



- The bill makes certain military records unavailable for public inspection for 75 years after they are filed. The Housing Trust Fund receives 50 cents for every such copy made.
- The Adjutant General's Department (ADJ) would incur costs for administering the Ohio Military Medal of Distinction program for Ohioans killed in the line of military duty. ADJ would also likely be responsible for the cost of the medals awarded, at approximately \$25 apiece. The total medal cost could range from a few thousand dollars to several hundred thousand dollars depending on the number of medals awarded. Approximately 184 Ohioans have been killed in the line of duty since the onset of the conflict in Iraq in 2003 and approximately 300,000 Ohioans have been killed in the line of duty since World War II.
- The bill establishes the National Guard Youth Challenge Program Study Committee to study the feasibility of establishing an Ohio National Guard Youth Challenge Program. ADJ and the Governor's Office of Veterans' Affairs (GOVA) may incur administrative costs to support the Committee.
- The bill requires Ohio's state institutions of higher education to provide a 50% reduction in tuition to all Ohio National Guard members who do not receive the Ohio National Guard Scholarship. The potential reduction in tuition revenue would likely be minimal, as the Ohio National Guard Scholarship Program has been meeting its demand in recent years.

### ***Local Fiscal Highlights***

<b>LOCAL GOVERNMENT</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FUTURE YEARS</b>
<b>County Recorders</b>			
Revenues	Potential minimal loss in public record copying revenue	Potential minimal loss in public record copying revenue	Potential minimal loss in public record copying revenue
Expenditures	Potential minimal decrease in copying costs for county recorders	Potential minimal decrease in copying costs for county recorders	Potential minimal decrease in copying costs for county recorders
<b>County Courts</b>			
Revenues	Potential gain in fine and court cost revenue resulting from newly created offenses in the bill	Potential gain in fine and court cost revenue resulting from newly created offenses in the bill	Potential gain in fine and court cost revenue resulting from newly created offenses in the bill
Expenditures	Potential increase in prosecution costs for new misdemeanor offenses	Potential increase in prosecution costs for new misdemeanor offenses	Potential increase in prosecution costs for new misdemeanor offenses

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill makes certain military records unavailable for public inspection for 75 years after they are filed. The county recorder receives 50 cents for each page of every such copy made.
- The bill creates three new forms of criminal offenses that might lead to increased costs for prosecuting these offenses, with the potential for some offsetting court cost and fine revenue.

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## ***Detailed Fiscal Analysis***

### **Public records**

The Public Records Law generally requires every public office to prepare promptly all public records and make them available for inspection at all reasonable times during regular business hours. Upon request and within a reasonable period of time, a public office or person responsible for public records generally must make copies of the records available at cost. The Public Records Law contains a list of types of records that are not included within the definition of "public records." The bill states that Armed Forces discharges recorded with a county recorder are not public records to the extent provided in the bill. Current law also requires the county recorder to record the discharge, upon request and presentation of the discharge, of any person who served during World War I or World War II as a member of any Polish or Czechoslovakian armed force while participating in armed conflict with a United States enemy and who has been a United States citizen for at least ten years. There is no recording fee for either type of recording and the record, or a certified copy of it, must be received in evidence in all cases where the original would be received.

The bill specifies that a discharge recorded in either manner described above is not a public record for purposes of the Public Records Law for 75 years after the recording date. During that time, the county recorder's office must make the discharge record available for inspection or copying to only an authorized party. County recorders' offices currently charge fees for the copying of public records. The fee for copying Armed Forces instruments is \$1, half of which is deposited in the state's Housing Trust Fund. County recorders retain the other half. In addition, there is a fee of 50 cents per page copied. Therefore, the bill could result in a minimal loss of revenue for the Housing Trust Fund. Additionally, county recorders could experience a potential decrease in public records copying costs. There could also be a loss of revenue from copying fees for these records as well. It is unknown as to whether or not the result of this would be a net loss or gain for a county; however, any fiscal effects are expected to be minimal.

