



# Ohio Legislative Service Commission

Jason Phillips

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## Fiscal Note & Local Impact Statement

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**Bill:** Sub. S.B. 171 of the 129th G.A.

**Date:** June 23, 2011

**Status:** As Enacted

**Sponsor:** Sens. Gillmor and Wagoner

**Local Impact Statement Procedure Required:** No

**Contents:** Implements the recommendations of the Sunset Review Committee and declares an emergency

### State Fiscal Highlights

- The bill renews 192 entities and subjects them to review by the Sunset Review Committee in calendar years 2015 and 2016. The bill outright abolishes 77 public bodies established to oversee operations of state government, issue reports, or make recommendations for changes in public policy. Of those, 69 have already issued final reports or are inactive. The remaining eight are actively functioning. In addition, the activities of two entities are consolidated into other entities.
- The expenses of most of the active public bodies are accounted for within the budgets of the state agencies chiefly responsible for providing them with support. The result of abolishing or consolidating these public bodies is a negligible savings, if any, in various state funds.
- Three public bodies abolished by the bill had specific appropriations for the FY 2010-FY 2011 biennium. These are the Legal Rights Service, the School Employees Health Care Board, and the Workers' Compensation Council.
- The bill abolishes the statute creating the Legal Rights Service (LRS) and its governing body, the Legal Rights Service Commission, effective October 1, 2012. The main operating budget for FY 2012-FY 2013, H.B. 153 of the 129th General Assembly, also contains provisions that eliminate LRS and the Commission on that date and transition LRS into a nonprofit organization. LRS is funded mostly with federal funds, but has spent \$200,000 to \$234,000 per year in GRF funds during FY 2010 and FY 2011.
- Abolishing the School Employees Health Care Board would result in a decrease in expenditures from the GRF of several hundred thousand dollars per year, based on the actual expenditures incurred by the Board over the last several fiscal years.
- The Workers' Compensation Council incurred payroll and fringe benefit costs of \$285,600 in FY 2010. Such expenses thus far in FY 2011 are about \$119,000. Recently, the Workers' Compensation Council has become inactive.

## Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.
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### Detailed Fiscal Analysis

#### Overview

The bill abolishes, terminates, transfers, or renews the boards, commissions, committees, councils, and other similar public bodies of the state subject to the review of the Sunset Review Committee, a nine-member entity established to periodically evaluate those public bodies. In this fiscal analysis, the entities under the purview of the Sunset Review Committee are presented in five categories: (1) general government, (2) health and human services, (3) justice and public safety, (4) education, and (5) insurance and taxation. Within each functional category, a table lists the public bodies that are slated to be abolished by the bill. Each of the tables lists these bodies, the agencies that provide administrative support to these entities, their legal authority and operating status, and the form of compensation provided to members appointed to these bodies. Details concerning bodies that are not abolished but instead are merged or whose responsibilities are transferred to other bodies are described in the narrative following these tables.

The bill renews 192 entities and re-establishes the Sunset Review Committee to undertake its review of public bodies in calendar years (CY) 2015 and 2016. These public bodies will expire on December 31, 2016 unless they are retained under the next Sunset Review Committee process. A list of the entities renewed may be found in Section 3 of the bill. The bill abolishes outright 77 entities. Of those, 69 have already issued final reports or are inactive. The remaining eight are actively functioning. Most of the active entities have been funded without a specific appropriation or a formal budget in FY 2010 and FY 2011. In these cases, any expenses are likely accounted for within the budgets of the state agencies chiefly responsible for providing them with support. These expenses can include reimbursements of expenses or per diem compensation for members serving on these bodies. In addition to the entities being abolished outright, the activities of two entities are consolidated into other entities. In most cases, the result of abolishing or consolidating the active public bodies is some small savings, if any, in the various state funds that are used to support them. However, three public bodies abolished by the bill have specific appropriations for the FY 2010-FY 2011 biennium. These are the Legal Rights Service, the School Employees Health Care Board, and the Workers' Compensation Council. These three entities are discussed in more detail below.

