



STATEHOUSE REPORT

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House passes capital bill, includes \$250 million for jail construction

This week, the House of Representatives passed House Bill 2 out of the chamber. HB 2 contains \$2 billion dollars in infrastructure spending in a variety of areas. Specifically, CCAO is pleased to see the bill include \$250 million dollars to assist counties with jail construction projects and a statutory formula to determine how the money is allocated to counties. The formula provides support for both large and small counties and recognizes the different needs associated with jails in these communities. The level of state support to counties in HB 2 is unprecedented and further strengthens the state-county partnership.

The \$250 million dollars represents a truly historic investment in county jails and the increased support could not have occurred at a better time for counties. Recently, CCAO and the Buckeye State Sheriff's Association (BSSA) updated a survey originally conducted in 2019 to determine the overall need for jail construction projects at the county level. The results of the survey showed there is currently an overall need of \$2.2 billion dollars, which is an increase from 2019. Furthermore, inflationary factors have exacerbated the construction costs, with the average project cost increasing 41.5% from the initial bid to the expected completed cost of the project. For example, the initial cost of Coshocton County's jail was \$28 million dollars, and the final cost came in at \$43 million dollars.

Without state support, it is becoming increasingly hard for counties to construct or renovate existing jails solely using local dollars. Counties are under increasing pressure to modernize or update their existing jail to meet the complex mental health and substance abuse needs of the citizens housed in their jail. In fact, our survey showed that the most common reason for a new jail project was to increase the number of female jail beds, increase the mental health and drug addiction treatment capacity in jails, and last but certainly not least, to enhance the safety for corrections officers.

Also included in the bill is \$350 million in spending from the One Time Strategic Community Investments Fund (OTSCIF). The OTSCIF was created in the state operating budget with \$700 million in funding, informally divided evenly between the House and the Senate. The

House funded 318 projects across the state with its share of the OTSCIF. A full list of projects is included in the [bill's Fiscal Note](#), beginning on page 13.

A complete analysis of the jail project survey is currently undergoing edits and will be shared publicly after review by leadership at CCAO and BSSA.

If you have questions concerning the funding included in House Bill 2, please contact CCAO Managing Director of Policy [Kyle Petty](#).

Commissioners Davis, Noonan provide CCAO testimony to Indigent Defense Task Force

On Thursday, the Indigent Defense Task Force heard testimony from Allen County Commissioner Cory Noonan and Fairfield County Commissioner Steven Davis. Both commissioners provided the committee with an overview of how they currently deliver indigent defense services to their citizens, using different models.

Commissioner Noonan stated that Allen County went to a county public defender model after previously utilizing only appointed counsel, due to a lack of attorneys in the area. While the county is satisfied with the work of their county public defender employees, the transition has resulted in an increase in cost to operate the program locally from \$760,000 in 2013 to \$1.7 million dollars in 2023, which has put a strain on the county's operating budget.

Commissioner Davis from Fairfield County spoke about how their county utilizes an appointed counsel system as the main source of indigent representation. Commissioner Davis spoke about how their system functions effectively and efficiently with their current pool of appointed counsel. He spoke about how the county has been able to deliver high quality legal representation without an increase in costs to deliver the service, even after the hourly rate for attorneys was increased. Fairfield County controlled program costs through a variety of strategies, including video arraignment and oversight of attorney billing in consultation with the county judges.

The different delivery models were largely driven by the lack or abundance of attorneys in their county and their combined testimony gave the committee an insight into the complexity of the indigent defense issue from a county perspective. After providing the Task Force with information on their local systems, both commissioners conveyed CCAO's overall recommendation on indigent defense to the Task Force: that the system should be fully funded, either by statutory requirement, or by fiscal appropriation, and that counties should be able to choose to keep their current system or contract with the state public defender for services. A lengthy question and answer period followed each testimony.

We would like to thank Commissioner Noonan and Commissioner Davis for their testimony and leadership on indigent defense.

The Task Force will hold its next meeting on February 29, where they will hear testimony from the Sixth Amendment Center and discuss costs associated with the indigent defense system in Ohio.

CCAO produces federal advocacy issue handout ahead of NACo Legislative Conference

As commissioners, county executives, and county council members travel to Washington, D.C., for the 2024 NACo Legislative Conference, CCAO has put together a handout providing an overview of key federal advocacy issues that members can utilize as they meet with Ohio's senators and congressmembers.

The document, [accessible here](#), lists seven federal policies that NACo and CCAO believe would benefit counties:

- Renewal of the Affordable Connectivity Program;
- Elimination of the Medicaid Inmate Exclusion Policy;
- Extension of the obligation deadline for ARPA funds;
- Increased federal investments in housing;
- Elimination of the Windfall Elimination Provision and the Government Pension Offset Provision;
- Increased broadband funding through the BEAD program; and
- Increased support for vital human services programs.

We hope the information provided is helpful to our members, both those attending the conference and those not.

Department of Development releases application forms for All Ohio Future Fund, to begin accepting applications Feb. 16

Earlier today, the Department of Development released application forms for funding under the [All Ohio Future Fund](#). The Department will begin accepting proposals on February 16 (next Friday) and proposals will be accepted, reviewed, and approved on a rolling basis until funding is depleted.

