Back: Adam Schwiebert, Policy Analyst; Jon Honeck, Senior Policy Analyst
Front: Cheryl Subler, Executive Director; John Leutz, Legislative Counsel; Rachel Massoud, Policy Analyst

Cheryl Subler
Executive Director
(614) 220-7980
csubler@ccao.org

John Leutz
Legislative Counsel
(614)220-7994
jleutz@ccao.org

Adam Schwiebert
Policy Analyst
(614) 220-7980
aschweibert@ccao.org

Jon Honeck
Senior Policy Analyst
(614) 220-7982
jhoneck@ccao.org

Rachel Massoud
Policy Analyst
(614) 220-7996
rmassoud@ccao.org
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2019 CCAO Executive Committee

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Ohio’s 88 counties serve as the arm of state government charged with providing vital services on the state’s behalf. The counties and the state are fundamentally connected, and it is our shared responsibility to make Ohio stronger so that our citizens and communities can thrive.

Yet, for almost two decades, counties have watched their partnership with the state erode by policy decisions that reduced county revenues and shifted more responsibilities to the local level. Today, county government stands in a very different place than it did nearly 20 years ago – and it is not a good place.

The dramatic loss of the Medicaid managed care organization (MCO) sales tax, severe reductions in the Local Government Fund (LGF) and the phase out of the tangible personal property tax (TPP) have eliminated $351 million per year in county revenue. While, casino revenue has helped fill some of this gap, adding back about $100 million per year, it is not the panacea. Exploding costs associated with the opiate epidemic are crippling justice and public safety budgets, and indigent defense reimbursement from the state continues to go down while expenses continue to rise.

The services provided by county government represent some of the most direct interactions many Ohioans have with any level of government. From providing public safety to economic development to human services and more, county government’s impact on the daily lives of Ohioans is profound. Today, county governments across Ohio are forced to address growing demands with increasingly limited resources. To strengthen counties and improve the well-being of all Ohioans, there must be collaboration and cooperation between the state and county governments – in other words, a strong partnership.

Our Legislative Platform for the 133rd General Assembly presents a legislative program which our members believe would remedy specific issues of concern and provide reform designed to improve and modernize county government.

Our Legislative Platform has a central theme: **Stronger Counties. Stronger Partnership. Stronger Ohio.**

The four hallmark elements of our Legislative Platform serve as the foundation for and define the strong partnership that will serve Ohio well and improve the quality of life for the residents of our great state.

**ONE - Revenue Stability**
The state must dedicate adequate resources to counties to ensure that counties, as the state’s agent, can successfully accomplish the state’s mission at the local level. This requires the state to:

- Restore the $166 million annual Medicaid MCO revenue loss to counties.
- Restore the LGF to its previous statutory level of 3.68 percent of the General Revenue Fund (GRF) taxes, creating an additional $145 million annually for counties. Currently the LGF receives 1.66 percent of GRF taxes, as compared to 3.68 percent in 2008.

- Establish and fund a special state line item for counties to pay for a portion of the increased costs related to the explosive growth of the opiate epidemic crisis.

- Assume total responsibility for indigent defense. In *Gideon v. Wainwright (1963)*, the U.S. Supreme Court held that the fundamental right to counsel is made obligatory upon the states by the fourteenth amendment. The state should accept this responsibility and stop requiring its counties to bear 50 percent or more of the costs.

**TWO - Economic Development**

County government must be given an even greater role in promoting a climate that encourages strong economic development. Modern, well maintained public infrastructure, coupled with a dependable, skilled workforce are vital when it comes to attracting businesses to Ohio’s communities. We believe that the state can partner with counties to create a job friendly environment by focusing on these top policy priorities:

- Ensure that counties help to set the agenda for JobsOhio and other state economic development agencies.

- Modernize road and bridge funding to address local transportation needs.

- Address the needs of modern water and sewer infrastructure.

- Expand access to broadband technology to unserved areas.

- Uphold local best practices and flexibility in county workforce programs and provide adequate funding for early childhood education initiatives in a way that does not compromise county funding or access to child care.

**THREE - Preservation of the Sales Tax Base**

Protecting county resources by preserving the sales tax base is critically important for county fiscal stability. The sales tax has become the most important revenue source for both the state and for counties, yet the General Assembly continually carves out new exemptions from the sales tax. Ohio must protect the existing sales tax base from further erosion and carve outs.

**FOUR - County Government Reform**

There is merit in working to strengthen the partnership between state and county government through engaging in a serious discussion about county government reform. Counties stand ready and willing to launch a total reform of county government, even though attempts for large scale change have proven difficult in the past. If Ohio is not ready to take on a comprehensive reform effort, it should consider, at a minimum, providing commissioners with greater budgetary control and management.
Agriculture and Rural Affairs
Chair: Chris Abbuhl, Tuscarawas County Commissioner
Vice Chair: Tony Bornhorst, Shelby County Commissioner
Liaison: Adam Schwiebert, Policy Analyst

Agriculture is Ohio’s No. 1 industry, contributing more than $100 billion annually to the state’s economy and employing one in seven Ohioans. CCAO recognizes that agriculture will continue to diversify, requiring resources and innovation to address increasingly complex challenges. The industry projects there will not be enough qualified individuals to fill jobs over the next 10-20 years, so a growing awareness of the opportunities available for work in this field is something that should be communicated to our state’s workforce.

Water quality is another complex challenge impacting the agricultural industry via non-point source nutrient losses. The agricultural community especially has a prominent role to play in reducing non-point source nutrient loading into the Western Lake Erie Basin. Agricultural producers who utilize best management practices to reduce nutrient runoff should be recognized for their efforts to improve water quality. However, there must be a continued emphasis on those agricultural producers who do not utilize best management practices or make the protection of water quality a priority on their operations. All agricultural producers, along with their industry partners, must make protecting water quality a priority if Lake Erie’s health is to improve. Those who do not utilize voluntary best management practices should be open to regulation.

More research and funding is needed to find solutions to these challenges. County Soil and Water Conservation Districts play a critical role in improving water quality across the state. As such, more state funding should be provided to districts to confront Ohio’s ongoing water quality crisis. Collaboration among industry, federal, state and local governments as well as centers of higher education is critical to addressing this problem.

COMMITTEE PRIORITIES

WATER QUALITY

Water quality has become one of Ohio’s highest priorities. Wastewater treatment plants, combined sewer overflows and bypasses, industrial discharges, failing home sewage treatment systems, dredged material and runoff from agriculture all are contributing to excessive amounts of nutrients in our waterways.

THE FEDERAL GOVERNMENT, STATE GOVERNMENT, LOCAL GOVERNMENTS AND THE AGRICULTURE INDUSTRY MUST ALL PLAY A ROLE IN PROTECTING OHIO’S WATERSHEDS.
AGRICULTURE AND RURAL AFFAIRS

Agriculture is working to implement best management practices such as the 4 R’s – the right fertilizer, the right rate, at the right time, in the right place. Cover crops, manure management and effective drainage are also important. More farmers are utilizing soil testing data for precision fertilizer application. OSU Extension has trained over 17,000 certified fertilizer applicators. As better management practices are identified, they must be accompanied by education that gives the producers the knowledge and tools to implement them.

Historic storm events that produce heavy rainfall have been identified as a significant challenge. These storms cause a large percentage of nutrients to leave the field and enter the watershed.

These heavy rains are also consequential for point sources such as wastewater treatment plants, which need funding to upgrade infrastructure. Ohio should allocate additional public works bonding capacity for water and sewer projects. Nutrient losses from other non-agricultural sources such as golf courses and homesites should be examined as well.

SOIL AND WATER CONSERVATION DISTRICTS

CCAO supports the continuation of a state funding match to incentivize investment in Soil and Water Conservation Districts (SWCDs).

Appropriations for the state match program should be increased in order to return one dollar of state match for each local dollar invested.

Senate Bill 299 of the 132nd General Assembly provided $3.5 million in additional county SWCD funding for counties located in the Western Lake Erie Basin watershed. This marks a positive first step, but additional state funding for SWCDs outside the Western Lake Erie Basin remains a priority too as they continue to tackle their own natural resource challenges.

SWCDs provide expert assistance to address both agricultural and urban concerns. SWCDs are locally led by a board of five elected county residents to address local priorities. SWCDs:

- Work closely with Ohio’s agriculture industry to reduce nutrient impacts suspected to contribute to hazardous algal blooms, through recommending, designing and supervising construction of best management practices and through written nutrient management plans.
- Leverage federal funding from USDA and other sources for local projects. Most SWCDs can show far more money was brought into their county to pass along to landowners than was appropriated by their county commissioners.
- Assist with storm water management and flood prevention through urban programs as well as ditch maintenance and stream obstruction removal projects. SWCD’s help county commissioners resolve citizen drainage issues.
- Install best-management practices through nutrient credit trading programs helping reduce the cost of a treatment plant or point source upgrades by implementing less costly non-point source conservation practices in the watershed.
- Encourage the wise use or conservation of natural resources so they can be used by current and future generations.

COUNTIES CONTRIBUTE OVER $11 MILLION OF FUNDING FOR SWCDS FROM COUNTY GENERAL REVENUE FUNDS. IN THE 2018-2019 BIENNIAL BUDGET FOR EACH DOLLAR OF LOCAL FUNDING TO COUNTY SWCDS, THE STATE PORTION DECLINED FROM $0.76 PER DOLLAR TO $0.71 PER DOLLAR.
Additionally, CCAO believes any enforcement of agricultural regulations should be done by ODA or Ohio EPA, while SWCDs main functions should be maintained as an advisory role. It is critical that the trust and relationships SWCDs have with local farmers be maintained.

**FUNDING FOR WATER QUALITY EDUCATION AND RESEARCH**

CCAO supports more state funding for Ohio’s research centers to study water quality issues. Heidelberg University’s National Center of Water Quality Research, University of Toledo’s Lake Erie Center and Ohio’s Sea Grant program, including Ohio State University’s Stone Lab, are on the forefront of studying water quality issues. These institutions work to maintain the health of Lake Erie and support the many economic activities associated with the lake. They monitor and seek solutions to problems around water quality, invasive species and a host of other issues. Close working relationships with the charter fishing industry and tourism are key to continuing the economic viability of Ohio’s north coast. These research centers also train teachers, P-12 students and college students in key science disciplines and educate a new generation of consumers about the critical nature of Lake Erie’s well-being.

CCAO is encouraged by recent grants from the Ohio Department of Higher Education’s Harmful Algal Bloom Research Initiative, as well as The Ohio State University’s Field to Faucet initiative. Future research should examine the causes of increased phosphorus solubility, as increases in dissolved reactive phosphorus have driven algal bloom development in recent years even while farmers have applied less product.

**RURAL COMMUNICATIONS INFRASTRUCTURE**

Counties want to encourage and secure more reliable cell phone service as well as access to broadband capability to provide efficiency in the workplace and to their residents. CCAO supports the efforts of entities such as Connect Ohio in assisting in these efforts, particularly in rural counties facing unique challenges due to access issues, terrain and density. These services are critical in attracting economic development.

Counties would like to continue to explore ways to provide cost-efficient emergency services communications and secure adequate funding to provide these critical services. This can range from partnerships for radio systems and towers to appropriate implementation of Next Generation 9-1-1. Counties should have the authority to make use of utility infrastructure, such as cell, MARCS and cable towers, for county emergency communication equipment.

**ACCESS TO BROADBAND IS CRITICAL FOR THE DEVELOPMENT OF TECHNOLOGY, ENHANCEMENT OF EDUCATIONAL OPPORTUNITIES, DELIVERY OF HEALTHCARE AND GROWTH IN COMMERCE.**

Nearly one-third of households in rural Ohio counties lack access to broadband internet. Ohio needs to aggressively promote access, adoption and use of broadband throughout Ohio. The General Assembly must be committed to examining the barriers that limit access to broadband and promoting sound policies that encourage access to broadband in order to stay competitive in the national economy.
AGRICULTURE AND RURAL AFFAIRS

House Bills 281 and 378 and Senate Bill 225 of the 132nd General Assembly represent good first steps in providing the state investment needed to bring broadband access to broader portions of rural Ohio.

RURAL ROAD FUNDING

While CCAO supports the expansion and development of agribusinesses as well as all industries, including new energy infrastructure development, counties need more resources and assistance to address new infrastructure demands caused by this expansion and development. County roads are impacted by the development of new industries in rural areas and the day-to-day operation of certain facilities. CCAO supports additional grants and resources from the state to help finance such infrastructure. Such grants should give consideration to the amount of roadway impacted. CCAO also supports a requirement that any industry that unduly impacts roadways consult with commissioners and engineers to identify financing for infrastructure improvements or road use maintenance agreements. These industries should assume some responsibility when roads have been unduly impacted. CCAO also supports a restructuring of the fees and fines associated with load limits on highways to combat irresponsible use of county roadways.

CCAO supports a requirement that, in addition to local governments, county engineers should be notified of anticipated major new operations or expansions of businesses. County engineers also should be permitted more flexibility in force accounts to provide for rural road and bridge repair.

CCAO recommends the state’s economic development efforts focus various incentives and or development grant monies toward development of rural infrastructure necessary to support the agriculture industry. Also important is maintaining access to key processing facilities in urban areas that are utilized by the agriculture industry.

The most recent state transportation budget included permissive authority for counties to levy an additional five dollar motor vehicle license fee, which is to be used for local roads and bridges. However, the state last adjusted the motor vehicle fuel tax in 2005. CCAO has additional positions relative to infrastructure funding that can be found under the Taxation and Finance section of this document.

FEDERAL WATERS OF THE U.S. RULES

CCAO is opposed to the new federal rule to redefine the definition of Waters of the U.S. (WOTUS) under the Clean Water Act. The new definition would expand types of waters that fall under federal jurisdiction which would impact county-owned and maintained roadside ditches, flood control channels, drainage conveyances, storm water systems, green infrastructure construction and maintenance.

On August 27, 2015, a federal judge temporarily stopped the U.S. Environmental Protection Agency (USEPA) and U.S. Army Corps of Engineers from enforcing the new rules. In February 2018, WOTUS was further delayed by the USEPA until 2020 to allow a thorough rewrite. However, on August 16, 2018, a federal judge issued a nationwide injunction against the U.S. EPA and U.S. Army Corps of Engineers, effectively reinstating WOTUS in 26 states, including Ohio.

As the rule continues to navigate the judicial process, federal agencies should work with local governments to clarify the regulation and implementation process. Ultimately, the best solution is a full withdrawal of the rule to allow for a rewrite in consultation and collaboration with state and local governments.
AGRICULTURE AND RURAL AFFAIRS

DRAINAGE LAW REVISION

CCAO supports the efforts of the Drainage Law Task Force composed of commissioners, engineers and other stakeholders, which is actively reviewing Ohio’s drainage laws and will be making recommendations for changes. In particular, ditch procedures under ORC Chapters 940, 6131, 6133, 6135 and 6137 need to be revised to clarify numerous provisions and embrace new technology and processes that would provide for greater efficiencies, fewer misunderstandings and less unnecessary legal costs for taxpayers.

FARMLAND RESTORATION

Parts of rural Ohio have seen significant utility construction in recent years, particularly pipeline construction, which has impacted many acres of Ohio farmland. While these projects help generate economic activity, they also can negatively impact soil productivity and damage drainage systems along the construction route. The failure to replace topsoil to adequate depth and repair preexisting drainage systems can greatly reduce soil productivity or require significant landowner expense to return the land to its original productivity.

