



Ohio Township Association

6500 Taylor Road, Suite A
Blacklick, Ohio 43004
(614) 863-0045 • FAX (614) 863-9751
www.ohiotownships.org
Michael H. Cochran, Executive Director
Heidi M. Fought, Director of Governmental Affairs

Legislative Update

Friday, June 5, 2009

MONDAY, JUNE 1 2009

KASICH ENTERS RACE FOR GOVERNOR; DEMOCRATS BLAST NEW GOP CANDIDATE

Declaring that Ohio needs a leader who can help bring the state back to prosperity, Republican John Kasich threw his hat into the ring for the 2010 governor's race on Monday.

Announcing his candidacy in his Westerville hometown, Mr. Kasich, a former chairman of the U.S. House Budget Committee, said he would work to eliminate the state income tax, and criticized Gov. Ted Strickland and his policies.

Mr. Kasich said Mr. Strickland hasn't orchestrated a turnaround of Ohio, having presided over the state during a period in which it has lost thousands of jobs.

He said Ohio is in a "ditch" and said the state won't emerge under the programs Mr. Strickland is championing.

To reach the general election, Mr. Kasich will first have to defeat Sen. Kevin Coughlin (R-Cuyahoga Falls), who has already announced his candidacy for governor.

Mr. Strickland has yet to formally announce his re-election plans, but has advised supporters he will soon declare his candidacy for the office.

Mr. Kasich served 18 years in the U.S. House - some time with Mr. Strickland - and worked in recent years for Fox News. Currently, he is a business advisor to Schottenstein Department Stores.

Democrats welcomed Mr. Kasich into the race with sharp words, launching a website that focuses on the GOP candidate's work with now-bankrupt Lehman Brothers. The firm's collapse has been seen by some as the start of a Wall Street meltdown that rattled the U.S. financial system.

"Ohio doesn't need a Governor from Wall Street; Ohio needs a Governor who will fight every day for our families on Main Street," ODP Chairman Chris Redfern said. "While John Kasich was working for the greedy and powerful interests at Lehman Brothers, Governor Strickland was working hard for the people of Ohio."

"Even in these difficult economic times, our governor has expanded health care for Ohio's children, reduced property taxes, frozen college tuition and proposed vital reforms to our education system."

Ohio Republican Party Chairman Kevin DeWine shot back, ripping Democrats for creating "lame political cartoons" rather than working to improve the economy.

"They have nothing better to offer than a deceptive, unsourced attack ad because Ted Strickland has nothing positive to promote," Mr. DeWine said.

"We've lost nearly 300,000 jobs on Strickland's watch, and the Democrat budget has been widely criticized as a disservice to the state and a recipe for massive tax hikes," the Republican chairman added. "The only Ohioan who deserves to lose a job in this economy is the guy who promised to turn it around and failed miserably. Maybe Ted Strickland can get hired at the Ohio Democratic Party's animation studio. He's pretty good at making stuff up."

Republican U.S. Senate candidate Rob Portman said Mr. Kasich can help address the state's problems. "As I travel the state, I hear the frustrations from Ohio's workers and families suffering under an unemployment rate of 10.2 percent, and more than 150,000 jobs lost during the past two years alone," he said. "Ohio's families desperately need a leader as Governor that can make tough decisions and help turn this economy around. John Kasich is that leader."

Sen. Coughlin also welcomed Mr. Kasich into the campaign. "John is a good man and a fine leader. He would provide far better leadership for Ohio than Ted Strickland," he said.

"My campaign is about the future. I have a clear vision of what Ohio should look like by the year 2020. I am traveling the state sharing that vision and detailing the courageous moves we can make to get Ohio working again. I look forward to hearing John Kasich's detailed vision and allowing voters the chance to determine Ohio's future."

GENERAL MOTORS CLOSING THREE OHIO FACILITIES; LOCAL LAWMAKERS SEEK TO KEEP FACILITY OPEN

General Motors Corp. filed for federal bankruptcy law protection Monday and said it would close 13 facilities nationwide, including three in Ohio that together employ an estimated 825 workers.

The automaker said it would close its Mansfield-Ontario stamping plant by June 2010. About 700 persons are employed at the factory.

The Parma Components powertrain operation is to close by December 2010. About 45 workers were reportedly affected. However, the larger stamping plant is expected to remain open.

Scheduled to close by December 31, 2009 is a Warehousing & Parts Distribution Center in Columbus that employs about 80 people.

GM said all the closings disclosed Monday would occur by the date listed or possibly sooner depending on market demand.

"Our manufacturing operations, which already are among the most productive in the industry, will emerge even leaner, stronger and more flexible, as part of the New GM," Gary Cowger, vice president of GM global manufacturing and labor relations, said in a news release.

U.S. Rep. Jim Jordan (R-Urbana) said the GM decision to close operations at Ontario, in Richland County, reinforces his "strong opposition" to what he described as President Barack Obama's attempt to "micromanage the American auto industry from the White House."

"The Obama Administration has dispatched cabinet officials and members of the Auto Task Force across the Midwest to tour auto facilities. I demand the administration change their schedule to include a visit to Ontario, Ohio - to tour the facility and look our workers in the eyes to tell them why they chose to close their plant," Rep. Jordan said.

He said the Ontario plant was "a top-notch facility" with recent capital investment.

"I am deeply concerned about the impact this decision will have on the GM workers and their families, as well as on the City of Ontario and Richland County," Rep. Jordan said.

He called for the White House to place a five-year moratorium on new fuel efficiency standards to provide more incentive for consumers to buy trucks and sport utility vehicles that the Ontario plant helps produce.

"President Obama took the unprecedented step of intervening in private business by replacing the former CEO of General Motors. He can certainly take the honorable step in reversing his decision to close down our good General Motors facility," Rep. Jordan said.

Ohio House Majority Whip Jay Goyal (D-Mansfield) indicated he would continue efforts to keep the Richland County plant open.

"The process is still fluid. My understanding is that there are plants around country that the bankruptcy court will be reviewing. Hopefully, the Mansfield plant can remain in operation," Rep. Goyal said in a news release.

"My focus will be to communicate the value of our plant to anyone who will listen in hopes of keeping this plant operational both through bankruptcy and beyond," he said.

"This is clearly a very difficult time and we as a community will need to stick together. This is not the time to score political points. It is time for cooperation to fight through these tough issues together," Rep. Goyal said.

HOUSE GOP QUESTIONS PACE OF STATE STIMULUS SPENDING

House Minority Leader Bill Batchelder (R- Medina) has questioned the Strickland administration's handling of a state stimulus package enacted last year, but the governor's office said Monday that the \$1.57 billion in spending is on schedule.

Mr. Batchelder said Friday that only \$203 million, or 13%, of the money had actually been spent so far even though the enabling legislation (HB554, 127th General Assembly) was enacted nearly a year ago.

