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## **H.B. 413**

125th General Assembly  
(As Introduced)

**Reps. Peterson, Wolpert, Allen, Hollister, Aslanides, Setzer, Schaffer, Trakas**

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### **BILL SUMMARY**

- Creates the Community Technology Center Grant Program and authorizes the Director of Development to award grants from the Community Technology Center Grant Fund to finance the purchasing of equipment for, and the operational costs of, community technology centers that provide computer technology services to residents of economically disadvantaged communities.
- Establishes administrative procedures, criteria, and conditions for awarding grants under the Program.
- Designates the governing board of the Ohio Community Computing Network as an advisory board to assist the Director of Development in reviewing grant applications, determining grant award amounts, and adopting administrative rules for the Program.
- Requires that the advisory board designate "board-referred reviewers" to assist the board and the Director in reviewing applications for grants.
- Authorizes the Director to adopt any rules necessary to administer the Program and requires, specifically, that the Director adopt rules prescribing the form and content of grant applications; procedures and requirements of the grant application process; a competitive, nondiscriminatory process for awarding grants; standards for determining the boundaries of economically disadvantaged communities; standards for approving or denying grant applications and determining grant award amounts; and standards governing forfeiture and repayment of grants.

- Establishes funding sources for the Community Technology Center Grant Fund by channeling into the fund various types of forfeitures assessed upon providers of natural gas and public telecommunications services.

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## CONTENT AND OPERATION

### Community Technology Center Grant Program

#### Overview: funding for community technology centers

(R.C. 122.065 and 122.066(A), (B), and (E))

The bill creates the Community Technology Center Grant Program to be administered by the Director of Development. Under the Program, the Director awards grants from the Community Technology Center Grant Fund to finance the purchasing of equipment for community technology centers and to finance other costs associated with the operation of these centers. The bill defines a "community technology center" as a facility, or part of any facility, which offers computer technology services to residents of "economically disadvantaged communities." An "economically disadvantaged community" is an area of the state in which at least one-half of the residents have incomes that do not exceed the federal government's annual poverty guidelines for a family size equal to that of the resident.<sup>1</sup> The bill permits the Director to assist a grant applicant in determining the boundaries of the economically disadvantaged community that will be benefited by the grant for which the applicant is applying.

The equipment and other operational costs for which a grant may be awarded under the Program include the costs of recruiting and managing volunteers for the center, purchasing goods and services for the center, and providing trainers and instructors for "computer technology services" offered at the center. The bill defines a "computer technology service" as any service that uses computers, the internet, and other information technology tools to provide a range of community services, including health and social services, basic education, lifelong learning, workforce training, cultural enrichment, community medical programs, and computer recycling.

The bill authorizes the use of up to 1% of the money in the Community Technology Center Grant Fund for administrative expenses incurred by the Department of Development in administering the Program.

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<sup>1</sup> Current census figures of the United States Bureau of Census are to be used in determining whether an area is an "economically disadvantaged community" (R.C. 122.065(A)(3)).

**Entities eligible for a grant**

(R.C. 122.066(C) and (D))

The following entities are eligible for a grant under the Community Technology Center Grant Program:

(1) A nonprofit corporation other than the Ohio Community Computing Network<sup>2</sup> that operates or proposes to operate a community technology center or that contracts or proposes to contract with another nonprofit corporation or with a political subdivision to operate a center;

(2) A political subdivision that operates or proposes to operate a community technology center or that contracts or proposes to contract with a nonprofit corporation or another political subdivision to operate a center.

Two or more applicants as described in (1) and (2) above may apply jointly for a grant under the Program.

**Conditions on the awarding of grants**

(R.C. 122.066(F) and 122.067)

A recipient of a grant from the Community Technology Center Grant Fund must agree, in writing, to abide by the following terms and conditions through the end of the year in which the recipient expends the last of the grant money awarded to the recipient:

(1) That the grant recipient will use all of the grant money for the sole purpose of paying allowable equipment and other operational costs of a community technology center;

(2) That the grant recipient will ensure that the community technology center's services, facilities, and equipment are available free of charge for at least 12 hours per week for use by the general public and for at least an additional 24 hours per week for technology training;

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<sup>2</sup> *The Ohio Community Computing Network ("OCCN") is an alliance comprised of community technology centers and others involved in creating and promoting these centers. OCCN was established in 1995 as the oversight and evaluation organization for 14 community technology centers created and funded by the Ameritech Advantage Ohio alternative regulation case settlement. In November 1995, OCCN broadened its focus to include non-Ameritech-funded community technology centers around Ohio. Today, OCCN is a network of over 40 centers.*

(3) That, without the Director's prior written approval, the grant recipient will not sell or transfer or authorize the sale or transfer of any goods or services purchased with the grant money until after the end of the year in which the recipient expends the last of the grant money;

(4) That the grant recipient will submit to, or will cause any party with whom the recipient contracts to operate the community technology center to submit to, periodic unannounced audits by the Director or the Director's agent of the use and expenditure of the grant money to ensure that the grant recipient is complying with the terms and conditions of the grant, laws governing the Program, and rules adopted by the Director (see "**Director granted rulemaking authority**," below).

