



Ohio Legislative Service Commission

Sara D. Anderson

Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 337 of the 129th G.A.](#)

Date: January 25, 2012

Status: As Enacted

Sponsor: Rep. Rosenberger

Local Impact Statement Procedure Required: No

Contents: Makes changes to the law related to commercial drivers' licenses, unemployment benefits, and the Temporary Assistance for Needy Families Program

State Fiscal Highlights

- The bill brings Ohio's Commercial Driver's License (CDL) law into compliance with federal regulations. This prevents the possibility of the federal government withholding federal highway funding as a penalty for noncompliance.
- The bill imposes new requirements on the Registrar of Motor Vehicles. These requirements increase the administrative burden of the Bureau of Motor Vehicles.
- The bill could increase expenditures for state agencies, public colleges and universities, and public hospitals to issue extended unemployment benefits.

Local Fiscal Highlights

- The bill could increase expenditures for local government entities to issue extended unemployment benefits.

Detailed Fiscal Analysis

The bill makes changes to the Commercial Driver's License (CDL) law to bring it into compliance with federal regulations, establishes a waiver for the CDL skills test for drivers with recent military commercial motor vehicle experience, and declares an emergency. In addition, the bill temporarily changes the formula used to trigger state-extended unemployment benefits and also makes changes to the law related to the federal Temporary Assistance for Needy Families (TANF) Program.

Federal regulation compliance

The bill brings Ohio's CDL law into compliance with the minimum Federal Motor Carrier Safety Regulations. According to the Department of Public Safety, the Federal Motor Carrier Safety Administration (FMCSA) has indicated that if Ohio remains noncompliant with the regulations, it may take action to withhold a portion of Ohio's federal highway funding.¹ Presumably, the bill prevents any such action from being taken.

The bill requires the Registrar of Motor Vehicles to report and maintain additional information on the existing CDL Information System, to retain medical certificates for certain CDL holders, to send up to two notices to certain CDL holders if their medical certification expires or is removed, to obtain information about the driving record of a person applying to renew, transfer, or upgrade a CDL, and to hold an administrative hearing if requested by a person whose CDL hazardous materials endorsement is revoked.² These requirements will increase the administrative burden of the Bureau of Motor Vehicles (BMV). In addition, the bill makes changes to the qualifications for a CDL, which likely will require the BMV to update their computer systems to track the new information. This would be a one-time cost that, according to the Department of Public Safety, is likely to be negligible.

The bill reduces from ten to seven the number of days within which a county court judge, mayor of a mayor's court, or a clerk of court is required to prepare and forward to the BMV an abstract of the court record of a conviction of bail forfeiture in relation to traffic law violations. This provision is not likely to have a significant fiscal impact on the courts, particularly those courts that file their reports electronically.

Skills test waiver for military commercial motor vehicle experience

The bill establishes a waiver for the CDL skills test for drivers with military commercial motor vehicle experience. In order to qualify for the waiver, at the time of

¹ Under the regulations, up to 5% (or approximately \$33 million) of this funding may be withheld in the first year of noncompliance and up to 10% (or approximately \$66 million) in subsequent years.

² For a complete explanation of the bill's requirements, please see the LSC bill analysis.

application, the applicant has to be a current member or uniformed employee of the armed forces, or have separated from such service within the preceding 90 days.

The fee for an applicant taking the CDL skills test depends on which testing location is used. There are five state-operated testing locations, where it costs an applicant \$50 to take the skills test, and ten public or third-party testing locations, of which three are operated by local governmental entities, where it costs an applicant \$85 to take the skills test. By granting a waiver to an applicant who has recent military commercial motor vehicle experience, there is a possibility that the State Highway Safety Fund (Fund 7036) or the local entities that offer testing could lose revenue from applicants who would otherwise have to pay the testing fee. Any loss in revenue will be at least partially offset by a savings of the costs of providing the testing. However, given the small number of applicants affected by this provision, it is unlikely that the fiscal impact would be significant.

Unemployment compensation extension

The bill temporarily changes the formula used to trigger state extended unemployment benefits (EB) as long as the federal government (1) fully pays for those benefits for the claimants of private contributory employers³ and (2) allows states to change their EB formulas. The time period for this temporary change in the formula is for weeks of unemployment beginning December 17, 2011, to the last day of the week ending four weeks prior to the last week the federal government will fully fund EB.

The federal government does not fund EB for governmental entities that are reimbursing employers. Therefore, the bill could increase expenditures for state and local government entities. Affected employers include state and local governments, public colleges and universities, school districts, public libraries, and public hospitals. There are about 3,760 such entities in the state. According to the Ohio Department of Job and Family Services (ODJFS), in December 2011, state agencies (including state hospitals and higher educational facilities) expended about \$158,480 for EB to 164 beneficiaries and local government entities expended \$514,220 for EB to 689 beneficiaries. State agencies may use GRF and non-GRF funds for these benefits.

The amount state agencies and local government entities may expend under this bill would depend on the duration of the formula change as well as the number of laid-off workers that are eligible for EB after exhausting regular benefits (up to 26 weeks) and other federally extended benefits (53 weeks). Eligibility for EB can only be established after exhausting these benefits. Though EB is usually payable for up to 20

³ State law specifies two employer categories, "contributory" and "reimbursing." Nongovernment employers are generally contributory employers. These employers pay unemployment insurance taxes on a quarterly basis. Reimbursing employers include public employers and nonprofits. These employers do not pay unemployment taxes, but instead reimburse the Unemployment Compensation Trust Fund when benefits are chargeable. There are about 217,500 contributory employers and 4,500 reimbursing employers in the state.

weeks, federal legislation extended benefits until the end of February. Under current federal law, the last payable week of EB is the week that ends on March 10, 2012.

Temporary Assistance for Needy Families self-sufficiency contracts

Currently, each work-eligible adult or minor head-of-household in an assistance group that receives cash assistance under the federal Temporary Assistance for Needy Families (TANF) Program must sign and adhere to a self-sufficiency contract. The contract must be signed within 30 days of applying for benefits. Assistance groups may receive their first cash benefit before the contract is signed. The bill requires that the self-sufficiency contract be signed *prior to* receiving any cash assistance benefits. The provision may delay by, at most, 30 days the initial payments of cash benefits to eligible assistance groups. Per state law, contracts must contain a number of items including the assistance group's plan to achieve self-sufficiency, the work activities that members of the group plan to undertake, and the services that will be provided to the group by the county department of job and family services. Benefits are provided through the Ohio Works First (OWF) Program, which is Ohio's cash assistance program under the federal TANF Program.

The bill also removes the exemption of minor heads-of-household who participate in the Learning, Earning, and Parenting (LEAP) Program from signing a self-sufficiency contract. Under LEAP, teen parents and pregnant teens under age 18 receiving OWF must attend high school or an alternative educational or training program. Minors that participate with good attendance receive a small bonus each month with their cash assistance benefit along with an extra bonus for graduating. Minors that do not show good attendance or drop out of school become ineligible for OWF. According to ODJFS, minor heads-of-households participating in LEAP currently sign self-sufficiency contracts. Therefore, by removing the exemption, the bill would codify current practice.

Hearing officers for TANF sanctions

The bill allows ODJFS to hire nonattorneys to work as hearing officers for cases involving TANF work participation rates. Currently, ODJFS may only hire attorneys. According to ODJFS, the ability to hire non-attorneys will help the agency reduce the backlog of hearings related to sanctions imposed on individuals that did not meet their work participation requirements.