All pipeline construction projects in Ohio crossing agricultural land should incorporate the Ohio Pipeline Standards and Construction Specifications developed by the Ohio Department of Agriculture. These standards ensure that farmland affected by pipeline construction will be returned to its previous productive state once construction has concluded.

CURRENT AGRICULTURE USE VALUATION (CAUV)

CAUV has been an invaluable program for the farming community. Land devoted exclusively for agriculture may be valued and taxed according to its current agricultural use rather than its market value. This concept was authorized by the voters of Ohio when they passed a constitutional amendment in 1973. As a result, the program produces lower property taxes on farmland than other types of property. The Ohio Department of Taxation administers the CAUV program. Values are adjusted every three years during the triennial update done by county auditors. The formula takes into account various factors including soil types, market prices for agricultural commodities, input costs, interest rates and expected return on investment of purchasing land.

The General Assembly undertook a significant rewrite of the CAUV formula in House Bill 49 of the 132nd General Assembly. By restructuring the capitalization rate calculation, CAUV rates have experienced appreciable declines for tax years 2017 and 2018. These declines are likely to continue as the second phase of formula changes takes place beginning in 2020 and running through 2022.

The results of the reworked CAUV formula should be monitored going forward as formula changes are fully implemented. The recent declines have helped bring property tax relief to farmers who experienced historic CAUV value increases in recent years, but CCAO also recognizes that property taxes are important sources of revenue that provide for many county services, fund our schools and support our townships.

CCAO also supports the work of county auditors to enforce CAUV eligibility to ensure that those who benefit from the program utilize the land for its lawfully intended purpose.

COMMITTEE RECOMMENDATIONS

FUNDING OF OHIO STATE UNIVERSITY EXTENSION

CCAO supports increasing the level of state and federal support for OSU Extension Services provided that an appropriate share of new funds
AGRICULTURE AND RURAL AFFAIRS

will be used to relieve county general fund contributions. Maintaining an OSU Extension educator in each county should be the top priority.

OSU Extension builds better lives and stronger communities through education; supports Ohio’s number one industry, agriculture; and develops future leaders through 4-H. Each county’s OSU Extension program is customized to meet local needs with the input of local people to most efficiently use scarce resources. In addition to agriculture and 4-H, OSU Extension administers federally-funded nutrition education programs; helps individuals, families and businesses manage resources; and supports community development. On-farm research to study nutrient management is identifying ways to reduce toxic algal blooms in Ohio’s lakes. 4-H members gain skills that prepare them to enter the workforce through community clubs and school programs. People of all ages learn to “live healthy, live well” and better manage finances through OSU Extension.

CCAO also supports OSU Extension in recent efforts to provide flexibility in staff distribution and programming. Furthermore, OSU Extension should also remain flexible and open to commissioner input to allow for counties to utilize Extension expertise and resources in the most effective manner for each specific county.

FARMLAND PRESERVATION

CCAO supports fair and equitable policies to encourage the preservation of economically viable agricultural land and protect it from urban encroachment and conflicting land uses. Farmland preservation should be encouraged as a means to maintain a thriving agricultural industry in Ohio and foster the expansion and development of agribusiness.

The need for farmland preservation should be included in any comprehensive county land use plan and determined through a local consensus-building process involving municipalities, townships, school districts, local development and business interests, farmers and the general public.

Legislation also should be enacted to give counties the tools they need to preserve farmland and encourage quality urban development while respecting property rights. This includes legislation to allow counties to increase the period of recoupment for CAUV, with the added proceeds going towards farmland preservation efforts, agricultural economic development, comprehensive planning and infrastructure projects.

ANY STATE PROGRAM TO PRESERVE FARMLAND SHOULD RECOGNIZE THE PARTNERSHIP BETWEEN THE STATE, LOCAL GOVERNMENTS AND LANDOWNERS, AND THAT SIGNIFICANT STATE MATCHING DOLLARS ARE NEEDED TO SUPPLEMENT LOCAL EFFORTS.

State programs should include technical assistance and funding to assist in local administration, monitoring and enforcement. In addition, authority should be granted so that the holder of any new easement may charge a fee to support mandated responsibilities.

The Ohio Department of Agriculture’s Office of Farmland Preservation, in partnership with local governments and private land conservancies, should provide funding for the purchase of agricultural easements to compensate farmers for agreeing to keep agricultural land in farm production permanently. This has occurred due to the successful passage of the Clean Ohio Bond Initiative. CCAO supports a review of Clean Ohio Fund distribution between the Ohio Farmland Preservation Office and Natural Resources Assistance Councils, as
AGRICULTURE AND RURAL AFFAIRS

well as the inclusion of farmland for eligibility in greenspace/openspace project funding. In addition, CCAO supports efforts by the Office of Farmland Preservation to ensure a simpler, user-friendly application for farmland preservation easements.

Another farmland preservation tool is Agricultural Security Areas (ASA). This program was created in 2005 and allows one or more landowners of at least 500 acres of contiguous farmland to enroll into an ASA for 10 years. This will protect the farmland from non-agricultural development. Public-private partnerships should be considered in order to qualify more farmland. Land that is owned by local governments, if the local government would like to participate, should be allowed to help landowners qualify for an ASA.

When discussing farmland preservation, we also recognize that having strong urban centers where people want to work and raise a family are important in preventing rural sprawl. In a holistic approach, the state should examine its policies and planning related to urban growth and revitalization of our urban cores.

FUNDING OF OHIO STATE UNIVERSITY COLLEGE OF AGRICULTURE

CCAO supports adequate funding for the College of Food, Agricultural, and Environmental Sciences’ (CFAES) academic programs as well as research and Extension.

Agriculture is a $100-billion-dollar-plus industry for our state, so a competent agricultural workforce is critical to our economic well-being. The Agricultural Technical Institute (ATI), OSU’s two-year program, is the leading producer of two-year degrees in food and agriculture in the U.S. Well over 90 percent of ATI and CFAES graduates are placed in jobs or continue their education within six months of graduation. Seventy percent of those graduates remain in Ohio, keeping our #1 industry strong. CCAO supports a funding mechanism for ATI that takes into consideration the unique nature of this program – a two-year degree program within a four-year institution – so that it is able to provide job-ready grads for Ohio employers. Neither the two-year nor four-year funding formulas for higher education appropriately address ATI, so a different approach to assure adequate funds is critical.

FUNDING OF OARDC

CCAO supports a continuation of state funding for the Ohio Agricultural Research and Development Center (OARDC) to continue the growth and development of Ohio’s agricultural industry, along with stewardship of the environment.

OARDC is the research arm of the College of Food, Agricultural, and Environmental Sciences of The Ohio State University and is a leader in the AgBiosciences that integrates scientific disciplines critical to food security, safety and health; environmental sustainability; and biobased energy, fuel and products.

• The State of Ohio’s investment in OARDC leverages more than $175 million in current grants and contracts from both the public and private sectors - a more than $5 return on investment for every $1 invested.
• OARDC has a history spanning more than 125 years of providing comprehensive research and development programs to Ohioans in the AgBiosciences. This history has been critical to the growth and competitiveness of our major commodities and value-added industries as well as providing new and emerging industries the science-based information needed to solve problems impacting market sustainability.
• OARDC manages a major campus in Wooster and nine outlying research stations as well as supporting research on the Columbus campus. These locations
AGRICULTURE AND RURAL AFFAIRS

enable OARDC to provide direct impact on economic development and regional planning statewide. The close collaboration between OARDC and the OSU network serves students, researchers, and industry well.

- OARDC is an economic engine for Ohio that brings in federal and private-sector grant funds and helps grow businesses.

FAIRGROUND FUNDING

CCAO supports the renewal of state funding for county and independent fairground improvements. These facilities often are one of the most important economic development tools a local government has and highlight agriculture as the largest industry in Ohio.

Lawmakers should continue investment into agricultural societies via the Agricultural Society Facilities Grant Program. This program, administered by ODA, provided $4.7 million in grants to county and independent agricultural societies in FY 17 to support capital projects. CCAO hopes the legislature will fund this program once again in the future.
COMMITTEE PRIORITIES

UNFUNDED MANDATES

Counties find themselves in the difficult position of balancing unprecedented revenue losses with escalating costs. Most of this is the result of federal and state policies enacted over the last decade. The dramatic loss of the Medicaid Managed Care Organization (MCO) sales tax, severe reductions in the Local Government Fund (LFG) and the phase out of the Tangible Personal Property Tax (TPP) have eliminated $351 million per year in county revenue. Casino revenue has helped fill some of this gap, adding back about $100 million per year, but exploding costs associated with the opiate epidemic as well as mandates from the state continue. For example, indigent defense reimbursement from the state continues to go down while expenses continue to rise.

Unfunded mandates are laws or policies enacted by the federal or state governments that require governments at the next level down to spend money. All bills that Ohio’s General Assembly enacts imposing new or additional requirements on counties should be fully funded by a state appropriation.

Further, the General Assembly should modify or fully fund the following onerous or outdated mandates on county government:

Indigent defense

The state should assume responsibility for indigent defense. In Gideon v. Wainwright (1963), the U.S. Supreme Court held that the fundamental right to counsel is made obligatory upon the states by the fourteenth amendment. The state should accept this responsible and stop requiring its counties to bear 50 percent or more of the costs. Counties assumed $80.3 million in indigent costs for FY 18, and the Ohio Public Defender’s Office estimates that unreimbursed indigent defense services will cost counties approximately $90 million in FY 19.
GENERAL GOVERNMENT AND OPERATIONS

Conducting elections

As new federal and state requirements have been enacted, there has not been adequate federal or state funding tied to certain mandates. CCAO is very concerned about the compounding nature of these mandates and urges full funding for requirements passed on to counties.

Absent such funding from the state, and given the unique power of local boards of elections to seek judicial relief in budget deliberations, CCAO recommends boards of election members and staff become state employees and the state fund election services.

In addition, CCAO supports curtailing August special elections and supports consideration of reasonable, potential cost-saving measures such as elections by mail, as well as authorizing boards of elections to reduce poll workers when electronic poll books are used at vote locations with multiple precincts.

Medically handicapped children

The Department of Health currently has the authority to require counties to withhold inside millage in order to pay for programs run through the Ohio Department of Health’s Bureau for Children with Medical Handicaps. This state-administered public health program should be funded by state revenue sources.

County health department office space

Office space costs of general health districts should become operating costs of the district in the same way such costs are classified in combined health districts. In addition, the use of voted health levies to fund office space costs should be specifically authorized. It would provide an additional means to eliminate the unfunded mandate on the county general fund, since counties are not required to provide money for health departments’ operating budgets.

Tuberculosis treatment costs

County commissioners have an antiquated statutory duty to pay for treatment and detention costs for those afflicted with tuberculosis (TB). In the past, the Ohio Department of Health has made funds available to counties for cases that completed treatment. Help from the state is appreciated, however, with an average of 163 active TB cases each year, the cost can range from several thousand to well over $100,000 per case. Counties need relief from the unfunded mandate, and the state should either fully fund this duty or put the responsibility in a more logical place.

LOCAL GOVERNMENT STRUCTURAL REFORMS

CCAO supports efforts to re-examine the structure of county government and explore ways to consolidate services and operations to gain efficiencies. In addition, CCAO seeks consideration of statutes that would assure proposed county charters would reform a county government’s structure as well as authorize constitutionally or statutorily granted powers.

CCAO is studying the need to allow consolidation of counties and other local governments in urban counties. In addition, ways should be explored to facilitate the elimination of villages through such efforts as financial incentives or easing the abolishment process.

CCAO seeks specific authority to enable any board of county commissioners to share, combine or reorganize, in a larger district, the duties of the county coroner.

COMMITTEE RECOMMENDATIONS

SHARED SERVICES

CCAO seeks the ability for a board of county commissioners to require other county offices (which are funded from the county general fund)
to use centralized services for electronic networks and phones as well as security systems.

QUALIFICATIONS FOR COUNTY ENGINEER

Under Ohio law, any person who seeks the office of county engineer must hold both a professional engineer license and a professional surveyor license. In many counties, this has limited the number of citizens eligible to seek the elected office of county engineer to less than 1 percent of the county’s population. In a democracy, this seems patently unfair to the citizens wishing to elect from a broad base of qualified citizens.

Therefore, CCAO advocates that the requirement of holding the professional surveyors license be dropped as a requirement for election to the office of county engineer.

E-COMMERCE APPLICATIONS FOR COUNTY GOVERNMENT

CCAO supports permissive enabling legislation that allows counties to use the full power of the internet to conduct county business. This legislation should provide a broad range of options for counties, including the development of systems by counties, the ability to contract with the private sector to provide services, and the use of county-credit cards to purchase items from online sellers, e.g., Amazon.

To the maximum extent feasible, the legislation should promote economies of scale and coordination of services by requiring commissioners to publicly bid opportunities for county internet business with internet service providers on behalf of county offices.

Recent legislative action has furthered efforts to reduce and minimize newspaper advertising requirements. CCAO supports additional modernization changes so that all county legal notice requirements could use the same reduced approach authorized for counties’ competitive bid process. Specifically, counties seek the ability to publish one legal notice in the newspaper and to satisfy the second notice requirement by publishing electronically.

COUNTY COURTHOUSE RESTORATION AND FACILITIES FUNDING

CCAO supports a state-sponsored building program to help fund and finance the restoration of county courthouses, as well as to develop county administrative offices. In addition, CCAO is exploring expanded financing options to support restoration efforts.

COUNTY ELECTED OFFICIALS COMPENSATION

CCAO urges that legislation be enacted to ensure that all three commissioners in a county receive the same compensation every year in the future. Because of their split election cycle (i.e., two commissioners elected in the year of the presidential race and one commissioner elected in the year of the governor’s race) and timing of legislatively-enacted pay bills, there have been occasions when one commissioner has been closed out of a salary increase for two years and, as a result, has earned less than their two colleagues for doing the same job, since they cannot accept a legislatively established increase mid-term. Commissioners in a county should make equal pay.

LEASE OF COUNTY REAL ESTATE

CCAO supports legislation to permit county commissioners to lease real property, as well as county-owned towers, to telecommunication companies for a period of up to 30 years.

ENABLE COUNTY DOG WARDENS TO CHEMICALLY CAPTURE DOGS

Under current law, in order for a dog warden to use a tranquilizer, a licensed veterinarian must
be present. The potential for delay or the use of lethal force, if necessary, exposes both the dog warden and the public to unnecessary harm.

Further, a veterinarian must also be present to tranquilize the animal before euthanasia, which means in some instances, wardens or deputy wardens may be physically restraining a dog prior to euthanasia. This, too, poses an unnecessary exposure to harm or disease for the warden or deputy wardens, and certainly a traumatic experience to the dog.

CCAO supports legislation that would issue limited licenses to county dog wardens for purchasing, possessing and administering combination drugs for both euthanasia purposes as well as chemical capture.

COYOTE AND BLACK VULTURE INVESTIGATIONS

House Bill 64 of the 131st General Assembly removed the requirement that counties compensate livestock owners for injuries caused by dogs.

