



Ohio Legislative Service Commission

Bill Analysis

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130th General Assembly
(As Reported by S. Finance)

Reps. Baker and Stebelton, R. Adams, Anielski, Antonio, Beck, Blessing, Boose, Brown, Buchy, Burkley, Carney, Damschroder, Derickson, Dovilla, Duffey, Hackett, C. Hagan, Hayes, Henne, Landis, McClain, McGregor, Perales, Romanchuk, Rosenberger, Ruhl, Scherer, Schuring, Smith, Sprague, Stebelton, Stinziano, Terhar, Wachtmann, Batchelder

Sen. LaRose

BILL SUMMARY

Governor's Office of Workforce Transformation

- Requires the Governor's Office of Workforce Transformation to establish criteria to use for evaluating the performance of state and local workforce programs using basic, aligned workforce measures related to system efficiency and effectiveness.
- Requires the Departments of Job and Family Services and Education and the Ohio Board of Regents to provide staff support and assistance for establishing the criteria.
- Requires the Office to develop and make available on the Internet a public dashboard to display metrics regarding the state's administration of primary workforce programs.
- Requires the Governor's Office of Workforce Transformation, in collaboration with the Chancellor of the Board of Regents, and the Superintendent of Public Instruction, and the Department of Job and Family Services, to submit to the appropriate federal agency, by December 31, 2014, a single state unified plan for federal adult basic literacy, career-technical education, and workforce development programs.

In-demand jobs report

- Requires the Department of Job and Family Services, in consultation with the State Workforce Policy Board, to publish a list of in-demand jobs on the Department's website before December 31, 2014.
- Requires local workforce investment boards, workforce investment agencies, and other providers of workforce training to use the in-demand jobs list to cultivate and prioritize workforce development activities.

Innovation and research and development financial assistance

- Requires persons applying for innovation financial assistance or research and development financial assistance to provide notice to the appropriate local government bodies and state officials if the innovation project or research and development project entails the relocation of operations from elsewhere in Ohio.

Synchronization of economic development report due dates

- Synchronizes the due dates of several annual and biennial reports related to economic development programs.

Report on increasing access to and participation in programs for adults without a high school diploma

- Requires the Chancellor of the Board of Regents to develop recommendations for increasing access to and participation in programs for adults who have not earned a high school diploma that offer credentials equivalent to a high school diploma and to report those recommendations to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2014.

Compliance incentive programs

- Permits the Director of Commerce to adopt rules to establish incentive programs for compliance with laws and rules pertaining to the divisions under the control of the Department of Commerce.
- Permits the State Fire Marshal to adopt rules to establish an incentive program for compliance with the fire code and sanitary standards.

- Permits the Ohio Construction Industry Licensing Board (OCILB) to establish rules that amend continuing education requirements and license renewal schedules for OCILB licensees to establish a compliance incentive program.

Volunteer Police Officers' Dependents Fund

- Creates the Volunteer Police Officers' Dependents Fund to provide death benefits to survivors of volunteer, part-time, and reserve police officers and sheriffs' deputies killed in the line of duty and disability benefits to such disabled officers.
- Makes each political subdivision with a police or sheriff's department that employs volunteer police officers a member of the Fund and requires each Fund member to establish a volunteer police officers' dependents fund board to administer claims for benefits from the Fund.
- Requires the following benefit amounts to be paid from the Fund: (1) surviving spouses, a lump-sum sum award of \$1,000, plus a \$300 benefit per month, (2) dependent children, a benefit of \$125 per month, and (3) disabled volunteer police officers, a disability benefit of \$300.
- To pay for benefits disbursed by the Fund, requires each Fund member to pay the Treasurer of State an initial premium of \$300 to \$500, which is based on the member's assessed property valuation.
- If claims against the Fund have reduced it to 95% or less of its basic capital account, requires Fund members to pay additional premiums of \$90 to \$150, depending on the member's assessed property valuation.

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CONTENT AND OPERATION

Governor's Office of Workforce Transformation

Evaluation of workforce programs

(R.C. 107.35)

The Governor's Office of Workforce Transformation was established by Governor Kasich in 2012 via an executive order. Part of its duties is to coordinate and align the state's workforce policies, programs, and resources.¹ The bill requires the Office to establish criteria to use for evaluating the performance of state and local workforce programs using basic, aligned workforce measures related to system efficiency and effectiveness. The Office must do so not later than December 31, 2014, and with staff support and assistance from the Departments of Job and Family Services and Education and the Ohio Board of Regents.