## Legal Rights Service

The mission of the Legal Rights Service (LRS) is to protect and advocate, in partnership with people with disabilities, for their human, civil, and legal rights. The Legal Rights Service is governed by the Legal Rights Service Commission. LRS is funded mostly by federal dollars, but also receives a small amount of funding from the GRF and other state non-GRF funds. The bill repeals R.C. 5123.60, the statute that creates the LRS and the Commission, effective October 1, 2012. Note that H.B. 153, the main operating appropriations bill for the FY 2012-FY 2013 biennium, also contains provisions that eliminate LRS and the Commission on that date. The plan is for LRS to transition to a nonprofit entity that would serve as the state's designated protection and advocacy system and client assistance program for people with disabilities. H.B. 153 provides a full year of appropriations for LRS for FY 2012 and three months of appropriations in FY 2013 to allow LRS to continue operations until the transition to a nonprofit organization is completed on October 1, 2012. Overall, the agency spent \$4.6 million each year in FY 2010 and FY 2011. Of this amount, approximately \$233,000 per year came from the GRF.

## School Employees Health Care Board

The School Employees Health Care Board was created to help moderate cost increases related to public school districts' health plans and to increase the overall health of school employees and their dependents. The Board's funding is provided through the GRF. Prior to the FY 2010-FY 2011 biennium, the Board received appropriations under the budget of the Department of Administrative Services. For FY 2010-FY 2011, the Board's funding was provided under the budget of the Department of Education. The table below illustrates the expenditures of the Board for FY 2009 and the FY 2010-FY 2011 biennium. As the table indicates, elimination of the Board would decrease GRF expenditures by several hundred thousand dollars per year. The Board's FY 2010-FY 2011 appropriation was \$800,000 per year. Please note that H.B. 153 also contains provisions that eliminate the Board.

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Expenditures	\$313,066	\$254,021	\$433,655

## Workers' Compensation Council

The Workers' Compensation Council (WCC) is a legislative agency created in CY 2008 to review the soundness of the workers' compensation system and legislation involving or affecting the workers' compensation system. WCC is funded through an administrative assessment collected by the Bureau of Workers' Compensation and deposited into the Workers' Compensation Council Fund, a custodial fund. Transfers are made from this custodial fund to the Workers' Compensation Council Remuneration Fund (Fund 5FV0), which is used to pay the compensation and benefits

of Council employees.<sup>1</sup> Recently, the Workers' Compensation Council has become inactive. The table below illustrates the expenditures of the Council for FY 2009 and the FY 2010-FY 2011 biennium. The Council's FY 2010-FY 2011 appropriation for payroll and fringe benefits was \$471,200 per year.

<b>Table 2. Workers' Compensation Council Expenditures, FY 2009-FY 2011</b>			
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Expenditures	\$141,099	\$285,608	\$119,011

Fund 5FV0 currently has a cash balance of approximately \$13,800. As of May 31, 2011, the Workers' Compensation Council custodial fund had a balance of about \$80,500. While the bill does not provide for a disposition of the moneys in these two respective funds, H.B. 153 also abolishes the Council and requires any cash balances in the funds to be transferred to the State Insurance Fund.

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<sup>1</sup> Approximately \$10,800 of the Council's expenses in FY 2009 were paid out of Fund 5FP0, under the budget of the Bureau of Workers' Compensation.