"From the beginning, we have urged Governor Strickland to execute a jobs package that would provide immediate stimulus, and yet it has been nearly a year since this plan was passed by the Legislature and the money remains in the governor's hands," Rep. Batchelder said in a news release. "I am extremely concerned by the governor's slow response at a time when so many Ohioans are in need of job training and employment, and our economy continues in a downward spiral."

Gov. Ted Strickland's spokeswoman Amanda Wurst disagreed with the minority leader's assessment, saying the administration was "moving forward on target with the spending."

She also questioned the timing of the GOP's statement, calling it "interesting" that it was issued on the same day that Senate Republicans rolled out a substitute budget that eliminated a \$100 million co-op and internship plan that was part of the stimulus.

Additionally, she said the Senate also scrapped appropriation authority for spending on biomedical and bioproducts initiatives, the funding for which is still tied up in court over a lawsuit related to the state's anti-tobacco funds from the master settlement agreement with cigarette makers. In an agreement with the governor, the legislature abolished the Ohio Tobacco Prevention Foundation in the bill and steered most of its remaining funds into stimulus initiatives.

Nevertheless, Rep. Batchelder said the only money spent under the plan so far has gone to state capital and local transportation improvement projects through the Ohio Public Works Commission. Another \$43.9 million has been approved but not yet spent, he said.

"Ohioans are struggling and worried about their future," he said, noting that unemployment is at a 25-year high in the state and that the package was supposed to help create 57,000 jobs. "The governor has failed to provide leadership, while Ohioans have called for action."

The measure also included \$200 million in spending from the state's "rainy day" Budget Stabilization Fund, however most of that \$900-plus million account is now being targeted to plug a revenue hole in the current budget period, which ends June 30.

TUESDAY, JUNE 2 2009

SENATE PANEL ADDS STATE LAND DRILLING TO BUDGET BILL; MORE FUNDS PROVIDED FOR HOSPITALS, OTHER PROGRAM AREAS

Drilling for oil and gas on state lands including parks, and additional funding for hospitals were among major amendments added Tuesday to the \$54 billion, two-year state budget package, which emerged from a Senate committee looking much different than when it arrived from the House in late April.

The elimination of Gov. Ted Strickland's "evidence-based" school funding model, as amended by his Democratic colleagues in the House, and most other major changes to the legislation (HB 1) were imposed last week with the GOP Senate majority's release of the substitute version.

Still, the size and scope of the omnibus amendment adopted Tuesday in the Senate Finance & Financial Institutions Committee, underscored that the chamber's work in altering the document was far from done.

Among the more significant changes was language sponsored by Sen. Keith Faber (R-Celina) that would allow the Department of Natural Resources to lease state land for oil and gas exploration. It also provides for ODNR and the Department of Development to "establish a streamlined permitting process" and makes other related changes.

Sen. Faber, who sponsored drilling legislation last session, said opening up state lands for such development would eventually generate more than \$20 million in lease revenue, much of which could come from Salt Fork State Park. He said the proposal does not allow drilling in Lake Erie.

"Just the leases on Salt Fork alone could be in the tens of millions," he said. It would take about a year before the state saw any revenue from the plan, he added, and the money would be earmarked for ODNR capital improvement projects in state parks.

The proposal also benefits Ohio energy consumers because most of the gas extracted from Ohio land would likely be distributed within the state, he said.

"This is trying to provide Ohioans with affordable, reliable resources," Sen. Faber said. "We need to maximize our natural resources."

Sen. Dale Miller (D-Cleveland), the ranking minority member on the committee, raised objections to the proposal, saying it needed far more deliberations than would be possible in the voluminous budget measure. "This is very premature," he said.

Jack Shaner, deputy director of the Ohio Environmental Council, was also critical of the move, saying the Senate broke a long-standing pledge to protect public lands from development.

"We can't drill our way out of this budget crisis," he said, comparing drilling revenues to junk food. "It's a quick fix. It's not sustainable."

Amy Gomberg, program director with Environment Ohio, also expressed concern.

"In these tough economic times, Ohio's leaders should be doing everything they can to fast track Ohio's renewable energy industry," she said. "Unfortunately, the Senate Republicans have weakened Ohio's renewable energy standard and have decided to promote oil and gas drilling instead. We urge Ohio's leaders to keep Ohio's energy policy clean, and remove trash burning, tire burning, and coal methane from Ohio's renewable energy law, and protect Lake Erie and Ohio's last public lands from short-sighted oil and gas drilling."

The biggest winners as a result of the omnibus amendment were hospitals, which otherwise would have been subject to a new franchise fee under the bill while seeing a good portion of matching Medicaid funds redirected to other entitlement areas.

In the House-passed version, the facilities still did not get their fee money back dollar-for-dollar. The Senate fixed the remaining gap of nearly \$130 million and addressed a recently discovered funding glitch in the fee proposal that could have cost hospitals even more.

Sen. Tom Niehaus (R-New Richmond) said Republicans accomplished the fix by reconfiguring reimbursements for various hospital services. The changes, proposed by the Ohio Hospital Association, include four language changes in the omnibus amendment that do not increase state costs but rather involve the redistribution of state money to maximize federal matching funds.

"The customer wins because they're getting these services and the hospitals are able to deliver these services," he said.

OHA and the Ohio Children's Hospital Association welcomed the rewrite.

"We urge lawmakers to support this and other actions by the Senate that will result in continuing essential health care services to Ohio's youngest citizens," said Bill Considine, president and CEO of Akron Children's Hospital.

The bill was reported out of committee on party lines, with all Democrats opposed. Sen. Dale Miller said there were some good aspects to the omnibus amendment but Democrats could not support the bill as a whole.

The bill is slated for a full Senate vote on Wednesday.

The lawmaker had previously failed in an attempt to restore the governor's school-funding plan with an amendment, a move that prompted panelists to debate for several minutes the efficacy of the evidence-based approach and its costs. (*See separate story*)

Also generating considerable discussion was an omnibus provision sponsored by Sen. Tom Patton (R-Strongsville) that would allow Cuyahoga County citizens to vote on restructuring county government.

The lawmaker said of the proposal, which has been fodder for extensive legislative and local debate for the last two years, "It's very, very important for the people of Cuyahoga County to decide" whether to retain the current form of government, he said.

While the sponsor said he had discussed the amendment with other area lawmakers, Sen. Shirley Smith (D-Cleveland), in joining other Democratic objections, said she was "appalled" the issue wasn't discussed with her.

"I am just absolutely taken aback and flabbergasted," she said, adding later that she had never had a single constituent relay support for a new form of government to her office.

Sen. Smith offered the only successful separate Democratic amendment, which would ease bonding requirements for minority-owned businesses.

Sen. Faber also won support for stand-alone amendments to: restore \$1.4 million for the Department of Insurance's solvency investigation fund; and changes to laws governing "force accounts," including the indexing of account limits to inflation. He said the force account language may require more work before the bill is enacted but that it reflects an agreement between contractor groups and local governments.

Sen. Niehaus amended the bill with a study of the state's Early Learning Initiative and other early childcare and learning programs.