Additionally, the Office must develop and make available on the Internet through a website a public dashboard to display metrics regarding the state's administration of primary workforce programs, including the following programs:

(1) The Adult Basic and Literacy Education Program (ABLE);

(2) Programs administered under the federal Carl D. Perkins Career and Technical Education Act of 2006;

¹ Ohio Executive Order 2012-02K, Creating the Governor's Office of Workforce Transformation and the Governor's Executive Workforce Board (February 9, 2012).

(3) State aid and scholarships within the Ohio Board of Regents;

(4) Programs administered under title I of the federal Workforce Investment Act of 1998.

State unified plan for federal adult basic literacy, career-technical education, and workforce development programs

(R.C. 3333.91)

The bill requires the Governor's Office of Workforce Transformation, in collaboration with the Chancellor of the Board of Regents, the Superintendent of Public Instruction, and the Department of Job and Family Services, to develop and submit to the appropriate federal agency by December 31, 2014, a single state unified plan for the adult basic and literacy education (ABLE) program administered by the United States Secretary of Education, the Carl D. Perkins Vocational and Technical Education Act,² and the Workforce Investment Act of 1998.³ The bill also expressly permits the Governor's Office of Workforce Transformation to update the unified plan as necessary and to submit that updated plan to the appropriate federal agency.

In-demand jobs report

(R.C. 6301.11)

The bill requires the State Workforce Policy Board, in connection with the Department of Job and Family Services, to develop a methodology for identifying jobs that are in demand by employers operating in Ohio. The Department, in consultation with the Board, is required to use this methodology to publish a list of in-demand jobs on the Department's website before December 31, 2014. The list must be periodically updated to reflect evolving workforce demands in the state.

The bill requires local workforce investment boards, workforce development agencies, and other providers of workforce training to use the in-demand jobs list to cultivate and prioritize workforce development activities that correspond to the employment needs of Ohio employers and assist Ohio workers in maximizing their employment opportunities.

² 20 United States Code (U.S.C.) 2301.

³ 29 U.S.C. 2801.

Innovation and research and development financial assistance

(R.C. 166.13 and 166.18)

Continuing law authorizes the Director of Development Services to make loans and loan guarantees to persons to pay the "allowable innovation costs" of "eligible innovation projects" and to pay the "allowable costs" of "eligible research and development projects." Under current law, if the innovation project or research and development project for which the loan is requested includes relocating operations from elsewhere in Ohio, the Director is required to notify the appropriate local government bodies and state officials.

The bill instead requires that the persons applying for innovation financial assistance or research and development financial assistance provide such written notification to the appropriate local government bodies and state officials. The bill prohibits the Director of Development Services from entering into an agreement to provide such financial assistance unless the Director determines that the notification has been made.

Synchronization of economic development report due dates

(R.C. 122.136, 122.21, 122.25, 122.37, 122.64, 122.89, 122.94, 122.941, 149.311, 150.10, 184.02, and 1551.34)

The bill synchronizes the due dates of several annual and biennial reports related to economic development programs. Under the bill, each of the following reports must be filed on or before August 1, instead of the various due dates prescribed for the reports in current law:

- Development Services Agency (DSA) annual report (currently February 1)
- DSA Business Services Division annual report (currently October 1)
- DSA assistance programs annual report (currently October 1)
- Third Frontier Commission annual report (currently October 1)
- Historic Building Rehabilitation Tax Credit annual report (currently April 1)
- Venture Capital Program annual report (currently January 1)



- Urban and Rural Initiative Grant Program annual report (currently June 30)
- Rural Industrial Park Loan Program annual report (currently June 30)
- Steel Futures Program annual report (currently June 30)
- Minority Business Bonding Program annual report (currently February 1)
- Various other business assistance program annual reports (currently February 1)
- Ohio Coal Development Office biennial report (currently March 31)

Existing law already requires the Director of Development Services to file several other annual reports on or before August 1, including the annual reports for the Job Creation Tax Credit, the Job Retention Tax Credit, and the Enterprise Zone program.

Report on programs for adults without a high school diploma

(Section 3)

The bill requires the Chancellor of the Board of Regents to develop recommendations for increasing access to and participation in programs for adults who have not earned a high school diploma that offer credentials equivalent to a high school diploma and also provide career pathways, such as an associate degree, industry credential, or other type of career training. In developing those recommendations, the Chancellor must consult with the Superintendent of Public Instruction; representatives of the Governor's Office of Workforce Transformation, the Department of Job and Family Services, and the Ohio Association of Community Colleges; representatives of career-technical planning districts that provide post-secondary workforce education; representatives of programs that provide adult basic and literacy education; and representatives of any other interested parties at the Chancellor's discretion. Finally, the bill requires the Chancellor to prepare a report of those recommendations and submit the report to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2014.



