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Legislative Update

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MONDAY, MARCH 2 2009

STATE AUDITOR SAYS ADMINISTRATION'S FY 2008 BOOKS UNOFFICIALLY 'UNAUDITABLE' DUE TO DELAYED DOCUMENTATION

If Ohio government was held to the same legal standards as smaller, local entities, it would be declared "unauditable" for the fiscal year that ended June 30, State Auditor Mary Taylor said Monday.

That's because Gov. Ted Strickland's administration has failed to fully document its finances for FY 2008, and in the process has set back the auditor's annual review process, Ms. Taylor said. As a result, the state audit for last fiscal year won't be completed until after the start of FY 2010 on July 1.

Local government entities have up to 150 days after the close of their fiscal year to file financial statements with the state auditor for review before facing penalties. As of Monday, the state was 245 days beyond FY 2008 and Ms. Taylor said the Office of Budget and Management had informed her staff that financial statements and Ohio's Comprehensive Annual Financial Report for the year wouldn't be ready for review until June.

"The delay we have experienced to date, and the additionally lag, delay we have been told to expect, appear to be unprecedented," Ms. Taylor, a Republican, said during a news conference at her Columbus office. "It's most certainly troubling."

Ms. Taylor said OBM has attributed the delay to issues related to the state's years-in-the-making financial system computer overhaul, the Ohio Administrative Knowledge System (OAKS). However the auditor said her office was able to glean its own fiscal documentation from the system for FY 2008 and has completed its own review of the auditor's office books for that year.

Strickland spokeswoman Amanda Wurst said the governor was trying to be responsive to the auditor's concerns.

"The governor is concerned about the delay and has asked the Office of Budget and Management and other agencies to work to pull this information together as quickly as possible," she said.

"This is the first time state agencies have completed financial reporting through a new accounting system. OAKS is a \$158 million, enterprise-wide new payroll accounting system," Ms. Wurst said. "Normally, the state would have annual financial reports completed by now under an old accounting system. The auditor herself recognized that FY 2008 was the first year of full implementation for OAKS."

The state auditor suggested the governor should be held as accountable to public finances as he wants to hold charter schools, of which 13 are on a list of 40 local entities currently designated as unauditable by her office.

"You can hardly listen to news reports today, from Washington and Columbus, and not hear those two very important words: accountability and transparency," Ms. Taylor said. "But you can't just say them. You must act accordingly."

Although OBM has historically come under fire during difficult financial times, the auditor's criticisms, detailed in a March 2 letter to the governor and legislative leaders, are just the latest leveled at the Democratic administration regarding the accuracy and availability of state financial information and the speed at which it is made public.

During the last legislative session, GOP legislative leaders complained that OBM was unduly dragging its feet in producing data to justify budgetary moves. OAKS, which has been ramped up in recent years to handle more and more of the state's fiscal and human resource matters, was also cited as the main culprit for those delays.

More recently, the budget office has come under fire from the left end of the political spectrum, with Richard Sheridan, a former Legislative Budget Officer who consults for the Cleveland-based Center for Community Solutions, declaring in his regular State

Budgeting Matters report that some of OBM's budget-balancing techniques were a "puzzlement" that raised further questions. That particularly scathing issue was prefaced by a quote from Ms. Taylor.

And in the context of the biennium budget introduced last month, Mr. Strickland's administration has taken heat in editorial pages and from Republican lawmakers over what has been termed as a "spin" of a range of financial matters including school-funding totals and the state's future revenue picture.

"The auditor is understandably frustrated with the continued complications arising with the implementation of OAKS, but it does not raise questions with the financial condition of our state," Ms. Wurst said.

PANEL RECOMMENDS CHANGE IN LEGISLATIVE EARMARKS, OIL AND GAS EXPLORING IN PARKS TO HELP EASE ODNR FINANCIAL WOES

A panel the General Assembly created to study financial problems facing the Ohio Department of Natural Resources is calling for reform of the legislative earmark process that saddles the agency with debt service.

The recommendation led a list of short-term solutions contained in the final report of the Ohio State Park and Recreational Area Study Committee.

The nine-member public-private panel said the Division of Parks, one of twelve divisions in the department, lists at least \$556 million in deferred capital improvements.

Eighty percent of buildings in the division, which oversees 74 state parks, are more than 20 years old. Average age of its largest buildings is 38 years.

The study panel's report said the parks division has been subject to at least \$17.5 million in general revenue fund reductions since 2000.

"Thirty-two state parks have no on-site manager and 22 state parks have no permanent staff. Yet, the division has witnessed consistently strong visitation, especially in overnight venues," the report said.

It recommended reform of the legislative process of "heavily" earmarking, in the parks and recreation improvement fund, local projects on property that ODNR does not own, lease or operate. ODNR said its largest share of GRF is consumed by debt service.

"While these funds benefit township, municipal and county park districts as well as many metro park systems that have dedicated funding streams, bond repayments are deducted directly from the department's GRF allotment," the report said.

It said changing the process would not necessarily pre-empt local communities from developing projects. ODNR administers several competitive grant programs that would give localities access to state and federal funds for projects that meet similar eligibility as the capital money.

Among other short-term recommendations:

- Enact legislation to let ODNR apply and compete for Clean Ohio Funds, specifically the Green Space Conservation & Trails Funds. State agencies currently are excluded as eligible applicants.
- Seek federal earmarks to fund capital projects that are critical to ODNR's maintenance and infrastructure needs.
- Allow oil and gas exploration on state park lands for which ODNR owns mineral rights, and dedicate any revenue generated from royalties to address the capital improvements backlog. Estimated revenue: \$3 million to \$5 million annually.

The study panel also produced a list of potential long-term funding solutions that included taxes on plastic bags, on alcohol and tobacco, and on any wind energy development in Ohio waters of Lake Erie.

And the committee said that if casino style gambling is in the cards for Ohio, some of the profits should be dedicated to ODNR.

Sean Logan, the department director who also chaired the study committee, quickly ruled out any tax increases.

"Due to the current economic climate and uncertainty of our economic future, a tax increase is not a viable option," he said in a news release.

Delivery of the recommendations to Gov. Ted Strickland and legislative leaders came four years after ODNR proposed charging parking fees of \$5 per day, or selling \$25 annual parking passes good at any state park.

Then-Gov. Bob Taft's administration proposed the parking fees to generate an estimated \$8 million annually for ODNR. House Republicans, responding to sharp public criticism, scrapped the fees from the state budget bill.

ODOT WANTS CALIFORNIA FIRM FOR \$750,000 RAIL PASSENGER STUDY

The Ohio Department of Transportation on Monday proposed hiring a California firm to conduct a \$750,000 railroad capacity analysis for Gov. Ted Strickland's plan to run conventional speed passenger trains from Cleveland to Cincinnati.

Woodside Consulting Group, Inc., Palo Alto, Calif., was recommended for the study from six proposals submitted, including four from Ohio companies.

Woodside is to prepare a "capacity simulation analysis" in cooperation with Amtrak and freight railroads to identify one or more alternative routes using existing rail lines.