Sen. Jimmy Stewart (R-Albany) won support for an amendment that would aid Federally Qualified Health Centers with enhanced dispensing fees to offset negative impacts of a pharmacy rebate carve-out in the bill.

Other notable changes in the omnibus amendment include:

- Authorization for convention facilities authorities in counties between 100,000 and 150,000 of population to levy a lodging tax of up to 3% for certain capital improvements with county commissioner approval. Sen. Chris Widener (R-Springfield) said the language, proposed by local officials in Clark County, would also apply to about a dozen other counties.
- A Commercial Activity Tax exemption for certain petroleum product transactions.
- Removal of the new and increased solid waste disposal fees.
- Changes to public notice requirements, including the creation of a State-Sanctioned Public Notice website.

Democrats saw a handful of other amendments tabled on party lines. They included proposals to: reinstate various health care provisions proposed by the governor; reinstate the Commission on Hispanic and Latino affairs, which was eliminated in the substitute bill; allow health care workers and certain township firefighters to unionize; and add language regarding minority business enterprises and closure of the achievement gap.

STATE OK'S CONTRACT WITH SEIU DISTRICT 1199; NO PAY RAISE FOR THREE YEARS

A legislative panel has effectively ratified an agreement with a second labor union on a proposed new contract that contains no pay raises over the next three years.

The Controlling Board - made up of six legislators and a representative of Gov. Ted Strickland's administration - voiced no objection Monday to the agreement with the Service Employees International Union District 1199.

The union bargains on behalf of about 5,000 state health care and social service employees. Now the pact goes before SEIU members for ratification prior to the June 15 expiration of the current, extended agreement. Wage provisions of the contract appear to closely follow those that the Ohio Civil Service Employees Association, which represents about 35,000 state employees, previously ratified.

Pay schedules will remain at the 2008 level; there will be no increase for three years; and full-time permanent employees must take 10 days off without pay as Cost Savings Days in each of the next two fiscal years. There also will be a two-year freeze on personal leave.

The SEIU contract provides for creation of a union-state committee to analyze recruitment and retention issues for a limited group of classifications that include registered nurses, physicians and other providers.

The committee is to deliver "comprehensive recommendations" to the Department of Administrative Services and the Office of Budget and Management, including a rationale for changes or modifications of existing classifications.

"The committee will also conduct a cost comparison between state operated work and personal services contracts," the contract said. "Pay disparity and market value may be utilized to create new pay ranges should it be more cost effective to do so when comparing to the cost of sub-contracting such services."

Contracts remain to be reached with three other unions. Negotiations are underway with the Ohio Education Association and Ohio State Troopers Association. Negotiations are to begin soon with the Fraternal Order of Police.

The OCSEA ratified its new contract with the state March 31.

WEDNESDAY, JUNE 3 2009

SENATE COMPLETES REWRITE OF GOVERNOR'S BUDGET PLAN; TOUGH CONFERENCE COMMITTEE LOOMS

Senate Republicans pushed through what might be described as a complete, systematic overhaul of Gov. Ted Strickland's two-year budget plan Wednesday, setting the stage for one of the most difficult conference committee negotiations in decades.

The Ohio Supreme Court used the same phrase more than 12 years ago in first declaring the state's school-funding system unconstitutional, and the governor had proposed a new "evidence-based" model in the budget bill (HB 1) to address ongoing problems.

However, the Senate, which helped engineer the current "building blocks" approach a few years ago, rejected the governor's plan in its entirety in favor of a "per-pupil" system. The majority questioned the evidence, the cost in later years, the 10-year phase-in, cuts to charter schools and other aspects of the Democrats' revisions.

"The governor's education proposal as written by the House is expected to cost conservatively \$2.8 billion (annually) once its fully phased in, and no funding source has been identified to pay for it," said Sen. John Carey (R-Wellston), the Senate Finance chairman.

In its place, Senate Republicans essentially substituted a continuation budget for K-12 education that reinstates spending on charter schools and other "choice" programs while providing each district a slight funding increase over the next two fiscal years. The chamber also called for a bipartisan study of school finances.

Democrats, for their part, have questioned the Senate's funding increases to school districts given some of the district money will be diverted to charter schools. The party in control of the House and executive branch has also accused the Senate majority of being obstructionist in proposing to derail what they describe as the first truly comprehensive attempts to address the high court edicts as laid out in multiple decisions on the long-running school-finance case.

"We simply cannot go back to the status quo," said Sen. Dale Miller (D-Cleveland), the ranking minority member on the Senate Finance & Financial Institutions Committee. "We need visionary and transformational improvement in the way that we fund schools in Ohio. We have been waiting 12 long years to correct many of the deficiencies highlighted in the *DeRolph* case."

The Senate's deconstruction of the governor's budget, however, didn't stop at the Department of Education.

Among numerous other changes, the GOP scrapped a package of Democratic health insurance provisions aimed at expanding coverage, most proposed fee hikes, 139 budget earmarks and expansions of collective bargaining and executive branch budget authority. Underscoring the extent of the rewrite is the number of times the word "remove" pops up in a summary document of the substitute bill changes adopted last week.

On Tuesday, Senate Republicans further flexed their majority muscle in adding a controversial plan to pave the way for oil and gas drilling in parks and on other state-owned property.

The state's anemic revenue intake - receipts in this final year of phased in tax reductions are down well over billion dollars compared to last year, and the ongoing reluctance of either party to approve a tax increase, means the cuts imposed in conference committee may exponentially exceed the \$650 million in general revenue fund reductions imposed by the Senate.

Based on what analysts are seeing in the revenue tea leaves, budget crafters are preparing to address a new hole in the fiscal year 2010-2011 spending plan that could easily exceed \$2 billion once new revenue estimates for the upcoming biennium are released for conference committee.

The current plan is based partly on revenue estimates developed before the budget bill introduced last winter, after which the stock market and economy teetered on collapse and have yet to fully recover.

That complication, added to the dozens if not more than 100 significant matters of difference between the House and Senate versions of the now-\$53.58 billion measure in terms of GRF, also have officials more and more worried about finalizing the budget by the June 30 deadline.

It could be the first time in years that the legislature is forced to enact a shorter-term, continuation budget until agreement is reached on a two-year plan.

Senate President Bill Harris (R-Ashland) said he remains hopeful the parties will reach agreement on a package by that time. However, his follow-up comment in jest, that the House should just adopt the Senate changes wholesale to meet that schedule, was just that - a joke.

Indeed, hammering out the differences between the chambers on K-12 issues alone, as evidenced by the strong comments made Wednesday on the Senate floor, could take weeks. The House, in fact, is not expected to non-concur in the Senate changes until next Wednesday.

Still, Sen. Harris said after session that his caucus is prepared to work with the Democratic governor and House on solutions with the goal of beating the June 30 deadline. Asked about contingency plans, he said that's not where the focus will be in the coming weeks, while acknowledging the negotiations will take some time.