The newly released forms include a [checklist for submitting](#) an "indication of interest," a [guide with the requirements](#) of the narrative portion of the application, and [the form where applicants must provide data](#) details of the proposal.

On a similar topic, on February 15, the Montrose Group will be hosting a webinar on industrial park development. Part of the webinar will discuss the All Ohio Future Fund and may be of interest to counties. You can register for the [webinar here](#).

If you have questions concerning the All Ohio Future Fund, please contact Senior Policy Analyst [Jon Honeck](#).

Preliminary January revenue data shows state non-auto sales tax revenues fall short of projections

The Ohio Office of Budget and Management (OBM) released January 2024 preliminary revenue data. Total tax receipts to the General Revenue Fund finished the month \$70.5 million (-2.7%) below the budgeted estimate.

Total tax receipts are \$89.4 million (-0.5%) below estimate for the year to date and are \$122 million (-0.7%) below the FY 2023 level.

- Non-Auto Sales Tax collections were \$24.3 million (-2.2%) below the monthly estimate. For the year to date, the source is \$65.1 million (0.9%) above estimate.
- Auto Sales Tax collections were \$5.8 million (4%) above the monthly estimate. Year-to-date, this source is \$29 million (-2.5%) below estimate.
- Combined auto and non-auto sales tax revenues were \$195.4 million (2.4%) above FY 2023 year to date totals.
- Personal Income Tax collections were \$57.6 million (-5.1%) below the estimate for the month due to higher-than-expected refunds.
- The Commercial Activity Tax (CAT) was \$13.9 million (12.6%) above estimate in January.
- General Revenue Fund investment earnings are \$139.7 million above estimate this fiscal year.

Detailed OBM data are available [here](#).

Legislative Activity

Committee Hearings

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

[Joint Committee on Property Tax Review and Reform](#)

- Heard testimony from the Ohio Farm Bureau, the Ohio Chamber of Commerce, the Ohio Business Roundtable, and the National Federation of Independent Business.

House Ways and Means

- [House Bill 263](#) (Representative Dani Isaacohn and Representative Thomas Hall): To authorize a property tax freeze for certain owner-occupied homes.
 - Fourth hearing, no testimony
 - **AMENDED** to generally make it easier to qualify for the freeze.

- [House Bill 344](#) (Representative Adam Mathews and Representative Thomas Hall): To eliminate the authority to levy replacement property tax levies and to modify the law governing certain property tax complaints.
 - Fourth hearing, interested party testimony from the Buckeye Institute and opponent testimony from the Association of Health Commissioners.
 - **AMENDED** to make technical corrections regarding cross-references.
- [House Bill 347](#) (Representative Don Jones): To presume certain trailers and vehicles are sold for agricultural purposes and thus exempt from sales and use tax when sold to established farmers.
 - Fourth hearing, proponent testimony from the Ohio Soybean Association.

House Civil Justice

- [House Bill 64](#) (Representative Daryll Kick and Representative Rodney Creech): To modify the law regarding eminent domain.
 - Fifth hearing, no testimony.
 - **AMENDED** to narrow the focus of the bill and provide a new working document.
- [House Bill 265](#) (Representative Scott Wiggam and Representative Thomas Hall): To exempt redaction request forms, affidavits, and the records of the work schedules of designated public service workers from disclosure under public records law.
 - Third hearing, no testimony.
- [House Bill 338](#) (Representative Andrea White and Representative Bride Rose Sweeney): To allow child support orders to be issued, modified, or extended for children over 18 with a disability.
 - Second hearing, proponent testimony from the Ohio CSEA Directors Association, the Ohio Judicial Conference, and the Ohio State Bar Association.

House Civil Justice

- [House Bill 30](#) (Representative Latyna Humphrey): To require municipal and county correctional facilities and state correctional institutions to provide inmates experiencing a menstrual cycle with an adequate supply of feminine hygiene products.
 - Fourth hearing, no testimony.
 - **AMENDED** to require facilities to provide menstruating inmates with at least one hot shower per day.

House Homeland Security

- [House Bill 303](#) (Representative Thomas Hall and Representative Nick Santucci): To establish a process for the revision of training subjects for EMS personnel.
 - Second hearing, proponent testimony from the Ohio Fire Chiefs Association and several local fire departments and emergency services departments.

Introduction of Bills

The following bill(s) that may be of interest to counties were introduced this week:

- [House Bill 396](#) (Representative Sean Brennan and Representative Josh Williams): To provide funding for the replacement of police dogs imprinted to detect marijuana, to reimburse those expenses from adult use excise tax revenue, and to make an appropriation.
- [House Bill 402](#) (Representative Jean Schmidt): To authorize a property tax reduction in 2023 for properties with increased tax liability relative to 2022.

Upcoming Committee Hearings

The following committees are currently scheduled to meet and discuss bills that may be of interest to counties. Other committees will likely meet as well but as of press time for *Statehouse Report* they have not released agendas. Please note that these schedules are subject to change.

If you would like to offer testimony on any bill, please visit the committee page and contact the committee chair's office for instructions on how to submit testimony.

Tuesday, February 13

[House Commerce and Labor](#) (11:00 a.m.)

- [House Bill 327](#) (Representative Scott Wiggam and Representative D.J. Swearingen): To require government contractors, private nonresidential contractors, and certain employers to use E-verify.
 - First hearing, sponsor testimony.