"Viable alternatives will be carried forward by Amtrak for detailed service planning, modeling, and forecasting," ODOT said in a request to the Controlling Board. The department's request for a waiver of competitive selection for the consultant contract was included on the board's March 9 agenda.

The analysis is the first step toward implementing the governor's proposal to restore state-sponsored intercity passenger rail service along a route linking Cleveland, Columbus, Dayton, and Cincinnati.

The project was posted on ODOT's Website last December. Six proposals were received, including four from consultant/engineering firms in Cincinnati, Cleveland, and Columbus. A fifth proposal came from a Maryland company.

ODOT said the consultant selection rating form used included evaluations of the firms' project managers, staff experience, workload, past performance and other factors.

An Ohio Rail Development Commission selection committee evaluated and ranked the letters of interest from the six firms. A statewide committee that included the director of transportation and 14 other ODOT officials approved the final selection.

"One or more alternative routes, involving multiple railroads, will be advanced for detailed analysis, modeling and simulation," ODOT said in its request.

"The 'Railroad Capacity Analysis' for the 3C Corridor will provide insight for making cost-effect decisions in improving train performance by expanding railroad capacity and improving operations," the department said.

ODOT said its consultant selection procedures are subject to approval of the Federal Highway Administration, and that federal requirements do not permit any local preferences such as the Buy Ohio program.

TUESDAY, MARCH 3 2009

RAIL PANEL DEFENDS GOVERNOR'S PASSENGER TRAIN PLAN IN HOUSE AS QUESTIONS OVER COST SURFACE IN SENATE

The Strickland administration tried to engineer House support Tuesday for reviving rail passenger service across Ohio as rumblings of concern were heard in the Senate in advance of informal hearings on the same proposal.

Sen. Thomas Patton (R-Strongsville), chairman of the Senate Highways and Transportation Committee, characterized Gov. Ted Strickland's \$7.5 billion transportation budget as "ambitious, and in some cases it's revolutionary."

"We're ruling nothing out," Sen. Patton said as his committee prepared to begin hearings Wednesday on the measure (HB 2), which is still pending in the House.

At the same time, he acknowledged questions have been raised about the proposal to restart rail passenger trains from Cleveland to Cincinnati, via Columbus and Dayton, that stopped running in 1971. Sen. Patton said he wants more information.

"One thing that I think the taxpayers in Ohio would demand of us is to take a look at if, in fact, Ohio can support passenger rail, if it can be utilized," he said in an interview. "Some of the folks I've heard, talked to, say as much as two percent of the population would use. But that means ninety-eight percent won't."

Sen. Patton said the current economic climate demands that legislators take a close look at the proposal, noting that 88% of the state's separate operating budget already is assigned for Medicaid, K-12 education, higher education, and prisons.

"If you have four hungry children at your house, would it be prudent to go out and adopt another child?" he asked.

Other proposals in the transportation budget with a potential to spark Senate debate: elevating the vehicle seat belt law to a primary offense, and a pilot program for use of automated speed cameras along interstate highway construction zones.

The enhanced seat belt law would allow police to stop and cite motorists for failure to buckle up in the absence of another violation as is now required.

"As I look back ... I don't believe we would have voted out the (child) booster seat bill last General Assembly had it been a primary violation. If you use that as a gauge I would anticipate that there might be some heartburn," Sen. Patton said.

As for speed cameras, he has generally opposed their use in the past.

"(I) think that by and large - my own opinion - speed cameras in my hometown where I grew up in Cleveland, is they're cash crops," Sen. Patton said.

"They'll report the amount of revenue coming from them, but nobody wants to do a study to say how many less accidents they've had since they've put them in there, comparatively speaking ... which I think would be a major selling point if they were worth more than just being cash crops," he said.

"But again, to give the governor and the transportation director their due, we're certainly willing to listen to all their arguments," Sen. Patton said.

Senate President Pro Tem Tom Niehaus (R-New Richmond) said Republicans would like someone to point out how the rail plan could pay for itself.

"It's one thing to use federal stimulus money to build the infrastructure. The question is how do you pay for it once you have it. We're already in a serious financial situation of being able to pay for the bills that we currently have," Sen. Niehaus told reporters.

"Now we're creating another program that we have to find operating revenue for. We can't even pay for what we have today," he said.

Sen. Niehaus said the economic reality is that passenger rail does not pay for itself. "It sounds wonderful, it's romantic, but economically, it doesn't work," he said.

House Finance: Separately, the Ohio Rail Development Commission told the House Finance & Appropriations Committee there is "an extensive history" of looking at the possibility of passenger rail in the state.

"The first study was conducted in 1977," said Executive Director Matthew Dietrich, displaying a stack of documents on the podium. All have identified the proposed 3C Corridor as having the greatest ridership potential.

The latest baseline cost for restoring passenger rail service at maximum speeds of about 69 mph called for a capital investment of \$43 million, estimated revenue of \$1.5 million, and an annual cost of up to \$5.1 million. That was for one train running in the morning and evening.

Those figures, about a decade old, will be updated through a study with Amtrak, results of which are due in August. Under the current proposal, there would be up to three trains a day.

"We're looking to start service in the 3C corridor based on all the years of planning we've done," Mr. Dietrich said. "We're not reinventing the wheel here. This is a process that has been used by 14 other states around the country."

Mr. Dietrich viewed the conventional speed service as a step toward development of a six-state high-speed rail system.

"We don't want to take this in isolation. This is part of a broader strategy ... to move people for economic development purposes," he said.

Rep. Matthew Dolan (R-Novelty) questioned a differential in ridership projections for rail projects in Ohio and California.

Rep. Ross McGregor (R-Springfield) pointed out that the passenger trains would run on tracks that freight railroads own and use. "Have the freight companies embraced this concept ... and could they ultimately say, 'No thanks?'" he asked.

Mr. Dietrich responded: "We sponsor freight projects. Amtrak has their own process where they consult with them. They are our partners in this process. We will work them to identify the capital needs."

Rep. McGregor asked: "At the end of the day could the freights decline your kind offer to put passenger trains on their lines?"

Mr. Dietrich said, "As we go through this process we will be able to answer that question."

Rep. Michael Skindell (D-Lakewood) voiced strong support for the 3C Corridor plan.

"I would say that if I had this available now I would use it a lot to travel from Cleveland to Columbus," Rep. Skindell said. He raised the prospect of an additional route linking Pittsburgh, Youngstown, and Toledo.

Mr. Dietrich said the ORDC was working with Pennsylvania about the possibility of establishing a high-speed rail corridor between Cleveland and Pittsburgh.

"Congressman Ryan shares your thoughts," he said, referring to U.S. Rep. Tim Ryan (D-Niles).

Rep. John Carney (D-Columbus) noted that legislators were not being asked to authorize any financial resources at this point.

"If this body fails to act ... you've outlined substantial federal resources that have not existed in the past and may not exist in the future ... that we may not obtain if we don't act," Rep. Carney said, referring to billions in competitive stimulus dollars.

Rep. Randy Gardner (R-Bowling Green) asked if it would be fair public policy to require in state law that all operating money for the service come from passengers, not the state's operating budget.

