STATEHOUSE REPORT

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March 31, 2023

CALL TO ACTION: State Budget Advocacy

CCAO urges you to contact your House member and encourage them to sign on and support the amendments below by reaching out to the primary amendment sponsor. The primary amendment sponsor is listed next to each amendment.

Amendments are due for the Republican caucus on April 5th, with some members finalizing their lists by Friday, March 31st. Amendments are due for the Democrat caucus on April 3rd. It is very important that you contact your legislators as soon as possible to express your support for our amendments.

We need your help to ensure these amendments become part of the state budget. We would encourage you to contact your House member to express your support for the following amendments:

1. Local Government Funding:

   Amendment Number: HC1145x1

   Primary Sponsors: Rep. Abrams (R), Rep. Stewart (R), Rep. Troy (D)

   a. Increase from 1.66% to 2.5% of the state's GRF revenue funding amount to the LGF. This increase would roughly allocate an additional $250 million dollars in each fiscal year to the LGF which will then be distributed to counties, municipalities, and townships.
   b. Raise LGF distribution floor from $750,000 to $850,000 for counties with a smaller population.
   c. Increase the Township and Small Village Fund from $12 million dollars per fiscal year to $24 million per fiscal year.
   d. Support a requirement for each County Budget Commission to convene a meeting with the jurisdictions within the county every five years to review the alternative

revenue distribution formula that is currently being used to distribute the LGF within the county.

2. Jail Construction/Renovation Funding:

Amendment Number: HC1146

Primary Sponsors: Rep. Kevin Miller (R), Rep. Grim (D)

a. Increase the amount allocated for county jail construction and renovation from $25 million per fiscal year to $100 million per fiscal year.

3. Indigent Defense:

Amendment Number Pending

Primary Sponsors: Rep. Hillyer (R), Rep. Adam Miller (D)

a. Increase the total amount allocated for county indigent defense reimbursement by $40 million over the biennium.
b. Creates a small permissive pilot program for counties to opt in to a state administered indigent defense program.
c. Freezes the reimbursement rate for counties at $75 an hour.

4. Next Generation 9-1-1 Funding:

Amendment Number Pending

Primary Sponsor: Rep. Ghanbari

a. This amendment will enact a universal 70 cent user fee on 9-1-1 capable devices to allow Ohio to upgrade its 9-1-1 system to a Next Generation 9-1-1 system (NG 9-1-1).
b. Over 70% (approximately $70 million annually) of the revenue derived from this fee will go to local governments to upgrade equipment and operate the NG 9-1-1 system.

If you have questions on these amendments, please contact Managing Director of Policy Kyle Petty, 740-503-6088, kpetty@ccao.org. Legislators and legislative aides with questions should also contact Kyle.

CCAO President Miller testifies on state operating budget in House Finance Committee

On Thursday, CCAO President and Henry County Commissioner Glenn Miller testified before the House Finance Committee on the state operating budget, House Bill 33.

President Miller discussed the importance of continuing the state-county partnership. His verbal testimony highlighted CCAO's main priorities: increasing the Local Government Fund (LGF), full reimbursement for indigent defense, and jail funding.

HB 33 currently includes an increase in the LGF from 1.66% to 1.7% of state General Revenue Fund tax revenues. President Miller advocated for an increase to 2.5% and doubling the supplemental small village and township fund from $12 million to $24 million per fiscal year. Additionally, CCAO supports raising the lowest amount a county jurisdiction can receive from $750,000 to $850,000. Lastly, CCAO supports a requirement that the County Budget Commission hold a meeting with the local jurisdictions within each county to review the distribution formula at least once every five years.

HB 33 includes an increase of $22 million over the biennium for indigent defense. President Miller explained the need to increase funding due to increased costs in the system, as well as including language to allow for the county to contract with the state for services.

HB 33 also includes $50 million over the biennium for jail construction and renovation. President Miller stated the association's support for an increased amount of $200 million over the biennium.

Finance Committee members asked President Miller about the models of service delivery for indigent defense; the willingness of counties to allow the state to administer indigent defense; the necessity for the local jurisdictions within each county to review the distribution formula; and the possibility of regionalizing jails due to the vast need for many counties to build new facilities.

You can view President Miller's testimony on the House Finance Committee archive, beginning at the 03:42:00 mark.

CCAO Executive Committee Member and Shelby County Commissioner Julie Ehemann also submitted written testimony focusing on increasing the LGF and the impact it would have on Shelby County.

General Assembly enacts state transportation budget with force account increase; Governor DeWine signs

Earlier this week the General Assembly enacted House Bill 23 (Rep. Jay Edwards), the state transportation budget for FY 2024 – 2025. The report of the conference committee, which reconciled the differences between the two chambers, was approved in the House by a vote of 93 – 2, and in the Senate by 30 – 1. Governor DeWine signed the bill today with no line-item vetoes.