The state has also stopped the practice of reimbursing livestock owners whose animals were killed by coyotes and black vultures. Yet county dog wardens are still required to investigate claims that a coyote or black vulture has injured or killed an “animal” without reimbursement from the Department of Agriculture. In this case, the law defines the term “animal” to include a horse, mule, sheep, head of cattle, swine, goat, domestic rabbit, or domestic fowl or poultry. In addition, the state should be required to assume statewide responsibility for control of wild animals, including exotic animals.

LAWS REGARDING DANGEROUS DOGS

With the passage of House Bill 14 in the 129th General Assembly, Ohio’s Dangerous and Vicious Dog Laws were revised. No longer were pit bulls automatically classified as a dangerous dog breed. The legislation set up criteria for nuisance, dangerous and vicious dogs. These new classifications have caused some judges to essentially allow “one free bark, one free bite and one free kill,” for any dog that is not already registered as a type of dangerous dog. Further legislative clarity is needed.

CCAO SUPPORTS A LEGISLATIVE SOLUTION TO MAKE IT EASIER TO PROSECUTE AN OWNER OF ANY DOG THAT MAULS OR CAUSES SIGNIFICANT HARM OR DEATH TO A CITIZEN.

DOG REGISTRATION

CCAO supports continued flexibility in the dog license renewal process. The association also supports “point of sale” registrations to enhance compliance with Ohio’s dog license requirements.

HUMANE SOCIETIES AND HUMANE AGENTS

The laws governing humane societies are very broad and give extraordinary powers to a non-profit agency that has limited oversight by elected officials. Humane societies currently appoint humane agents, with the approval of the county probate judge, who can act in an official law enforcement capacity to enforce laws to prevent the cruelty to animals and children. CCAO believes it is time to update and change the laws governing humane societies.

Humane agents receive supplemental salary payments from the county general revenue fund. Because the agent is receiving public funds, the agent should submit weekly written reports to the board of county commissioners of enforcement activities as well as dogs seized, impounded, adopted and destroyed. This is similar to what is required of a county
dog warden under ORC Section 955.12. These records should also be considered public records under Ohio Public Records Law.

Humane agents are required to have initial training, but there is no requirement to have continuing training. CCAO recommends that appointments of humane agents should be approved by county commissioners and not the county probate judge. Lastly, the law should be updated to allow removal of a humane agent for cause.

HUMANE SOCIETY ABILITY TO APPOINT ATTORNEYS TO PROSECUTE AND HAVE COMMISSIONERS PAY EXPENSE

Recently, Ohio passed House Bill 60 (Goddard’s Law), which would elevate some penalties for causing serious physical harm to a companion animal to be a felony. The new law precludes a humane society from employing an attorney to prosecute a felony violation of the law prohibiting cruelty against companion animals. Instead, these cases will be handled by a county prosecutor.

However, Ohio law still permits humane societies to appoint an attorney and may employ one or more assistant attorneys to prosecute misdemeanor violations listed in ORC Section 2931.18, including prevention of cruelty to animals or children. Such attorneys are to be paid out of the county treasury in an amount approved as just and reasonable by the board of county commissioners. CCAO is requesting this mandate be eliminated or to at least change the law to require the consent of the board of county commissioners.

DATA BOARD/INFORMATION SERVICES

Legislation enacted decades ago allowing for the establishment of the county automatic data processing board is outdated and reflective of past technology.

LEGISLATION SHOULD BE ENACTED GIVING COUNTY COMMISSIONERS ADDITIONAL ORGANIZATIONAL OPTIONS FOR DATA PROCESSING, INFORMATION SERVICES AND RECORDS MANAGEMENT.

The first option is to allow the board of county commissioners or the data board itself to appoint the chief administrator of the data center by amending ORC Section 307.844, which currently designates the county auditor as the appointing authority.

The second option is to allow the county commissioners to establish a county information services board to replace the data board, microfilm board and records commission, and to allow the commissioners or the county information services board to appoint the chief administrator. The county information services board would assume all information and records related functions of these separate boards.

PUBLIC RECORD STATUS OF 9-1-1 TAPES

Tapes of 9-1-1 calls should not be subject to release as a public record in the case of death, accident, illness or similar event until relatives of the affected party have been notified. Tapes of 9-1-1 calls also should not be subject to release until the prosecutor determines whether they will be used for criminal prosecution and, after petitioning a court, the court prohibits their release. After conclusion of the legal proceedings, the tapes will then become subject to release.

COMMISSIONERS SUNSHINE LAW

CCAO supports clarifications to the Sunshine Law that require full compliance when the commissioners perform legislative-type functions, but exempts executive and administrative functions.
GENERAL GOVERNMENT AND OPERATIONS

In addition, CCAO supports exploring more opportunities to utilize teleconference or video conference capabilities which recently was authorized by law for certain joint county ditch maintenance meetings. Such circumstances could include emergency-related situations, regional collaboration related meetings or other joint jurisdictional meetings.

PUBLIC RECORDS IDENTITY THEFT PROVISION

CCAO commends the General Assembly’s commitment to preventing identity theft that can occur from public records requests. CCAO has worked with numerous local government officials, law enforcement and legislative members in drafting legislation to accomplish this goal. Because county governments handle such vast amounts of the public’s sensitive, personal information, CCAO supports legislation allowing, but not requiring, county governments to use cost recovery for redaction and masking technologies.

RECORD RETENTION MANAGEMENT

CCAO supports continued changes to retention requirements enabling cost-saving methods for storing and maintaining public records.

RESTORATION OF THE PUBLIC DUTY RULE / REDUCING LIABILITY EXPOSURE

Based upon the Ohio Supreme Court’s decision in Estate of Graves v. City of Circleville (2010 Ohio 168), a county employee is potentially liable for their conduct which is found to be wanton and reckless even where that employee did not owe a duty to an individual member of the public. While sovereign immunity protects county employees in instances of mere negligence, if a county employee can be shown to have acted wantonly or recklessly in the performance of a duty they are required to perform, under statute they may be held liable for their actions. The determination of whether a county employee’s actions amount to wanton or reckless conduct is a question of fact that usually requires a jury trial.

We seek a restoration of the public duty rule to protect county workers in performing the tasks of their already very difficult job. A deputy sheriff acting to protect citizens or a children service agency worker acting to protect a child’s interests should not be hampered by the fear of being held liable for their actions stemming from a mistake the deputy or worker did not intentionally make.

COUNTY EMPLOYEE RELATIONS

Counties are requesting various changes in Ohio’s laws to help employers manage county offices in a cost-efficient manner for Ohio’s taxpayers, including more options in establishing alternative leave schedules.

In addition, Ohio’s collective bargaining law needs to be brought into line with the National Labor Relations Act (NLRA). The playing field should be leveled between employers and employees in this area. Furthermore, counties seek the ability to go to common pleas court as opposed to binding arbitration (to resolve disputes around collective bargaining).

EMPLOYEE COMPENSATION

At a time when many county appointing authorities are freezing salaries or reducing them through furloughs, there remains the ability, and the occurrence from time-to-time, whereby certain county appointing authorities go against the norm in the courthouse to control spending and provide salary adjustments to their staff. These increases can come by way of a judicial court order to a board of county commissioners for more money in the personnel line item or by other appointing authorities who have the ability to seek court action. Therefore, CCAO seeks the ability for a board of
county commissioners to moderate the ability of the common pleas court and its divisions along with the board of elections, the county prosecutor and the veterans service commission from granting pay raises that exceed the annual percentage amounts approved by the county commissioners for the other county elected officials’ staff salaries.

In addition, CCAO seeks the following benefit changes:

- Provide counties with authority similar to the state, so that an employee can choose to receive their payout of accrued but unused leave time in two calendar years, as opposed to one.
- Limit the amount of vacation time employees can accumulate and carry on the books at any time to an amount not to exceed what can be earned in two years at the current rate of accumulation based on years of service.
- Specify that the sick leave schedule provided in the Ohio Revised Code provides the maximum amount of sick leave that can be granted to an employee in the absence of a collective bargaining agreement. Case law has interpreted the statutory provisions to be a minimum floor.
- Clarify that an appointing authority can provide a cash incentive to employees to induce retirement.

WORKERS’ COMPENSATION

CCAO supports and will work with a coalition of public and private employers to streamline and reform the Ohio workers’ compensation system to reduce opportunities for abuse, control costs, encourage workplace safety efforts and ensure that workers who need help get it quickly and efficiently. Counties will continue to explore alternatives to provide workers’ compensation savings when possible.

In addition, counties seek to collaborate with the Ohio Bureau of Workers’ Compensation and other public employer associations to enhance the current group rating, group retro and self-insurance programs, and to explore the feasibility of other options such as employer association-sponsored group self-insurance programs.

UNEMPLOYMENT COMPENSATION ELIGIBILITY

CCAO seeks changes to the Unemployment Compensation (UC) rating system that grants reimbursing employers similar appeal rights to contributory employers – particularly for non-separating reimbursing employers who are still employers of record in a claimants’ benefit period. CCAO also supports revisiting eligibility criteria to receive UC benefits in Ohio. In addition, CCAO recognizes that some relief has been granted to employers of seasonal workers, and CCAO supports legislation to exempt seasonal and temporary workers from unemployment compensation.

CONFIDENTIALITY OF PERSONNEL FILES

CCAO supports legislation to restrict access to public employee personnel information, except disciplinary action and performance evaluations.

DRUG TESTING

CCAO supports authority enabling counties to conduct drug testing programs as a way to improve employee performance and safety in the workplace such as random testing on a lottery basis, testing after accidents and post offer / pre-employment drug testing of prospective county employees. Testing in such realms is limited based on Constitutional provisions, but some testing can be conducted based on certain job duties and conditions.
Human Services
Chair: Paula Prentice, Summit County Council Member
Vice Chair: Kathryn Whittington, Ashtabula County Commissioner
Liaisons: Rachel Massoud, Policy Analyst, and Jon Honeck, Senior Policy Analyst

State and local governments work together to provide programs that help citizens achieve and maintain employment, protect children and older adults and, when necessary, connect families to food, clothing and shelter.

While most of these programs are designed to provide services to those in crisis, counties focus on a work-first approach that addresses the root cause of the crisis and prevents the need for services in the future. To this end, county departments of job and family services, public children services agencies and child support agencies have begun to redesign service delivery and collaborate and share services in unique and innovative ways in order to meet the complex needs of their clients.

Ohio’s 88 counties experience vast differences in their economies, demographics and populations. Because of this diversity, CCAO urges the Governor and General Assembly to maintain county funding levels and flexibility between funding streams to the extent possible under federal law, so that each county can prioritize services based on the local need and demand for those services.

CCAO supports the following initiatives:

- Increasing state investments in child protection, adult protective services and family and children first councils.
- Sustaining state support for the implementation of Ohio Benefits, Ohio’s integrated benefit eligibility system.
- Providing adequate resources for counties to implement the proposed Medicaid work requirement, if the state chooses to move forward with the plan.
- Modernizing child support processes and forms.
- Allowing commissioners to appoint members of the Veteran Service Commissions (VSC) and giving them the ability to review and revise VSC budgets.
- Retaining commissioners as the authority for property tax levies that fund health districts and granting them discretion on the type, millage and duration of the levy.

COMMITTEE PRIORITIES

GROWING CONCERNS FOR CHILD PROTECTION

One of the most difficult tasks facing counties is the administration of programs and services for children who are abused or neglected. Recently, Ohio has seen an increase in opiate use that has reached epidemic proportions, spanning communities of every size and demographic. The fallout from this epidemic has caused significant challenges for the child protective system. By 2020, the Public Children’s Services Association of Ohio (PCSAO) expects over 20,000 children to be in care, up from 12,654 in 2013. The 2017 state budget added $15 million in state GRF and $15 million TANF resources to child protection. These investments must be sustained and increased in order for the system to meet expected challenges.

Parental addiction has caused an increase in the number of children in custody and the reunification process takes much longer.

Placement costs for these families are steadily eating away at children services resources and
county budgets are becoming overwhelmed by this new need. Even counties who have successfully passed levies to cover these important services are struggling to provide the resources required.

When reunification is possible, many of these children need additional services to deal with the residual effects that come from living with addicted parents, including depression, anxiety, PTSD, and behavioral and learning difficulties.

Furthermore, opiate cases tend to be extremely traumatic for everyone involved, including child protective caseworkers. The system is now facing a workforce shortage due to higher than normal turnover, placing even more pressure on this delicate system.

Public children services agencies can safely reduce the number of children entering foster care by implementing alternative response, which allows them to partner with families to wrap services around them before a placement is needed, supporting relatives and other kin to prevent children from being placed with unrelated foster or congregate care and aggressively seeking permanent adoptive homes when children cannot be reunified with their birth family. Unfortunately, many counties have had to reduce or eliminate these best practices due to exorbitantly high placement costs – meaning higher expenditures and poorer outcomes in the long run.

CCA0 strongly encourages an increased state investment in child protection to enlist and retain quality case workers and recruit foster parents for the increasing number of children who need placements, as well as support best practices and in-home services. The increased investment should include greater resources for the Kinship Permanency Incentive Program, which is currently funded at just $1 million per year, in order to support relative caregivers who can provide an alternative to the formal child care system.

NATIONALLY, OHIO IS 1ST FOR LOCAL CHILD PROTECTIVE CONTRIBUTIONS. MEANWHILE, THE STATE RANKS 50TH FOR PER CAPITA INVESTMENT COMPARED TO OTHER STATES.
HUMAN SERVICES TECHNOLOGY, MODERNIZATION AND EFFICIENCY INITIATIVES

CCAO appreciates the efforts and leadership of the Governor, the Office of Health Transformation and the Departments of Job and Family Services (JFS) and Medicaid for their efforts to create a streamlined and efficient eligibility determination system for Ohio’s public assistance programs. The Ohio Integrated Eligibility System, known as Ohio Benefits, is now complete and provides combined eligibility determination for Medicaid, TANF, and SNAP. Counties also welcome the opportunity to participate in a new electronic document management system that will make it easier to share essential information across programs and improve efficiency.

CCAO supports continued state investment in the Ohio Benefits and document management systems, including financial support for ongoing training, system maintenance, and upgrades.

MEDICAID EXPANSION

CCAO supports the continued extension of eligibility to low income, childless adults who became eligible due to the Affordable Care Act. Over 600,000 adults receive health insurance coverage through the expansion. With low unemployment rates, the current environment is an opportune moment to encourage all able-bodied participants to seek employment. CCAO is concerned that the work requirement waiver request submitted to the federal government for approval does not include any additional funding to meet county JFS department administrative costs to implement the program. The proposal also does not include any additional funds to support workforce development services or participant transportation needs. If the work requirement plan is approved by the federal government, CCAO requests that the state provide additional funding for county administrative costs and to meet participants’ needs for training, supportive services, and transportation.

ADULT PROTECTIVE SERVICES

Counties are charged with providing a uniform adult protective services program for older adults who require protection from abuse, neglect or exploitation. Counties are the logical delivery mechanism for adult protective services due to the close proximity necessary to investigate allegations of abuse and neglect and the legal relationships with prosecutors, sheriffs and courts to enforce protective services. Elder abuse requiring adult protective services interventions can range from physical abuse, emotional or verbal abuse, self-neglect or financial exploitation.

