



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 162 of the 129th G.A.

Date: June 14, 2011

Status: As Reported by House Veterans Affairs

Sponsor: Reps. Stebelton and Bubp

Local Impact Statement Procedure Required: No

Contents: Eliminates the requirement that a veteran be a resident of Ohio to qualify to receive the veterans preference on civil service examinations and provides certain professional and licensing and certification rights to service members, their spouses, and veterans

State Fiscal Highlights

STATE FUND

FY 2012 – FUTURE YEARS

Occupational Licensing and Regulatory Fund (Fund 4K90) and Other State Licensing Funds

Revenues Potential negligible annual loss from license and certification fee waivers

Expenditures Potential negligible annual increase in administrative costs

General Reimbursement Fund (Fund 1060) – Office of the Attorney General

Revenues Potential annual gain from records check fees

Expenditures Corresponding potential annual increase to conduct additional records checks

Note: The state fiscal year is July 1 through June 30. For example, FY 2012 is July 1, 2011 – June 30, 2012.

- The 40 state licensing entities, including occupational and professional boards and commissions, as well as those housed within state agencies, could incur small annual losses for waiving certain license and certification fees for qualifying veterans and their spouses. Likewise, these entities could incur some small annual administrative costs to process fee waivers.
- The Attorney General's General Reimbursement Fund (Fund 1060) may realize a gain in revenue corresponding to the number of background checks conducted for temporary licenses and certificates. This revenue would offset the cost of performing the records checks. Applicants would be required to pay the associated fees.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Civil service examinations

The bill's elimination of the requirement that a veteran be a resident of Ohio to qualify to receive the veterans preference on civil service examinations will have no discernible fiscal effect on either the state or any of its political subdivisions. As a result of this change, it is possible that additional certificates of service or honorable discharge will be filed with the Department of Administrative Services by nonresident veterans. It is likely that these additional filings would be handled by existing staff as part of their day-to-day activities.

Generally, the Civil Service Law requires that classified employees be hired and promoted through examinations. Currently, any person who has completed service in the uniformed services,¹ who has been honorably discharged or transferred to the reserves with satisfactory service, and who is a resident of Ohio, and any member of the National Guard or a reserve component of the United States Armed Forces who has completed more than 180 days of active duty service as a result of an executive order of the President or an act of Congress, can file a certificate of service or honorable discharge with the Director of Administrative Services. Upon this filing, the person is entitled to additional credit of 20% of the person's total grade given in the regular examination in which the person receives a passing grade.

Professional licensing and certification

The bill specifies that in the case of an expired license or certificate, a penalty or reexamination requirement is waived if the holder's service, or the holder's spouse's service, in the armed forces precluded a timely renewal. The bill also permits state licensing boards and commissions, licensing or certification divisions, or sections housed within state agencies, and private state contractors that are authorized by Ohio law to grant licensure or certification, to issue a temporary license or certificate to an individual whose spouse is on active duty in this state if certain conditions are met and after undergoing a criminal background check. Such temporary licenses are valid for six months.

¹ "Service in the uniformed services" means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes: active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person's employment for the purpose of performing certain funeral honors duty. "Uniformed services" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or national emergency. Uniformed Services Employment and Reemployment Rights Act of 1994, 108 Stat. 3149, 38 U.S.C. 4303.

The primary fiscal effect of these provisions would be to cause a potential loss in licensing and certification revenue among the 40 state boards, commissions, and divisions and sections within state agencies that regulate occupations. Since the number of individuals qualifying for such waivers is likely to be small, the potential impact on initial license and renewal revenue would be negligible. In addition to the small loss in licensing and renewal revenue, there may be some slight increases in administrative costs for processing the applications for temporary licenses and certifications. These costs, however, are likely to be small and would most likely be absorbed within existing resources.

The Attorney General's Office, specifically the Bureau of Criminal Identification and Investigation, may experience a gain in revenue corresponding to the number of background checks conducted for temporary licenses and certificates. This revenue, which would be deposited to the credit of the General Reimbursement Fund (Fund 1060), will offset the cost of performing the records checks. Applicants would be required to pay the associated fees.