### **New criminal offenses and penalties**

#### **Check-casher restrictions**

Current law prohibits a licensed check-cashing business from engaging in certain practices and requires them to meet a number of conditions. If a borrower is a member of the Ohio National Guard or the United States Armed Forces, the bill further prohibits a check-cashing business from doing the following:

- (1) Garnishing a member's military wage or salary;
- (2) For the duration of a member's deployment to a combat or combat support zone, engaging in collection activities against the member or the member's spouse;
- (3) Knowingly contacting the member's military chain of command in an effort to collect a loan;

- (4) Violating the terms of any repayment agreement that the business reaches with military counselors or third-party credit counselors on a member's behalf; and
- (5) Knowingly making a loan to a member if a military base commander prohibits a member from using the business.

The bill also requires that, if a borrower is a member of the Ohio National Guard or the United States Armed Forces, the check-cashing business must provide written notice of the requirements set forth above. The bill makes violations of either of these provisions a misdemeanor of the first degree (M1). First-degree misdemeanor offenses carry a penalty of not more than six months in prison and a fine of up to \$1,000. It is unknown how many additional cases could result from this provision of the bill.

### **Illegal use of dead military person's persona**

Under current law, a person may not, without permission, use any aspect of another individual's persona for a commercial purpose during the individual's lifetime or for a period of 60 years after the date of the individual's death. A person can use an individual's persona for a commercial purpose during the individual's lifetime if the person first obtains the written consent to use the individual's persona from certain specified persons. A person is also permitted to use an individual's persona for a commercial purpose after the individual's death if: (1) the person first obtains the written consent to use the individual's persona from a specified person who owns the individual's right of publicity or (2) the name of the individual was the name of a business entity or a trade name at the time of death. Current law permits persons to bring a civil action to enforce the rights set forth above. The bill adds to this by specifying that those who unlawfully use the persona of a deceased member of the Ohio National Guard or the United States Armed Forces is guilty of a misdemeanor of the first degree (M1).

### **Felony misuse of electronic property**

Current law generally prohibits a person who knows that a felony has been or is being committed from knowingly failing to report that information to law enforcement authorities. The bill further prohibits a person who knows that an unauthorized use of computer, cable, or telecommunication property has been or is being committed or that the person has received information derived from such an unauthorized use from knowingly failing to report the violation to law enforcement authorities. A violation of this provision is a misdemeanor of the second degree (M2), which carries a penalty of not more than 90 days in prison and a fine of up to \$750. It is unknown as to how many additional cases could result from this provision of the bill.

For all these new criminal penalties, county courts could incur new costs for prosecuting new cases. County courts might also gain court cost and fine revenue, some of which is also transmitted to the state and deposited in the Victims of Crime/Reparations Fund (Fund 402).

### **Tuition rates and discounts**

The bill requires state institutions of higher education to charge in-state tuition rates to nonresident members of the United States Armed Forces and their dependents stationed in Ohio. This

requirement would have no new fiscal impact on state institutions, as existing Board of Regents (BOR) residency rules in O.A.C. 3333-1-10 include a similar provision.

The bill also requires state institutions to provide a 50% tuition reduction to Ohio National Guard members who do not receive a scholarship under the Ohio National Guard Scholarship Program. This program offers full-tuition scholarships, subject to the available scholarship slots and appropriations, to Ohio National Guard members attending state institutions of higher education. To receive scholarships, members need to apply scholarships in each academic term. Currently, the maximum number of scholarships for each academic term is as follows:

- Fall – 4,000
- Winter – 4,000
- Spring – 2,720
- Summer – 925

Am. Sub. H.B. 119 of the 127th General Assembly appropriated \$16.6 million in GRF money to the Ohio National Guard Scholarship Program in FY 2008 and FY 2009. If demand for scholarships exhausts these appropriations, ADJ may request authority to access Fund 5BM0, National Guard Reserve Fund, to help meet the demand. The National Guard Reserve Fund receives transfers of any unused GRF appropriations for the scholarship program at the end of each fiscal year. The current balance in the National Guard Reserve Fund is \$3.3 million.

ADJ indicates that in recent years demand for scholarships has not exceeded the limits on the number of scholarships or available funds. However, Guard members may lose access to the scholarship if they miss the application deadlines and fail an appellate process. In the 2006-2007 academic year, 119 members missed the scholarship deadlines. However, 115 of them received the scholarship after appeal. It is not known if the four members who did not receive a scholarship went on to attend an institution in that term or if they postponed admission since they could apply for scholarships for the following academic term.

