

Memorandum of Understanding
Between the Ohio Office of Budget and Management and the Ohio
Business Community

On July 7, 2017, representatives of the National Federation of Independent Business/Ohio, the Ohio Chamber of Commerce, the Ohio Manufacturers' Association, and the Ohio Council of Retail Merchants, which are some of Ohio's largest employer organizations and represent thousands of Ohio businesses ("Ohio Business Community"), met with Timothy S. Keen, Director of the Ohio Office of Budget and Management (the "Director") regarding the Ohio Business Community's concerns related to the legal authority given to the Director in Section 512.12 of Am. Sub. H.B. 49 of the 132nd General Assembly, (the Fiscal Year 2018 and 2019 Main Operating Budget Bill) to transfer cash not otherwise constitutionally restricted from the funds used by certain state agencies into the State's General Revenue Fund and options to address those concerns.

Specifically, the Ohio Business Community raised concerns regarding the provision in Section 512.12 of Am. Sub. H.B. 49 providing permissive authority for the Director of the Office of Budget and Management ("OBM") to transfer cash from funds that are used by the Bureau of Workers' Compensation ("BWC") or Ohio Industrial Commission ("IC") in "an amount equaling up to two percent of each fund's total fiscal year 2017 appropriation" to the General Revenue Fund ("GRF") during the Fiscal Year 2018 to 2019 biennium.

As a result of that meeting, and by way of this Memorandum of Understanding, the authorized representatives of the Ohio Business Community and the Director, individually and on behalf of the OBM, hereby agree to the following:


- (1) The Director and OBM will not exercise the authority given to the Director in Section 512.12 of Am. Sub. H.B. 49 with respect to funds used by the BWC or IC up through and including January 13, 2019;
- (2) The Director and OBM will not exercise the authority given to the Director in Section 512.12 of Am. Sub. H.B. 49 with respect to funds used by the BWC or IC after January 13, 2019, without providing written notice to the Ohio Business Community's counsel at least 14 days prior to any transfer of cash from funds used by the BWC or IC. Such written notice shall be sent to Christopher Slagle by personal delivery (100 South Third Street, Columbus, Ohio 43215) or email (cslagle@bricker.com).
- (3) The Director and OBM will not oppose efforts of the Ohio Business Community to enact legislation deleting the reference to or effectively removing the BWC and IC from Section 512.12 of Am. Sub. H.B. 49, at the beginning of the legislative session to resume in September 2017.
- (4) Up through and including January 13, 2019, in consideration of the foregoing, the Ohio Business Community will refrain from taking any legal action in any court of competent jurisdiction against the Director, OBM, BWC, IC, or any other state

agency or officer regarding the constitutionality or legality of Section 512.12 of Am. Sub. H.B. 49.


Nothing herein shall be construed to imply, by reason of the Director's signature or otherwise, that the Director, OBM, BWC, IC, or any other state agency or officer thereof considers the authority granted by Section 512.12 of Am. Sub. H.B. 49 or any part thereof unconstitutional or in violation of any applicable law.

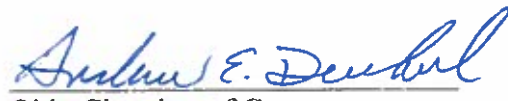
IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives.


FOR THE OHIO BUSINESS
COMMUNITY:



National Federation of Independent
Business/Ohio
Date: 8-15-17

FOR THE OHIO OFFICE OF BUDGET
AND MANAGEMENT:


Timothy S. Keen, Director
Date: August 17, 2017


Ohio Chamber of Commerce
Date: 8/9/17


Ohio Manufacturers' Association
Date: 8.10.17


Ohio Council of Retail Merchants
Date: 8/10/17