Mr. Dietrich said he did not know how to answer the question. "We are following an example that has been used in 14 other states," he said.

Rep. Cheryl Grossman (R-Grove City) raised the prospect of federal funding for the system being channeled through the Controlling Board, without additional legislative action.

Mr. Dietrich said he could not speak to that matter. "I don't know what the procedures are because I don't know what funding sources we're going to be looking at," he said.

Rep. Carney said the Ohio Constitution gives "the power of the purse" to the General Assembly. "We are not appropriating specific dollars," he said.

In dispute is a paragraph in the budget bill that authorizes the ORDC to "use funds made available to it by direct appropriation or through the Department of Transportation to meet state obligations for the operation of intercity passenger rail service."

Chairman Vernon Sykes (D-Akron) cancelled a committee meeting originally scheduled for 9:30 a.m. Wednesday, saying the panel instead would convene at 4 p.m. It is expected to take up amendments to the bill.

DAS DIRECTOR DEFENDS ADMINISTRATION'S PROPOSAL FOR LICENSING BOARD CONSOLIDATED SERVICES

Department of Administration Services Director Hugh Quill assured a budget panel Tuesday that a proposal to consolidate "back office" services for licensing boards will not alter any regulatory and enforcement authority but will only consolidate administrative functions.

As budget presentations began last week from the state's 28 regulatory boards, several executive directors expressed concern over the consolidation plan they saw as a possible first step toward an erosion of individual board autonomy and independence.

The governor's budget proposal would place certain administrative functions, such as human resources, finance and procurement, under the Central Service Agency within DAS.

During budget testimony to the House Finance Committee's Higher Education Subcommittee, Director Quill said the CSA would provide business office support in finance and human resources along with procurement services to reduce duplication and pursue economies of scale.

"It's important to note that this is only an administrative consolidation. Affected boards and commissions will retain an executive director and their appointed members. They will remain intact and retain all duties and responsibilities prescribed in Ohio Revised Code," he said.

Mr. Quill said the department is about making efforts to pursue every efficiency that includes purchasing, human resources and payroll services. He added that except for consolidation of "back office" functions, the boards and commissions are being held harmless in the 2010-11 budget cycle.

Rep. Kathleen Chandler (D-Kent) said there is a big difference between day-to-day back office services and standardizing rules and enforcement procedures. She added she would be more comfortable if a service was offered, rather than mandated, and a board or commission could then decide whether or not to participate.

The director responded that the department engages in service level agreements and in working with the strengths and weaknesses of each agency, the department would then "navigate" around any particular issue unique to a board. "We'll do whatever makes them comfortable."

Director Quill noted the general fund portion of the DAS budget is increasing due to two line items that fund lease payments for the Ohio Administrative Knowledge System (OAKS) and the State Taxation Accounting and Revenue System (STARS). However, even though the entire budget shows an increase due to these items. Mr. Quill reported that only 6% of the overall budget goes for the department's operating budget, an amount that has decreased 17% from fiscal years 2008 and 2009.

The director also reported on the Advantage Ohio Procurement Reform Panel recommendations - based primarily on private sector best practices - that includes a strategic sourcing initiative expected to save the state \$34-\$75 million annually through cost avoidance when buying goods and services.

He pointed to a new line item for Leveraged Enterprise Purchases - \$10 million for each year of the biennium - to enable the DAS Office of Information Technology to coordinate multi-agency purchases. He said at the request of other agencies, DAS would negotiate and execute similar technology purchases and participating agencies would pay for their shares, paying considerably less due to consolidated purchasing power.

INDUSTRY SEEKING SIGNIFICANT SUPPORT FOR ALTERNATIVE ENERGY PROJECTS, ADMINISTRATION SAYS

Companies have flooded the state with requests to support alternative energy projects and top officials are scouring the federal stimulus bill to locate other funding sources to help the emerging industry, leading administration officials told a House panel Tuesday.

Mark Shanahan, Gov. Ted Strickland's energy advisor, said companies looking for public support have collectively asked for more than \$325 million from last year's state stimulus package, which allocates \$100 million for energy initiatives.

Mr. Shanahan, who also directs the Ohio Air Quality Development Authority, said preliminary estimates show that Ohio will get \$273.3 million for weatherization programs, and \$122.6 million for other energy programs.

He said the administration is more likely select projects that have the most job growth potential, and will focus on plans that draw significant private sector investments. "We need to see other partners at the table," he told the House Alternative Energy Committee.

Sherry Hubbard, manager at the Department of Development's Energy Office, said alternative energy holds massive growth potential for Ohio. She noted, however, that a lack of access to capital and a strained credit market is taking its toll on projects that could otherwise bring major benefits.

Mr. Shanahan said the federal funds could serve as a "bridge" to getting adequate start-up support in place, and noted that some companies need to shift their mindsets to consider themselves as energy technology companies. Mr. Shanahan said Ohio's future is closely linked to the energy industry, noting that only six other states consume more power than Ohio.

While saying that the new state energy policy calls for an increase in renewable and alternative energy sources, Ohio remains heavily dependent on fossil fuels for its power. As a result, he said the state is also a leader in greenhouse gas emissions.

Mr. Shanahan said the administration rejects the notion that states need to choose to focus on either economic development or environmental protection. "I believe this is a completely false choice," he said.

The director said Ohio is home to a strong university and private sector research network that is developing new technologies, and said Ohio's manufacturing base is poised to benefit from new product discoveries.

Responding to Rep. Marian Harris (D-Columbus), Mr. Shanahan said new federal regulations regarding building codes could be "somewhat problematic" for the state.

While noting that the state could make a "substantial argument" that it is in compliance with the standard, he said the new language could be an issue. "There are a number of challenges for us in meeting that," he said.

Mr. Shanahan noted that the state may need to enact legislation involving the Board of Building Standards to address that issue.

Ms. Hubbard said industry participants need to seize the opportunities that are available, and noted that DOD is providing technical assistance to businesses on the verge of developing new products.

Rep. Dennis Murray (D-Sandusky) said many companies and local governments are interested in joining the effort, but are unaware of how they can get involved. "It's a little like looking at a fifth grade dance," he said. "Nobody really knows how to get it started."

FEDS RELEASE \$28 BILLION FOR TRANSPORTATION WORK; WATER PROJECT DEADLINE APPROACHES; OHIO NATIONAL GUARD GETS RESOURCES

Federal officials on Tuesday released \$28 billion of federal stimulus money to fund infrastructure projects intended to help create jobs and spur the national economy.

The money, delivered to the states, is expected to be spent in short order.

President Barack Obama said the funds, which are expected to create or save 150,000 jobs by the end of 2010, are being released at an "unprecedented pace."

The president noted that Vice President Joe Biden has been charged with making sure the money isn't wasted on projects that don't provide results.

"Throughout our history, there have been times when a generation of Americans seized the chance to remake the face of this nation," the president said. "It's what we're doing once more - by building a 21st century infrastructure that will make America's economy stronger and America's people safer."

Water Projects: Ohioans looking to secure federal funding for drinking water and water pollution control projects must submit their proposals for consideration by March 6, the Strickland administration announced Tuesday.