"One of the things that will take a lot of time is trying to work through the governor's evidence-based funding and our focus on child-focused funding," he said. "We want to craft a plan, a budget, and want to make sure it stays balanced, we want to make sure it stays sustainable and that certainly is fiscally responsible. And of course that includes that we're not in a position where we're going to have a tax increase in 2011."

"We're all going to have to work together," Sen. Harris added, saying he wants the focus on passing a bill that will help create jobs and stimulate Ohio's economy rather than arguing over "how long do we pass a continuing resolution."

Senate Minority Leader Capri Cafaro (D-Hubbard) said the budget at hand might be one of the most challenging in decades.

"To add to the difficult situation we're in, we have the additional complexity of the stimulus dollars in this budget," she said in reference to more than \$5 billion in one-time federal bailout money that's helping to prop up the plan.

FEDERAL OFFICIALS ANNOUNCE \$6 MILLION FOR DIESEL CONVERSION, \$88 MILLION FOR UNEMPLOYMENT INSURANCE MODERNIZATION

Federal officials traveling the state have announced that Ohio will receive more than \$94 million to upgrade its unemployment insurance program and help replace older diesel engines with cleaner new ones.

The announcements from U.S. Labor Secretary Hilda Solis and U.S. EPA Administrator Lisa Jackson were made as the two - and other leading administration officials - traveled the state.

Ms. Jackson said at a Statehouse event Wednesday that the \$6 million in federal stimulus funds would help clean Ohio's air and create new jobs.

Of that amount, \$5 million will be used to replace old locomotive diesel engines, and \$1 million will help replace school buses in Hamilton County.

The announcement drew praise from Ohio EPA Director Chris Korleski, who said it is a rare day when the state can celebrate improvements in air quality.

Interim State Development Director Lisa Patt McDaniel said replacement of the diesel engines is in line with state policy that calls for the use of alternative energy and alternative fuels.

In Cleveland on Wednesday, Ms. Solis said her agency has approved the release of \$88 million in displaced worker benefits. She said Ohio qualified for the funding by letting workers use recent earnings to qualify for benefits.

"Ohio recognized the importance of having its UI program better meet the needs of the 21st century workforce long before the Recovery Act," Secretary Solis said. "Ohio uses recent wages when determining eligibility for benefits, which enables unemployed workers who are relatively new entrants to the workforce to receive the assistance they need and deserve."

Gov. Ted Strickland said providing the support is the right thing to do, and said it will help local economies. "We are grateful that President Obama and Ohio's Congressional leaders are providing support for struggling Ohioans and helping to stabilize the economy," he said.

Ms. Jackson said the diesel money will be used to help cut the release of pollutants into the air, noting that parents often don't consider the emissions released by their children's school buses.

The administrator also said the funding will help companies that produce cleaner engines, noting that U.S. EPA has been allocated more than \$7 billion in federal stimulus funds.

The Statehouse event drew protests from a handful of people who object to mountaintop coal mining practices. Ms. Jackson said the issue is under "serious review" at the administration, noting that the EPA doesn't regulate mining, but only reviews impacts that mining could have on water quality.

She said officials are willing to work with stakeholders on the issue, adding that the agency uses scientific standards to determine whether permits are acceptable.

A national trade organization welcomed the announcement on Ohio's funding.

"Clean diesel retrofit technologies like the ones announced today are a proven, cost effective means to reduce emissions from older vehicles and equipment while still protecting the capital investment of those fleet owners," said Allen Schaeffer, Executive Director of the Diesel Technology Forum.

"Upgrading or replacing older equipment with cleaner and more fuel efficient diesel technologies will simultaneously help the state's economy and its environment," he added. "Studies have shown that \$1 in clean diesel retrofit spending provides \$6 of increased economic output and \$13 worth of environmental benefits."

U.S. Sen. Sherrod Brown welcomed the developments, saying they underscore President Obama's commitment to spurring Ohio's economy.

"These visits demonstrate a renewed commitment to American manufacturing," he said, acknowledging that the state faces new challenges with recent Chrysler and General Motors bankruptcy filings.

ORGANIC TRADE GROUP APPEALS DAIRY LABELING RULE

An Ohio Department of Agriculture rule on labeling dairy products is still in legal limbo as organic food advocates appeal a recent federal court decision that ruled in the administration's favor.

The U.S. Court of Appeals for the Sixth Circuit postponed enforcement of the ODA rule that requires a disclaimer on dairy products made from cows not treated with artificial growth hormone, the Organic Trade Association said Wednesday.

In March a Federal District Court in Ohio upheld the emergency rule that the group subsequently appealed. The measure hampers consumer interest in knowing how their food is produced, and farmers' rights to communicate their production practices, the group said in a news release.

"OTA believes consumers have a right to know how their food was produced, and organic farmers and manufacturers should be allowed to tell them," OTA Executive Director Christine Bushway said in a statement.

At issue is an emergency rule adopted last year that specifies the text and type style that must be included on packaging if companies want to claim the product free of synthetic growth hormones. The label must note that the federal Food & Drug Administration found no substantive difference between milk from treated and untreated cows.

Dairy producers that use the substance and hormone manufacturers generally favor the FDA disclaimer, saying it informs consumers about what would otherwise be misleading claims.

PASSED

HB 1 STATE BUDGET (Sykes) To make operating appropriations for the biennium beginning July 1, 2009, and ending June 30, 2011, and to provide authorization and conditions for the operation of state programs.
20-11 (Amended)

THURSDAY, JUNE 4 2009

MAY REVENUES DOWN AS EXPECTED; HARRIS STAYS POSITIVE ON BUDGET TALKS; HUMAN SERVICES GROUPS RALLY FOR TAX HIKES

Preliminary state tax revenue figures for May show Ohio's bottom line sinking as expected when the Office of Budget and Management recently updated its estimate of a \$912 million shortfall in the fiscal year ending June 30.

Meanwhile, a day after Democratic Gov. Ted Strickland and Speaker Armond Budish (D-Beachwood) blasted the Senate GOP's budget rewrite as falling short of job creation aims and partisan in nature, the upper chamber's leader opted to hold return fire.

However, Senate President Bill Harris' (R-Ashland) second in command dug in against tax hikes in the face of increased pressure from human services advocates fearful that the pending conference committee process will bring about more painful program cuts.

Tax Receipts: OBM's preliminary revenue report for May show a continuing slump in personal income tax receipts and a sizeable hit to sales tax intake compared to the agency's estimates as revised several months ago.

Total tax receipts for the month were nearly \$165 million, or 10.7%, less than projected as of the end of the last calendar year. OBM reported that year-to-date tax collections totaling \$15.66 billion were \$706 million, or 4.3%, below those revised estimates.

The biggest shortfall areas in May were in sales taxes, which were \$86.6 million, or 13.6%, off the mark, and personal income taxes, which came in \$64.7 million, or also 13.6%, behind schedule. Most other state tax categories also failed to meet OBM expectations for the month.