The Adult Protective Services System (APS) has received increased policy attention in recent years, but funding has not always kept pace with expectations placed on counties or the aging of Ohio’s population. Program reforms in the FY 18-19 budget expanded the scope of Ohio laws against the abuse and exploitation of elders, and added many different types of professionals to the list of “mandatory reporters,” including individuals working in the financial sector. Over time, these changes will greatly expand the number of reports of abuse, neglect, or exploitation that counties must investigate.
As a result of Am Sub House Bill 483 (130th General Assembly), $10 million dollars was infused into Ohio’s adult protective services (APS) system. Additionally, a workgroup was created in statute to review programmatic and funding gaps in the APS system and make recommendations on how to better improve the system.

Further reforms have been addressed in House Bill 64 and House Bill 24 (131st General Assembly), including a statewide automated APS information system, but very little funding has been identified. A $3.5 million per year appropriation was made in House Bill 64 (FY 16-17) to fund APS, allotting $30,000 to each county, but this amount fell to $2.7 million in FY 18-19, not enough to provide even one full-time case worker in many counties. In order to ensure victims of elder abuse receive core adult protective services, the state must financially support the administration and delivery of such services.

**CHILD SUPPORT**

As county child support agencies increase paternity establishments and overall collections, children attain a higher standard of living. The child support program has utilized current funding, technology and tools to a great extent over the past 15+ years and is now transitioning to incorporate newer models aimed at assisting lower income families.

Several strategies are being piloted across the state. They include early intervention programs; collaboration with both workforce agencies and social service agencies to assist with barriers that obligor parents may have to obtaining and maintaining employment; parenting time engagement; strategies to improve parenting and co-parenting skills; and person-centered case management. In order to incorporate more of these strategies across the state for more families, the program needs additional support from the State and an upgrade in technology.

CCAO supports an increase in the state match allocation to county child support enforcement agencies. The match has been flat-funded since 2012. CCAO also supports a statutory change to allow child support to follow a child who has been placed in the custody of a third-party caretaker.

**CHANGES TO THE COUNTY VETERANS SERVICE COMMISSION LAW**

CCAO supports initiatives to review the law and operation of Veteran Service Commissions to be sure enhanced and coordinated services are available to our brave men and women of the armed services returning home. The mandate contained in ORC Section 5901.11 to fund the Veterans Service Commission at a level of up to five-tenths of a mil per dollar on the assessed value of the property of the county should be studied by the Department of Veteran Services in an effort to identify alternative funding options to replace current county funding. We support the enhanced ability for the boards of county commissioners to review and revise the budget of the Veterans Service Commission, especially as it pertains to the administrative and operational expenses of the Commission.
HUMAN SERVICES

As it relates to operational expenses, there is a special need to be sure that the Veterans Service Commission does not have the authority to provide for staff compensation increases that exceed the average increase provided to other appointing authorities through the appropriation process. Additional checks and balances are needed to ensure that needy veterans are receiving essential financial assistance and other services in a cost efficient and responsible manner that fully utilizes other health, human service and employment programs. The Department of Veteran Services should provide funding for any training that is mandated by the department. Finally, boards of county commissioners should become the appointing authority for members of Veteran Service Commissions. If this authority is not granted, commissioners should be given the ability to appoint two of the five members.

FAMILY & CHILDREN FIRST COUNCILS

Counties have worked diligently to piece together a seamless delivery system for families seeking assistance for their children out of a patchwork of state and federal programs that tend to leave gaps, create overlaps in services and often contain conflicting regulations. Local Family and Children First Councils work to reduce duplication of services and to help families navigate health, social and human services. In order to perform these coordinating functions, each county, regardless of size, was traditionally allocated $20,000 to administer Family and Children First Councils. This amount was reduced in FY 10 and is currently funded at $15,750 per county in the FY 18-19 biennium. CCAO recommends appropriately funding the administration of local Family and Children First Councils by increasing the allocation to $30,000 per county.

LOCAL HEALTH DEPARTMENTS

CCAO supports giving boards of county commissioners and county councils discretion regarding the submission, type of property tax levy (renewal, increase, reduction or replacement), millage and duration of property tax levies submitted to the voters for the purpose of funding a health district. If legislative action allows for a joint health district to be formed that covers multiple counties, commissioners should also have discretion over multi-county levies.

Should this discretion not be granted to boards of county commissioners, it is important commissioners should retain the levy authority, in order in part to maintain accountability of the entities requesting additional tax dollars and to facilitate a public forum in which health officials may discuss their levy request and the reasons why it is warranted.
Jobs, Economic Development and Infrastructure
Chair: Cory Noonan, Allen County Commissioner
Vice Chair: Judy Dodge, Montgomery County Commissioner
Liaisons: Jon Honeck, Senior Policy Analyst, and Adam Schwiebert, Policy Analyst

Counties work on behalf of the state to facilitate economic development by creating an environment that encourages job creation. An employer’s decision to locate a business is often driven by the quality of life and services that a community offers its residents, and counties play a pivotal role in creating this environment.

County government is responsible for constructing and maintaining infrastructure, providing a well-trained workforce and developing the community assets that businesses value. Maintaining these systems is a huge undertaking, costing billions of dollars each year, and funding has not kept pace with needs.

Ohio should prioritize the following items when considering its economic development strategy for the next General Assembly:

• **Infrastructure** – Counties are responsible for 26,081 bridges and 29,000 county road miles. Providing proper funding levels and revenue mechanisms to be used for roads and bridges must be a priority for the state and environmental regulations must be clear and consistent. The replacement of Ohio's aging water and sewer infrastructure is also a priority. The state must find ways to address the ability of counties, local governments and residents to afford the undertaking of necessary water and sewer projects.

• **Workforce** – Counties are responsible for implementing workforce programs that help residents attain meaningful employment and gain skills that businesses value. These local programs must maintain funding and the flexibility to reflect and address local employer’s needs if they are to achieve success. The state should partner with counties and employers to find innovate ways to address the devastating impact of the opiate epidemic on the workforce and the economy.

• **JobsOhio** – A strong partnership between each county and the state’s economic development arm is imperative. Every county must feel the value that JobsOhio brings to their region. Payments from JobsOhio to the state GRF should be invested in local infrastructure and training.

The three priorities above are illustrated in more detail on the following pages and are followed by additional policy recommendations that would support Ohio’s counties in their economic development responsibilities.

**COMMITTEE PRIORITIES**

**INFRASTRUCTURE**

**THE QUALITY AND MAINTENANCE OF OHIO’S INFRASTRUCTURE HAS A TREMENDOUS IMPACT ON ENCOURAGING ECONOMIC DEVELOPMENT THROUGHOUT THE STATE.**

Yet our aging infrastructure in its current state as it relates to county roads, bridges and public utilities significantly impedes economic development. Project costs to repair, replace or install necessary infrastructure far exceed the current capability of our counties.
Where environmental regulations are concerned, local governments have a critical need for clarity, predictability, and consistency; for policies that reflect scientific consensus; for common sense enforcement; and for careful cost-benefit analysis as part of the policy making process. At the same time, CCAO understands that fair and reasonable environmental regulations must be balanced with responsible stewardship of our natural resources.

**Funding for Infrastructure**

The quality of Ohio’s infrastructure has a tremendous impact on economic development. Providing proper funding levels and revenue mechanisms to be used for infrastructure must be revisited by the state. Factors to be considered include: allocating additional public works bonding capacity; making adjustments to highway user fees; and providing additional grants, loans and subsidies for the capital costs of local utility infrastructure. Ohio’s 2018-2019 transportation budget included permissive authority for counties to levy an additional five dollar motor vehicle license fee, which is to be used for local roads and bridges. However, the state has not adjusted the motor vehicle fuel tax since 2005.

CCAO also supports providing counties with additional authority to classify roads according to use and designate haul routes for heavy truck traffic so that road and bridge impact can be mitigated.

Additional positions relative to infrastructure funding that can be found under the Taxation and Finance section of this document.

**Environmental Regulation of Infrastructure**

Agencies and communities are being hampered by a prescriptive approach to setting permit limits for nutrients, storm water and for TMDL-derived parameters. U.S. EPA admits that many remaining water quality issues are caused primarily by non-point sources, such as residential, agricultural and local development practices. CCAO is encouraged by the state’s emphasis on controlling non-point sources through the development of Nutrient Management Strategies and the work of the Ohio Lake Erie State Phosphorous Task Force.

Agencies and communities are also being hampered by a prescriptive approach to evaluation of local financial capability used by enforcement officials of the federal government. The federal regulatory framework is being applied in a way that fails to adequately consider local economic conditions and the need for effective prioritization and scheduling of significant water quality investment. This federal approach has already produced, and, if unchecked, will continue to produce unprecedented wastewater rate increases across Ohio. It will also yield significant community disruption from construction programs and, in many cases, limited incremental improvement in overall water quality. Given current economic conditions, these programs could have a devastating effect on the state’s economic development goals.

**Local Financial Capability to Provide Infrastructure**

Financial capability assessments for Ohio’s local governments should be based on the basic principles reflected in EPA guidance, but should further evaluate appropriate unique local conditions that apply to the community by quantifying all relevant economic factors impacting financial capability, including: housing burden, state and local tax burden, impacts on
business competitiveness, projected population and employment trends, poverty and low income populations, community construction impacts, availability of local contractors, construction inflation and historical water quality investments.

Local financial impacts are best evaluated by local officials, not the federal government. The framework for evaluation of local financial capability should be a joint state-federal framework that assigns primary responsibility for defining water quality investment implementation schedules to Ohio wastewater agencies and their local and state officials, who can base schedules on their assessments on the financial capabilities of, and implementation impacts on, the communities they serve.

Ultimately, project costs far exceed the financial capability of counties and local governments to incur these obligations. The state must find ways to address the ability of counties, local governments and residents to afford financially the undertaking of necessary water and sewer projects. Counties ask the state to consider allocating public works bonding capacity to these projects, reestablish the Ohio water and sewer rotary commission, and provide significantly greater funding support for governments and citizens confronted with EPA findings and orders to install water and sewer systems. One of the ways Ohio could facilitate this funding is to allow counties permissive authority to institute a service fee on water bills to be used for EPA findings, orders and compliance.

A cornerstone of providing water and sewer to unincorporated parts of the state is the longstanding public health policy to require homeowners to connect to public sewers when they become available.

Structures with an existing septic system are required to connect if it is within 200 feet of the public sewer. Historically, septic systems have been looked at as temporary systems. This has been the policy of the state of Ohio since 1977. Eliminating connection requirements for on-lot systems could destroy the financial feasibility of sanitary sewer projects under construction today or planned for the future. Important projects which promote the public’s health and the protection of our rivers and streams could be jeopardized and may not be constructed. CCAO asks that the state maintain this public health policy, while giving counties the discretion to authorize temporary, non-renewable exceptions for septic systems that are new and in good working condition.

Even the courts have ruled on this subject. In 1984 the Ohio Supreme Court ruled in the case of *DeMoise v. Dowell*, that “individual household sewage disposal systems are inherently more dangerous to the public health than sanitary sewerage systems and must be replaced when possible.”

**WORKFORCE DEVELOPMENT**

**ENSURING OHIO HAS A QUALIFIED, JOB-READY WORKFORCE IS A CRITICAL COMPONENT OF ECONOMIC DEVELOPMENT SUCCESS IN ANY PART OF THE STATE.**

County government in Ohio has played a critical role in local economic development initiatives and implementing workforce programs aimed at helping residents obtain, maintain or improve their employment. Tools that counties utilize in this task include the federal workforce program known as the Workforce Innovation and Opportunity Act (WIOA) and strong partnerships with the state’s OhioMeansJobs centers.

Counties assist work required populations to find employment and training, and they fund workforce supports and stabilizing services through the Prevention, Retention and
Contingency program. Some counties also use dollars from the federal Temporary Assistance for Needy Families (TANF) block grant, delivered through the county JFS, to invest in the local workforce infrastructure. These TANF investments should continue as long as funding is available.

Counties support the goals of the Comprehensive Case Management and Employment Program (CCMEP) program but the program needs more flexibility and collaboration with local boards and county JFS agencies in order to reach its full potential.

Increasingly, the opiate epidemic is affecting large segments of the workforce, preventing individuals from keeping employment and making it difficult for employers to fill open positions. The state should partner with counties and employers to find innovative ways to return addicted individuals to the workforce.

**COMMISSIONERS CAUTION AGAINST A ONE-SIZE-FITS-ALL APPROACH TO WORKFORCE DEVELOPMENT POLICY IN OHIO.**

The success of county-level workforce development programs is dependent on the degree to which those programs are employer-led and employer-centric at the local level. The programs must, first and foremost, address the specific needs of that business community as defined by the businesses themselves which in turn creates opportunities for job placements within the business community. The State Workforce Board should include members serving on local boards and local elected officials in order to strengthen communication and feedback mechanisms.

**Federal Partnerships**

WIOA is the latest iteration of the federal government’s approach to workforce programming. It is a locally-driven system under the direction and control of elected local officials and aims to provide better alignment between programs and more flexible funding. WIOA utilizes a committee that is made up of local business and community leaders, appointed by the county commissioners, with clear and transparent performance measures. This community-centric design should be noted because local officials are in the best position to understand the pressing workforce development needs of both businesses and individuals in their communities.

Commissioners encourage the state to invest discretionary workforce dollars into the existing local workforce infrastructure, provided they have proven results. Any discretionary funding set aside from Ohio’s WIOA allocation or Rapid Response dollars should remain as flexible as possible to allow the state to best meet businesses’ needs identified at the local level as they arise, rather than being put into a specific program with additional restrictions.

Furthermore, county TANF allocations should be maintained so supportive services and workforce retention services can continue.

**State Partnerships**

OhioMeansJobs Centers (also known as one-stops) are a partnership between the state and local agencies to deliver workforce services to job seekers and employers. Commissioners believe that many one-stops are working efficiently and competently with local businesses to respond to their needs and get people back to work. Counties encourage the state to take the lead in identifying, supporting and sharing best practices driving success on the local level.

Ohio should also take a meaningful look at the Comprehensive Case Management and Employment Program (CCMEP). CCMEP marries funds from the WIOA and TANF programs in
order provide a more comprehensive experience for individuals in need of employment. While the intent of the program is admirable, counties have experienced many challenges related to the dueling federal laws and their associated requirements. Counties would like to engage in conversations with the state to identify ways to simplify CCMEP’s administrative structure to allow a true focus on providing case management services.

Finally, Commissioners see a real need for solutions that address the benefits cliff. When benefits are phased out too quickly, employment is in jeopardy. Ohio should engage its counties on this issue to find ways to ease the effects of the cliff.

**Local Authority**

State-led changes to the workforce system should not undermine the positive working relationships that many one-stops have built with their local business communities, nor should they undermine the relationships and collaborations many counties have created with one another.

One-stops and workforce investment areas must continue to have the flexibility to partner with different counties and areas who fall outside arbitrary, bureaucratic boundaries and instead work across systems to meet both local and regional needs.

Given the vast differences in both the economies and effective strategies within the various counties of Ohio, a locally-driven, state-monitored approach to workforce development activities truly is common sense. Commissioners ask that, rather than create state policy in reaction to one or two workforce areas or even one-stops that may be incompliant or failing to succeed according to performance measures, the state should use its capacity to look at options like performance improvement plans as well share best practices and replicable examples of successful strategies to assist those areas.