## General Government

<b>Table 3. General Government Entities Abolished</b>				
<b>Entity Name</b>	<b>Agency</b>	<b>Legal Authority</b>	<b>Status</b>	<b>Compensation</b>
Ohio Beekeepers Taskforce	AGR	Section 709.10 of H.B. 1, 128th G.A.	Final report issued July 2010	None
Ohio Agriculture to Chemicals, Polymers, & Advanced Material Task Force	AGR	Section 2 of H.B. 233, 127th G.A.	Final report issued July 2008	None
Biofuel and Renewable Energy Task Force	AGR	Section 25 of H.B. 87, 125th G.A.	Final report issued March 2004	None
Fireworks Exhibition Committee	COM	R.C. 3743.54	Inactive	Not Specified
Consumer Finance Education Board	COM	R.C. 1349.71	Inactive	Compensation fixed pursuant to R.C. 124.15(J) and expenses
Advisory Committee to the Consumer Finance Education Board	COM	R.C. 1349.71	Inactive	Not Specified
Vehicle Management Commission	DAS	R.C. 125.833	Inactive	Not Specified
Ad Hoc Committee to Study Use of Alternative Dispute Resolution Procedure in Civil Service Appeals	DAS	Section 3 of H.B. 187, 126th G.A.	Inactive	Not Specified
MARCS Task Force	DAS	Section 755.80 of H.B. 2, 128th G.A.	Final report issued March 2010	None
Ohio Steel Industry Advisory Council	DEV	R.C. 122.97	Inactive	Expenses only
Third Frontier Biomedical Advisory Board	DEV	R.C. 184.23	Inactive	Expenses only
Third Frontier Bioproducts Advisory Board	DEV	R.C. 184.231	Inactive	Expenses only
Ohio Aerospace & Defense Advisory Council	DEV	R.C. 122.98, 122.981; Section 3 of H.B. 230, 124th G.A.	Inactive – replaced by the Ohio Aerospace and Business Aviation Council in September 2009	Expenses only
Fuel Production Task Force	DEV, EPA	Section 1 of H.B. 371, 126th G.A.	Final report issued January 2009	None
Legislative Task Force to Study Eminent Domain and Its Use and Application in the State	DEV, DOT	Section 3 of S.B. 167, 126th G.A.	Final report issued August 2006	None
Great Lakes-St. Lawrence River Basin Water Resources Compact Advisory Board	DNR	Section 3 of H.B. 416, 127th G.A.	Final report issued December 2010	None
Muskingum River Advisory Council	DNR	R.C. 1501.25	Active	None
State Park and Recreational Area Study Committee	DNR	Section 715.50 of H.B. 562, 127th G.A.	Final report issued February 2009	None
Ohio Lake Erie Fishing Regulatory Reform Task Force	DNR	Section 4 of S.B. 77, 127th G.A.	Final report issued December 2007	None

<b>Table 3. General Government Entities Abolished</b>				
<b>Entity Name</b>	<b>Agency</b>	<b>Legal Authority</b>	<b>Status</b>	<b>Compensation</b>
Oil and Gas Advisory Council	DNR	Section 8 of H.B. 299, 125th G.A.	Final report issued August 2005	None
Ohio Transportation Task Force	DOT	Section 755.03 of H.B. 530, 126th G.A. (subsequently amended)	Final report issued December 2007	Not specified
Pavement Selection Advisory Council	DOT	Section 12 of H.B. 87, 125th G.A.	Final report issued December 2003	Not specified
Multidisciplinary Council	EPA	R.C. 3746.03	Inactive	Not specified
Construction and Demolition Debris Facility Study Committee	EPA	Section 513.03(C) of H.B. 66, 126th G.A.	Final report issued September 2005	None
Preconstruction Rules Working Group	EPA	Section 3 of S.B. 393, 126th G.A.	Inactive	Not specified
Ohio Commission on Local Government Reform and Collaboration <sup>2</sup>	LOC	Section 701.20 of H.B. 562, 127th G.A.	Final report issued August 2010	Not specified
Commission on Cuyahoga County Government Reform	LOC	Section 703.30 of H.B. 562, 127th G.A.	Final report issued November 2008	Not specified

### **Commission and Interagency Council on Hispanic-Latino Affairs**

R.C. 121.32 requires the Commission on Hispanic-Latino Affairs (SPA) to create the Interagency Council on Hispanic-Latino Affairs (Council) to "provide and coordinate the exchange of information relative to the needs of Spanish-speaking people and promote the delivery of state services to such people." The bill abolishes the Council and requires SPA to absorb its duties. SPA indicated that there have been no expenditures for Council activities in recent years.

Overall, SPA received appropriations of \$359,890 in both FY 2010 and FY 2011, amounts that come mostly from the GRF. SPA voting members receive compensation for no more than one day of Commission work each month. They also receive reimbursement for all actual and necessary expenses incurred in the performance of their duties.

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<sup>2</sup> H.B. 2 of the 128th General Assembly permitted an appropriation of \$200,000 originally slated for the Commission on Cuyahoga County Government Reform to also be used for the Commission on Local Government Reform and Collaboration. Of the approximately \$168,000 available to the Commission on Local Government Reform and Collaboration in FY 2010, about \$59,000 was used to pay The Ohio State University for work done on behalf of the Commission.