The bill requires state institutions to provide a 50% tuition reduction to Ohio National Guard members who do not receive a scholarship. If this bill were enacted in the 2006-2007 academic year and if those four Guard members went on to attend state institutions, institutions enrolling those four members would have reduced their tuition by 50% for that academic term. For the 2006-2007 academic year the weighted average in-state undergraduate tuition was \$6,224 for a full-time student. The total tuition revenue loss resulting from the 50% reduction for those four Guard members would have been approximately \$4,149 for one academic term.

Since the Ohio National Guard Scholarship Program has been meeting demand for scholarships in recent years, the number of Guard members who would use the bill's tuition reduction provision is unlikely to be significant. Therefore, the potential tuition revenue loss for state institutions of higher education would likely be minimal.

While the intent appears to be only to require BOR not to reimburse state institutions for their tuition revenue losses, the language in the bill requires BOR not to provide state subsidies to institutions

for Ohio National Guard member students who are eligible for reduced tuition. This language may exclude those Guard members from institutions' enrollments for purposes of state subsidies.

### Ohio Military Medal of Distinction

The bill creates the Ohio Military Medal of Distinction for members of the Ohio National Guard, United States military reserve, and United States Armed Forces killed in the line of duty. To receive a medal, members must have Ohio residency or certain other connections to Ohio. The Adjutant General's department (ADJ) estimates that the Ohio Military Medals of Distinction could cost approximately \$25 apiece. Because the medals would be awarded to deceased individuals, ADJ would likely cover the medal cost. Since the onset of the conflict in Iraq in 2003, 11 Ohio National Guard members and 173 Ohioans who were members of the United States Armed Forces have been killed in the line of duty. These 184 individuals would be eligible for the medal. It would cost approximately \$4,600 (\$25 x 184) to award the medals to these individuals.

The bill, however, does not include a timeframe for eligibility, so medals could potentially be requested on behalf of individuals killed in any American conflict. The Governor's Office of Veterans' Affairs (GOVA) indicates that about 30,000 Ohioans have been killed in the line of duty since World War II. It is unclear how many medals might be requested for Ohioans killed in previous conflicts. The table below provides examples of cost estimates of various numbers of medal awards for those eligible individuals. In addition to the medal cost, ADJ would also incur administrative costs for implementing the medal program.

<b>Cost Estimates of Medal of Distinction Awards for Eligible Individuals since World War II</b>			
<b># of Eligible Individuals</b>	<b>Medal Award Application Level</b>	<b># of Medals Awarded</b>	<b>Medal Cost</b>
30,000	20%	6,000	\$150,000
30,000	40%	12,000	\$300,000
30,000	60%	18,000	\$450,000
30,000	80%	24,000	\$600,000

### National Guard Youth Challenge Study Committee

The bill creates the National Guard Youth Challenge Program Study Committee to examine and make recommendations on the feasibility of establishing an Ohio National Guard Youth Challenge Program, which is under the United States Secretary of Defense and seeks to improve life skills and employment potential of participants by providing military-based training and supervised work experience, and assists participants in receiving a high school diploma or its equivalent. The Committee must issue a report of its findings and recommendations to the President of the Senate, the Speaker of the House, and the Governor not later than 60 days after all appointments are made. The Committee ceases to exist upon submitting its report. The Committee will be comprised of two members of the Senate appointed by the Senate President, each from a different political party, two members of the House of Representatives appointed by the Speaker of the House, each from a different political party, the Director of the Governor's Office of Veterans' Affairs or the Director's designee, the Adjutant General or the Adjutant General's designee, one representative from Ohio State Association of Veterans Service Commissioners, one representative from an Ohio Chapter of the Air Force Association, and one representative from the Air Force program for Battelle. Under the bill, the

members of this Committee are not compensated, however, the bill does not indicate whether the members will be compensated for any expenses incurred as a result of fulfilling their duties on the Committee. The Adjutant General's office and Governor's Office of Veterans' Affairs could incur administrative costs for providing support services to the Committee.

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