



May 3, 2011

House Finance Reports Budget Bill Out on Party Line Vote; Floor Vote Expected Thursday

The House Finance and Appropriations Committee completed its work on the proposed FY12-13 budget Tuesday night, voting HB153 (Amstutz) out on a straight party line vote of 20-12. The hearing even ended shortly after 9 p.m. -- a respectable hour for a finance committee and set up an expected Thursday, May 5 floor vote on the bill.

Wednesday has been designated "reading day," giving representatives the opportunity to sort through a bill that must now be close to 5,000 pages.

There were five amendments accepted during the course of the evening -- the "usual" omnibus amendment, two amendments from Rep. Randy Gardner (R-Bowling Green), the first of which added, what he explained, was an agreed to approach for an alternative procedure for publishing legal notices, while the second increased the funding available for the Ohio College Opportunity Grant (OCOG) by \$6 million/year. Funding for this was diverted from the co-op internship program which has not yet begun.

The final two amendments came from the Democrats: the first one, from Rep. Carlton Weddington (D-Columbus), addresses ongoing issues at Central State University by requiring the school "to support the Speed to Scale Task Force and the goals of the Speed to Scale Plan, which include increasing student enrollment, student retention rates, and the proportion of in-state students to 80 percent of the total students." It also "requires the task force to ... develop methods of enhancing Third Frontier collaborations and marketing of current academic programs and exploring the possibility of merger, acquisition or expansion of Central State University."

The second Democratic amendment came from Ranking Minority Member Rep. Vern Sykes (D-Akron) and increased the General Revenue Fund appropriations for the Ohio Civil Rights Commission by \$171,402/year.

Perhaps the most notable item was one that did not happen -- despite an earlier report coming from Speaker Bill Batchelder (R-Medina) that language clarifying the application of the Commercial Activity Tax (CAT) to casino gross receipts was being removed, it was not -- leading committee chair Rep. Ron Amstutz (R-Wooster) to comment that "this proves this CAT has more than one life."

Changes in the omnibus amendment for primary and secondary, and charter schools are the following:

Primary and Secondary Education

- Removes language allowing for the parental takeover of schools and creates a pilot program for the concept in the Columbus City School District.
- Gives the Ohio Department of Education the powers and enforcement of a normal community school sponsor in cases where the department is the sponsor.
- Allows school districts to lease space to institutions of higher learning for evening or summer classes.

- Provides flexibility for school districts in regards to 412 certificates.
- Reverts to executive language related to the School Employees Health Care Board.
- Removes language in the sub bill relating to hybrid schools.

Charter Schools

- Confirms that money received by a community school is public money.
- Eliminates the requirement that every student enrolled in an e-school gets a computer, instead every household gets one computer, and additional computer is supplied for every child over a factor of two.
- Restores the moratorium on e-schools until the General Assembly adopts operating standards for such schools.
- Requires community schools be ranked by ODE.

Budget Hearings Open in Senate Finance

The Senate Finance Committee kicked off hearings on the next state budget Tuesday with briefings from Tim Keen, Gov. John Kasich's budget director, and Mark Flanders, director of the Legislative Service Commission.

Sen. Chris Widener (R-Springfield), the committee chairman, said after the hearing he's aiming to stick to a schedule discussed with the House before the budget was introduced, with the goal of voting HB153 out of the Senate in the week following Memorial Day, leaving the month of June for conference committee.

Today's presentations generally reflected the testimony the two gave in the House Finance and Appropriations Committee, leaving much of the new discussion to be driven by committee members' questions.

And, as happened to the budget director when he briefed the House committee, Democrats chided Keen for failing to provide written remarks.

Keen stuck to the budget as proposed by Kasich, generally leaving aside House changes to the bill except to say that "while generally pleased with the direction of the bill ... the administration continues to review the changes." That remark came before the House Finance and Appropriations Committee completed its work on the bill later Tuesday, adopting five amendments including an omnibus amendment.

Keen cautioned lawmakers about relying on extra money coming available because revenues are beating estimates, noting that money will be needed to address FY11 expenses that the current budget had pushed into FY12. These include payments for university state share of instruction, for Medicaid managed care and for intermediate care facilities for the mentally retarded.

"The over-performance is necessary in order to balance the books for Fiscal Year 2011," he said.

He also acknowledged a few "heightened risk factors" that could affect the economic projections underlying revenue assumptions. He noted that, since the governor's Council of Economic Advisers met in February to present data used to develop the budget, oil prices have risen nearly \$30 a barrel. A lagging housing market and "unknown international events" are other risks he mentioned.

Sen. Keith Faber (R-Celina) asked Keen about the interplay between spending being cut while General Revenue Fund appropriations have increased.

"There's clearly got to be a [budget] hole because everybody's getting cut," Faber said. "Wouldn't we be better served to ... look at the all-funds totals?"

Keen said lawmakers generally have focused most on the GRF because that's where they have the most discretion on spending, but examining the all-funds budget is necessary to see how the structural imbalance was addressed.

Sens. Tom Sawyer (D-Akron) and Scott Oelslager (R-Canton) questioned Keen on the potential that cuts to local governments and schools will only lead to higher local taxes.

"It's not a foregone conclusion that local-level increased revenues are necessary," Keen responded, pointing to budget provisions intended help local governments save money. However, as it stands now, one of the most significant of those, a shift of responsibility for some pension contributions from employers to employees, was removed from the budget in the House.