## Health and Human Services

<b>Table 4. Health and Human Services Entities Abolished</b>				
<b>Entity Name</b>	<b>Agency</b>	<b>Legal Authority</b>	<b>Status</b>	<b>Compensation</b>
Unified Long-Term Care Budget Workgroup	AGE	Section 209.40 of H.B. 1, 128th G.A.	Active	Not specified
Alzheimer's Disease Task Force	AGE	R.C. 173.04(F)	Inactive	Not specified
Joint Council on Developmental Disabilities	DDD	R.C. 101.37 and Section 4 of H.B. 538, 123rd G.A.	Inactive	Expenses only
MR/DD Futures Study Commission	DDD	Section 337.20.20 of H.B. 119, 127th G.A.	Final report issued March 2008	Expenses only
Ohio Autism Task Force	DDD	Section 152 of H.B. 95, 125th G.A.; Section 14 of S.B. 2, 125th G.A.	Final report issued March 2005	None
Developmental Disabilities Developmental Center Closure Commission(s)	DDD	R.C. 5123.032(D) and (E)	Inactive	None
Household Sewage and Small Flow On-Site Sewage Treatment Study Commission	DOH and others	Section 737.11 of H.B. 119, 127th G.A.	Final report issued January 2009	Not specified
Shaken Baby Syndrome Educational Materials Work Group	DOH	R.C. 3701.63	Inactive	Not specified
Legislative Committee on the Future Funding of Bureau for Children with Medical Handicaps	DOH	Section 206.42.12 of H.B. 66, 126th G.A.	Final report issued December 2006	None
Compassionate Care Task Force	DOH	Section 3 of H.B. 474, 124th G.A.	Final report issued March 2004	Expenses only, if approved by the chairperson
Ohio Hepatitis C Advisory Commission	DOH	R.C. 3701.92	Hepatitis C Prevention Plan issued 2003	None
Maternal and Child Health Council	DOH	R.C. 3701.025	Inactive	Travel expenses only
Medicaid Buy-in Advisory Council	JFS	R.C. 5111.709	Active	None
Task Force on Implementing the Federal Domestic Violence Option in the Ohio Works First Program	JFS	Section 6 of S.B. 238, 126th G.A. and Section 3 of H.B. 461, 126th G.A.	Implemented the Federal Domestic Violence Option, January 2008	None
Medicaid Administrative Study Council	JFS	Section 206.66.53 of H.B. 66, 126th G.A.	Final report issued December 2006	Not specified; Council was able to hire staff, enter into contracts, etc.
Nursing Facility Rate Transition Advisory Council	JFS	Section 206.66.24 of H.B. 66, 126th G.A.	Final report issued March 2006	None
Disability Medical Assistance Council	JFS	Section 206.66.43 of H.B. 66, 126th G.A.	Final report issued September 2005	Not specified
Commission to Reform Medicaid	JFS	Section 59.29 of H.B. 95, 125th G.A.; Section 64 of S.B. 189, 125th G.A.	Final report issued January 2005	Expenses only; Commission was able to hire staff

<b>Table 4. Health and Human Services Entities Abolished</b>				
<b>Entity Name</b>	<b>Agency</b>	<b>Legal Authority</b>	<b>Status</b>	<b>Compensation</b>
Child-Centered Recruitment Task Force	JFS	Section 3 of H.B. 7, 127th G.A.	Final report issued December 2009	None
Ohio Family and Children First Cabinet Council Advisory Board	OFCF, Various	R.C. 121.374	Inactive	None
Task Force to Eliminate Health Services Duplication	Various	Section 153 of H.B. 95, 125th G.A.	Final report issued March 2004	None

## **Department of Health**

### **Hospital Measures Advisory Council**

Under the bill, the responsibilities of the Group of Experts in Pediatric Medicine are transferred to the Hospital Measures Advisory Council, which is under the Department of Health (DOH). The Group is tasked with developing recommendations regarding measures for children's hospital inpatient and outpatient services and submitting the recommendations to the Council. Group members receive no compensation or expenses. The Group met outside of DOH and no DOH staff were involved other than to receive updates on the Group's activities.