Underscoring policymaker concerns about the economy and partially reflecting the impacts of tax cuts enacted several years ago, through 11 months of fiscal year 2009 the state has collected a whopping \$1.88 billion, or 10.7%, less in tax revenues than it did over the same period in the last fiscal year.

While the monthly revenue report reflects a continuation of the historically bad performances for state tax receipts this year, OBM had recently updated its gloomy projections to account for the severe slump.

Policymakers have said the current fiscal year shortfall will be addressed with a year-end transfer from the "rainy day" Budget Stabilization Fund. Nevertheless, the FY 2009 shortfall complicated budget talks on the upcoming biennium spending plan (HB 1) because the administration had already earmarked most of the BSF money for allocations in the next biennium.

Conference Talks: Meanwhile, Sen. Harris didn't have much to say specifically on Thursday about the comments of Messrs. Strickland and Budish the day before, rather he said it's time to start hashing out some agreements regarding the disagreements.

"My response is, I have no intention of trying to throw darts at the governor or the speaker. We've got a tremendous job facing us in this conference committee and they certainly have a right to their opinions," Sen. Harris said.

"I don't look at this conference committee as an opportunity to get down in the gutter and argue and throw mud and so forth. I think it's time we need to come together."

Sen. Harris said he wasn't overly concerned that conference committee isn't likely to convene until at least next Wednesday based on the House's schedule for non-concurrence. He had stated on Wednesday that he is still hopeful and prepared to work toward meeting the June 30 deadline for enacting the legislation.

As for the wide disparities in the House and Senate versions of the document, he said, "Obviously we feel different because of the bill that we passed. I've tried to be clear that I'm totally committed, as our caucus is, to working with the governor and with the speaker to craft a budget and a plan that pertains to K-12 education that we can all be proud of."

"Some of the things we've advocated and we have in our bill they probably won't support and don't want to support. They have a lot of things that we don't want to support," he continued.

However, he added, "I think we'll come together."

"The attitude has to change now. And I'm hoping it does for the governor and does for the speaker," Sen. Harris said, noting in the first part of the speaker's prepared response issued Wednesday "He congratulated us for passing a budget in a very difficult time and I appreciate his congratulations."

"I am hopeful and it is my prayer that our focus will now be working to develop a budget and a plan for K-12 education that does what's right for Ohio. And in that category we have to do what's right for the 88,000 students that were being rejected: charter school students."

Tax Hike Push: While Sen. Harris this week restated his position against tax increases or expanded gambling to provide more revenue for the pending fiscal year 2010-2011 budget package, he acknowledged such proposals could again emerge during conference committee, where expectations are that tax revenue projections for the upcoming biennium will be revised considerably downward.

Nevertheless, various interest groups, including the Campaign to Protect Ohio's Future, continue to push for the reconsideration of tax increases to fund government programs that otherwise will likely face steep cuts before the budget bill is enacted.

The Campaign, with the participation of what it called "a broad coalition of clergy, families, and community health and human services organizations," staged a Statehouse rally on Thursday to make that very point.

The group, which financed a survey on the subject earlier this year, has suggested among other potential revenue solutions that policymakers consider rollbacks to state tax cuts enacted five years ago as part of a systemic measure overhaul.

Rally participants were given blank "reality checks" to present to legislators and the governor's staff and call for "leadership to solve the state's fiscal crisis using a balanced approach that includes increasing revenues to fund services that support individuals and the Ohio economy."

"While we recognize the difficult decisions and choices Ohio's leaders and policymakers face, balancing the budget cannot be done by cuts alone. Without increased revenues, we will be forced to eliminate vital services to Ohioans at a time when they need them most" Campaign Co-Chair Gayle Channing Tenenbaum said in a news release.

Sen. Tom Niehaus (R-New Richmond), who handled human services issues during Senate budget deliberations, said in an interview Thursday that the GOP-led chamber did its best to protect the state's human services safety net within available resources.

"Given the parameters under which the Senate had to operate, with limited resources and almost a billion dollar deficit we had to make up from the House-passed version, we did a very good job of protecting the essential services for people in need," the Senate president pro tem said. "We just don't have the resources to continue to provide the funding at the levels they would like us to provide. The money is just not there."

The lawmaker said a major component of the group's proposal - to increase taxes on the highest bracket of personal income taxpayers - wouldn't impact the people advocating for such a move.

"One of the arguments is: raise taxes," he said. "Well, most likely the people who are offering that argument are not going to be paying the taxes that would go up. So it's an easy position for them to say, 'Sure, raise taxes.' But they're not going to pay them."

MAHONING COUNTY DEMOCRATS SUE CASINO COMMITTEE OVER PETITION DRIVE PRACTICES

As sure as flowers bloom in springtime, litigation over the latest gambling ballot issue blossomed Thursday with Mahoning County Democratic Party officials challenging the Ohio Jobs & Growth Committee's petition circulating practices.

Mahoning County Party Chairman David Betras and County Commissioner John McNally asked the Mahoning County Common Pleas Court to issue a temporary restraining order to shut down the petition drive for a proposed constitutional amendment to authorize four casinos in the state.

The officials allege circulators were misrepresenting the proposal. The party posted a video of petition circulators on YouTube claiming the proposal would create factory jobs, wouldn't change the constitution, and would result in the state granting money for job creation.

Mr. Betras said shutting down the petition drive was necessary to determine how widespread the allegations were and whether the committee intentionally told circulators to say whatever was necessary to entice people to sign the petition.

"It's one thing to attempt to mislead the people of the state into voting for an ill-conceived gambling scheme that will only benefit the owners of the large casino corporation and the billionaire who cooked it up," he said. "It's quite another to brazenly violate the law in order to obtain the signatures needed to place that scheme on the ballot."

Jobs & Growth Committee spokesman Bob Tenenbaum said the group would investigate the allegations.

"We have made it very clear from beginning that we were going to conduct this petition campaign the right way. So if there are people out there that are making statements that are inaccurate, we want to know about it," he said.

If the individual is in fact working for the committee, he will be removed and the group won't file any of his signatures, Mr. Tenenbaum said. "Because we don't want there to be any question about the validity of the petitions that we do file."

The Executive Committee of the Mahoning County Democratic Party recently adopted a unanimous resolution expressing opposition to the proposal, Mr. Betras said.

The proposed amendment would not authorize any casinos in Youngstown. The four locations included in the amendment are in Cleveland, Columbus, Cincinnati, and Toledo.

Judge James Evans is currently reviewing the case, the party said.

OHIO OFFICIALS VOICE BIPARTISAN OPPOSITION TO GEORGIA USE OF STIMULUS CASH IN NCR RELOCATION

Democrats and Republicans alike were voicing opposition Thursday to a Georgia city's plan to seek federal economic stimulus money to help finance part of NCR Corporation's relocation from Ohio.

Sparking their response is a request from Columbus, Ga., for money from the American Recovery and Reinvestment Act to acquire a building that would house an NCR factory employing 870 people.