Compliance incentive programs

(R.C. 121.08, 3731.02, and 4740.06)

The bill permits the Director of Commerce, the State Fire Marshal, and the Ohio Construction Industry Licensing Board to adopt rules to establish compliance incentive programs.

Department of Commerce

The bill allows the Director of Commerce, or the Director's designee, to adopt rules to enhance compliance with statutes pertaining to, and rules adopted by, the divisions under the direction, supervision, and control of the Department or Director by offering incentive-based programs that ensure safety and soundness while promoting growth and prosperity in Ohio.

State Fire Marshal – "Safe Stay Hotel"

The bill allows the State Fire Marshal to adopt rules to establish a fire code and sanitary standards compliance incentive program for hotels required to be licensed under continuing law. These rules may include (1) provisions for the creation of a "Safe Stay Hotel" designation by the State Fire Marshal, (2) the standards a licensed hotel must meet to achieve and maintain that designation, (3) the procedures the State Fire Marshal will use to publish and maintain a registry of hotels receiving that designation, and (4) any monetary incentives offered by the State Fire Marshal to encourage a licensed hotel to achieve and maintain the designation. At a minimum, a hotel must meet the fire code and sanitary compliance standards established under existing law for a continuous period of at least 24 months in order to be designated as a "Safe Stay Hotel."

The bill states that the authority to establish a compliance incentive program may not be construed to limit the power of the state, the Department of Commerce, the State Fire Marshal, or any other political subdivision of the state to administer and enforce any other sections of the Hotel Law or any other applicable laws, rules, and regulations. Further, the bill's provisions may not be construed to require the State Fire Marshal to (1) designate a hotel as a "Safe Stay Hotel" or (2) award a monetary incentive to a hotel in any manner that is inconsistent or in conflict with the rules adopted under applicable laws, rules, or regulations.



Ohio Construction Industry Licensing Board

The bill allows the Ohio Construction Industry Licensing Board (OCILB) to establish rules that amend the continuing education requirements and license renewal schedule for licensees, as provided in or adopted pursuant to continuing law, for the purpose of establishing a compliance incentive program. The rules may include provisions for the creation of the program and the qualifications, continuing education requirements, and renewal schedule for the program.

Volunteer Police Officers' Dependents Fund

The bill creates the Volunteer Police Officers' Dependents Fund (Fund) to provide death benefits to survivors of volunteer, part-time, and reserve police officers and sheriffs' deputies killed in the line of duty and disability benefits to such officers who are totally and permanently disabled as a result of discharging their duties.⁴ The bill is similar to the existing Volunteer Firefighters' Dependents Fund, which provides (1) death benefits to surviving spouses and dependent children of volunteer firefighters killed in the line of duty and (2) disability benefits to volunteer firefighters who are totally and permanently disabled as a result of discharging duties as a firefighter.⁵

The bill defines "volunteer police officer" as any person who is employed as a police officer or sheriff's deputy in a part-time, reserve, or volunteer capacity by a county sheriff's department or the police department of a municipal corporation, township, township police district, or joint police district and is not a member of the Public Employees Retirement System (PERS), Ohio Police and Fire Pension Fund (OP&F), State Highway Patrol Retirement System (SHPRS), or the Cincinnati Retirement System (CRS).⁶

Volunteer police officers' dependents fund boards

The bill makes each county, municipal corporation, township, township police district, and joint police district with a police or sheriff's department that employs volunteer police officers a member of the Fund. Each Fund member must establish a volunteer police officers' dependents fund board. The boards administer claims for benefits from the Fund.

⁴ R.C. Chapter 143.

⁵ R.C. Chapter 146., not in the bill.

⁶ R.C. 143.01(C).

