

STATE OF OHIO  
**Executive Department**

OFFICE OF THE GOVERNOR

*Columbus*

**VETO MESSAGES**

**STATEMENT OF THE REASONS FOR THE VETO OF ITEMS IN  
AMENDED SUBSTITUTE HOUSE BILL 487**

**JUNE 11, 2012**

Pursuant to Article II, Section 16 of the Ohio Constitution, which states that the Governor may disapprove any items in a bill making an appropriation of money, I hereby disapprove the following items contained in Amended Substitute House Bill 487 and set forth below the reasons for so doing. The text I am disapproving is identified in this message by reference to the corresponding page and boxed text of the bill.

**ITEM NUMBER 1**

On page 559, delete the boxed text, beginning with "The Ohio school facilities...".

**Ohio School Facilities Commission – Rule Making Authority**

This item would place a duplicative administrative burden on the Commission by requiring rules for the administering programs to be promulgated under Chapter 111.15 as well as under Chapter 119. This item is burdensome, inefficient and would create unnecessary confusion in the promulgation of rules for the Commission. Therefore, the veto of this item is in the public interest.

**ITEM NUMBER 2**

On page 2, delete the following boxed text "3318.36".

On page 10, delete the following boxed text "3318.36".

On page 559, delete the boxed text, beginning with "Sec. 3318.36(A)(1)...".

On page 560, delete the boxed text.

On page 561, delete the boxed text.

On page 562, delete the boxed text.  
On page 563, delete the boxed text.  
On page 564, delete the boxed text.  
On page 565, delete the boxed text.  
On page 566, delete the boxed text.  
On page 1585, delete the following boxed text "3318.36".

### **Local Share for Expedited Local Partnership Program School Districts**

Under this provision, school districts that have previously signed agreements with the School Facilities Commission under the Expedited Local Partnership Program to lock-in their local percentage shares of construction projects in exchange for faster consideration and approval by the Commission, now would be able to unilaterally change their agreements and reduce their agreed-upon percentage and, therefore their costs. This provision increases costs to the state and reduces funds that the state has available to assist other school districts still waiting to participate in the program. Additionally, the current order in which districts would receive funds for their projects would change, with some districts getting to jump ahead of others, and other districts falling behind. The changes to this program, while beneficial to select districts, increase cost to taxpayers, have adverse impacts on others, and therefore, this veto is in the public interest.

### **ITEM NUMBER 3**

On page 1571, delete the boxed text.

### **Aerospace Research and Development Sales Tax Exemption**

Aerospace is a valued industry in Ohio but there is no justification for granting this specific industry such a broad tax exemption for its research and development efforts. Other industries conducting research and development in Ohio may claim sales tax exemptions only for purchases of capitalized equipment and it would be inconsistent to go beyond that in such a broad way for one particular industry and not others. Therefore, the veto of this item is in the public interest.

### **ITEM NUMBER 4**

On page 5, delete the following boxed text "5709.73".  
On page 11, delete the following boxed text "5709.73".  
On page 1513, delete the boxed text.  
On page 1514, delete the boxed text.  
On page 1515, delete the boxed text.  
On page 1516, delete the boxed text.  
On page 1517, delete the boxed text.  
On page 1518, delete the boxed text.  
On page 1519, delete the boxed text.  
On page 1520, delete the boxed text.  
On page 1521, delete the boxed text.

On page 1522, delete the boxed text.  
On page 1587, delete the following boxed text “5709.73”.

### **Township Tax Increment Financing “TIF” Provision**

The item specifies that the classification of residential property for purposes of exempting the property under a township TIF will follow the Ohio Department of Taxation’s administrative rules. Although this is a codification of current practice for all TIFs, by failing to add similar language to the other TIF sections, the provision implies that the same treatment does not apply to TIFs created by counties and municipalities. The Administration will seek future legislation to address this issue in a consistent manner to avoid confusion, therefore this provision is unnecessary. As a result, this veto is in the public interest.

### **ITEM NUMBER 5**

On page 1634, delete the boxed text, beginning with “BIOMETRIC ENROLLMENT...”.  
On page 1635, delete the boxed text.  
On page 1758, delete the boxed text.  
On page 1759, delete the boxed text.

### **Biometric Enrollment and Verification System Pilot Program**

This item establishes the Biometric Enrollment and Verification System Pilot Project for the purposes of reducing drug diversion and “doctor shopping” in one or more Southeast Ohio counties. This pilot project is in line with the governor’s initiative to end Ohio’s opiate epidemic, but the funding source and the timeframe of the pilot project are problematic. Seeing the value in this project—not only in the fight against opiate addiction but also for job creation efforts in Southeast Ohio—the Office of Health Transformation has committed \$500,000 from the Health Transformation Fund for the pilot project. Therefore, a statutory change is no longer needed to implement the pilot project since the funds will be transferred in early July, and accordingly this veto is in the public interest.