NCR said it would use the Columbus, Ga. site to manufacture advanced ATM machines, including "intelligent deposit." The company said the Georgia city plans to use stimulus money to buy the building for the plant, and then lease it to NCR.

U.S. House Minority Leader John Boehner (R-West Chester) and U.S. Rep. Michael Turner (R-Dayton) said Thursday they sent a letter asking President Barack Obama to stop use of the money to lure jobs away from one state to another.

"It appears federal stimulus funds played a role in NCR's decision to relocate jobs from Ohio and centralize its operations in Georgia. Certainly luring jobs away from one state to another state violates the spirit of this law," the GOP House members said.

"We respectfully request that you direct Vice President Joe Biden, who has been tasked to oversee all stimulus spending, to take the steps necessary to prevent this from happening to other regions that are in economic peril," they said.

Separately, U.S. Sen. Sherrod Brown (D-Cleveland) urged Secretary of Commerce Gary Locke to prevent use of the money for an interstate job transfer.

"Stimulus funds should not be used in a manner that benefits one local economy at the expense of another," Sen. Brown said in a letter.

State Sen. Jon Husted (R-Kettering) said use of stimulus money would mean that Ohio taxpayers were forced to pay for part of NCR's move.

"I hope our federal officials will act swiftly to stop this expenditure of tax dollars that would allow one state to lure away jobs from another state," Sen. Husted said.

Chairman Kevin DeWine of the Ohio Republican Party said the state is losing major employers and thousands of jobs to other states as Democratic Gov. Ted Strickland's development department "struggles with turnover and scandal."

Mr. DeWine referred to Lt. Gov. Lee Fisher's resignation as department director in order to run for the U.S. Senate in the 2010 election, and to the resignation of interim director Mark Barbash after disclosure that he owes back taxes.

"These jobs are leaving Ohio because Ted Strickland's economic development office is in turmoil," Mr. DeWine said Thursday.

"It's no wonder Ohio's getting outworked and outsmarted by other states when no one's focused on job creation and Gov. Strickland has no idea what's going on," he said.

MOST STATES SEE FALLING TAX REVENUE, BUDGET CUTS, REPORTS SAY

State budgets across the country are reeling from dwindling tax revenues due to the ongoing economic recession, according to two separate national reports issued Thursday.

The National Governors Association and National Association of State Budget Officers' Fiscal Survey of States found nearly three-quarters of states are proposing budgets that recommend negative growth in fiscal year 2010.

In FY 2009, overall state general fund expenditures declined 2.2% - the first decline in actual state spending since 1983, the report said.

Similarly, governors' executive budgets for FY 2010 recommend a 2.5% decrease in spending, which would mark the first time actual state spending declined two consecutive years, the groups said.

On the revenue side, overall state collections were down 6.1% in FY 2009, with only two states exceeding their original projections, 10 states on target, and 30 states falling short, according to the survey. By contrast, 25 states reported that revenue collections exceeded estimates in FY 2008.

All told, states must fill more than \$183.3 billion in budget shortfalls between FY 2009 and 2011, after previously closing gaps totaling \$46.2 billion, the report said.

The National Conference of State Legislators study of state tax performance reported similar findings with states facing budget gaps totaling \$236.4 billion from FY 2008 through FY 2010, with at least another \$45 billion looming in FY 2011.

"Without question, state revenue performance is feeble. Lackluster collections are affecting the budget situation in nearly every state," the NCSL report says. "Although officials have revisited their revenue forecasts on a regular basis, most have failed to fully capture ongoing declines."

NGA Executive Director Raymond Scheppach said state budget cuts would have been much worse without the federal stimulus package.

"In this past year, governors have worked hard to balance the budget by cutting spending first, while protecting services like Medicaid and education," he said in a statement. "Unfortunately because of steep declines in state revenues, they cannot rely on cuts alone; states must find new revenue sources for fiscal 2010."

DIVIDED SUPREME COURT RULES FOR UTILITIES IN DISPUTE WITH LANDOWNERS

By the slimmest of margins, the Ohio Supreme Court on Thursday stripped local judges of authority to decide disputes between landowners and utilities over removing trees within easements that may pose a threat to power lines.

Instead, the justices said, jurisdiction over such matters rests solely with the Public Utilities Commission of Ohio.

The 4-3 opinion from the Supreme Court overturned decisions from trial and appellate judges in Cuyahoga County that had favored a property owner in a battle with the Cleveland Electric Illuminating Co.

"At first glance, this case appears to concern the fate of a single tree," Justice Judith Lanzinger said in the majority ruling.

"The larger issue, however, is who controls that fate - the court of common pleas or the Public Utilities Commission of Ohio," she said.

Giving rise to the litigation was a letter CEI sent to Mary-Martha and Dennis Corrigan in 2004. The utility said it was going to remove the silver maple located within an easement on the Corrigan's property because it had the potential to interfere with a distribution line.

A Cuyahoga County common pleas judge ultimately granted the Corrigan's a permanent injunction to enjoin the company from removing the tree. The trial court said evidence showed the tree did not interfere or threaten the transmission line.

The 8th District Court of Appeals affirmed the trial judge's opinion. It said removal of trees within an easement does not require the PUCO's administrative expertise, and that the dispute instead centered on interpretation of terms in the easement.

CEI appealed to the Supreme Court, which overturned the lower court rulings Thursday.

Justice Lanzinger said the type of case in dispute falls within the exclusive jurisdiction of the PUCO.

"The company's decision to remove a tree is governed by its vegetation-management plan, which is regulated by PUCO. Therefore, we conclude that PUCO's administrative expertise is required to resolve the issue of whether removal of a tree is reasonable," she said.

"(The) Corrigan's complaint with the decision to remove the tree is really an attack on the company's vegetation-management plan. That type of complaint is a service-related issue, which is within PUCO's exclusive jurisdiction," Justice Lanzinger said.

Concurring were Chief Justice Thomas Moyer and Justices Evelyn Stratton and Maureen O'Connor.

Justices Paul Pfeifer, Terrence O'Donnell and Robert Cupp dissented.

Justice O'Donnell said the utility's right to remove the tree depends on terms of the easement, not CEI's internal vegetation-management plan.

"A silver maple tree has stood within the bounds of this easement for at least the last 50 years," he said. From 1975 to 2000, the utility would prune it when necessary. In 2000, CEI changed its policy in favor of removing any vegetation within easements.

"In my view ... the central issue raised by the Corrigan's complaint is whether their maple tree 'may interfere or threaten to interfere' with the transmission line," Justice O'Donnell said.

"This requires interpretation and application of the terms of the easement, not the utility's vegetation-management plan, and as with any written agreement, the interpretation of an easement depends on its plain language," he said.

"The PUCO has no special expertise with respect to the determination of rights under an easement, and thus it does not have exclusive jurisdiction here," he said.