**JOBS OHIO AND BUSINESS DEVELOPMENT**

**JobsOhio**

As the state’s economic development and job retention organization, JobsOhio has helped to expedite large scale investments in some communities. However, in communities where smaller scale projects are more realistic, the promise of JobsOhio has not always been realized. As the organization evolves through the next administration, it should look at ways to broaden its mission to serve these communities better. A tool that tracks progress in the JobsOhio regions should be implemented to ensure appropriate growth is being generated and additional industries, such as tourism, should be added to the list of target industries.

JobsOhio is fueled by the revenue from liquor sales. As the organization realizes greater profit levels and liquor revenues grow, it makes annual payments to the state that go into the general revenue fund. Ohio should designate a portion of these dollars to be used at the discretion of commissioners for infrastructure and training.

**Embracing Economic Gardening**

Development initiatives should be crafted to support the unique needs of local companies and entrepreneurs that are poised for growth. By targeting dollars to provide seed money for these businesses and with state and local agencies providing oversight and technical assistance, these businesses can use dollars for innovation and growth, and truly create positive results for Ohio.

**Redevelopment and Rehabilitation of Vacant Buildings**

Throughout Ohio there are vacant buildings that have outlived their usefulness as currently
configured. While these structures are sound, their conversion to fit modern day applications is costly. Current zoning codes don’t contemplate revitalization, and building code compliance is cost-prohibitive. The state should develop a program that makes the re-use and restoration of these structures competitive with the option of new construction. Components of this program targeted to redevelop and re-use existing sites should include eminent domain and industrial/commercial land banking, consolidation of parcels, as well as preferential land use and zoning provisions and building code provisions. These should take safety into consideration without demanding compliance with current code provisions that contemplate new construction. We recommend a companion program to “shovel ready” sites that supports the transformation to “occupant-ready” sites.

Housing

An often-overlooked necessity for economic development is quality, affordable housing. Housing is considered affordable if it makes up 30 percent or less of a family’s income. This asset is sorely lacking in every part of the state and it creates a significant drag on the economy. Ohio should explore ways to empower commissioners to provide targeted incentives to increase the supply of affordable housing.

COMMITTEE RECOMMENDATIONS

SOLID WASTE

SOLID WASTE DISTRICTS SHOULD BE GIVEN MAXIMUM FLEXIBILITY TO MEET THE REQUIREMENTS OF THE STATE SOLID WASTE MANAGEMENT PLAN THROUGH LOCALLY DIRECTED AND APPROVED PLANS WITH MINIMUM STATE OVERSIGHT.

Local control of solid waste planning

Under broad goals and guidelines established by state law and the state solid waste plan, CCAO supports local self-determination in the number and composition of districts. CCAO believes that adoption of disposal, generation and contract fees should remain local choices approved by local officials. Flow control must be preserved for local officials to finance public facilities and to implement the purposes of a locally approved solid waste management plan. CCAO supports retention of the authority of solid waste districts to adopt solid waste rules that govern the following:

- The maintenance, protection and use of all solid waste collection and disposal facilities.
- The receipt of out of district waste.
- The application of zoning to solid waste facilities.
- The implementation of a program for the inspection of out of state waste.

CCAO believes that district programs must reflect local needs, demographics and waste management conditions and that a one size fits all approach to local solid waste planning is not in the long-term best interest of the state or its citizens.

Flexibility in solid waste governance

CCAO supports local flexibility for each district to determine whether to have a board of directors or to establish a regional solid waste authority for governance purposes. For solid waste districts that choose to retain the board of directors/solid waste policy committee governing structure, the law should be amended to permit multi-county districts to reduce policy committee quorum requirements and to reconfigure policy committees to reduce the sheer size of policy committees.
Districts with two or more counties should be able to participate in meetings via electronic video conferencing, and counties should have the ability to establish a non-statutory membership composition.

**Streamlining of the planning process**

CCAO supports streamlining the planning process by requiring each district/authority to prepare a plan every 10 years instead of every 3 1/3 years, provided the district is meeting goals laid out in the plan. CCAO believes that plan components should be less prescriptive than they are currently, that the format should be general and serve as a guidance document, and the format should not be a one-size-fits-all template. In general, CCAO supports putting more resources into plan implementation and devoting less time to continuous updates and revisions of the plans.

Other changes to the planning process that CCAO supports include the following:

- **Fee modification process** – Reduction in district generation and disposal fees should not require ratification of the solid waste plan, rather such changes should only require two hearings and a resolution.
- **Plan components** – Remove burden of inventory data collection from districts and require brokers and haulers to submit data to the state.
- **Plan ratification process** – Maintain the 60 percent approval for ratification and remove large city veto.
- **Plan ratification process** – Failure by a political subdivision to vote removes that political subdivision from the calculation needed for approval.

In order to promote fiscal accountability, CCAO supports allowing districts to discontinue service where the costs for providing service exceed the economic value without re-ratification of the plan.

If county commissioners are to make full use of existing facilities, programs and services, it is essential that local officials have the power to:

- Have self-determination relative to the composition of each solid waste district.
- Establish funding mechanisms to carry out district solid waste plans.
- Adopt rules to make sure that solid waste facilities are properly utilized.
- Implement designation and debt financed flow control to make sure that facility debt may be retired and that solid waste plans may be fully implemented.

**PROPER DISPOSAL OF SCRAP TIRES**

Legislation regulating the sale, disposal and transportation of scrap tires in Ohio was adopted in 1993 (House Bill 165). Since the adoption of this worthwhile legislation, there is evidence of increased open dumping of scrap tires leading to public health hazards and a high cost to taxpayers in remediating tire dumps. Given that it has been over 20 years since the adoption of the original law regulating disposal of scrap tires, CCAO believes it is time to revisit the law so as to close loopholes leading to the improper disposal of scrap tires. CCAO supports changes to the law and administrative code to:

- Redefine “open dumping” and “scrap tire” so as to close loopholes allowing unscrupulous haulers to dispose of scrap tires in abandoned buildings, as an example.
- Increase Ohio EPA registration requirements on scrap tire transporters to require them to maintain and be able to show proof of a valid contract with an appropriate scrap tire disposal facility or recycling facility, and require all drivers to have a valid driver’s license.
- Increase the amount of financial assurance that registered scrap tire transporters are required to maintain.
• Require scrap tire storage facilities to secure tires from theft and limit the number of tires stored in a building or covered area, enclosed container, trailer or installation.
• Exclude any political subdivision or any state agency conducting a roadside or public property litter cleanup operation or a community tire collection event from needing to register as a scrap tire collection facility, provided they meet certain criteria.
• Increase the penalty for any scrap tire generator who hires a hauler to remove tires that is not an Ohio EPA registered scrap tire transporter.

ENERGY

The availability of reliable energy is a critical component to economic development and quality of life for Ohioans. Efforts should be made to assure that power supplies are sufficient throughout all regions of the state.

CCAO encourages exploration of and support for more alternative sources of energy, including bio-energy, solar, geothermal and wind energy, as well as support for enhanced traditional sources such as nuclear and clean coal technology.

The technological advances in harnessing new energy sources have offered great opportunities to Ohio. CCAO supports state policies, such as renewable portfolio standards, to encourage the use of alternative and renewable energy resources. However, CCAO believes the decision to incentivize such technologies with local tax abatements should remain with local political subdivisions.

In addition, CCAO supports developing and expanding the applicable uses of domestic energy sources. For example, the state, in conjunction with local governments, should continue to review and analyze the economic feasibility, technology, and infrastructure opportunities and challenges regarding the potential conversion of vehicle fleets to natural gas-fueled vehicles (NGVs).

CCAO believes that as Ohio joins the race to embrace new energy technologies, the state should commit to including local governments in developing applicable state policies, particularly given the potential siting, infrastructure, taxation and community impacts.

The movement of drilling equipment coupled with the large amounts of material, in particular water, to and from both drilling sites and injection well sites will cause much distress to our roadways. CCAO advocated for and was disappointed with the refusal of policymakers to require a road use and maintenance agreement (RUMA) be in place with the appropriate local political subdivision as a condition to a permit to drill, particularly given the mandatory nature of such agreements with regards to the development of alternative energy sources.

In addition to requiring a RUMA for oil and gas exploration, CCAO supports a requirement for a RUMA in cases of natural gas and other pipelines which trench road rights of way and other public infrastructure. It is important that public roads be protected from damage by pipeline transportation companies and a mandatory RUMA will go a long way to protecting the public investment in highway infrastructure.

LAND USE REGULATION AUTHORITY

County commissioners have limited authority to effectively regulate even the simplest land use problems in the county. CCAO proposes that boards of county commissioners be given the following additional authority and tools to regulate land use:

• Authority to impose impact fees on new development to assure the general taxpayer does not pay for the entire cost of
expanded infrastructure needed as a result of new development.

- Authority to enact zoning for the purpose of promoting the general welfare and to encourage the preservation of agriculture and agribusiness.

- Authority to approve transfer of development rights (TDR) in both zoned and un-zoned areas in order to promote preservation of open space and farmland. In the event a property owner is compensated in conjunction with a TDR, no public funds may be granted to the owner for an agricultural or conservation easement.

TAX ABATEMENT / COMMISSIONER APPROVAL

CCAO supports legislation requiring notification and consent of each board of county commissioners affected by property tax abatement or tax increment financing that a township or municipal corporation grants within a county. CCAO recognizes the value of tax abatement as an economic development tool and supports retention of county authority to provide tax abatement under a revised statutory format necessitated by the elimination of the tangible personal property tax.

BUILDING PERMITS

Counties should be authorized to issue citations for building permit offenses, compound or increase building permit fees for unresolved violations, and link separate building code violations and separate sites for violations involving the same owner or contractor that continues to violate the law. CCAO also seeks authority for a “one stop shop” for permitting and inspecting construction occurring within the unincorporated areas of the county, including the same authority that municipalities currently have to do plumbing inspections without the acquiescence of the county health department.

COMMERCIAL BUILDING PERMIT PLANS REVIEW

The Ohio Commercial Building Code requires that building departments review commercial applications for building permits in the order in which they are received. CCAO believes counties should be provided specific legislative flexibility to review plans in a manner which allows for expedited review of projects that have significant local and/or economic development impacts.

ENFORCEMENT OF FLOOD PLAIN REGULATIONS

CCAO supports legislation permitting a county to levy fines and issue stop work orders to enforce county flood plain regulations.

LOCAL GOVERNMENT REQUEST FOR PUBLIC HEARING ON PERMITS FOR BRINE INJECTION WELLS

Under current law, the Division of Mineral Resources at the Department of Natural Resources is not required to hold a public hearing on applications for permits for an oil and gas well or a brine injection well, even if the division receives timely comments and a request for a hearing. This is different than the law on concentrated animal feeding operations and wind farms.

CCAO supports a change in law that requires public hearings on applications for oil and gas well permits and brine injection well permits if requested by a board of township trustees or municipal legislative authority if the proposed location is within that township or municipality, or by a board of county commissioners if located in the county. The Division would continue to have discretion on hearings requested by other parties but would be required by state law to conduct a hearing if requested by local governments.

CCAO has additional positions relative to the taxation of oil and gas that can be found
under the *Taxation and Finance* section of this document.

**ZONING OF CELLULAR TOWERS**

Existing law limits the authority of county and township zoning to regulate cellular towers to residential zones. CCAO supports legislation granting authority to regulate cellular towers in all zoning districts under reasonable standards that recognize the need for cellular service.

**LAND REUTILIZATION PROGRAM / LAND BANKS**

CCAO supports amendments to the land reutilization program to accomplish all of the following:

- Allow counties to form multi-county land banking programs.
- Allow a board of revision to process tax foreclosures as opposed to the courts.
- Permit electing political subdivisions to acquire delinquent properties without the requirement of waiting for the property to be offered for sale at two sheriff sales.
- Allow the county to retain their own legal counsel to prosecute tax delinquencies instead of being required to use the prosecutor.
- Require property owners to pay all back taxes and assessments within one year of delinquency and not be able to enter into a payment program to avoid foreclosure.
- However, a special provision should be included to allow payment plans for senior citizens on limited incomes and for the properties that are delinquent and taxes have not been paid as a result of a death and final disposition of the estate has not occurred.
- Allow counties who sell property acquired through this process to be sold for less than fair market value.
- Currently, execution of tax foreclosure actions by the county prosecutor on properties which had been delinquent for at least three years can be taken against the parcel of property. The three year window should be shorted, to allow counties to recover those dollars quicker.

**LOCAL DISCRETION ON PREVAILING WAGE**

Counties should be given the ability to opt-in to prevailing wage requirements on public projects as they wish. This would allow more flexibility and administrative savings for counties facing costly construction projects.

**GOVERNANCE OF CONSERVANCY DISTRICTS**

The governance structure of conservancy districts should be revised by removing common pleas judges as the appointing authority for the board of directors of the district. Advisory Opinion 2003-9, issued by the Board of Commissioners on Grievances and Discipline, poses the possibility that this role of appointing authority may be in conflict with the Ohio Code of Judicial Conduct. The boards of county commissioners from each county within a conservancy district should appoint either a commissioner or other qualified person to the board of directors of the district.

**FORCE ACCOUNT**

CCAO supports indexing thresholds for the performance of force account work to increases in the construction price index so that force account limits will keep pace with inflation. CCAO also supports permitting a sanitary engineer with funds appropriated by the commissioners for this purpose to use county personnel and equipment to undertake water and sewer projects instead of having to contract for all such improvements.
TRANSPORTATION IMPROVEMENT AUTHORITIES

CCAO supports the enactment of legislation to allow local governments, with the consent of each of the participating local governments’ legislative authorities, to create transportation improvement authorities.

AIRPORT FUNDING

CCAO supports legislation that would establish a trust fund comprised of all state sales tax revenue from the sale of aviation fuel (approximately $6 million per year). Ohio has 97 general aviation grant-eligible airports. An aviation study prepared for ODOT in 1999 estimates that it would take $8 million per year over a 20-year period to rehabilitate these airports. The sales tax from aviation fuel dedicated to safety and runway improvements would go a long way toward providing the level of funding recommended in the ODOT study.

RAILROAD GRADE SEPARATION FUND

CCAO supports legislation that would continue the nearly completed Railroad Grade Separation Program initiated in 2001 with a state commitment of $200 million that funded 28 high priority grade separation projects across Ohio. Of the 28 major grade separation projects undertaken with this program, only two grade separation projects remain and are in the process of being completed. Grade separation projects at critical rail highway intersections promote economic development and public safety while relieving highway traffic congestion.

FIBER OPTIC SYSTEMS

CCAO supports providing counties with specific statutory authority to own and operate fiber optic systems for telecommunication purposes. CCAO supports programs that encourage greater Internet and broadband accessibility statewide.

AIR QUALITY

The US EPA revised ozone standard of 70 parts per billion (ppb) became effective October 2015. Because of the substantial costs of potential programs required to meet such attainment standards and the regional nature of their application, CCAO strongly recommends that responsibility for implementing air pollution controls remain with the state. CCAO encourages the state to work with local air pollution control agencies, local governing bodies, MPO’s, regional councils of government, and businesses to use opportunities to utilize land use law and regulations to meet the Clean Air attainment standards. As the state tackles air quality regulations, the association urges reasonable practices that minimize adverse impacts on citizens and the economy of Ohio.
THE STATE SHOULD ASSUME COMPLETE RESPONSIBILITY FOR INDIGENT DEFENSE

THE FUNDAMENTAL RIGHT TO COUNSEL IS “MADE OBLIGATORY UPON THE STATES BY THE FOURTEENTH AMENDMENT.” - GIDEON V. WAINWRIGHT (1963)

Indigent defense is a state responsibility. But in response to *Gideon*, Ohio opted to require counties to provide indigent defense, with the state reimbursing counties for 50 percent of the cost of delivering this constitutionally mandated service. The state funded its reimbursement by utilizing revenue deposited into the state general fund from a statewide court cost established by the General Assembly. However, in 1979, when the revenue from the court cost became less than the amount required to provide the state’s 50 percent reimbursement, the state modified its funding commitment by establishing the concept of “proportional reduction.” Under this concept the state simply appropriates an amount for reimbursement and then proportionally reduces the reimbursement rate to counties.