Each board is to consist of the following members:

(1) Two members, elected by the legislative authority of the Fund member that maintains the police or sheriff's department;

(2) Two members, elected by the volunteer police officers of the police or sheriff's department;

(3) One board member, elected by the members specified in (1) and (2), above. The member must be an elector of the Fund member in which the police or sheriff's department is located, but not be a public employee, member of the legislative authority, or police officer of that police or sheriff's department.⁷

Election of members

The legislative authority of the Fund member that maintains the police or sheriff's department must hold the election for the initial board members no later than 30 days after the bill's effective date. After that, the election of the board members specified in (1) above must be held each year between November 1 and the second Monday in December. The election of the member specified in (3) above is to be held each year on or before December 31.⁸

The Board members specified in (2) above are to be elected on or before the second Monday in December. The board's secretary (or, the case of the initial election, the legislative authority of the Fund member that maintains the department) must give notice of the election by posting it in a conspicuous place at the police or sheriff's department headquarters. Between 9 a.m. and 9 p.m. on the day designated, each person eligible to vote must send in writing the name of two persons eligible to be elected to the board who are the person's choices. The board (or, for initial elections, the legislative authority) is to count and record all votes cast at the election, and announce the result. The two persons receiving the highest number of votes are elected. If there is a tie vote for any two persons, the election is to be decided by lot or in any other way agreed on by the persons for whom the tie vote was cast.⁹

⁷ R.C. 143.02(A).

⁸ R.C. 143.02(C)(1).

⁹ R.C. 143.02(C)(2) and Section 4.

Except for initial terms of office, terms of office of board members are one year and begin the first day of January. For the initially elected members, a member's term begins on the date the member is elected and ends on the following December 31. Any vacancy occurring on a board is to be filled at a special election called by the board's secretary.¹⁰

Organization

A Fund board is to meet promptly after election of its members and organize. The board must select from among its members a chairperson and secretary. The board's secretary is to keep a complete record of the board's proceedings, which must be maintained as a permanent file.

Board members are to serve without compensation. The legislative authority of the Fund member must provide sufficient meeting space and supplies for the board to carry out its duties.

The board's secretary must submit all of the following to the Director of Commerce: (1) the name and address of each board member and the group or authority that elected the member, (2) the names of the board chairperson and secretary, and (3) a certificate indicating the current assessed property valuation of the Fund member that is prepared by the clerk of the Fund member.¹¹

Each board may adopt rules as necessary for handling and processing claims for benefits. The board must perform other duties as necessary to implement the law governing the Fund.¹²

The prosecuting attorney of the county in which a Fund member is located serves as the legal advisor for the board.¹³

¹⁰ R.C. 143.02(B) and (D) and Section 4.

¹¹ R.C. 143.03.

¹² R.C. 143.04.

¹³ R.C. 143.05.

Benefits

Death benefits

Under the bill, death benefits must be paid from the Fund to the surviving spouse or dependent children of a volunteer police officer who is killed in the line of duty, regardless of whether disability benefits were paid from the Fund to that officer. Death benefits are to be paid as follows:

--A surviving spouse receives a lump-sum award of \$1,000 and a benefit of \$300 per month.

--Each dependent child under age 18 or under age 22 if in school receives a benefit of \$125 per month.¹⁴

"Killed in the line of duty" is defined as either (1) death in the line of duty or (2) death from injury sustained in the line of duty, including heart attack or other fatal injury or illness caused while in the line of duty.¹⁵

Disability benefits

Under the bill a volunteer police officer who is totally and permanently disabled as a result of discharging the duties of a volunteer police officer receives a disability benefit from the Fund of \$300 per month. The bill provides, however, that no payment is to be made to a volunteer police officer who is receiving the officer's full salary during the time of the officer's disability.¹⁶

The bill defines "totally and permanently disabled" as unable to engage in any substantial gainful employment for a period of not less than 12 months by reason of a medically determinable physical impairment that is permanent or presumed to be permanent.¹⁷

¹⁴ R.C. 143.09(B).

¹⁵ R.C. 143.01(A).

¹⁶ R.C. 143.09(A).

¹⁷ R.C. 143.01(B).

Application for benefits

An individual eligible for benefits from the Fund must file a claim for benefits with the appropriate Fund board on a form provided by the board. All of the following information must be submitted with the claim:

(1) In the case of a totally and permanently disabled volunteer police officer: (a) the name of the police or sheriff's department for which the officer was a volunteer police officer, (b) the date of the injury, and (c) satisfactory medical evidence that the officer is totally and permanently disabled.