The Hospital Measures Advisory Council is created in R.C. 3727.31. Members receive no compensation or expenses. The Council studies the issue of hospitals reporting information regarding their performance in meeting measures for hospital inpatient and outpatient services, including how such reports are made in other states. Additionally, the Council makes recommendations and provides advice concerning the reporting and dissemination of this information.

## Justice and Public Safety

<b>Table 5. Justice and Public Safety Entities Abolished</b>				
<b>Entity Name</b>	<b>Agency</b>	<b>Legal Authority</b>	<b>Status</b>	<b>Compensation</b>
Adam Walsh Study Committee	AGO	Section 5 of S.B. 260, 126th G.A.	Final report issued March 2007	None
Ohio State Highway Patrol Mission Review Task Force	DPS	Section 756.40 of H.B. 2, 128th G.A.	Final report issued June 2010	None
State Highway Patrol Funding Task Force	DPS	Section 555.17 of H.B. 67, 127th G.A.	Final report issued July 2008	Not specified
Citizens Advisory Committee of the Bureau of Motor Vehicles	DPS	R.C. 4501.025	Inactive	Expenses only
Lima Correctional Institution Study Committee	DRC	Section 377.20 of H.B. 119, 127th G.A.	Final report issued April 2008	Not specified
Correctional Faith-Based Initiatives Task Force	DRC	Section 503.09 of H.B. 66, 126th G.A.	Final report issued November 2006	Not specified
Military Activation Task Force	DVS	R.C. 5902.15	Final report updated January 2004	Expenses only
Joint Committee to Study Court Costs and Filing Fees	JSC	Section 6 of H.B. 336, 126th G.A.; Section 5 of S.B. 155, 127th G.A.	Final report issued July 2008	None
Legal Rights Service Commission (effective October 1, 2012)	LRS	R.C. 5123.60	Active	Expenses only
Ohio Court Appointed Special Advocate/Guardian Ad Litem (CASA/GAL) Study Committee	PUB, DYS	R.C. 2151.282	Final report issued July 2007	Not specified

## Education

<b>Table 6. Education Entities Abolished</b>				
<b>Entity Name</b>	<b>Agency</b>	<b>Legal Authority</b>	<b>Status</b>	<b>Compensation</b>
Commission on the Future of Health Care Education and Physician Retention in NW OH	BOR	Section 263.30.30 of H.B. 119, 127th G.A.	Final report issued February 2009	None
Committee to Develop Guidelines and Standards for Civil Service Administration in State-Supported Colleges and Universities	BOR	Section 4 of H.B. 187, 126th G.A.	Final report submitted in early CY 2008	Not specified
North East Ohio Universities Collaboration and Innovation Study Commission	BOR	Section 235.60.70 of H.B. 699, 126th G.A.	Final report issued December 2007	None
Higher Education Funding Study Council	BOR	Section 209.63.58 of H.B. 66, 126th G.A.	Final report issued May 2006	None
School Employees Health Care Board	EDU	R.C. 9.901	Active	Compensation pursuant to R.C. 124.15(E) and expenses
Public Schools Health Care Advisory Committee	EDU	R.C. 9.901	Active	None specified
Community Oversight Committees <sup>3</sup>	EDU	R.C. 3311.77	Active	None
State Regional Alliance Advisory Board	EDU	R.C. 3312.11	Active	None
School Funding Advisory Council	EDU	R.C. 3306.29	Inactive	None
Harmon Commission	EDU	R.C. 3306.50	Inactive	Expenses only
Committee to Study Publicly Funded Child Care	EDU	Section 309.40.70 of H.B. 1, 128th G.A.	Inactive	Not specified
School Health Services Advisory Council	EDU	R.C. 3319.70	Final report issued March 2010	None
School Physical Fitness and Wellness Advisory Council	EDU	Section 206.10.12 of H.B. 66, 126th G.A.	Final report issued May 2006	Not specified
Head Start Partnership Study Council	EDU, JFS	Section 41.35 of H.B. 95, 125th G.A.	Final report issued December 2003	None

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<sup>3</sup> Currently, only one community oversight committee, for the Cleveland Metropolitan School District, is in operation.