County-Level Indigent Defense Program Costs and State Reimbursement

![Bar chart showing county share and state reimbursement over fiscal years 08 to 18]
JUSTICE AND PUBLIC SAFETY

Since 1979 counties have been carrying more than their 50 percent share of the burden. The state reimbursement rate to counties has averaged 35 percent over the last 10 years and hit its record low of 26.1 percent in state FY 09. Average net county costs for providing indigent defense services across all counties from state FY 13 through state FY 16 totaled $74 million per year. In light of the revenue losses counties have sustained, Ohio should relieve counties of this burden. Counties assumed $80.3 million in indigent costs for FY 18, and the Ohio Public Defender’s Office estimates that unreimbursed indigent defense services will cost counties approximately $90 million in FY 19.

Constitutional compliance requires state assumption of this responsibility

CCAO firmly believes that Ohio’s current system of providing indigent defense is at risk of a constitutional challenge. Transitioning the delivery of indigent defense services must be made by shifting the obligation from the counties to the State as Gideon held. CCAO notes the following three points supporting this transition as the most appropriate course of action:

- Report upon report has concluded that Ohio’s system for providing counsel to indigent defendants is inefficient and ineffective. Moreover, it is in need of significant improvements and that an excessive portion of the burden for providing indigent defense has been placed upon and is being borne by the counties.
- This is an issue of right-sizing government. The state is the most appropriate government to be responsible for the statewide provision of indigent defense representation.
- Under the current system, each of Ohio’s 88 counties operates its own indigent defense system, which has created discrepancies in the quality, efficiency and cost of representation.

STATE CAPITAL FUNDING FOR COUNTY JAILS SHOULD BE RESTORED

It has been 15 years since the state provided capital funding for county jail construction and renovation through the biennial capital appropriations bills. About $285 million had been provided between 1985 and 2003, averaging out to approximately $15.8 million per year. Adjusting upwards for a cumulative inflation rate of 35.6 percent since 2003, the state would need to appropriate approximately $21.5 million annually to return to its previous level of capital funding committed for county jail.

DEMAND FOR ADDITIONAL JAIL BEDS IS DRIVEN BY FIVE KEY FACTORS: OVERCROWDING, FACILITY AGE, RISING FELONY POPULATIONS, FEMALE PRISONERS, AND INCREASING DRUG CRIME ARRESTS.

According to the best available Department of Rehabilitation (DRC) data, the average daily jail population for 2016 was 20,397 which is approximately 14 percent over DRC’s recommended capacity statewide. 38 percent of the population were being held on at least one drug-related offense and 20 percent of the population were women, who require additional measures of separation from the general jail population.

The age of county jail facilities suggests that there is a crisis on the horizon. The general life span of a jail is between 25 to 30 years, and 32 of our 90 county jails were opened prior to 1988. Two of our county jails date back to the 1880’s and one dates back to 1800. When looking at recent construction or renovation activity, only five county jail facilities have been opened since 2000. It is clear that our county jail facilities are reaching a point where costly updates and repairs to their structural,
mechanical and operating systems are going to become a necessity.

ELIMINATE THE TARGETING COMMUNITY ALTERNATIVES FOR PRISONERS (T-CAP) PROGRAM

The disposition and rehabilitation of felony offenders is the responsibility of the state. This program results in a major paradigm shift transferring that responsibility to the counties. CCAO views this program as being designed by the state for the state to keep its prison population down at the expense of the counties. If the state needs to build a new prison to house its prison population, it should do so rather than place this excessive burden on the counties. This program should be eliminated from the FY 19-20 state budget.

The Department of Rehabilitation and Corrections suggests that managing this population of low-level offenders in the community is a much less costly, more effective alternative to state prison and claims that the financial assistance to the counties will adequately compensate the counties for the community treatment costs they will have to bear. However, the counties are already subsidizing the state’s cost of incarcerating these offenders by housing them in our jails at our expense and for which they receive credit against their prison stay for time served.

While there is great flexibility in how the grant funds may be used, the subsidy amounts allocated for each county do not come close to covering the county’s costs they have identified as associated with keeping Felony 5 offenders in their community. Because there is insufficient, and in many situations unobtainable, infrastructure available to provide the rehabilitation, treatment and security services required for the program such as counseling, probation and administrative staff, community housing and jail space and equipment to effectively monitor probation/sentence compliance, counties are confronted with the practical impossibility of performing this function.

EMERGENCY 9-1-1 FUNDING AND MANAGEMENT

The Statewide Emergency Services Internet Protocol Network Steering Committee (ESINet Committee) is tasked with moving Ohio to a Next Generation 9-1-1 (NG9-1-1) system that supports digital communications and can leverage future advances in technology for emergency responders to effectively protect and efficiently respond to calls from the public for emergency assistance. The technology associated with this system is extremely expensive and cannot be borne by counties alone. This system must be adequately funded to ensure that the public’s expectations are met.

A universal device fee must be enacted

The ESINet Committee has recommended that a Universal Device Fee be established and be effective by 2020. A Universal Device Fee, is a permanent, statewide, uniform monthly charge against all numbers/addresses that are capable of accessing 9-1-1, to fund Ohio’s 9-1-1 system. The revenue from the monthly charge should be utilized to adequately support both the state’s provision of ESINet and 9-1-1 services and local governments’ public safety answering point (PSAP) operations centers.

CCAO supports this recommendation and concurs with the ESINet Committee’s further recommendation that this fee should initially be established at 25 cents for the first two years and then be able to be adjusted annually by the ESINet Committee between 25 cents and 30 cents for the next five year period after which it return to 25 cents. This flexibility provided to the ESINet Committee is necessary to ensure that both the implementation of the NG9-1-1 system and county access and utilization of the new system can be adequately financed.
The universal device fee must support local PSAP operations

Funding allocated to the PSAP operations centers should support the acquisition of the necessary hardware, software, and technology upgrades and annual maintenance of the system; underwrite the costs of mandatory training requirements and regulatory compliance; and establish a reserve for funding the major system technology advances that will occur over time. The state should also consider providing specific incentives which assist counties in completing last mile connectivity; maintaining their Ohio Location Based Response System which provides address, street and location data; and effectively consolidating PSAPs.

Counties should manage PSAP operations

The State NG9-1-1 system and the PSAPs it supports will eventually replace the existing 9-1-1 systems throughout the State. CCAO recommends that PSAP management become the responsibility of commissioners as a county department. CCAO recommends that all calls to 9-1-1 be received at a single centralized PSAP location within the county, complimented with appropriate redundancy, for dispatch to the public safety/service provider covering the area where the call originates.

There is also a need to clearly distinguish between the PSAP 9-1-1 call receipt function and the dispatch function and insure that a political subdivision that provides dispatch services for another subdivision can contract for and fully recover their costs in providing that service.

DRUG EPIDEMIC IMPACTS ON COUNTY JAILS

A county jail’s mission is not to treat or house the mentally ill or addicted. Jails are not designed to be treatment facilities, and jail staff are neither envisioned nor trained to be treatment providers. The state must accept responsibility for the management and care for the mentally ill and addicted population and get them out of the jails.

The continued incarceration of mentally ill and addicted individuals in county jails places an undue burden of risk and of cost upon these facilities and is clearly outside the purpose for county jails. Jail employees are not trained to manage or treat individuals suffering from mental illness or addiction. This population is at high risk for injuring themselves or others. The health care costs for these individuals are excessive, and the housing of these individuals in a jail threatens public safety by taking up scarce bed space that was designed for and should be used for housing real criminals.

Last session CCAO, the Buckeye State Sheriffs Association, and the behavioral health community recommended that the state take the following actions specifically designed to assist county jails in managing and caring for the mentally ill and addicted population:

- Establish and fund a program managed by the local county behavioral health boards.
that utilizes Medicaid managed care
providers and local providers to assess and
treat Jail inmates and, upon release,
continue treatment under traditional
Medicaid coverage. This program will
provide a continuity of care for mental
health and addiction services that are so
critical for many of the individuals
incarcerated in our jails.

• Establish a statewide behavioral health
triage program that provides regional
centers that law enforcement can take
individuals to who have been taken into
custody or are incarcerated which:
  ◦ Serve as a drop-off center and provide
crisis beds for crisis intervention
  ◦ Conduct immediate forensic
evaluations
  ◦ Manage detoxification

• Require the Department of Mental Health
and Addiction Services’ Central Pharmacy
to provide all psychotropic drugs prescribed
for county Jail inmates.

In response to our proposal the FY 18-19
budget bill provided $6 million per year for the
establishment of acute substance use disorder
stabilization centers across the state and
$2.5 million per year for a Psychotropic Drug
Reimbursement Program for county jails. While
these efforts are helpful, the state needs to fully
implement and fund our recommendations.

COMMITTEE RECOMMENDATIONS

Adopt a risk based system to establish bail for
defendants

Bail reform was considered during the 132nd
General Assembly as HB 439. CCAO urges
the legislature to continue its deliberations on
this subject and enact a risk-based system to
establish bail for defendants.

Bail refers to the process of releasing a
defendant from jail with conditions that
reasonably protect public safety and ensure
the defendant will show up for court. Ohio
law defines bail as security for the accused to
appear in court (ORC Section 2937.22). Usually
there is a bond schedule established by the
court for the various types of offenses, and if
the individual can post the monetary amount
required, they are released from jail. Risk of flight
or the impact of the individual’s release upon
public safety, the true purposes for bail, are not
taken into consideration under this methodology.
If the individual can provide the money, they gain
release from jail.

However, the ability to pay a bail bond is
impossible for too many of the people expected
to pay it, and, as a result, our county jails house
many pre-trial individuals who present no
reasonable risk to the public safety but remain
incarcerated simply because they don’t have the
money required to gain their release.

Considering that over 60 percent of our
counties’ average daily jail populations are
unsentenced individuals who could not post
bail, CCAO believes a risk based system to
establish bail would help reduce our county jail
population.

SAFETY CAPITAL GRANT PROGRAM

The Safety Capital Grant program appropriated
$10 million for FY 16 and $10 million for FY 17.
The grants were awarded to local governments
to provide funding to purchase items to enhance
the public safety of a community’s residents.
Individual political subdivisions could receive up
to $100,000 in grant funding while applications
from multiple jurisdictions could receive up to
$500,000.

With over 800 grant applications received
during the FY 17 funding round, the program
clearly shows the pent-up demand for needed
emergency services equipment and strongly
suggests that the General Assembly ought to
reestablish this program in the next biennium and significantly increase the funding appropriated for the program.

ELIMINATION OF MARCS USER FEES

The state has committed a significant investment to upgrade the Multi-Agency Radio Communication System (MARCS) radio system to provide interoperability among local responders’ communications equipment. One of the challenges to local governments wanting to utilize MARCS, however, is the cost-prohibitive monthly user fee the state currently charges local responders for use of the system.

The state budget has made grant funding available to rural fire departments to help them pay the monthly MARCS user fee. The FY 16-17 budget provided GRF funding of $2 million per year to subsidize $10 of the $20 monthly MARCS subscriber fees paid by political subdivisions during the FY 16-17 biennium. The FY 18-19 budget reduced the GRF funding subsidy to $1 million per year, effectively reducing the subsidy to $5 per month and requiring local governments to pay $15 of the $20 monthly MARCS subscriber fee.

Ultimately, in order to make the system a viable option for counties and other local governments’ communication needs, the monthly MARCS user fee must be eliminated. For those political subdivisions that have negotiated equipment acquisition or sharing arrangements in order to reduce their user fee obligation, these agreements should be subject to renegotiation if the fee is permanently reduced or eliminated.

STATUTORY COURT COSTS

Clerk of court fees (ORC Section 2303.20) were last increased in 1992, and probate court fees (ORC Sections 2101.16 and 2101.17) have not been increased since 1976. These fees help offset the cost of the operation of the clerk of courts office and probate court. CCAO asks that these fees be increased significantly to offset the gross depreciation in their value resulting from inflation.

MUNICIPAL CHARGING PATTERNS

CCAO must express its frustration regarding current municipal charging patterns. Presently, municipalities can choose whether to charge a misdemeanant criminal case under a local municipal ordinance or under the Ohio Revised Code. This decision holds great significance as it relates to whether it is the city or the county who will pay for the costs of detention, mental health evaluations and public defense expenses and which will benefit when fee or fine monies are collected. While municipalities are understandably authorized under their home rule authority to establish a criminal code and exercise police powers, this power should not extend to shifting costs to the state via counties by citing an individual under the Ohio Revised Code when the individual case offers no financial incentives for the municipality to prosecute the case under its municipal ordinance authority.

COMMISSIONERS USE OF OUTSIDE LEGAL COUNSEL

The board of commissioners may employ an attorney other than the prosecuting attorney to represent it on either a particular matter or on an annual basis. However, the total compensation paid in any year for outside counsel cannot exceed the total annual compensation of the county prosecuting attorney. CCAO asks that this artificial spending cap imposed by ORC Section 309.09(C) be eliminated.

STATE SUBSIDY FOR HOUSING CERTAIN PRISONERS IN COUNTY JAILS

State laws and policies have contributed to the significant increase in county jail population.
JUSTICE AND PUBLIC SAFETY

State funds should be appropriated to reimburse counties for the costs of housing prisoners in county jails that are doing any of the following:

- Serving sentences for a felony conviction.
- Being held by the Adult Parole Authority pending a parole revocation hearing.
- Being incarcerated pursuant to the provisions of the Domestic Violence Preferred Arrest Law (House Bill 335).
- Serving mandatory jail sentences under the state’s OMVI laws.

COVERAGE FOR MEDICAL COSTS OF UNSENTENCED JAIL INMATES

CCAO asks that the state encourage Congress to remove the so-called “inmate exception” that prevents federal medical benefits from being paid for people in jail whether or not they have been convicted of a crime. Current federal benefits rules that must be followed by the states leave counties solely responsible for the medical expenses of jailed individuals. As a result, qualified individuals who have been jailed are automatically stripped of their federal benefits before they have been convicted. This appears to be a direct contradiction of the basic presumption of innocence, which is the foundation of the American criminal justice system.

The state also could assist counties by amending its Medicaid plan to both continue eligibility to and provide benefits for a Medicaid eligible individual during their incarceration in a county jail. While federal law prohibits federal reimbursement for medical services provided to incarcerated individuals, it does not prohibit the state from spending state dollars at the Medicaid rates for such services which, if paid, would help subsidize the county’s cost.

SHERIFF DEPUTY TRAINING REQUIREMENTS

Counties must receive complete reimbursement for all costs associated with any mandatory law enforcement continuing professional training required by the state. These costs include not only the costs for the actual training but also the officer in training’s regular salary and the covering officer’s salary at time and a half.