From a county perspective, HB 23 is historic because of its resolution of the county engineer force account issue. Current force account monetary limits ($30,000 per mile for roads and $100,000 for bridges) were established in 2003 but received only a minor inflationary adjustment in the previous transportation budget. Thanks to the efforts of CCAO members and our partners at the County Engineers Association, legislators were made aware that this was a critical issue that had to be resolved in today's inflationary environment. The final compromise reflected in the conference committee report results in a new threshold of $70,000 per mile for road construction and repair, and $233,000 for work on bridges and culverts. These thresholds will be adjusted annually based on ODOT's construction cost index, with a 5% cap. The bill also increases township and municipal force account limits.

Other notable provisions impacting counties include:

- Transportation Improvement Districts (TIDs) receive a $4.5 million earmark in the ODOT budget each fiscal year. Individual projects are limited to $500,000. These funds may not be used for administrative costs and must be used for specific projects within the TID. A TID must be registered with ODOT in order to receive funding. Separate provisions also make the following changes to permanent law:

    - Any local government is permitted to pay costs incurred by a TID, even if the local government is not formally a member of the TID.

    - A TID may enter into an agreement with the board of county commissioners that created the TID and with the boards of county commissioners of any contiguous group of counties to exercise all powers of the TID for projects that are partially or wholly with any county that is a party to the agreement, and are partially funded with federal money.

- Regional Transportation Planning Organizations - Earmarks $5 million in each fiscal year for RTPOs to oversee a rural transportation planning grant program.

- Strategic Transportation and Development Analysis – Provides funding for a statewide study of the Ohio transportation system in collaboration with the Ohio Department of Development and the Governor's Office of Workforce Transformation. The study will examine demographic trends and system capacity, and force passenger and freight travel needs over a 10, 20, and 30-year time frame. The study must be completed by December 31, 2024.

- Ohio Workforce Mobility Partnership Program – Earmarks $15 million per fiscal year for a new workforce mobility program to be administered by ODOT to provide grants to regional transit authorities. The grants must be used for: (1) transporting the workforce within or between RTA services territories; (2) supporting the employment needs of economically significant employment centers located within or near the service territories of the applicant RTAs; or (3) supporting efficient transportation for the workforce living in an RTA service territory with little or no public transit access to an employment center, or living in one RTA service territory but working within another RTA's service territory.

- Plug-in Hybrid Vehicle Fee – The additional registration fee for electric vehicles is reduced from $200 to $150 annually, resulting in a small revenue loss for the state and local governments ($1.4 million combined total in FY 2025).

- Traffic cameras – Townships and counties may only use handheld traffic cameras for traffic civil enforcement programs.

- Road Slips – Adds $10 million to the most recent capital budget (HB 687, 134th G.A.) for the Public Works Commission Emergency Program to assist communities with road-slip projects on locally maintained roads.

- ODOD Roadwork Development – The Department of Development fund for road improvement at economic development sites receives $15.2 million each fiscal year. These funds may also be used for public airports.

- Ohio Public Works Commission – The bill appropriates over $60 million each fiscal year for the Local Transportation Improvement Program.

The appropriates over $330 million each fiscal year to counties from the gasoline excise tax fund. The final bill language removes the $1 billion Rural Highway Fund that was included in the House version in order to have further discussion on this issue in the operating budget.

Members with questions should contact Senior Policy Analyst Jon Honeck, jhoneck@ccao.org, 614-220-7982.

Legislative Activity

Committee Hearings

Several bills of interest to counties received hearings this week across different committees.

Senate Financial Institutions:

- Senate Bill 50 (Senator Wilson and Senator Smith): To make changes to the law governing 9-1-1 service and to repeal program requirements for emergency-service-telecommunicator training.
  - Third hearing; opponent testimony, no witnesses

Senate General Government:

- Senate Bill 92 (Senator Rob McColley and Senator Theresa Gavarone): To allow a special election to be held in August for certain purposes and to make an appropriation.
  - First hearing; sponsor testimony
  - Second hearing; proponent testimony, no witnesses

House Finance:

- House Bill 31 (Representative Edwards): Enact FY 2024-2025 workers' compensation budget
    - First hearing; voted out of committee by a vote of 27-0

House Pensions:

- House Concurrent Resolution 6 (Representative King and Representative Plummer): To urge Congress to repeal the Windfall Elimination Provision
    - First hearing; sponsor testimony

House Ways and Means:

- House Bill 57 (Representative Hall and Representative Demetriou): To index the homestead exemption amounts to inflation.
    - Third hearing; opponent testimony, no witnesses
- House Bill 60 (Representative Troy): To increase the amount of and expand the income qualifications for the homestead exemption.
    - Third hearing; opponent testimony, no witnesses

Bill Introductions

The following bills that may be of interest to counties were introduced:

- House Bill 144 (Representative Manchester): To allow a special election to be held in August for certain purposes and to make an appropriation.