The bill prohibits the Director from awarding more than \$50,000 to the same grant recipient in any fiscal year. Amounts received by a grant recipient who is a party to a joint application for a grant count toward the \$50,000 limitation.

The Director may not grant or deny any grant application without first consulting with an advisory board created by the bill to assist the Director in administering the Program (see "**Advisory board created**," below).

**Advisory board created**

(R.C. 122.066(B) and 122.069(A) and (B))

The bill designates the governing board of the Ohio Community Computing Network as an advisory board that is to assist the Director in administering the Community Technology Center Grant Program.<sup>3</sup> The advisory board has the following duties under the bill:

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<sup>3</sup> *The governing board of the Ohio Community Computing Network ("OCCN") is a board of trustees comprised of 20 individuals with backgrounds in a range of fields, including education, private business, and politics. Trustees are elected for three-year terms at elections held during OCCN's annual meeting. Approximately one-third of the trustees are elected each year. After serving three consecutive three-year terms, a trustee may not be re-elected until one year has elapsed. Under the bill, each member's term on the advisory board coincides with the member's term on OCCN's governing board. The bill specifies, further, that when a vacancy occurs on the advisory board as a result of a member leaving the advisory board before the expiration of the member's term, the remaining members of the advisory board fill the vacancy for the unexpired term. (R.C. 122.069(A)(1).)*

(1) Designating "board-referred reviewers" to assist the advisory board and the Director in reviewing applications using review forms prescribed by the Director (see "**Board-referred reviewers**," below);

(2) Making recommendations to the Director regarding the Director's adoption of rules governing the Program;

(3) Making recommendations to the Director regarding the approval or denial of applications for a grant from the Community Technology Center Grant Fund and the determination of the amounts in which grants should be awarded.

The bill provides that the chairperson of the governing board of the Ohio Community Computing Network is to serve as the chairperson of the advisory board. Each member of the advisory board has one vote in all of the board's deliberations. A majority of the advisory board's members constitutes a quorum and the advisory board may not take any action unless the action is approved by a majority of the advisory board's members. Members of the advisory board serve without compensation; however, board members who are not also public employees are reimbursed for the necessary expenses incurred by them in the performance of their duties as board members. The bill specifies that board members' expenses are to be paid from the Community Technology Center Grant Fund.

If the Ohio Community Computing Network ceases to exist, the Director of Development is authorized to create another advisory board to carry out the advisory board duties described above.

**Advisory board not subject to review by the Sunset Review Committee**

(R.C. 122.069(C) and 101.82 to 101.87 (not in the bill))

Under Ohio's Sunset Review Law, state agencies are generally subject to periodic review by the Sunset Review Committee, a bipartisan committee comprised of members of both houses of the General Assembly. Agencies that are subject to review by the Committee automatically cease to exist unless renewed by the General Assembly. The Committee reviews a state agency every four years. The review focuses on such issues as the agency's purpose, objectives, workload, and budgetary needs. Upon reviewing an agency, the Committee makes a recommendation to the General Assembly as to whether an agency should be abolished, transferred, reorganized, or renewed.

The bill exempts the advisory board created in the bill from the Sunset Review Law. Accordingly, the advisory board is not subject to automatic expiration and review by the Sunset Review Committee.

**Board-referred reviewers**

(R.C. 122.066(B) and 122.069(B)(1))

The bill requires that at least 50% of the individuals reviewing grant applications be reviewers referred to the Director by the advisory board. The Director may permit applications to be reviewed by a group of individuals comprised of more than 50% board-referred reviewers or comprised exclusively of board-referred reviewers.

Immediately upon completing a review of a grant application, a board-referred reviewer must submit a review form to the Director. The reviewer must also submit a copy of the review form to the advisory board. If the Director determines that a board-referred reviewer disclosed any information in a review form to any party other than a member of the advisory board, the Director, or Department of Development staff designated by the Director, that reviewer is prohibited from reviewing any applications in the future.

Board-referred reviewers serve without compensation. However, they are reimbursed for the necessary expenses incurred while performing their duties. Expenses incurred by board-referred reviewers are paid from the Community Technology Center Grant Fund.

**Director granted rulemaking authority**

(R.C. 122.068)

The bill authorizes the Director to adopt any rules necessary to administer the Community Technology Center Grant Program. In addition, the bill requires the Director to adopt rules prescribing all of the following:

- (1) The form and content of grant applications and review forms;
- (2) The procedures and requirements of the grant application process;
- (3) A nondiscriminatory, competitive process for awarding grants;
- (4) Uniform, statewide standards for determining the boundaries of economically disadvantaged communities;
- (5) Uniform, statewide standards for approving or denying grant applications and for determining the amounts of grant awards, which give priority to grants for which matching funds are available;

(6) Uniform, statewide standards for requiring forfeiture or repayment to the Director of grant money when the grant recipient fails to comply with the conditions upon which a grant was awarded.