COURT SYSTEM RESTRUCTURING AND MANAGEMENT

While CCAO recognizes and respects the court system as an independent third branch of government, several issues involving the judicial system are impacting counties’ efforts to increase efficiency performance and contain costs.

- The current system of county and municipal courts is balkanized, functions inefficiently and ineffectively, and, consequently, costs local government more than it should to operate. A complete review and restructuring of the misdemeanor court system should take place.
- The state should begin moving toward the assumption of full responsibility for the operation and management of the common pleas court system in the state, thereby fostering a more collaborative and unified system.
- There is an increased incidence of courts demanding funding of budget requests which are neither pragmatic nor responsible, and that exceed funding parameters imposed upon other county officials and challenge resource allocation.
- A periodic review of the number of judgeships required in the various courts based upon population and caseloads should be undertaken.

DRC COMMUNITY CORRECTIONS PROGRAMS

The Department of Rehabilitation and Corrections (DRC) and the Department of Mental Health and Addiction Services (MHAS) have begun to work cooperatively to develop
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and fund programs to support a continuum of community corrections programs that provide drug and alcohol counseling and treatment and services for the mentally ill in the county jails. CCAO strongly supports this collaboration and encourages a much greater level of reinvestment in the communities to support these goals.

The Department of Rehabilitation and Corrections’ “Community Corrections Act” programs should continue to be used as the foundation upon which to build this infrastructure. These highly successful programs are developed through evidence-based analysis, and best practices models are funded through the Division of Parole and Community Services. Community Corrections Act (CCA) line items support felony prison diversion and misdemeanant jail diversion programs in the local communities.

Funding for these CCA programs should continue to be increased and new program options developed to support the local communities as best practices become identified. Additional funding should be allocated specifically to county government through the CCA Jail diversion 407 line item to provide funding to assist local government in providing treatment and services to those addicted to opiates and other illegal substances or experiencing a mental health disorder.

DYS JUVENILE JUSTICE FUNDING

Support for local juvenile justice programing has been ignored for over a decade. It is well past time for the state to significantly increase funding through the Department of Youth Services for juvenile detention services. RECLAIM Ohio and the Youth Services Grant (510 line item) are the major components for juvenile justice funding and absolutely are critical funding programs for Ohio’s juvenile courts, accounting for approximately 33 percent of their operating budgets.

Annual RECLAIM Ohio funding has remained at approximately $30 million per year since FY 10. The Youth Services Grant also continues to be flat funded, as it has been since FY 03, at $18.6 million per year. Together, these line items have seen almost a 10 percent reduction in funding from the FY 02 appropriation levels.

Failure to fund these line items adequately will lead to increased commitments to DYS institutions because the resources will no longer be available locally to serve these youth in their communities.

COMMUNITY BASED CORRECTIONS FACILITIES

Community Based Corrections Facilities (CBCFs) are secure residential facilities that house individuals who have been diverted from the state’s prison system in order to provide them with intensive programming and rehabilitation services that will lead them to choose not to reoffend. CBCFs are created by the common pleas courts through the establishment of a judicial advisory board and are managed by a local facility governing board comprised of individuals appointed by the judicial advisory board and the county commissioners of the member counties. CBCF funding is provided through grants administered by the Department of Rehabilitation and Correction. An expansion of the current funding would allow for the diversion of more individuals from prison into the CBCF programming.

State law limits the time an individual can stay in a CBCF to a period of six months or less. However, new research and empirical analysis suggests that programming objectives and results are more effective and successful if treatment is extended beyond six months. CCAO recommends that the legislature work with the Department of Rehabilitation and Correction to determine if state law should be amended to allow for a longer maximum stay in a CBCF and whether CBCF programing could
effectively provide addiction and mental health rehabilitative services that would benefit the remediation of the opiate crisis.

STATE FUNDING OF THE LEADS SYSTEM

With the advent of the Statewide Emergency Services Internet Protocol Network (ESINet) Steering Committee, the administration of the state’s Law Enforcement Automated Data System (LEADS) should be merged into the ESINet to eliminate the need for county contributions for maintaining the system and should provide a funding mechanism to local jurisdictions to cover the cost of hardware and software upgrades required by new technology applications.

PROSECUTION OF CRIMES OCCURRING ON STATE PROPERTY

The state should provide a biennial appropriation line item to pay 100 percent of the costs incurred by counties for prosecuting offenders who commit crimes at state institutions, such as state prisons, or on state-owned property.

VOLUNTEER FIRST RESPONDERS TRAINING

The number of hours required for a volunteer to become certified and maintain certification as a fireman or emergency medical service responder has become onerous. The state should reevaluate the training requirements for these volunteer positions.
Metropolitan and Regional Affairs
Chair: Gloria Rodgers, Summit County Council Member
Vice Chair: Kevin Boyce, Franklin County Commissioner
Liaison: Suzanne Dulaney, CCAO Executive Director

The 11 Ohio counties with a population exceeding 225,000 meet to review issues of critical importance to metropolitan counties and to deal with issues relating to regionalism. Counties in metropolitan areas experience unique challenges requiring specific legislative actions and responses to assist their constituents. While many metropolitan county issues are covered in other areas of this platform document, the following are either unique to metropolitan counties or present themselves in a unique way.

Metropolitan counties serve as important regional centers for economic development. The depth and breadth of challenges they are grappling with in the face of eroding revenues and exploding costs attributable to the opiate epidemic are unique in our history. If Ohio is to prosper into the future, now is the time for a stronger state-county partnership.

COMMITTEE PRIORITIES

METROPOLITAN COUNTIES NEED A REPLACEMENT OR REINSTATEMENT OF THE OVER $103.7 MILLION THEY RECEIVED FROM THE COLLECTION OF THE MEDICAID MANAGED CARE SALES TAX IN CY 2016.

MEDICAID MANAGED CARE SALES TAX IMPACT
It is imperative to metropolitan counties and the residents they serve that a replacement funding mechanism be identified to restore the $166 million annual MCO revenue loss to counties. The state replaced their revenues with a different fee structure and now the state needs to identify revenue replacement for counties.

PUBLIC TRANSIT IN PERIL
Public transit in metropolitan areas is how thousands of people get to work, school, and medical appointments. Eight metropolitan transit authorities will lose $40 million per year as a result of the loss of Medicaid managed care sales tax. On top of this loss, Ohio already spends less on public transit than 44 states.

ODOT’s statewide transportation study in 2015 noted that an estimated one-third of vehicles in the urban public transit fleet need to be replaced and that another $555.3 million is needed. This will rise to $903.9 million in 2025. Metropolitan counties cannot help advance economic and workforce development for Ohio without a stronger state partnership to provide public
METROPOLITAN AND REGIONAL AFFAIRS

transit. Public transit authorities are already eliminating routes as a result of the Medicaid MCO sales tax losses. We must work together to find a funding solution for public transit. Additional public transit recommendations include:

- Identify a dedicated funding source to increase our investment in public transit.
- Urge the Ohio Congressional delegation to modify federal law so that Federal Transit Administration Section 5307 funds, whose use now is limited to capital projects, can be employed more flexibly by local transit systems.
- The Ohio Department of Transportation also should pass through the full amount of the federal obligation ceiling to local entities for critical transit needs.

OPIATE EPIDEMIC: CREATING ABILITY FOR THE GOVERNOR TO DECLARE AN OPIATE HEALTH EMERGENCY

Building upon the model used to respond to natural disasters, it is time to bring new emergency response capability to county government in order to respond to the devastation that is being experienced. Such a response could include extraordinary powers for the executive branch when certain conditions are met, as well as access to special matching funds for specific emergency needs. Some needs identified by metropolitan counties include:

- Expanded detoxification and treatment access.
- Resources to expand access to Naloxone.
- Offset the growing costs associated with autopsies and toxicology reports.
- Jail inmate medical cost relief.
- Provide relief for increased demand on child protective caseworkers.
- Early education, prevention and intervention resources.

In response to our proposal last biennium, the FY 18-19 budget bill provided $6 million per year for the establishment of acute substance use disorder stabilization centers across the state and $2.5 million per year for a psychotropic drug reimbursement program for county jails. While these efforts are helpful, the state needs to partner with us to do more in this area.

CHILD PROTECTIVE SERVICES

Fifty-four percent (approximately 1.6 million) of the state’s total child population reside in Ohio’s 11 metropolitan counties. As of July 1, 2016, 65.1 percent of Ohio’s children in custody lived in these metropolitan counties. Given the number of Ohio children depending on these counties for safety and permanency services, metro counties are particularly focused on strengthening the state/county partnership in children services. To view CCAO’s recommendations around Ohio’s children services program, see the Human Services section of this document.

CHILD CARE: BALANCING ACCESS AND QUALITY

A critical component to escaping the cycle of poverty is subsidized child care that makes it possible for parents to work in entry-level positions upon which a career can be built. Counties administer the child care programs that help eligible families pay for child care. Metropolitan counties often have high concentrations of poverty and, consequently, also have a large percentage of the publicly funded child care caseload.

Step Up to Quality is Ohio’s quality rating system for child care programs. The Ohio Department of Education and the Ohio Department of Job and Family Services use a one to five star rating system to assess ODE and ODJFS licensed early childhood programs that choose to exceed minimum health and safety standards.
Starting in July 2020, all child care programs that receive state funding will be required to participate in Step Up to Quality. So far, only about one in four of the currently subsidized providers have qualified, leaving 115,000 children statewide at risk of losing their subsidy or having to find new providers. Metro counties appreciate that public funding for child care should go to qualified providers. However, if the mandate isn’t achievable, it will cause disruption and create significant workforce challenges.

The deadline must be monitored over the coming year. In the absence of substantive progress getting the remaining providers qualified for Step Up to Quality, the deadline should be extended.

INDIGENT DEFENSE

It is time for the state to assume complete responsibility for indigent defense. In light of the revenue losses counties have sustained, Ohio should relieve counties of this burden. For a more detailed description of the history and details, please see the Justice and Public Safety section of this document.

ELIMINATE THE TARGETING COMMUNITY ALTERNATIVES FOR PRISONERS (T-CAP) PROGRAM

The disposition and rehabilitation of felony offenders is the responsibility of the state. Beginning on July 1, 2018, 10 metro counties were mandated to participate in the T-CAP program. The premise of T-CAP was that certain lower-level felony offenders could be managed in the community in a more effective and less costly manner than in the prison system and a subsidy would be provided to cover the costs. However, the subsidy amounts allocated to counties have not come close to covering the counties’ costs associated with keeping these offenders in the community.

NEXT GENERATION WORKFORCE

High Quality Preschool

Several metropolitan counties are providing resources to promote county-wide access to high quality preschool. Many counties are working with various business and community leaders to follow best practices that lead to an educated and prepared future workforce. By ensuring that all children can attend at least one year of affordable or no-cost, high quality preschool, a number of critical indicator improvements are likely:

- Children who attend high quality preschool are more likely to complete high school and attend college.
- Children who attend high quality preschool are less likely to enter the criminal justice system or go to prison.
- Children who attend high quality preschool are more likely to earn a living wage within a career with advancement opportunities.

This initiative involves:

- Educating the community and families about the importance of all children attending a high quality preschool.
- Expanding the availability of high quality preschool through both the development of new preschool resources and through improving the quality of existing providers.
- Assisting families in finding and paying for high quality preschool.
- We need the state to be a partner with us as we invest in Ohio’s children and in Ohio’s future.

LEAD POISONING PREVENTION & REMEDIATION

Given the devastating impact lead can have on our children’s bodies, it is time to redouble our efforts to help residents to conduct testing and take steps to remediate lead. We need a strong state partner that can help our communities with resources to combat this problem.
COMMITTEE PRIORITIES

INTERNET SALES TAX

CCAO urges the General Assembly to enact a law similar to South Dakota’s statute that will establish bright line thresholds for remote vendor sales tax collection ($100,000 sales, 200 transactions per year).

Until 2018, U.S. Supreme Court decisions in National Bellas Hess v. Department of Revenue of Illinois (1967) and Quill Corp v. North Dakota (1992) prohibited states from requiring out-of-state internet vendors to collect sales tax unless the vendor had a physical presence within the state.

As internet sales became more widespread, Ohio and other states lost significant amounts of revenue because consumers rarely report use tax that is due on out-of-state purchases. Even though Ohio and other states partnered to create a Streamlined Sales and Use Tax Agreement to simplify sales tax administration and compliance, Congress refused to pass a law to address this problem.

With the U.S. Supreme Court’s decision in South Dakota v. Wayfair (June 2018), the physical presence rule has been overturned, and states can legally enforce remote vendor collection requirements. A U.S. General Accountability Office study estimated that state and local governments could gain between $8 billion and $13 billion in 2017 if they could require remote sellers to collect sales tax. The study estimated Ohio could gain between $288 million and $456 million annually, subject to significant uncertainty about compliance rates and the specifics of state law.

PRESERVE STATE/COUNTY SALES TAX BASE

CCAO urges the Administration and the General Assembly to preserve Ohio’s sales tax base.

CCAO opposes legislation which would narrow the sales tax base, such as legislation that would exempt employment services and employment placement services from the sales tax.

As part of an overall strategy by the state to reduce Ohio’s reliance on the personal income tax, the state has adopted a series of income tax reductions since 2005. These efforts when combined with a .25 percent sales tax rate increase in 2013 have had the practical effect of making the state more dependent on the sales tax than the personal income tax for the first time in decades. The sales tax surpassed the personal income tax as the #1 revenue source to the state general revenue fund (GRF) in SFY 14. Given the state’s increased reliance on the sales tax as the #1 revenue source to the state GRF, it stands to reason that state government has a compelling interest in protecting the sales tax as a critical part of the state tax base. Thus, the state and counties should work together to protect the sales tax as a critical funding source for both levels of government.

EXTEND THE SALES TAX TO SMALL HOTELS

CCAO recommends that the sales tax exemption for small hotels be removed so that the sales tax applies to all hotel transactions.
Currently, Ohio Revised Code section 5739.01(G) defines a “hotel” for the purpose of the sales tax law as being an establishment held out to the public where sleeping accommodations are offered to guests, in which there are five or more rooms that are used for the accommodation of the guests. The definition effectively exempts rooms at small hotels and “bed and breakfasts” from the sales tax. Commissioners can adopt a resolution to extend the lodging tax, but not the sales tax, to these smaller establishments.

This exemption leads to a significant tax revenue loss in counties with numerous small hotels. The revenue loss will only grow worse over time as Airbnb and other online hotel booking sites become more widely used.

FULLY REPLACE THE MEDICAID MANAGED CARE ORGANIZATION (MCO) SALES TAX

CCAO URGES THE STATE TO COMMIT TO A PERMANENT REPLACEMENT FOR THE COUNTY AND TRANSIT AUTHORITY REVENUE LOST DUE TO THE ELIMINATION OF THE MEDICAID MCO SALES TAX.

The county sales tax is the leading revenue source to the county general fund and represents over 50 percent of general fund revenues on a statewide basis. From October 2009 to June 2017, Ohio law applied state and county sales taxes to payments made by the Ohio Department of Medicaid to Medicaid Managed Care Organizations (MCOs). Revenues derived from these payments grew gradually over time and accounted for nearly $166 million to counties and $44 million to transit authorities in 2016, the final full year in which the tax was in place. In 2016, the federal Center for Medicare and Medicaid Services (CMS) informed the state that the structure of the MCO sales tax was impermissible under federal law because: (1) it was not a broad-based health care provider tax since it did not apply to health insuring corporations in the private insurance market; and (2) the reimbursement amounts paid to MCOs to compensate for their tax liability amounted to a “hold harmless” policy that did not meet federal guidelines.