FRIDAY, JUNE 5 2009

REMOVAL OF STRICKLAND HEALTH INSURANCE PROVISIONS KEY STICKING POINT FOR BUDGET CONFERENCE

The gulf separating the House and Senate opinions on K-12 education aside, the Senate's wholesale elimination of Gov. Ted Strickland's health coverage initiatives from the pending budget bill has emerged as the next biggest sticking point as the measure heads to conference committee.

Mr. Strickland's administration joined fellow Democrats in the Senate this week in decrying the majority party's decision to scrap law changes that the governor says would provide coverage access to 110,000 more Ohioans who otherwise couldn't afford it.

Sen. Tom Niehaus (R-New Richmond), the GOP's point man on health and human services issues during Senate deliberations, said the proposals were seen as too costly for businesses and individuals already in the open enrollment program.

Of the hundreds of differences between the House- and Senate-passed versions of the bill, which the conference committee will try and sort out starting next week, the health insurance package promises to be a major lightning rod for debate at the state level even as President Barack Obama gears up a major push for federal health care reforms in Congress.

Gov. Strickland cited the Department of Insurance initiatives along with the Senate's eradication of his education system overhaul on Wednesday, questioning in a prepared statement the wisdom of striking "innovative and inexpensive proposals that would provide 110,000 more Ohioans with access to affordable private health care."

"Because of the worsening economy, more tough budget choices are ahead," he said. "But deferring the critical education and health care reforms that will revive Ohio's economy is exactly the wrong response."

The governor's office followed up with a news release that outlined six provisions removed by the Senate that the administration said would not only impact some of the 1.3 million uninsured citizens in the state but also "lower taxes, improve the quality of the health care system through means such as health information technology and improve transparency in terms of insurance rates."

According to the administration, those provisions included language to:

- Expand dependent child coverage in group coverage up to age 29 (Impacting an estimated 21,000 Ohioans).
- Change Ohio's "broken individual open enrollment programs" by reducing the rates that insurers can charge people who have preexisting conditions such as diabetes, cancer and pregnancy (Providing coverage to another 52,000 citizens).
- Require employers to offer to uninsured employees pre-tax purchase of "Section 125 cafeteria plans" (37,000 Ohioans impacted).
- Extend state continuation coverage under Ohio's "mini-COBRA" program from 6 to 12 months in permanent law.
- Fund health information technology and other healthcare quality improvement initiatives.
- Allow Department of Insurance "to monitor Ohio's insurance markets by having insurers file loss ratio data for the individual, small group and large group insurance markets."

"More than 1.3 million Ohioans are currently uninsured, many without access to affordable health insurance coverage. As a result, these folks do not get the care they need to maintain healthy and productive lives and insured Ohioans end up paying more to cover the costs of caring for the uninsured," ODI Director Mary Jo Hudson said. "We hope that members of the Senate will reconsider this rejection in the Conference Committee with the House of Representatives."

Sen. Niehaus said in an interview Thursday that the Senate GOP had problems with mandating some of the provisions as well as the cost impacts to individuals and businesses. He is meeting next week with the Ohio Chamber of Commerce and the National Federation of Independent Business-Ohio on alternative proposals.

On the "cafeteria plans," he said, "If employees get to do this there's a tax benefit. But the question is whether the way it is set up (in the bill), whether the IRS recognizes that" as acceptable in regards to federal guidelines.

The open enrollment changes would unduly increase premium costs by an estimated 5.5%, or \$200 a year, for some 440,000 people already in the individual insurance market, Sen. Niehaus said.

And on the proposed the expansion to age 29 for which insurance plans must cover dependent children: "A lot of those people do not carry insurance by choice. They are young, healthy individuals who just feel like they don't need insurance. So it seemed like just an excessive amount of time to be carried under a parent's insurance policy."

NFIB-Ohio Legislative Director Ty Pine said the administration's proposals have good intentions but are ultimately bad public policies that disproportionately impact small businesses that will see increased costs and in some cases be forced to drop insurance coverage as a result.

"The policies that are being pushed right now in Ohio are discriminatory against small business," he said.

Because of related federal laws that among other things restrict state insurance mandates on large, self-insured corporations, many of the proposals would only impact a third of the market - namely small businesses that provide much of the job growth in the state, and the individual markets, Mr. Pine said.

"As those play out in the marketplace, it's going to be hitting on a small segment of Ohioans and quite frankly those least able to afford it," he said.

"There are financial and real world ramifications that don't show up in an actuarial analysis...of what it's going to cost the entire insurance market, which is where the administration and the department of insurance have focused," Mr. Pine added.

On open enrollment, for example, he said the administration's proposals would "add another \$75 million a year of financial burden on the backs of people who are already struggling in the individual market," including small business owners. "It's a great concept: trying to help unhealthy individuals get access to coverage. Bad concept to make it more expensive for those individuals already struggling to maintain their coverage," Mr. Pine said.

NFIB-Ohio also believes that the "age 29 proposal" is "a bad deal" for parents and older healthy children, because they could get cheaper coverage in the individual marketplace, and problematic for small businesses that could see premiums skyrocket and subsequently drop insurance for employees if their plans were forced to cover older children that do have significant health problems, Mr. Pine said.

Cathy Levine, executive director of Universal Health Care Action Network of Ohio, said NFIB and other business groups were practicing "fear mongering" in opposing the coverage expansion initiatives.

"The open enrollment program would expand affordable coverage for people with pre-existing conditions who cannot get insurance now," she said. "We've heard from small businesspeople who are unable to buy themselves insurance because of pre-existing conditions. It will help them and have only minimal impact on premium costs in the individual market and not have any impact at all on the small group market."

"They're fear mongering but they haven't produced any actuarial report to counter the actuarial report that the state provided," Ms. Levine said of NFIB's arguments. "They're making this up as they go along. Show us the evidence that this is going to raise prices any more that it raises everybody's health care costs to have people with chronic health conditions uninsured and not receiving regular treatment."

"The cost of providing care to the uninsured is adding hundreds of dollars to each person's premiums in this state," she added.

Ms. Levine also disagreed with the business group's assessment of the age 29 expansion. "National insurance company leaders have said that raising the age of dependents will not substantially increase health care costs. The

reason for that is most of the 20-somethings who are going to be brought in expanding dependent coverage are the very people we want in this insurance pool - 20-somethings who are in excellent health."

"Thirty states have done various forms of expanding dependent coverage and there's no evidence that it drives up health care premiums," Ms. Levine said.

Business groups, Ms. Levine said, are opposed to many of the initiatives because they simply do not want the state more involved in regulating insurance and providing for more transparency in the system. She noted that among the Senate's eliminated provisions was language requiring more insurance company reporting on health care and administrative costs as well as profits.

"This is a purely ideological opposition that has no foundation in fact," she said.

SENATE CUTS FOR DEVELOPMENT COULD IMPEDE ECONOMIC RECOVERY, GROUP SAYS

The Department of Development was a primary target of Senate budget cuts, and a representative of local economic development officials says the reductions will hamper efforts to resuscitate Ohio's economy.