"At the local level we are a high-tax state ... and it does not serve the state of Ohio well to add to that," he said.

After committee, Widener said a few areas of the budget he anticipates focusing on are the leasing of the liquor enterprise, the Medicaid overhaul from the Office of Health Transformation, K-12 and higher education funding and all provisions related to taxation, including the proposed repeal of the estate tax.

"We're going to have to figure out exactly what is it that we can expect our local government partners to do without when it comes to revenue. I personally support eliminating the estate tax. I have ever since I've been here," Widener said.

Widener reserved judgment Tuesday on House changes and whether major policy issues that chamber carved out for consideration in separate legislation, such as pension contribution levels and criminal sentencing changes, should be folded back into the budget.

Committee Reports

SENATE EDUCATION

Sen. Lehner: 614-466-4538

Tue., May. 3, 2011

SB127 SCHOOL BULLYING POLICIES (SCHIAVONI J) To enact the "Jessica Logan Act" to require that public school bullying policies prohibit bullying by electronic means and address certain acts that occur off school property and to require staff training on the bullying policy.

Shawn Grime, president of the Ohio School Counselor Association (OSCA) and a school counselor at Bryan High School, gave proponent testimony stating that there is an alarming rate at which "bullying incidents are not reported to parents or the school." Many components of the law are "reasonable recommendations," he said. "The requirement for ongoing professional development for school staff on bullying is a measure school counselors believe is especially vital in keeping students safe and adults vigilant," he continued.

Sen. Hite asked how counselors will be involved in the in-service training and if there is enough time available for in-service. Sen. Sawyer remarked that what could become a "duty to report" needs to become a "mutual responsibility" to report. Grime stated that the OSCA has in the past few years worked up a model which is a useful document for anti-bullying training. "The intention," he said, "is to revamp that with the cooperation of ODE."

Sen. Lehner questioned incidents that occur off school property and whether they should be brought into the school. Grime stated that there is a concern about the definition of "things" that happen off school property and the school's role. He gave an example where a student gets arrested over the weekend and if it should be dealt with when the student returns to school.

"Schools will appreciate more clarification," he said.

Carolyn Givens, executive director of the Ohio Suicide Prevention Foundation (OSPF) gave proponent testimony and cited findings of the "association of depression and psychosomatic problems with bullying for both victim and perpetrator." Givens also quoted a statistic that "youth suicides in the age group of 15-24 have increased 18 percent since 2001." She further reported that suicidal risks "can be effectively addressed through prevention, education and awareness training for staff, students and parents."

Karen Slovak, associate professor of social work at Ohio University Zanesville, gave proponent testimony and reported that "only one-in-five school social workers believed that their school had an effective policy on cyberbullying if any policy existed at all." In particular, Slovak supports the bill because it will include clear definitions, coverage of school buses as a school location, and change student perception with regard to the school's ability to respond to the cyberbullying.

Sen. Tavares echoed some of Slovak's testimony, stating, "If you are truly going to change a culture, everyone must be educated." Tavares asked Slovak for pilot suggestions. Five demonstration projects around the state would be warranted, Slovak said. "Then we see what's working and go from there."

Toni Genovese, mother of two daughters, Dara and Domini, gave proponent testimony and spoke of the cyberbullying endured by her younger daughter Dara since she was in the first grade. Dara and Domini also gave first-hand testimony on their experiences.

Sen. Cates warned that "it is the duty of our schools to education our children-not protect." He said the state must be careful and that it is not expected to thrust another responsibility onto the schools that they cannot handle adequately. Genovese answered that it isn't really that hard, that it's "basic common sense" and called it "peer on peer abuse." Sen. Tavares said they "just want to be sure it's evidenced-based."

Cynthia Logan, mother of Jessica Logan for whom HB127 is named, shared the story of the cyberbullying her daughter endured after a nude photo was sent around the school by close friends. Sen. Sawyer stated that there are "some kinds of criminal activity for which the evidentiary trail is very difficult to track. Its consequences are palpable, but the evidence is very difficult to prove." Sawyer further stated that, "We are putting the responsibility on an entity (schools) that does not have the tools" to find a solution. Logan countered that early education is key.

SB116 SCHOOL TRANSPORTATION EMPLOYEES (SEITZ B, CATES G) To permit non-Civil Service school district boards to terminate positions of district transportation employees for reasons of economy and contract with independent agents to provide transportation services.

REPORTED OUT

Randy Weston, director of political action and legislative affairs for the Ohio Association of Public School Employees/American Federation of State, County and Municipal Employees (OAPSE/AFSCME Local 4/AFL-CIO) gave opponent testimony. He stated, "We are opposed to privatization in general, and especially when it comes to our kids." The search for profits, he continued, "sometimes leads to corners being cut." He quoted incidents in the past four to five years where private-contract companies were not doing adequate background checks. He further

stated that for-profit employees have no voice in a collective bargaining agreement and that "if it ain't broke, don't fix it."

Sen. Sawyer asked if there is a lot of cost-saving and if there any studies to prove it. Weston said Kent State did a study that said for-profits do not save money. Sen. Lehner asked, "Can you honestly say that publicly employed bus drivers have never been accused of committing crimes?" Sen. Sawyer further asked how for-profits "operate their environment" in light of the anti-bullying issues on school buses. Sen. Manning said in her experience, the for-profits are a big cost-saver and a "good thing."

Weston maintained that privatization is "not good public policy."

The bill was brought to a vote and passed 6-2, with Sen. Tavares absent.

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