"These important resources will create construction jobs and further develop Ohio's water infrastructure to protect human health and the environment," Governor Ted Strickland said. "Both the water pollution control and drinking water infrastructure resources will help to ensure a safe and adequate supply of drinking water for Ohioans."

Ohio EPA estimates that the state will receive about \$276.5 million for those purposes. An estimated \$4 billion in funding requests have been directed toward Ohio EPA.

Those who provide applications through <http://recovery.ohio.gov> will receive information on how to complete a pre-application form, which must be submitted by March 13.

INTRODUCED IN THE HOUSE

HB 53 REGIONAL TRANSIT AUTHORITIES (Gardner) To create an additional procedure for subdivisions to join a regional transit authority that levies a property tax and that includes a county having a population of at least 400,000 and to allow a subdivision that is a member of such a regional transit authority to withdraw from the authority. En. 306.322 and 306.55.

HB 54 DITCH MAINTENANCE (Morgan) To allow a board of county commissioners to adjust the permanent base of a ditch improvement that is used for maintenance fund assessments and to allow a board to use certain ditch maintenance procedures to maintain soil and water conservation district improvements. Am. & En. 1515.29 and 6137.112

REFERRED TO HOUSE COMMITTEE

Agriculture & Natural Resources:

HB 42 BEAVER DAMS (Evans) To establish requirements and procedures for the removal of beaver dams and beavers as ordered by boards of township trustees.

WEDNESDAY, MARCH 4 2009

DEMOCRATS DRIVE TRANSPORTATION BUDGET THROUGH HOUSE PANEL WITH EXTRA \$2 BILLION IN FEDERAL STIMULUS CASH

Gov. Ted Strickland's \$7.5 billion transportation budget pulled out of the House Finance & Appropriations Committee early Thursday morning after picking up more weight - almost \$2 billion worth - than a semi leaving a loading dock.

The panel reported the measure (HB 2) on a 17-13 vote at 12:45 a.m. Thursday.

A vote on the House floor is scheduled Thursday afternoon. Then the measure (HB 2) heads to the Senate, where informal hearings began Wednesday. (*See separate story*).

Chief among amendments the House committee added during a marathon meeting: a supplemental appropriations measure authorizing a dozen agencies to spend \$1.9 billion in federal stimulus funds during current fiscal year 2009.

It squeaked through on a 15-14 vote at midnight.

Most of the money - \$1.1 billion - would go to the Ohio Department of Transportation for highways and transit projects.

Another \$593 million would go to the Department of Development for energy, community block grants, and weatherization programs.

About \$100 million would be channeled through the Department of Job and Family Services for unemployment compensation, food stamps, foster care, and Medicaid program support.

Also on a list of supplemental appropriations for federal stimulus funds was \$42 million in FY 2010 and 2011 to the Department of Public Safety, most of it for grants to help state and local governments with police services.

Aside from appropriating federal funds received through the American Recovery and Reinvestment Act, the amendment included policy provisions that would - among other things - authorize the Inspector General to review use of the stimulus money received.

It also would change the period of eligibility for COBRA health insurance from six months to 12 months after employment ends, and allow its receipt without eligibility for unemployment benefits.

"It may seem unusual that the transportation budget has these line items attached to it," said Rep. Peter Ujvagi (D-Toledo), who offered the amendment. "We feel this is the best mechanism that lets the legislature be part of this process."

Rep. Ron Amstutz (R-Wooster) objected to the speed with which the matter was brought before the committee at 11:37 p.m.

"That's a concern. This is very important policy that's going to affect a lot of people and we haven't had enough time to (examine) it," he said.

Rep. Randy Gardner (R-Bowling Green) said he and other GOP members were unaware that the major funding choices and policy issues would be before the committee.

"To ask members of the committee in a matter of literally hours to understand the ramification of spending those kinds of dollars ... is hard to do," Rep. Gardner said.

Democrats said quick action was needed in order to comply with federal timetables for spending the stimulus windfall.

Passenger Rail: Prior to reporting the bill, the committee split 16-14 in approving an amendment Democrats offered in response to Republican concerns about the governor's proposal to revive passenger rail service from Cleveland to Cincinnati.

Rep. Michael Skindell (D-Lakewood) said the amendment grants the Ohio Department of Transportation and Ohio Rail Development Commission authority to compete for federal stimulus funds to pay for the project. It also prohibits any construction until a pending study of market demand and other factors is completed.

And it provides that executive spending for passenger rail will be subject to approval of the Controlling Board.

"The issue here is ... legislative oversight," Rep. Skindell said. "The Controlling Board was set up many years ago to provide that legislative oversight."

Republicans welcomed the effort, but indicated that it did not go far enough. "When we are going to make a very big decision as a state in terms of how we provide transportation ... it deserves the kind of attention that occurs in a committee like this and not a committee like the Controlling Board," said Rep. Amstutz.

Rep. Matthew Dolan (R-Novelty) said there was a subtle erosion of legislative power in the governor's transportation and operating budgets. "To suggest that the Controlling Board has the same oversight ... of how we're going to create rail transportation in the state as this body does is simply wrong," Rep. Dolan said. "We're giving away our powers gradually."

Also approved were amendments that:

- Limit to four the number of Transportation Innovation Authorities that ODOT may create as a pilot project, and require the agency to report back to the General Assembly. (Carney) (19-11).
- Require a study of the proposed primary enforcement seat belt law for 15 months, including the number of persons stopped and where the stops occurred. (Luckie) (27-3). Chairman Vernon Sykes (D-Akron) said the study was offered in response to concern about potential law enforcement racial profiling, and that the State Highway Patrol supported the amendment.
- Earmark \$250,000 in each fiscal year for Transportation Improvement Districts that operate in nine counties: Belmont, Butler, Clermont, Hamilton, Lorain, Medina, Montgomery, Muskingum, and Stark. (Driehaus). (No objection).

Approved without objection was an omnibus amendment, two parts of which dealt with the proposed use of automated cameras to catch speeders in construction zones along interstate highways.

Rep. Ujvagi said one part ensures that provisions of the pilot project apply to the operator of a motor vehicle.

"On the one hand this handles the leased and rental vehicles. On the other hand if someone is using another person's vehicle and a fine is charged they have an opportunity to object to that in a hearing process," Rep. Ujvagi said.

A second section provides that the camera system may only operate when workers are present in the construction zone.

Later during the meeting, the committee tabled a Republican amendment that would have removed the speed camera provision from the bill.

Among other items, the agreed omnibus amendment:

- Earmarks \$5 million in each fiscal year to ODOT to maintain public access roads to and within state facilities.
- Earmarks \$2.2 million in each fiscal year to ODOT to main drives for metro parks.
- Delays an increase in clerk of court vehicle title fees for one year to give the Department of Public Safety time to make programming adjustments. The fee will increase from \$5 to \$15.
- Declares the Dayton area as a space and aviation hub zone.
- Requires every all-purpose vehicle to be licensed and registered, except those used primarily on farms. Increase the registration fee to about \$10 per year.
- Requires the Department of Public Safety to make available five-year commercial trailer tags.