### **ITEM NUMBER 6**

On page 8, delete the following boxed text “215.20”.  
On page 1608, delete the boxed text.  
On page 1609, delete the boxed text, beginning with “amount so determined,...”.  
On page 1622, delete the following boxed text “215.20”.  
On page 1633, delete the boxed text.  
On page 1634, delete the boxed text, beginning with “with the Department...”.  
On page 1635, delete the boxed text.  
On page 1734, delete the following boxed text “215.20”.  
On page 1765, delete the boxed text.  
On page 1766, delete the boxed text.  
On page 1767, delete the boxed text.

## **Pilot Program for Opioid and Alcohol Dependent Offenders**

Governor Kasich expanded access to Medication Assisted Treatment by issuing Executive Order 2011-06K. Effective July 1, 2012, medical services associated with the administration of all FDA medications and ongoing medical monitoring will be covered by Medicaid when provided by ODADAS certified treatment programs. This item would establish a pilot program earmarking a specific amount of funds, including \$1,000,000 to the Statewide Treatment and Prevention Fund (Fund 4750), to be used for one medication to treat opiate addiction. Combating opiate abuse is a priority of this administration and the Governor's Cabinet Opiate Action Team meets regularly to help advance multiple initiatives across agency lines that seek to combat Ohio's opiate epidemic. The language authorizing this pilot program works against the administration's "all strategies forward" approach by advancing one medication manufactured by a single company at the expense of other addiction treatment strategies and protocols that the administration and treatment providers could pursue. Therefore, this veto is in the public interest.

### **ITEM NUMBER 7**

On page 8, delete the following boxed text "209.30".

On page 1608, delete the boxed text.

On page 1609, delete the boxed text, beginning with "the Long-Term Care...".

On page 1622, delete the following boxed text "209.30".

On page 1628, delete the boxed text.

On page 1629, delete the boxed text.

On page 1630, delete the boxed text.

On page 1734, delete the following boxed text "209.30".

On page 1774, delete the boxed text.

On page 1775, delete the boxed text.

On page 1776, delete the boxed text.

On page 1784, delete the following boxed text "209.30".

### **Aging in Place Pilot Project**

This item would create the Aging in Place Pilot Project to fund housing improvements for eligible individuals in order to allow them to remain in their homes instead of having to move into a nursing facility. This item includes a cash amount of \$1,500,000 to the Long-Term Care Ombudsman Program Fund (Fund 4C40). The intention of this program is laudable and in line with Administration policy. It duplicates existing programs, however, as nearly \$18 million is currently spent statewide annually on such efforts. Additionally, the pilot project presents implementation problems and is an earmark for a specific provider. Therefore, the veto of this item is in the public interest.

## ITEM NUMBER 8

- On page 8, delete the following boxed text “309.30.10”.
- On page 1622, delete the following boxed text “309.30.10”.
- On page 1686, delete the boxed text.
- On page 1735, delete the following boxed text “309.30.10”.
- On page 1770, delete the boxed text.
- On page 1771, delete the boxed text.
- On page 1772, delete the boxed text.

### **Payments to Nursing Facilities**

The General Assembly established the FY 2012-13 reimbursement methodology and related level of funding for nursing facility services in H.B. 153. This provision would modify that methodology and increase payments to nursing facilities, while no new data has been presented to justify those changes, demonstrate a need, or explain the rationale for this specific amount. Furthermore, significant implementation problems exist since the information necessary to make payments by July 31, 2012, as required by this provision, will not be available in time to meet that deadline. The Nursing Facility Reimbursement Subcommittee of the Unified Long Term Services and Supports Advisory Work Group established in H.B. 153 is the appropriate venue for considering modifications to the nursing facility reimbursement formula. This veto maintains current funding levels for nursing facility services and is therefore in the public interest.

## ITEM NUMBER 9

- On page 175, delete the boxed text.