## Insurance and Taxation

<b>Table 7. Insurance and Taxation Entities Abolished</b>				
<b>Entity Name</b>	<b>Agency Code</b>	<b>Legal Authority</b>	<b>Status</b>	<b>Compensation</b>
Joint Legislative Study Commission on Most Favored Nation Clauses in Health Care Contracts	INS	Section 6 of H.B. 125, 127th G.A.	Final report issued March 2010	Not specified
Advisory Committee on Eligibility and Real Time Claim Adjudication	INS	Section 7 of H.B. 125, 127th G.A.	Final report issued January 2009	No compensation
Ohio Medical Malpractice Commission	INS	Section 4 of S.B. 281, 124th G.A. and Section 3 of S.B. 86, 125th G.A.	Final report issued April 2005	Expenses only
Local Government and Library Revenue Distribution Task Force	TAX	Section 503.12 of H.B. 66, 126th G.A.	Final report issued November 2006	Not specified
Workers' Compensation Council	WCC	R.C. 4121.75	Inactive	Nonlegislative members – expenses only

## Other Changes Made by the Bill

### Ohio Advisory Council for the Aging

The bill eliminates the compensation paid to members of the Ohio Advisory Council for the Aging and makes reimbursement of actual and necessary expenses permissive. In addition to any expense reimbursements they may receive, the 12 council members are currently paid \$50 for each day they perform their duties, up to \$2,000 per year. Compensation and reimbursements are paid from the GRF. As a result of the bill, there would be a reduction in expenditures from the GRF in the thousands of dollars per year in compensation costs plus any savings from members that choose to forego reimbursement. Table 9 displays the compensation and reimbursement figures for FY 2009 and FY 2010.

<b>Fiscal Year</b>	<b>Compensation</b>	<b>Reimbursements</b>	<b>Total</b>
FY 2009	\$5,183	\$3,725	\$8,908
FY 2010	\$2,728	\$1,079	\$3,807

In addition, the bill permits the Department of Aging to award grants or contracts to Council members if (1) the Department determines that the member or the entity the member represents is capable of providing the goods or services specified in the contract and (2) the member has not taken part in any discussion or vote of the Council related to whether the Council should recommend that the Department award the grant or enter into the contract with the member of the Council or the entity the member represents. The language addresses a potential conflict of interest for members of the Advisory Council who also serve on local boards. The Department's legal counsel believes that current law prevents a Council member from serving on such entities as a regional area agency on aging board or on a senior center that receives funding. The conflict limits the pool of those that can serve on the board as well as the expertise of Council members.

### Miscellaneous

The bill makes the following changes, which have little, if any, fiscal effect:

- The bill changes the name of the State Victims Assistance Advisory Commission to the State Victims Assistance Advisory Council.
- The bill changes the name of the State Fire Commission to the State Fire Council.
- The bill lowers the minimum number of meetings to be held by the Ohio Accountability Task Force from at least six per calendar year to at least one per calendar year. The Task Force is responsible for guiding the implementation of "value-added" progress measures into the accountability system and reporting performance data to school districts and buildings. Members of the Task Force do not receive compensation.

## Appendix

### Agency Code Glossary

- AGO – Office of the Attorney General
- AGE – Department of Aging
- AGR – Department of Agriculture
- BOR – Board of Regents
- COM – Department of Commerce
- DAS – Department of Administrative Services
- DEV – Department of Development
- DDD – Department of Developmental Disabilities
- DNR – Department of Natural Resources
- DOH – Department of Health
- DOT – Department of Transportation
- DPS – Department of Public Safety
- DRC – Department of Rehabilitation and Correction
- DVS – Department of Veterans Services
- DYS – Department of Youth Services
- EDU – Department of Education
- EPA – Environmental Protection Agency
- INS – Department of Insurance
- JFS – Department of Job and Family Services
- JSC – Judiciary/Supreme Court
- LOC – Local Governments
- OFCF – Ohio Family and Children First Cabinet Council
- PUB – Public Defender Commission
- TAX – Department of Taxation