Minority Republicans offered a series of amendments - one of which would have removed the primary seat belt section. All were tabled.

SENATE APPROVES STATE STIMULUS REAPPROPRIATION MEASURE

A unanimous Senate Wednesday approved legislation that reappropriates \$360 million in unspent funds from a state economic stimulus plan that was approved in the middle of 2008.

The vote on the emergency legislation (SB 1) sends the measure to the House.

Sen. Jim Hughes (R-Columbus) said the release of the funds would help create and retain jobs in Ohio - a key goal of the \$1.57 billion plan that drew widespread support in the 127th General Assembly.

The bill appropriates \$60 million each for greenfield preservation and brownfield rehabilitation, \$40 million for biomedical projects, \$20 million for bioproducts, \$25 million for logistics and distribution operations and \$50 million for a co-op internship program designed to link students with Ohio employers.

Sen. Hughes also noted that the bill allows the use of some funds to assist with the expansion of Ohio's broadband network.

"This bill represents Ohio's willingness to help itself," he said, adding that he hopes the measure is enacted quickly. Once approved, he said Gov. Ted Strickland should move quickly to allocate funds to qualifying projects.

NO 'ALL ABOARD' FOR PASSENGER RAIL IN SENATE COMMITTEE, BUT LOTS OF RESERVATIONS

The Senate Highways and Transportation Committee began informal hearings on Gov. Ted Strickland's \$7.5 billion transportation budget Wednesday with questions that show he faces a tough sell on reviving rail passenger service.

Faced with a March 31 deadline for legislative enactment, Chairman Tom Patton (R-Strongsville) convened the panel for initial administration presentations in advance of House action on the measure (HB 2).

Most of the money in the budget - \$6 billion over fiscal years 2010 and 2011 - would go to the Ohio Department of Transportation. Director Jolene Molitoris said 83% of the ODOT portion would be spent on highways and bridges, with \$1.4 billion for construction contracts in each year of the biennium. A proposal to elevate the vehicle seat belt law to a primary offense - a change that would let authorities stop motorists who had committed no other traffic violation - drew a comment from Sen. Gary Cates (R-West Chester) about "government interference and higher fees."

Sen. Cates linked the seat belt provision with the expected receipt of a \$26.7 million, one-time federal highway safety grant. "I would suggest ... if there was no carrot of \$26.7 million dollars this would not be in the bill," he said.

Ms. Molitoris said the experience of 26 other states with primary seat belt laws show a corresponding increase of 10% to 20% in usage rates. She said safety, not the prospect of federal money, was the driving force behind the proposal. She pointed out that primary enforcement had been proposed on other occasions in the past when no federal cash was involved.

"We could be at 90% usage ... or above. We believe this is a proven technique to save lives," the director said.

Sen. Nina Turner (D-Cleveland), the ranking minority member, asked whether a primary seat belt law might lower auto insurance costs.

Director Molitoris said that while the topic had been discussed, there had been no feedback from the industry that a rate reduction was a solid possibility.

Sen. Stephen Buehrer (R-Delta) said there were so many areas in the budget to ask questions about that he didn't know where to start. He settled on the rail passenger system proposal. "Where are the capital dollars coming from? How much is it going to cost to run this thing?" Sen. Buehrer asked.

Director Molitoris said a survey Amtrak is expected to complete in August would show the degree of construction needed to allow service to start on the 3C Corridor of Cleveland, Columbus, and Cincinnati in late 2010.

Sen. Buehrer took note of the lack of specific dollar amounts. "I guess the answer, in fairness to you, is we don't know, but we might sometime in the future," he said.

Ms. Molitoris said as much as \$9.5 billion in federal stimulus money will be available to states on a competitive basis to finance high speed rail projects, or for conventional speed systems such as in Ohio that might lead to high speed, or for projects that reduce congestion.

Chairman Patton questioned public demand and ridership potential for the system. He said that in all his door-to-door campaigning in the district - at the top of the 3C Corridor - no one had mentioned the need for rail passenger service. "I have not had a single person - ever - ask me," Sen. Patton said. "Nobody's crying for it."

Sen. Bob Gibbs (R-Lakeville) sought information about the amount of government subsidy that would be required to operate trains on the route at speeds of no more than 79 mph.

Ms. Molitoris said subsidies for the 14 existing state-supported Amtrak routes amount to \$10 million per year and less. An exception is California, which has a higher subsidy because it operates 68 trains.

Separately, Amtrak said on its website that 14 states provide operating support for 20 different routes, with payments totaling over \$164 million in FY 2008.

"Many states, including California, Illinois, Oregon, New York, and Washington recognize the benefits of investing in corridor development, and have spent substantial state funds to improve services with positive ridership results," Amtrak said.

Chairman Patton pointed out there were numerous questions asked during the director's initial testimony for which answers were not available pending completion of the Amtrak study this summer. "I think it's imperative from my perspective that we get some real solid answers," he said.

The General Assembly faces a deadline of March 31 to enact the bill in order for it to take effect with the July 1 start of Fiscal Year 2010. The committee is scheduled to reconvene at 10 a.m. Thursday to continue informal hearings.

INTRODUCED IN THE HOUSE

HB 58 FRAUD REPORTING (McGregor) To require the Auditor of State to establish a fraud-reporting system for residents and public employees to file anonymous complaints of fraud and misuse of public funds by public offices or officials. Am. 124.341 and 117.103

HB 61 ESTATE TAXES (Hottinger, Grossman) To reduce the estate tax by increasing the credit amount, to authorize townships and municipal corporations, or electors thereof by initiative, to exempt from the estate tax and any estate property located in the township or municipal corporation, and to distribute all estate tax revenue originating in a township or municipal corporation that does not exempt property from the tax to the township or municipal corporation. Am. 5731.02, 5731.21, 5731.48, 5731.55 and 5731.56

PASSED IN THE SENATE

SB 1 REVITALIZATION DEBT AUTHORITY (Hughes) To implement the additional debt for conservation and revitalization programs provided by Section 2q of Article VIII of the Ohio Constitution, to authorize the issuance of that debt, to make new appropriations for the purpose of continuing programs established by Am. Sub. H.B. 554 of the 127th General Assembly, the Bipartisan Job Stimulus Act, and to declare an emergency. Emergency: 31-0; Bill: 31-0

INTRODUCED IN THE SENATE

SB 66 VOLUNTEER FIREFIGHTERS (Faber) To provide health insurance benefits to dependents of volunteer firefighters killed in the line of duty. Am. 146.01, 146.12 and 742.45

THURSDAY, MARCH 5 2009

TRANSPORTATION BUDGET CLEARS HOUSE ON PARTISAN VOTE; GOVERNOR VOWS FIGHT FOR PASSENGER RAIL SYSTEM

Gov. Ted Strickland's priority plan to restore rail passenger service pulled out of the House on 53-45 party line vote Thursday while he made clear to Republican opponents that he would fight attempts to derail it.

Reviving conventional speed passenger trains is part of a \$7.6 billion transportation budget (HB 2) that now goes to the Senate.

