middle and high school staff in the prevention of dating violence. Continuing law requires administrators, teachers, counselors, school psychologists, and school nurses to complete at least four hours of in-service training in the prevention of child abuse, violence, and substance abuse and the promotion of positive youth development every five years. The bill requires that the prevention of dating violence be included in that training. School districts and educational service centers may incur one-time administrative costs in developing this curriculum.

The bill also requires each district to include in its health education curriculum "age-appropriate instruction in dating violence prevention education" in grades 7 through 12. For a district that currently does not offer this instruction, it may incur one-time costs to modify the district's health education curriculum. However, the links to free curricula to be provided by ODE may help lower these costs. The Liz Claiborne Foundation, in conjunction with the Education Development Center, Inc., provides an electronic dating violence education curriculum, free of charge, to schools opting to use

it. According to Liz Claiborne's "Love Is Not Abuse" web site, as of February 2009, nearly 30 public schools as well as over 20 private schools and community organizations in Ohio are offering this curriculum. In addition, Citizens Against Domestic Violence, an Ohio nonprofit organization, offers a 75-minute assembly to high school students called "Teen Dating Violence 101."

Community school closures

Am. Sub. H.B. 1 of the 128th General Assembly amended R.C. 3314.012 to permit report cards for community schools during the schools' first two years, but to prohibit the ratings on those report cards from being considered in the criteria for automatic closure of the schools under R.C. 3314.35. However, the effective date of this amendment was October 2009, after ODE had evaluated community schools for closure at the conclusion of the 2009-2010 school year. The bill directs ODE to reevaluate each community school for closure under R.C. 3314.35 without considering the school's performance ratings for its first two years. As a result, fewer community schools may be closed at the conclusion of the 2009-2010 school year.

School bus driver employment

The bill revises the list of criminal offenses that disqualify school bus drivers for employment and requires that ODE amend Rule 3301-83-23 of the Ohio Administrative Code, which also specifies these offenses. After the amended Rule becomes effective, it will govern. This provision has no direct fiscal effect on school districts. ODE's cost to amend the rule is negligible.

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Appendix

All House Bills Enacted in 2009

| House Bill | LIS Required? | Subject |
|------------|---------------|--|
| 1* | No | Main Operating Budget for FY 2010-FY 2011 |
| 2* | No | Transportation Budget for FY 2010-FY 2011 |
| 15* | No | Workers' Compensation Budget for FY 2010-FY 2011 |
| 16* | No | Industrial Commission Budget for FY 2010-FY 2011 |
| 19 | Yes | Requires schools to adopt a policy to address incidents of dating violence and include dating violence education for grades 7 through 12 |
| 67 | No | Permits 16 year olds to donate blood without parental consent |
| 150* | No | Provides operating appropriations for the July 15-21, 2009 period and designates August as "Ohio Military Family Month" |
| 245* | No | Provides operating appropriations for the July 8-14, 2009 period |
| 290 | No | Includes Junior ROTC in the Ohio Core curriculum, clarifies conditions for automatic community school closure, and makes other changes |
| 318 | No | Postpones state personal income tax rate reduction for two years and makes other changes |
| 363 | No | Revises the Concentrated Animal Feeding Facilities Law, makes other changes, and declares an emergency |

* Exempt from local impact requirements specified in R.C. 103.143(F).

All Senate Bills Enacted in 2009

| Senate Bill | LIS Required? | Subject |
|-------------|---------------|---|
| 93 | No | Establishes the War of 1812 Bicentennial Commission |
| 106 | No | Excludes certain specified estate and trust proceedings from the application of the savings statute and makes other changes |
| 124 | No | Revises real property transfer laws, implements the Federal SAFE Act, and makes other changes |

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