(2) In the case of a surviving spouse or a parent, guardian, or other person in charge of a dependent child: (a) the deceased officer's full name, (b) the name of the police or sheriff's department for which the deceased officer was a volunteer police officer, (c) the name and address of the surviving spouse, as applicable, (d) the names, ages, and addresses of any dependent children, and (e) any other evidence required by the board.¹⁸

All claimants must certify that neither the claimant nor the person on whose behalf the claim is filed qualifies for other benefits from any of the following based on the officer's service as a volunteer police officer: PERS, OP&F, SHPRS, CRS, or the Ohio Public Safety Officers Death Benefit Fund.¹⁹

The bill requires initial claims to be filed with the board of the Fund member in which the officer was a volunteer police officer. Thereafter, on request of the claimant or the board, claims may be transferred to a board near the claimant's current residence, if the boards concerned agree to the transfer.²⁰

Consideration of claims

Not later than five days after receiving a claim for benefits, a board must meet and determine the validity of the claim. If the board determines that the claim is valid, it must make a determination of the amount due and certify its determination to the Director of Commerce for payment. The certificate must show (1) the board's name and address, (2) the name and address of each beneficiary, (3) the amount to be received by

¹⁸ R.C. 143.09(C).

¹⁹ R.C. 143.09(D).

²⁰ R.C. 143.09(E).



each beneficiary, and (4) the name and address of the person to whom payments are to be made.

If the Board determines that a claimant is ineligible for benefits, it must deny the claim and issue to the claimant a copy of its order.²¹

The bill authorizes a board to make a continuing order for monthly payments to a claimant for a period not exceeding three months from the date of the determination. The determination may be modified after issuance to reflect any changes in the claimant's eligibility. If no changes occur at the end of the three-month period, the Director may provide for payment if the board certifies that the original certificate is continued for an additional three-month period.²²

Exemption from garnishment and attachment

Under the bill an individual's right to the benefits provided by the bill (1) are exempt from execution, garnishment, attachment, and bankruptcy or insolvency laws, and (2) are unassignable, except for orders concerning the division of marital property and withholding orders to satisfy child support obligations.²³

Funding of benefits

Initial premiums

The Fund is to be maintained in the state treasury. All investment earnings of the Fund must be collected by the Treasurer of State and placed to the credit of the Fund.²⁴

To pay for benefits disbursed by the Fund, the bill requires each Fund member to pay the Treasurer of State an initial premium, which is credited to the Fund. The amount of the premium depends on the member's assessed property valuation, as indicated in the table below.²⁵

²¹ R.C. 143.10(A).

²² R.C. 143.10(B).

²³ R.C. 143.11 and 2329.66.

²⁴ R.C. 143.06(A).

²⁵ R.C. 143.06(B).

Member's assessed property valuation	Initial premium amount
Less than \$7 million	\$300
\$7 million or more, but less than \$14 million	\$350
\$14 million or more, but less than \$21 million	\$400
\$21 million or more, but less than \$28 million	\$450
\$28 million or more	\$500

Additional premiums

The bill makes the total of all initial premiums collected by the Treasurer of State the basic capital account of the Fund. No further contributions are required of its members until claims against the Fund have reduced it to 95% or less of its basic capital account. In that event, additional premiums must be paid by Fund members and the Director of Commerce must cause the following assessments, based on current property valuation, to be made and certified to the legislative authority of each member:²⁶

Member's assessed property valuation	Assessment amount
Less than \$7 million	\$90
\$7 million or more, but less than \$14 million	\$105
\$14 million or more, but less than \$21 million	\$120
\$21 million or more, but less than \$28 million	\$135
\$28 million or more	\$150

Failure to pay premiums

If a member of the Fund fails to pay the initial premium, under the bill the Director must certify the failure as an assessment against the member to the auditor of the county within which the member is located. The county auditor is to (1) withhold the amount of the assessment, together with interest at the rate of 6% from the due date of the premium, from the next ensuing tax settlement due the member and (2) pay the amount to the Treasurer of State to the credit of the Fund.

If a board secretary fails to submit to the Director a certificate of the member's current assessed property valuation, the Director must use the highest assessed

²⁶ R.C. 143.07.

property valuation (\$28 million or more) as a basis for the assessment. As a result, the member will pay an initial premium of \$500.²⁷

If a member does not pay the additional premium within 45 days after receiving notice of the assessment, the Director must proceed with collection in accordance with the bill's procedures for collecting initial premiums that have not been paid.²⁸

HISTORY

ACTION	DATE
Introduced	03-18-14
Reported, H. Economic Development & Regulatory Reform	04-09-14
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Reported, S. Finance	05-20-14

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²⁷ R.C. 143.08(A).

²⁸ R.C. 143.08(B).