"What we're doing today is sending to the Senate a good bill, a better bill, and a bill that has the imprint of both sides of the House on it," said Rep. Peter Ujvagi (D-Toledo), who introduced the measure on the governor's behalf.

One Republican - Rep. Ross McGregor (R-Springfield) - joined majority Democrats in voting for the bill.

House Speaker Armond Budish (D-Beachwood) characterized the party line vote as unfortunate.

"I would have hoped that more Republicans would have supported the bill, especially in light of the fact that many of their ideas have been incorporated into the bill," he said after the session.

House debate on the spending plan for the Ohio Department of Transportation and Ohio Department of Public Safety centered on restoration of rail passenger service from Cleveland to Cincinnati via Columbus and Dayton.

Also targeted were provisions in the bill to make vehicle seat belt violations a primary offense, a pilot project for using automated cameras to nab speeders in interstate construction zones, and fees on heavy, oversized trucks.

Added to the bill in the House Finance & Appropriations Committee: authority to a dozen state agencies to spend \$2.2 billion in federal economic stimulus funds. Most of the money - \$1.1 billion - would go to ODOT, but numerous agencies unrelated to transportation also would benefit.

Rep. Ujvagi said the legislation contains "a significant number of initiatives" that Republicans requested. He said Democrats had made "every effort" to make discussions as positive as possible.

He conceded that inclusion of the \$2.2 billion supplemental appropriation for fiscal year 2009 in the transportation budget was unusual.

"We as a state need to be able to take full advantage of the stimulus dollars that are available. For those who come from areas ... where unemployment continues to rise ... the ability to be able to inject activity into the economy is very, very critical," he said.

"I believe it is the fastest and most appropriate way for the legislature to be able to participate in this process that is going to continue to develop," Rep. Ujvagi said.

Senate Hearing: Separately, the Senate Highways and Transportation Committee continued informal hearings Thursday in anticipation of receiving the bill.

Members questioned ODOT officials about the primary seat belt law, potential creation of toll roads, and formation of local Transportation Innovation Authorities.

Chairman Tom Patton (R-Strongsville), calling the budget a "rather innovative bill," focused on the \$26.7 million federal highway safety grant the state expects to receive as a result of the proposed enforcement change.

It would allow police to initiate traffic stops solely because motorists had not buckled up. Police cannot make stops on that basis now.

"One question that was asked was ... if this was such a good safety measure why does the state have to be bribed to do it?" Sen. Patton asked ODOT Director Jolene Molitoris.

Ms. Molitoris said safety was the main concern in offering the proposal. "The 'incentive' is how I would describe (the money) as opposed to other words," she said. "People's lives would be saved and traumatic injuries would be reduced."

Sen. Gary Cates (R-West Chester) wondered why ODOT was involved in the safety belt matter instead of concentrating on construction. Sen. Cates asked: "What's more important to ODOT: job creation or safety?"

Ms. Molitoris responded: "I won't make a choice on that."

"I would suggest to you that people in this state are more concerned about their jobs, not about their seat belts," Sen. Cates said.

Sen. Stephen Buehrer (R-Delta) asked whether the \$26.7 million grant would be spent on new programs or to plug holes in the budget.

Ms. Molitoris said the money represented additional funds for highway safety programs already in place.

Chairman Patton questioned ODOT's request for authority to impose tolls to finance new capacity construction projects, perhaps through Transportation Innovation Authorities (TIA) that the bill would permit groups of political subdivisions to form. He asked if any tolls imposed under the plan would have a finite life expectancy, or would continue indefinitely.

Director Molitoris indicated the bill defines the life of a TIA as being measured by the time taken to pay off money borrowed for the improvement project.

ODOT Chief of Staff Steve Campbell said local jurisdictions would approach the agency about imposing tolls, initiating a process that would eventually wind up at the Joint Committee on Agency Rule Review. ODOT would collect tolls, and deposit the revenue in a fund designated for the TIA project.

Sen. Nina Turner (D-Cleveland) noted a concept the House inserted into the legislation that would limit the TIA proposal to four pilot projects. "Maybe the pilot is the best way to go," Sen. Turner said.

Ms. Molitoris acknowledged that valid questions have been raised about the issue, and voiced no objection to the proposal. "The idea of a pilot is an opportunity to have real life experience," she said.

Sen. Buehrer sought a definition of "special assessment," one of the potential revenue sources identified in the bill for a TIA.

Ms. Molitoris said decisions about revenue sources rested with the townships, municipalities, and counties participating in the TIA. "It is for them to decide what their potential sources of revenue are," she said.

Sen. Buehrer asked: "So you don't see a special assessment as a new kind of tax?"

Ms. Molitoris replied: "It could be."

Sen. David Goodman (R-New Albany) suggested the possibility of adding appointment criteria for TIA members.

Mr. Campbell said the proposal was drafted in the belief that decisions about membership should be left to the political subdivisions involved.

"There is trust they would appoint people who best represent their interests," he said. However, he said ODOT was willing to discuss the possibility of adding qualifications to ensure accountability.

COMMERCE BUDGET PANEL HITS ON FEE HIKES, PAYDAY LENDING, BANK FEES, VIDEO SERVICE

A series of proposed Department of Commerce fee increases are intended to raise revenues to support regulation of impacted industries, and are not designed to provide additional money for the general revenue fund, the agency's director said Thursday.

Testifying before a House panel, State Commerce Director Kimberly Zurz said the fee increases are needed to cover existing regulatory costs, and generally bring Ohio's fees into the middle of similar fees in other states. The plan drew fire from the panel's Republicans, who said the budget hikes taxes.

"I like to call them tax increases," Rep. Bruce Goodwin (R-Defiance) said.

"I'm sure you do," Director Zurz responded.

"And the people I represent call them tax increases," the lawmaker added.

The director said the fee hikes shouldn't be seen as taxes because they do not apply to the general population, but only to Ohioans whose businesses are regulated by the agency. In some of the cases, she said the regulated industries have called for the increases to help cover needed services.

She told Rep. Jeff McClain (R-Upper Sandusky) that the fees are not being increased to pad state coffers. "It's not to go to the GRF," she said. "It is to keep our divisions whole."

Director Zurz told Rep. Tyrone Yates (D-Cincinnati) she's sensitive to some lawmakers' concerns with fees charged by banks, but said her agency can only regulate state-chartered banks.

She said her agency interacts with federal financial institution regulators, but is powerless when it comes to impacting the charges imposed by federally-chartered institutions. "We cannot even come close to having any authority there," she said.

Mr. Yates said bank fees are a significant concern for many legislators. "I think it gives citizens across the country shivers," he said.

She also told Rep. Yates that the agency continues to be active on home foreclosure issues, saying the issue has been a problem in Ohio for some time. She added that a foreclosure prevention panel she chaired issued a series of recommendations which would assist with the problem.

Rep. Yates asked if new laws could help agency address the issue further. "I do as the legislature tells me," she said. He asked if more money would help. "You're going to get me in trouble, representative," she responded.

Reps. McClain and Goodwin also asked about budget language that authorizes the agency to propose rules that could bring about costs for video service providers.