Senate changes to the biennial budget (HB 1) would severely limit funding for development projects at a time when companies are having trouble obtaining financing from traditional private sources, Ohio Economic Development Association Executive Director J.C. Wallace said in an interview.

While potential staff reductions at DOD are troubling for local officials, ongoing problems in the credit market make the availability of adequate economic development incentives for businesses critical, he said.

"There's so many companies now that need financing," he said, expressing concerns about proposed changes to the state's major loan program.

"We're seeing a lot of companies that probably haven't used the state before, but since the banks aren't real clear about what they're going to be lending for these investment projects that we desperately need, there's a lot of interest in our state loan programs," he said.

In addition to the Senate's decision to eliminate a \$150 million appropriation for biotechnology held over from last year's state stimulus package, the chamber cut about \$70 million in general revenue from the DOD budget. A 34% reduction from the House's budget leaves the agency about \$70.5 million in GRF for FY 2010 and \$83.5 million in FY 2011.

The Senate plan replaces GRF spending by diverting money from the Facilities Establishment Fund, which currently supports the 166 Loan Program, for a variety of other programs. Mr. Wallace said that would stifle lending and quickly deplete the fund, which is supported by bonds repaid by liquor profits.

He said the bill earmarks the fund for several programs, including: \$20 million a year from the fund for Rapid Outreach Grants; \$8 million a year for soil and water conservation districts; \$3.5 million a year for Technology Action Grants.

"I know this is a tough budget year for everybody and I understand that, but for us it seemed like a disproportionate cut, in my opinion, compared to the other agencies that get funded at about the same level," Mr. Wallace said, pointing to more modest reductions in agencies of similar size, such as the departments of Mental Health and MR/DD.

Sen. John Carey (R-Wellston), chairman of the Senate Finance & Financial Institutions Committee, said DOD was one of the few places in the budget that the Senate could cut without jeopardizing federal matching funds.

Federal "maintenance of effort" requirements hindered reductions in K-12 and higher education and Medicaid, which consume a large portion of state spending, he said.

"Since Department of Development spending is discretionary, that made them the bigger target," he said. "It was just a reality that we had to balance the budget, so it wasn't malicious in any way."

Sen. Carey doesn't dispute the charge that earmarking the Facilities Establishment Fund would negatively impact the 166 Loan program, but said the administration's guidelines imposing prevailing wage requirements on projects receiving loans had already made it less useful.

So the chamber added funding for Rapid Outreach Grants, he said. "Which is a better tool to attract businesses because a lot of the prospects that are contacting Ohio - when they hear that prevailing wage is applied to machinery and loan equipment, they're not interested anymore."

Mr. Wallace said other states that compete with Ohio have been boosting their economic development spending in response to the economic recession, citing Georgia's offer to Dayton-based NCR, which was reportedly twice the \$31 million that Ohio offered to retain the company.

"We spend a lot less than the states we compete with on a regular basis," he said. "We're struggling enough to try to keep some type of incentives that we can use."

The vast majority of federal economic stimulus funding for Ohio is slated for public works projects and can not be used to encourage private business development, he said.

AGENCY BRIEFS: TAYLOR LAUNCHES STIMULUS FUND TRACKER; DOD ISSUES AWARDS; BWC DIVERSIFIES INVESTMENT PLAN

Ohioans interested in finding out how \$8 billion in federal stimulus funds are being spent can use a new online database provided by State Auditor Mary Taylor.

The site, www.ohiostimulustracker.com, outlines proposed use of the funds in each of the state's 88 counties.

"Ohio is expected to receive more than \$8 billion in federal stimulus funds and Ohioans deserve to know how that money is being spent," Ms. Taylor said. "Accountability and transparency are important to the proper function of government and my office is making this site available to the public as we gather information necessary to properly audit the receipt and use of those monies."

The function also helps the auditor's office identify high-risk audits of stimulus projects.

Department of Development: Gov. Ted Strickland and Ohio Department of Development Interim Director Lisa Patt-McDaniel announced a \$750,000 grant to assist brownfield redevelopment in the City of Columbus.

"The Clean Ohio Assistance Fund grants are an excellent resource for Ohio's communities to improve their physical assets and revitalize urban areas," said Patt-McDaniel.

The grant will be used to fund rehabilitation efforts on West Town Street, on B & T Metals and Eickholt Glass property. The land will be transformed into 130 new residences, which is expected to create 157 jobs.

Separately, Gov. Strickland and Director Patt-McDaniel announced a \$2.5 million economic development grant to be divided between Bridgestone Americas Tires Operations, LLC, and the Columbus Regional Airport Authority.

\$1.9 Million will be provided to Bridgestone for machinery costs and infrastructure improvements, allowing for the retention of 1,000 jobs. The Columbus Regional Airport Authority expects to receive \$661,000 for roadwork improvements, which is expected result in the creation of 810 positions and the retention of 1,974 jobs.

Bureau of Workers' Compensation: Following the Board's approval of investment updates to the State Insurance Fund, the BWC Board of Directors has unanimously approved diversification measures for both fixed and equity investments.

The Board also approved safety regulation updates for several industries, including metal casting, steel making, laundering and dry cleaning, elevators, rubber and plastics and window cleaning. A rate reduction in premiums for state agencies, universities and university hospitals was also approved.

BWC also hosted nine Chinese delegates who were traveling through Ohio to find out about the services the agency provides employers to help create safer workplaces.

The nine officials from Anhui Province was also investigating how workplace safety programs are funded. The visit was facilitated by DOD and Marietta College.

COMMITTEE SCHEDULE FOR WEEK JUNE 8

TUESDAY, JUNE 9

Senate Insurance, Commerce & Labor, (Chr. Buehrer, 466-8150), South Hearing Rm., 4 p.m.

SB 94 POLICE & FIRE CONDITIONS (Patton) To provide that a firefighter, police officer, or public emergency medical services worker who is disabled as a result of specified types of cancer or certain contagious or infectious diseases is presumed for purposes of the laws governing workers' compensation and the Ohio Police and Fire Pension Fund to have incurred the disease while performing official duties as a firefighter, police officer, or public emergency medical services worker. (1st Hearing-Sponsor)

HB 15 BWC BUDGET (Sykes) To create the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission Fund; to make other changes to the Workers' Compensation Law; to make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2009, and ending June 30, 2011; and to provide authorization and conditions for the operation of the Bureau's programs. (5th Hearing-All testimony)

WEDNESDAY, JUNE 10

Senate Ways & Means & Economic Development, (Chr. Gibbs, 466-7505), North Hearing Rm., 10:15 a.m.

SB 109 PROPERTY TAXES (Gibbs) To exempt from real property taxation the value of single-family residential property owned by a developer or builder until the developer or builder transfers possession or title. (2nd Hearing-Proponent)

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

SB 121 TRANSPORTATION AUTHORITIES (Niehaus) To authorize the creation of transportation innovation authorities by specified governmental entities and to establish the powers and duties of such authorities. (1st Hearing-Sponsor)

Reprinted with permission of Gongwer News Service, Inc.