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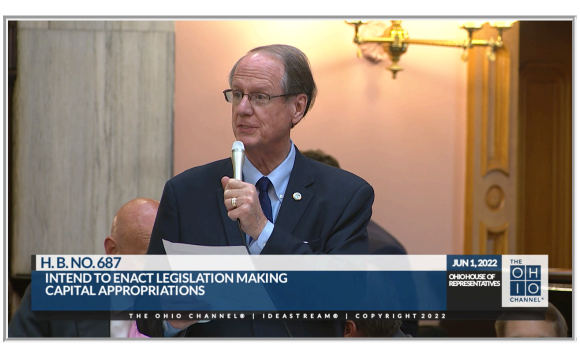
State capital budget includes $50 million for county jails – please thank Gov. DeWine and state lawmakers



House Finance Committee Chairman Scott Oelslager details the contents of the state capital bill on the House floor Wednesday afternoon.

This week saw significant legislative activity as both houses of the General Assembly wrapped up what is likely their last voting sessions until after the November general election. Wednesday's House and Senate sessions went well into the evening as lawmakers completed work on dozens of bills.

One of the key pieces of legislation crossing the finish line this week was the state capital appropriations bill, House Bill 687. The state capital bill is typically adopted every other even numbered year and provides billions of dollars for state and local capital projects.

This year's capital bill totaled over $3.5 billion in total appropriations. Unlike other capital bills which are mostly funded with state-backed debt, HB 687 utilizes $1.5 billion in surplus General Revenue Fund dollars, essentially cash, to pay for a portion of the bill. Through April, the state had accumulated a significant GRF surplus for FY 22, making these funds available. An analysis of the entirety of the bill can be found here.

Of particular interest to CCAO was $50 million for county jail construction included in the capital bill. This initiative has been CCAO's primary legislative request for the capital budget and we are thrilled to see Governor DeWine, Speaker Cupp and Senate President Huffman deliver. The legislative parameters for the $50 million are identical to the $50 million included in the previous capital budget bill, allowing counties to submit an application for these funds.

CCAO praised the inclusion of the jail funds in a news release, available here.

"Ohio's counties are grateful for Governor DeWine and the Ohio General Assembly's leadership in making county jail funding a priority," said CCAO President Debbie Lieberman. "This is a sound investment that will strengthen public safety and allow counties to address the growing and evolving needs of today's criminal justice system."

Please take a moment to thank Governor DeWine and your state legislators for supporting this key funding. CCAO is very pleased to see the state-county partnership for jail funding continue for another capital budget cycle. The need for these funds across counties is immense and a partnership with the state is critical to ensuring more jails receive the capital updates they desperately need.

Also included in the capital bill was approximately $191 million for community projects. Capital bills typically include hundreds of smaller capital projects submitted by legislators across all 88 counties. The full list of funded community projects listed by county can be found here.

The capital bill also provides nearly $1.1 billion in funding for the proposed Intel semiconductor project in Licking County. The bill appropriates $695 for local roads and onshoring incentives as well as just over $400 million in American Rescue Pan funds for water/sewer and water reclamation projects. The legislation also includes expansions of several existing manufacturing, research and development, and construction material sales tax exemptions that are closely tied to the project.

In conclusion, the CCAO policy team thanks members for their advocacy efforts over the past six months working to secure additional jail funding. These successes are made possible through a combined team effort. Members making the case directly to their lawmakers and the administration has real impact.

Please feel free to reach out to the CCAO policy team with any questions about the contents of the capital bill.

HB 377 appropriates ARPA funds for Appalachia and small local governments; provides support for the August 2 primary

Ohio's 32 Appalachian counties

House Bill 377 (Reps. Hall and Swearingen) was one of many bills enacted by the legislature in its final day of session before summer recess. The bill appropriates $500 million in ARPA funds for the Appalachian Community Grant Program; $20 million for the Secretary of State to reimburse county boards of elections for the costs of the August 2 primary; and $422 million in ARPA funding for small municipalities and townships.

Appalachian Community Grant Program

The bill establishes the Appalachian Community Grant Program in the Ohio Department of Development (ODOD) and provides $500 million in ARPA funds with the goal of investing in sustainable, transformational projects in the 32-county Appalachian region of Ohio. The department must create an application process and scoring criteria, and administer the program in consultation with local economic development districts.

Applicants can apply for two categories of grants under the program:

- Appalachian Planning Grants to defray costs associated with research, planning, and writing a formal development proposal for a project or a group of projects, or similar uses approved by ODOD;
- Appalachian Development Grants to implement a program to address one of the following program components:
  - An infrastructure component, such as main street or downtown redevelopment, improvements to multi-community connecting trails, significant outdoor community space, links to community arts, history, and culture, or access to telemedicine services;
  - A workforce component, such as public-private partnerships designed to build and coordinate technical, educational, clinical, and workforce infrastructure;
  - A healthcare component, such as investments in school or community-based services to address children's physical and behavioral health needs, or plans to address the ongoing challenges of substance use disorder in the region.

The department will establish procedures for determining whether an applicant first must develop a project plan using an Appalachian Planning Grant or whether the applicant may proceed to apply for an Appalachian Development Grant without having applied for and received an Appalachian Planning Grant.