The director said she doesn't have a sense of what those rules might look like, but said video providers are the only Commerce-licensed industry that don't pay ongoing regulatory fees. She said other regulated industries essentially subsidize agency operations on video providers.

Director Zurz said licensees paid a one-time fee of \$2,000 to have their applications considered, but said no notable revenues are continuing. "That was a one-time deal," she said.

She added that the agency does need to provide protections for video service subscribers. "There are absolutely service issues out there," she said. "I think it's important that we care about the consumer."

SENATE PLANS HEARINGS ON AUDITOR'S CONCERNS WITH GETTING STATE FISCAL DATA; STRICKLAND CALLS CLAIMS 'EXAGGERATED'

Looking for more information regarding a delayed audit of Ohio's finances, a Senate panel will hold at least one hearing on the matter next week.

Meanwhile, Gov. Ted Strickland said he believes Auditor Mary Taylor's concerns about retrieving data from the Office of Budget and Management are overblown. He also downplayed some GOP concerns over the budget that have been relayed via news releases as part of the legislative process that he "doesn't get excited about."

Sen. Jon Husted (R-Kettering), chairman of the Senate Government Oversight Committee, has invited Republican State Auditor Mary Taylor to address the panel at 9 a.m. Wednesday, March 11.

The chairman said in a letter to OBM Director Pari Sabety: "While we are not requesting your presence, in fairness we would like to offer you the opportunity to speak at the committee hearing if you so desire."

Ms. Taylor announced Monday that the state, if it was subjected to the same legal standards as local government entities, would be declared "unauditable" for fiscal year 2008 because OBM has not yet been able to provide detailed financial data for that year, which ended June 30.

The budget office has blamed the delay on processing issues related to the continued rollout of the Ohio Administrative Knowledge System, the relatively new and vast computer network for all agency finance and human resources functions.

"Everyone is in agreement that this information is late," Mr. Husted said. "No one in the governor's office is denying that the information is late."

"This on its own would not be as alarming as it is if you wouldn't have had a number of budgetary moves through the last year, moving money around, largely without any legislative authority," the lawmaker added. "We're being asked to put our faith in numbers that continue to change in this current budget and there has to be some level of confidence that the way we're managing money in this state is being done appropriately."

"We certainly don't have any reason to believe it's not at this point in time, but we also don't have any way to prove that it is because of the lack of auditable information."

Gov. Strickland told reporters after an event on Thursday that he disagreed with the auditor's assessment of the situation.

"I think it was perhaps a little exaggerated and unnecessary," he said. "She is an elected official in her own right and has every right to express her opinion, and she has. I simply do not concur fully."

The governor also defended his \$54.3 billion biennium budget plan, which has come under assault from the GOP on a number of fronts, including an alleged delay in providing more information on the school-funding proposal.

Mr. Strickland said he isn't surprised that Republicans are criticizing his budget, saying its "part of the process" that he "doesn't get excited about."

"If a particular legislator wants to sit down with me and talk in more detail in a problem-solving way, I and my staff would be willing to do that. But I don't feel to excited about public criticisms that I think are part of the give and take of the legislative process," he said.

"I don't want us to lose sight of the forest by looking only at the trees. I think we have put forth a credible budget that does good things for Ohio, especially when it comes to out commitment to education at every level."

PASSED BY THE HOUSE

HB 2 TRANSPORTATION BUDGET (Ujvagi) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of those programs. 53-45 (Amended)

REFERRED TO HOUSE COMMITTEE

Ways & Means:

HB 61 ESTATE TAXES (Hottinger, Grossman) To reduce the estate tax by increasing the credit amount, to authorize townships and municipal corporations, or electors thereof by initiative, to exempt from the estate tax any estate

property located in the township or municipal corporation, and to distribute all estate tax revenue originating in a township or municipal corporation that does not exempt property from the tax to the township or municipal corporation.

INTRODUCED IN THE SENATE

SJR 3 PROPERTY TAXES (Coughlin) To limit increases in the taxable value of real property to two percent per year.

FRIDAY, MARCH 6 2009

STATE REVENUES CONTINUE RETREAT AGAINST ESTIMATES; FEBRUARY RECEIPTS OFF BY \$50 MILLION

State tax receipts continued to slide in February and total collections in this fiscal year now stand at more than \$135 million below Office of Budget and Management estimates revised last fall.

Last month's dismal performance - the total tax intake was \$50.5 million, or 5%, below projections - comes on the heels of the worst state unemployment report in more than two decades.

The release of OBM's preliminary revenue data for February also coincided with the latest grim report of the U.S. unemployment picture.

"Today we learned that our economy lost another 651,000 jobs in February, bringing the unemployment rate to 8.1 percent," U.S. Secretary of Labor Hilda Solis said in a news release. "Four-point-four million Americans have now lost their jobs since this recession began last year, and there are now nearly three million Americans who have been unemployed for six months or more."

So far in FY 2009, which ends June 30, the state has collected \$11.191 billion in taxes. Based on OBM's revised estimates from last November, analysts had expected \$11.326 billion.

The difference is only 1.2%, but with only four months remaining in FY 2009, the underage raises the specter of further cuts.

OBM, however, believes at this time that the estimates will hold up, spokeswoman Amanda Wurst said.

"We're continuing to monitor the situation, but we believe the most recent revenue estimates are within range," she said. "Of course, we'll continue to make decisions as required, as we've done in the past."

Last month's financial report showed overall spending was also running slightly ahead of estimates for the year to date by nearly \$55 million, or 0.3%. OBM's monthly financial report for January showed the state had thus far spent \$872 million more than during the prior year.

Meanwhile, the preliminary data for February shows state tax collections so far this fiscal year are a whopping \$897 million less than the intake recorded through the first eight months of FY 2008.

UNLIKE 2007, BIPARTISAN SUPPORT LACKING FOR GOVERNOR'S TRANSPORTATION BUDGET; GOP TRACES CHANGE TO ECONOMY

When Democratic Gov. Ted Strickland submitted his first transportation budget in 2007, it cleared the then-Republican controlled House on a 98-0 vote. Two years later, his second such budget emerged on a 53-45, nearly party-line tally with the now minority-GOP in opposition.

House Speaker Armond Budish (D-Beachwood) called the lack of Republican votes unfortunate. Minority Leader Bill Batchelder (R-Medina) attributed the cooling legislative climate to the economy.

"The outside economy, I think, is the biggest difference," Rep. Batchelder said after this week's House vote.

The measure (HB 2) that now goes to the Senate includes \$7.6 billion for the Ohio Department of Transportation and Ohio Department of Public Safety. It also gives state agencies authority to spend an additional \$2.2 billion in federal economic stimulus money.

"A lot of the members I'm privileged to represent in our caucus are very concerned about the economy, not just the unemployment numbers, although those are important," Mr. Batchelder said.

He recalled that when former Democratic Gov. Richard Celeste took office, Ohio's unemployment rate was at 13.8 percent.

"Unemployment today is not of that same scale. But the ability of businesses to get credit through the banks and so forth has just been destroyed," Rep. Batchelder said.

"(A) lot of my members are in business or have had a lot of business experience. And very frankly, some of my people are scared to death," he said.