The Director is required to adopt these rules in accordance with the Administrative Procedure Act. Generally, this means the Director can adopt the rules only after giving notice and holding a public hearing.

**Community Technology Center Grant Fund created**

(R.C. 122.066(B))

The bill creates the Community Technology Center Grant Fund in the state treasury. The fund consists of grant money repaid or forfeited to the Director pursuant to rules adopted by the Director. Interest earned on money in the fund is also credited to the fund. The bill establishes additional sources of funding for the fund by channeling into the fund various types of forfeitures assessed upon providers of natural gas and public telecommunications services.

**Forfeitures assessed by courts upon natural gas and public telecommunications service providers**

(R.C. 1345.18 (not in the bill) and 1345.20)

Continuing law prohibits a seller of natural gas or any provider of public telecommunications services<sup>4</sup> that is not a public utility from requesting or submitting a change in a consumer's provider of natural gas service or public telecommunications service without first obtaining the consumer's consent.<sup>5</sup> (This practice of changing a consumer's provider without first obtaining the consumer's consent is commonly referred to as "slamming.") If a supplier of natural gas or public telecommunications services violates this prohibition, the consumer whose service was changed may bring an action in court against the supplier for a declaratory judgment, an injunction, or other relief. The court may issue an order assessing upon the supplier various forfeitures of up to \$5,000 per day for each day of the violation.

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<sup>4</sup> Continuing law defines a "public telecommunications service" as the transmission by electromagnetic or other means of signs, signals, writings, images, sounds, messages, or data originating in the state (R.C. 1345.18(A)(4) (not in the bill)).

<sup>5</sup> This particular prohibition applies only with respect to consumers that are using the natural gas and public telecommunications services for purposes that are primarily other than personal, family, or household (R.C. 1345.18(A)(2) (not in the bill)).

Under current law, one-half of any forfeiture assessed by a court is paid to the treasurer of the county in which the action was brought and the other half is paid into the state treasury to the credit of the General Revenue Fund (GRF). The bill changes the distribution of the forfeitures. Under the bill, if the forfeiture is assessed upon a seller of natural gas, then the forfeiture is distributed as under current law; that is, one-half of the forfeiture is paid to the treasurer of the county in which the action was brought and the other half is credited to the GRF. However, if the forfeiture is assessed upon a provider of public telecommunications services, then one-fourth of the forfeiture is paid to the treasurer of the county in which the action is brought, one-fourth is credited to the General Revenue Fund, and one-half is credited to the Community Technology Center Grant Fund.

**Forfeitures assessed by the Public Utilities Commission of Ohio upon natural gas and public telecommunications service providers**

(R.C. 4905.73)

Under continuing law, a public utility that is a provider of natural gas services or public telecommunications services and that makes a change in a consumer's natural gas or public telecommunications service provider without the consumer's prior approval is subject to forfeitures assessed by the Public Utilities Commission of Ohio (PUCO). Continuing law authorizes PUCO to assess upon the provider various forfeitures of up to \$5,000 for each day of the violation. Under current law, the forfeitures collected by PUCO are credited to the GRF.

Under the bill, a forfeiture collected for an unauthorized change in the provider of natural gas services is credited to the GRF, as under current law. However, the bill changes the distribution of forfeitures collected for unauthorized changes in the provision of public telecommunications services so that one-half of any such forfeiture is credited to the GRF and the other half is credited to the Community Technology Center Grant Fund.

**Forfeitures assessed by PUCO upon telephone companies that fail to comply with PUCO orders**

(R.C. 4905.381)

Continuing law authorizes PUCO to issue orders requiring telephone companies that are public utilities to do one or more of the following:

(1) Replace inadequate, insufficient, inefficient, or improper services or equipment;

(2) Make repairs, improvements, and additions to plants or equipment to promote the convenience or welfare of the public or employees or to secure adequate service;

(3) Replace unjust or unreasonable rules, regulations, or practices with just and reasonable ones.

Current law provides that if a telephone company fails to comply with any of these orders, the telephone company must pay a forfeiture to the state. The amount of the forfeiture may range from \$100 to \$5,000 for each day that the company fails to comply. Under current law, the entire amount of the forfeiture is deposited in the GRF. The bill changes the distribution of the forfeitures so that one-half of any forfeiture is credited to the GRF and the other half is credited to the Community Technology Center Grant Fund.

**Catch-all provision crediting one-half of all moneys forfeited by telephone companies to the Community Technology Center Grant Fund**

(R.C. 4905.57)

Current law provides that any moneys forfeited by public utilities under Ohio's public utilities laws are generally credited to the GRF. The bill creates an exception to this general rule and specifies that one-half of any moneys forfeited under these laws by a telephone company that is a public utility is to be credited to the Community Technology Center Grant Fund.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	02-24-04	p. 1651

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