### **Design Build and Construction Management Contracts**

Reforms initiated last year by the General Assembly to reduce the cost of public construction were predicated on the selection of construction managers-at-risk and design-build contractors by way of a “best value” determination as opposed to strictly a “low bid” approach. The creation of new authority that could, at the eleventh hour, undo proceedings leading up to a contract award would unnecessarily erode the intent and benefits of these construction reforms—namely their cost and time savings—before those reforms are barely a year old. Additionally, because the proposed Ohio Facilities Construction Commission combines the development authority of the State Architect Office with the Ohio School Facilities Commission, the authority for school building projects would shift to the Attorney General – an authority the office has never had in the past. This result, though perhaps unintentional, is incongruent with the Attorney General’s duties as prescribed by the Ohio Constitution and existing law. Therefore, it is not considered to be desirable or of additional value to the project delivery process and this veto is in the public interest.

## ITEM NUMBER 10

On page 83, delete the boxed text.

### **Ohio Facilities Construction Commission – Existing Capital Construction Authority of the Department of Public Safety and Ohio State Highway Patrol**

The construction reforms authorized by the General Assembly last year consolidated and streamlined processes and allowed for new delivery methods that realize cost and time savings for agencies and taxpayers. Separating one agency's facility construction needs from this reform process to give it separate authority goes against the spirit and intent of these reforms. Specifically, it creates unnecessary and burdensome duplicative processes and denies that agency, its employees, and the Ohioans with whom it works the benefits of those reforms' time and cost savings. Therefore, the veto of this item is in the public interest.

## ITEM NUMBER 11

On page 1651, delete the boxed text.

### **Appropriation Rollover Authorization for Incumbent Workforce Training Vouchers**

This provision would automatically reappropriate the unexpended, unencumbered portion of appropriation line item 195526, Incumbent Workforce Training Vouchers, from fiscal year 2012 to fiscal year 2013. This is not necessary because the program supported by the appropriation has not yet commenced and sufficient appropriation authority already exists in fiscal year 2013. Therefore, the veto of this item is in the public interest.

## ITEM NUMBER 12

On page 1710, delete the boxed text.

### **Appropriation Rollover Authorization for Co-op Internship Program**

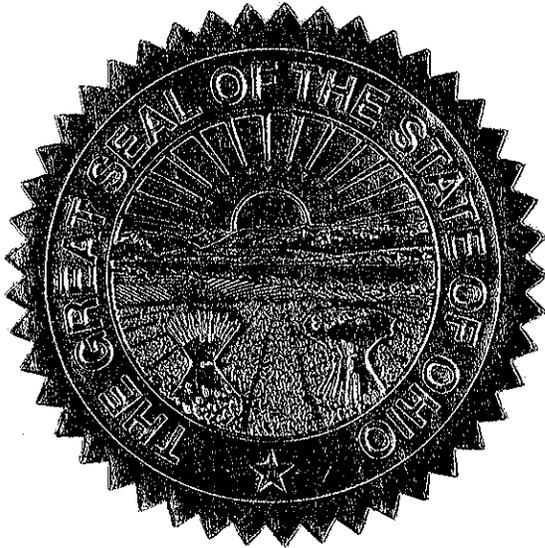
This provision would automatically reappropriate the unexpended, unencumbered portion of appropriation line item 235649, Co-op Internship Program, from fiscal year 2012 to fiscal year 2013. This is not necessary because the program supported by the appropriation has not yet commenced and sufficient appropriation authority already exists in fiscal year 2013. Therefore, the veto of this item is in the public interest.

**ITEM NUMBER 13**

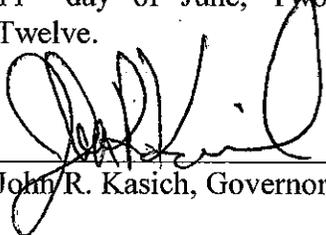
On page 6, delete the following boxed text "127.163, 127.164,".  
On page 12, delete the following boxed text "127.163, 127.164,".  
On page 114, delete the boxed text.  
On page 115, delete the boxed text.

**Controlling Board Requests for Purchases from Out-of-State Suppliers**

Section 127.163 requires an agency to gather information from vendors that is already gathered on existing Controlling Board request forms and available through the Electronic Controlling Board System. Section 127.164 requires agencies to collect additional information from businesses located in Ohio who may or may not be interested in pursuing contracts with the agency. These provisions are unnecessarily burdensome to state agencies and businesses, create inefficiencies, and may increase cost of purchases by the state by deterring agencies from pursuing qualified vendors. Therefore, this veto is in the public interest.



IN WITNESS WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed at Columbus this 11<sup>th</sup> day of June, Two Thousand Twelve.

  
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John R. Kasich, Governor

This will acknowledge the receipt of a copy of this veto Message of Amended Substitute House Bill 487 that was disapproved in part by Governor John R. Kasich on June 11, 2012.

\_\_\_\_\_  
Name and Title of Officer

\_\_\_\_\_  
Date and Time of Receipt