Rep. Batchelder also indicated there is concern over soaring increases in the federal budget and national debt.

"When you talk to some of my members who are good business people, at some point the sovereign funds of Middle Eastern governments are going to quit buying our paper, the Red Chinese will quit buying our paper ... ," he said.

"And when that happens, that's all she wrote," Rep. Batchelder said.

Speaker Budish said Democrats believe the transportation budget would make "a very significant impact" on job creation and improved infrastructure in Ohio.

"I can't speak for what the Republicans do. We have made, I believe, good faith efforts to include their suggestions and we will continue to do so," he told reporters.

Rep. Budish said Democrats achieved "a very open process" in the budget deliberations, a statement with which several GOP members concurred.

"We had plenty of opportunity during the Finance Committee hearings for everybody to speak their minds, ask the questions they wanted to ask, and we provided more opportunity than I believe ever before all members, Democrats and Republicans, to submit their proposed changes," he said.

"As you see from the bill we accepted many of those changes from both sides. The ideas the Democrats had and the Republicans had, many of those were incorporated into the bill," Speaker Budish said.

"The fact that it came down to a party line vote is, I feel, is unfortunate. I would have hoped that more Republicans would have supported the bill especially in light of the fact that many of their ideas have been incorporated into the bill," he said.

Rep. Ross McGregor (R-Springfield) was the only Republican to support the transportation bill in the House this week. Nevertheless, Strickland spokeswoman Amanda Wurst said the governor would continue to seek bipartisan support moving forward.

"The governor is still hopeful for continued bipartisan, good-faith negotiations and will continue to work the same way as he has in the last two years with members of the legislature," she said.

"It's certainly the governor's hope that the same bipartisanship that has served the people of Ohio well over the last two years will continue."

Both the governor and the House have moved more quickly on the current transportation budget than on the 2007 version. Gov. Strickland introduced the pending measure Feb. 12, compared to Feb. 22 two years ago. House passage on March 5 came a week earlier than it did in 2007. The legislation must be signed by March 31 in order for it to take effect July 1, the start of state fiscal year 2010. Gov. Strickland said in regards to the transportation budget that, in general, "I am pleased with the outcome so far." He specifically endorsed assigning a deputy Inspector General to monitor the state's spending of billions it expects to receive in federal stimulus money.

"I support the establishment of a new, independent, non-partisan deputy inspector general position with authority to monitor distribution of federal recovery resources in Ohio to ensure taxpayers have full confidence in the stimulus process," he said in a news release.

SUPREME COURT RULES WILDLIFE OFFICERS CAN ENTER PRIVATE LAND WITHOUT BELIEF LAW IS BEING VIOLATED

The Ohio Supreme Court says state wildlife officers may enter private land, without good cause to believe a crime is being committed, so long as they are engaged in the normal enforcement of game and fish laws.

Although the court's decision was unanimous, one justice said the General Assembly should clarify its intent with respect to the two conflicting statutes involved.

The case reached the Supreme Court as a result of a 2006 incident in which William Coburn and guests were hunting mourning doves on land he owns in Erie County. A wildlife officer approached to check licenses and to determine if they were complying with bag limits.

The officer noticed wheat seed scattered about and in piles on the ground. The officer left, returned later with another agent, and charged Mr. Coburn and two companions with hunting migratory game birds on baited areas, a fourth-degree misdemeanor.

The trial court dismissed the charges after concluding that state law required the officer to have good cause to enter private land.

The 6th District Court of Appeals overturned the judge. It said a separate section of law gives an officer authority to enter land "in pursuit of his duties, one of which is to ensure that people are hunting lawfully."

Chief Justice Thomas Moyer, writing for the court, said the only legal question posed was under what circumstances could a state wildlife officer enter private land.

He acknowledged that the powers assigned to officers in the separate sections of law might overlap in certain circumstances.

"However, there is absolutely nothing in the statutory scheme that suggests that a wildlife officer may only enforce routine laws ... when they have good cause to believe that such laws are being violated," Justice Moyer said.

The court held that officers could enter private land when they have good cause to believe a law is being violated, and also may do so without good cause when acting "in the normal, peaceful, and lawful pursuit of the enforcement of game and fish laws."

Justice Terrence O'Donnell joined the rest of the court in concurring in the opinion, but said he did so reluctantly.

Justice O'Donnell said one statute appears to have rendered another "superfluous and nullified the legislative requirement that a wildlife officer have both good cause to believe and an actual belief that a law is being violated before entering private land."

He urged the General Assembly to clarify its intent.

COMMITTEE SCHEDULE FOR WEEK OF MARCH 9

TUESDAY, MARCH 10

Senate Highways & Transportation, (Chr. Patton, 466-8056), Finance Hearing Rm., 10 a.m.

HB 2 TRANSPORTATION BUDGET (Ujvagi) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of those programs. (1st Hearing-Public Safety, Development, Public Works)

Senate State & Local Government & Veterans Affairs, (Chr. Hughes, 466-5981), South Hearing Rm., 10:30 a.m.

SB 7 FRAUD REPORTING (Wagoner) To require the Auditor of State to establish a fraud-reporting system for residents and public employees to file anonymous complaints of fraud and misuse of public funds by public offices or officials. (2nd Hearing-All testimony)

House Commerce & Labor, (Chr. Yuko, 466-8012), Rm. 121, 1:30 p.m.

HB 32 COMPETITIVE BIDDING (Ruhl) To increase the competitive bidding threshold for contracts entered into by a board of park trustees for certain municipal park improvements. (1st Hearing-Sponsor)

Senate Finance & Financial Institutions, (Chr. Carey, 466-8156), Finance Hearing Rm., 2:30 p.m. or after session

SB 2 FEDERAL STIMULUS FUNDING (Carey) To provide for the distribution of moneys received by the state from the federal American Recovery and Reinvestment Act of 2009 by making appropriations and to declare an emergency. (5th Hearing-No testimony-Possible amendments, substitute & vote)

Senate Highways & Transportation, (Chr. Patton, 466-8056), Finance Hearing Rm., 3 p.m.

--Continued testimony (if needed) on HB 2 - Public Safety, Development, Public Works. Afternoon session meets after Senate Finance

WEDNESDAY, MARCH 11

House Economic Development, (Chr. Williams, S., 466-1414), Rm. 121, 3 p.m.

HR 20 CITIES TASK FORCE (Patten) To create the Compact With Ohio Cities Task Force to help cities compete for residents and jobs, and to stimulate economic growth. (1st Hearing-Sponsor)

Senate Highways & Transportation, (Chr. Patton, 466-8056), South Hearing Rm., 3:30 p.m.

HB 2 TRANSPORTATION BUDGET (Ujvagi) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of those programs. (2nd Hearing-Rail Development, Taxation and Public testimony)

THURSDAY, MARCH 12

Senate Highways & Transportation, (Chr. Patton, 466-8056), South Hearing Rm., 10 a.m.

HB 2 TRANSPORTATION BUDGET (Ujvagi) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of those programs. (3rd Hearing-Turnpike Commission & public testimony)

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