When reviewing applications, the law directs ODOD to give priority to projects that include the following characteristics:

- region-wide scale or impact;
- evidence-based;
- Include a private-public partnership;
- are economically sustainable;
- will prove transformative to the region impacted by the project.

The program is subject to the same timelines and rules as other ARPA funds. ODOD will not approve grants after December 31, 2024, and grantees must expend all funds by December 31, 2026.

CCAO will provide updates to members as program rules and guidelines are released.

Following the bill's passage, CCAO released the following press release praising the Appalachia funding.

"Ohio's Appalachian counties are deeply grateful for state lawmakers' support and are excited about the possibilities these funds will unlock," said Tuscarawas County Commissioner and CCAO Second Vice President Chris Abbuhl. "Counties look forward to putting these funds to work to strengthen our communities, improve community health, prepare our workforce for the jobs of tomorrow and much, much more. It is a strong partnership that will serve Ohio well."

Elections Funding

The $20 million for the August primary is supported by state General Revenue Funds. These funds are made available on a reimbursement basis. The bill specifies that by December 31, 2022, or as soon as possible thereafter, all unused funds must be returned to the GRF. The bill also clarifies PERS monetary participation thresholds for BOE workers. During a year in which more than one primary election and one general election are held, an election worker who is paid $600 plus an amount not to exceed $400 for an additional election is not considered a PERS member. County boards of elections are not required to make contributions for these individuals.

CCAO thanks the General Assembly for making these funds available. A second unbudgeted primary election is a significant expense to all 88 counties. Making the $20 million available, in addition to the $9.2 million already appropriated for primary preparation expenses, will help counties absorb the additional costs associated with the August 2nd primary election.

In a press release following HB 377's passage, CCAO President Debbie Lieberman stated, "With a unique election year featuring two primary elections, counties were placed in the difficult position of having to fund an additional unbudgeted primary. Counties deeply appreciate the General Assembly responding to counties' request and making these funds available."

Second Round ARPA Funds for NEUs

The bill provides $422 million in second round federal American Rescue Plan Act (ARPA) funding for townships and municipalities with populations under 50,000 by amending the appropriations language of House Bill 168, passed last year. These local governments are considered "non-entitlement units" or NEUs under ARPA, and therefore are not eligible for a direct distribution from the US Treasury. Instead, the funds are passed through the state. The total amount of funding received by Ohio NEUs from the two tranches will be $844 million.

According to the Ohio Office of Budget and Management, the federal government is expected to send the second round funds for NEUs in early July. NEUs will not be required to reapply if they received funds from the first tranche. Payments will be distributed automatically by OBM. If an NEU did not apply for the first tranche, however, it is not eligible for the second tranche. The funds are subject to the same ARPA rules as counties, including the ability to claim up to $10 million in revenue loss through the standard allowance. The funds must be obligated by December 31, 2024 and spent by December 31, 2026. A listing of NEUs and their total allocations is available here.

Members with questions about elections funding should contact Adam Schwiebert, aschwiebert@ccao.org. Questions about ARPA funding should be directed to Jon Honeck, jhoneck@ccao.org.

Bill to Modify Property Tax Ballot Language sent to Governor

By a vote of 22 - 10, the Ohio Senate approved House Bill 140 (Rep. Merrin, R-Monclova Twp). The legislation will be sent to Governor DeWine for his consideration.

The bill makes changes to the terminology and appearance of ballot language and official notices used for property tax ballot issues. Most notably, property tax election notices and ballot language must state the tax levy's rate in dollars for each $100,000 of the county auditor's appraised value (i.e., true value), instead of the rate in dollars for each $100 of taxable value. For an existing levy, the stated rate will be the effective millage for residential/agricultural property. For new levies, the rate will be the voted millage rate. The ballot language and election notice also will be required to state the estimated amount the levy would collect each year. Ballot language must also appear in a uniform font and without boldface type.

It is likely that K-12 education groups will request that the governor veto this bill given his veto of similar language included in the FY 20–21 operating budget (HB 166, 133rd General Assembly).

Two constitutional amendments to be on November ballot

Before lawmakers wrapped up their legislative work before summer break, the General Assembly finalized two joint resolutions that will appear on this November's general election ballot as amendments to the state constitution.

House Joint Resolution 2, passed along party lines by the Senate on Wednesday, would require judges to consider public safety when setting bail. The issue in response to the Ohio Supreme Court's ruling in *DuBose v. McGuffey*.

Voters will also see on the November ballot an issue which would bar local governments from granting noncitizens the ability to vote in local elections, following Wednesday's passage of House Joint Resolution 4.

As a joint resolution, no action is required by the governor. Both resolutions will be transmitted to Secretary of State Frank LaRose to be added to the November ballot.

Bill Introductions

HB 692 (Wiggam) - To permit the court of common pleas to authorize the board of county commissioners to employ legal counsel to assist the prosecuting attorney in defending an action brought by a vexatious litigator against a county board, officer, or employee or another person under certain circumstances.

SB 349 (Schuring) -To allow local governments to levy a real property transfer tax for the benefit of a land bank.