In order to maintain a provider tax that meets the requirements of federal law, the state used the FY 18-19 budget process to create a new MCO fee structure that also included private health insurers. The new fee structure did not provide revenue to the counties. Instead, the state operating budget (H.B. 49) and subsequent legislation (H.B. 69) authorized a series of transition payments to counties and transit authorities, amounting to a total of $286 million. The final payment occurred in August 2018. Although the transition payments have mitigated the immediate impact of the loss of the Medicaid MCO sales tax, the long-term impact of this change will be a significant revenue loss to counties that will negatively affect their ability to provide vital services.

MODERNIZE INFRASTRUCTURE FUNDING

Ohio’s infrastructure has a huge impact on economic development and quality of life. The adequacy of infrastructure funding for our highway transportation system and our local utility infrastructure must be revisited. Adjustments to highway user fees, and additional grants, loans and subsidies for the capital costs of local utility infrastructure need to be considered by the state.

Historically, Ohio has met its transportation needs with motor vehicle fuel (gas) taxes and motor vehicle license fees. Ohio counties rely on an equal share of gas taxes to each county as well as a formula for distribution of motor vehicle license taxes to provide stable funding for county highway improvements. While the combination of gas taxes and license fees has worked well for Ohio’s counties and the state, inflationary increases in the cost of construction have
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effectively reduced the buying power of user fee dollars to make necessary improvements to county roads and bridges.

The state last adjusted the motor vehicle fuel tax in 2005 (2 cents in each of 2003, 2004 and 2005) and last adjusted the state motor vehicle license fee for the benefit of local governments in 1980.

Recognizing that local governments need to take responsibility in helping to address local highway funding needs, CCAO, CEAO, the Ohio Municipal League and the Ohio Township Association all support additional authority for local governments to adjust permissive local motor vehicle license fees.

Ohio, like much of the country, is facing massive water and sewer infrastructure upgrades. The Flint, Michigan, water crisis and the Sebring, Ohio, lead contamination tragedy illustrated the challenges that our aging infrastructure is facing to adequately provide quality drinking water for our citizens and businesses that rely on water.

The U.S. Environmental Protection Agency recently released its water quality report to Congress that says it will take more than $14.5 billion to fully fund needed storm water and waste water projects in Ohio, and $12.2 billion for drinking water projects, over the next twenty years. Ohio requires $7.5 billion in capital costs to prevent or control mixed storm water and untreated wastewater from discharging into water systems – the second highest of all states.

Project costs for new construction and repair or maintenance of our water and sewer infrastructure far exceed the financial capacity of the counties and local governments to incur these obligations. The state must find ways to address these challenges and facilitate payment of these project costs. CCAO recommends exploring options such as: allocating public works bonding capacity to these projects, re-establishing the Ohio water and sewer rotary commission, and providing greater funding support, including more matching grants for governments and citizens confronted with EPA orders to install water and sewer systems.

SUPPORT FULL RESTORATION OF THE LOCAL GOVERNMENT FUND TO 3.68 PERCENT OF STATE GENERAL REVENUE FUND TAX REVENUE

CCAO supports the full restoration of the Local Government Fund to 3.68 percent of state General Revenue Fund tax revenue, the statutory level in 2011 before the LGF was cut in half.

The Local Government Fund (LGF) represents the most critical element of state assistance to counties. In most counties, the LGF is one of the larger individual sources of income to the county general fund. The concept of sharing the major state taxes with local governments should be retained. From the perspective of counties, the LGF helps pay for various state-mandated programs. Unfortunately, the Local Government Fund has been reduced in recent years, posing an increasing challenge for counties.

From 2001 to the present the Local Government Fund has experienced the following changes in relation to the state:

- July 2001 to January 2008 LGF was cut and frozen for 6.5 years resulting in a $644 million gain to the state GRF and an equivalent loss to local governments
- LGF put back on a percentage of tax receipts formula (3.68 percent of state GRF) with the support of local governments in 2008.
- LGF distributions decline by an additional $100 million or 14 percent from 2008 to 2009 due to the fiscal impact of the Great Recession on state GRF revenues.
- SFY 12-13 state budget reduces LGF by roughly 50 percent over a two-year time period.
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• LGF put back on a percentage of state GRF tax receipts formula with LGF to receive 1.66 percent of state GRF as part of the SFY 14-15 state budget.

Finally, since 2011, proposals have surfaced in the General Assembly to change the formula for distribution of LGF receipts so that townships and municipalities would receive a greater relative share of the funding by reducing the amounts received by most counties.

The primary reason stated for this redistribution among the political subdivisions in the county is the fact that counties now receive casino revenue. CCAO opposes this change in the local distribution formula because counties continue to fund many mandated state programs that benefit the residents of municipalities and townships. If the LGF formula is to be changed, it must follow an analysis of not only revenues but also of state mandated expenditure requirements by various local governments.

MODERNIZE COUNTY BUDGET PROCESS AND BUDGET CONTROLS

CCAO supports the modernization of Ohio budget and appropriation laws so that the process is better understood by the public, concentrates on decisions that actually authorize the expenditure of public dollars and gives enhanced expenditure control to the board of county commissioners as the appropriation authority.

The proliferation of special revenue funds and the trend to earmark certain fees for the exclusive use of certain officials reduces flexibility for commissioners to allocate scarce resources to programs most-needed and removes effective oversight of the spending of public dollars. Too often when funds are earmarked for functions of specific county elected officials, these officials feel this money is “theirs” to do with as they choose. CCAO opposes any new mandatory earmarking of county revenue sources. Ohio’s budget laws should be amended to give commissioners more oversight over all county budgets.

PERMIT COUNTY COMMISSIONERS TO ACCESS SPECIAL REVENUE FUNDS

Consistent with the authority of state government to divert money from certain special revenue funds to the state general revenue fund and to provide for the most efficient use of county resources, county commissioners should be authorized to divert money in special funds to the county general fund. Such authority should be exercised in accordance with all of the following:

• Not apply to funds comprised of voted property tax levies for specific purposes.
• Be done pursuant to a resolution of the board after public notice to other elected officials and the public and after a public hearing.
• Assure that adequate funds remain in the fund to meet any specific statutory mandate.
• Be authorized through a resolution that applies only to the current fiscal year.
• Where a county elected official has control over a special revenue fund, permit the official to authorize the commissioners to transfer money from the special fund to the county general fund. If the county elected official with control over a fund refuses to authorize a transfer, permit the commissioners subject to the conditions outlined above to transfer special revenue funds to the general fund.

SEVERANCE TAXES ON OIL AND GAS

CCAO supports the following policy with respect to any proposal to increase severance taxes on the production of oil and gas:

• Increase the tax rate – The severance tax on oil and gas companies should be
TAXATION AND FINANCE

increased to a rate reasonably similar to the severance tax rates established by other oil producing states.

• **Majority of revenue to impacted counties** – At a minimum, a majority of the severance tax revenue derived from horizontal wells should be retained by the counties in the Marcella or Utica shale plays. This revenue should be utilized by the counties and other local governments to develop infrastructure that improves the health, safety and welfare of their citizens or is designed to enhance the potential for economic development, job creation and growth within the shale play area. In addition, this revenue should support the increased demand for government services that are required to respond to, mitigate or minimize the impacts resulting from the activity to access, extract, refine and transport to markets the minerals contained in the shale plays.

• **Revenue from increased severance taxes on oil and gas companies should be used minimally to subsidize any form of tax cuts.**

• **LGF hold harmless** – Local governments must be held harmless for any reduction of the Local Government Fund receipts resulting from the extension of any tax cuts or tax reductions that are subsidized with severance tax revenues. Any revenue required to do this must come off the top prior to any revenue allocated to support state agency operations including the ODNR orphan well closure program. In addition, it should not be taken for the allocation distributed to local governments within the shale plays.

• **Some revenue should be used to restore local government funding cuts or to provide property tax relief.**

• **The property and Ad-Valorem tax formula in state law needs to be revised** - Specifically, the law should provide local communities with more revenue from property taxes than they are expected to receive under the current tax structure. The ad-valorem tax formula should establish separate values for natural gas and its various derivative products, such as, but not limited to, methane, ethane and propane.

• **Road Use Maintenance Agreements (RUMA)** – RUMA must be a mandatory condition for issuing a permit for an oil and gas well and for any permit for a deep injection well for hydraulic fracturing waste fluids by the state. If agreement cannot be reached between the well owner/drilling company and local governments, a provision should be made for the appointment of an arbitrator to resolve any disputes and to make sure that a RUMA does not become an impediment to oil and gas development. CCAO also supports a requirement for a RUMA in cases of natural gas and other pipelines which trench road rights of way and other public infrastructure. It is important that public roads be protected from damage by pipeline transportation companies and a mandatory RUMA protects the public investment in highway infrastructure.

• **Injection Wells** – The state should raise fees on the disposal of hydraulic fracturing waste and share the revenue with impacted local governments to fully reflect the impact that heavy truck traffic has on public infrastructure. Provisions should be made for local governments that have Class II injection wells operating within them to receive compensation from the injection well operator based on the volume of hydraulic fracturing waste disposed through the well. Waste liquid derived from the hydraulic fracturing process must be required to be processed to reclaim and recycle the water and its other natural and chemical additives and reduce the volume of material remaining that retains no commercial value.
remaining fracturing liquid must be disposed of in a manner approved by the Ohio EPA.

COMMITTEE RECOMMENDATIONS

CASINO REVENUES

CCAO believes that the will of the voters in providing for the distribution of revenues to counties and other local governments should be upheld and that efforts to earmark or specify how these revenues are to be used by local governments should be avoided by the legislature, particularly given the uncertainty associated with this new revenue source. Any change in allocation of the gross casino revenue tax should only occur pursuant to another constitutional amendment.

The constitutional amendment provides clear language prohibiting the state from supplanting existing funding obligations of the state with the new revenue. Efforts to change the Local Government Fund distribution formula to give more funds to municipalities and townships violate the principle of no supplantation of existing funding embodied in the constitution.

COUNTY SETTLEMENT FEES

CCAO supports revisions to the settlement fee formula so that all counties experience comparable rates of growth in settlement fees as settlement amounts grow over time. Many, mostly smaller, counties have experienced a rate of growth in settlement fee increases that has not come close to the rate of growth in property tax distributions. The settlement fee formula was last adjusted in 1986. A formula change as proposed by the County Treasurers Association would benefit all counties at a time when most counties are experiencing tight general fund budgets.

DEVELOPMENT IMPACTS ON TRANSPORTATION INFRASTRUCTURE

While CCAO supports the expansion and development of businesses, counties need additional revenue sources and assistance to address new infrastructure demands caused by that expansion and development. CCAO supports additional grants and revenue sources from the state to help finance such infrastructure. In providing additional support to counties for transportation infrastructure, the state needs to take into account the different needs of rural and urban areas by providing assistance to address specific types of infrastructure challenges that are unique to rural, suburban and urban areas.

CCAO also supports a requirement that county commissioners and county engineers be notified of anticipated major new operations or expansions of businesses that could impact roads. CCAO supports a requirement that businesses/developers should work with local officials in exercising mutual responsibility to maintain the local highway infrastructure.

In addition to financial support from the state, CCAO also supports new local tools, including collaborative authority for local governments to create transportation innovation authorities (TIAs). Transportation innovation authorities have been utilized by local jurisdictions in other states to finance cross-jurisdictional and multimodal transportation projects that have created jobs.

IMPACT FEES

The legislature should authorize counties to impose impact fees for new development. Permissive authority to impose impact fees should require counties, subject to public notice and comment, to conduct a careful study of additional costs attributable to new development and provide an equitable system for distributing costs among benefiting users.
TAXATION AND FINANCE

Impact fees could be used to pay for highway improvements, recreational facilities, and water, sewer and drainage improvements.

WAIVER OF TAX BUDGET

Permit a board of commissioners to waive the tax budget provided the county budget commission is given necessary information on tax levy funds.

STATUTORY COURT COSTS

Clerk of court fees (ORC Section 2303.20) were last increased in 1992, and probate court fees (ORC Sections 2101.16 and 2101.17) have not been increased since 1976. These fees help offset the cost of the operation of the clerk of courts office and probate court. CCAO asks that these fees be increased significantly to offset the gross depreciation in their value resulting from inflation over the 26-year and 42-year periods.

BILLING FOR COUNTY EMS RUNS

CCAO supports an amendment to the county EMS law explicitly granting counties authority to bill third parties for emergency medical service runs.

LOCAL GOVERNMENT FUND ESTIMATES

CCAO supports an amendment to the Local Government Fund (LGF) law to require the Department of Taxation to issue to each county auditor updated LGF estimates in the same manner in which such estimates are provided for the Public Library Fund during the calendar year in which such funds are to be distributed.

TRANSFERS FROM SPECIAL FUNDS TO THE GENERAL FUND FOR COST OF INSURANCE AND SELF-INSURANCE

CCAO appreciates recent changes to the joint self-insurance statutes that harmonize the single and joint self-insurance cost allocation methodologies for benefiting special funds in the county. CCAO recommends that the statutes relating to purchase of health insurance and property and liability insurance be reviewed to assure that ORC Sections 9.833, 2744.08 and 2744.081 are consistent and comply with professional insurance, actuarial and technical standards. As it relates to cost allocation language in these laws, they should be consistent with language in ORC Section 4123.41, which relates to the allocation of costs for workers compensation.

Current insurance laws provide costs are to be based on the relative exposure and loss experience. CCAO seeks an amendment to add “or any combination of these factors,” to be consistent with language in the workers compensation statute.

PERMISSIVE TAXES

As part of its continuing joint effort with the state to provide stable funding sources for counties, CCAO supports increased flexibility for counties to levy permissive taxes to fund needed services at the local level. Counties should be given flexible authority to levy an additional sales and use tax and the existing sales and use tax in .05 percent increments for any purpose now authorized by state law.

CCAO also supports efforts to transfer unused transit authority sales taxes to counties for the construction and operation of jails and other public safety purposes. The law should not require commissioners to submit the proposal to the electors; however, the right to referendum should be retained.

The authority to levy local sales taxes should be reserved for counties, and CCAO opposes efforts to give this authority to school districts and other political subdivisions.
SALES TAX BASE BROADENING AND TAX REFORM

As part of a continuing effort to provide stable revenues to counties, enhance county fiscal security and generate revenue in a fair and equitable manner from all segments of our evolving economy, CCAO supports the broadening of the state’s sales and use tax base to include additional services and internet, catalogue and telephone sales.

CCA0 objects to, and will strongly oppose, efforts to reduce or eliminate, or to recapture for the benefit of the state at the expense of counties, any additional sales and use tax revenue generated by counties through any broadening of the sales and use tax base that extends the tax to additional services, or to additional types of sales, such as internet, catalogue or telephone sales. Finally, if any new tax reform results in the repeal or modification of additional major local taxes, the General Assembly should provide full, complete and permanent replacement of lost revenue to local governments.

VENDOR OR CONSUMER SALES TAX REFUNDS

Consumer or vendors have four years from the date that they erroneously or illegally paid the tax to file a refund request with the tax commissioner, unless the consumer or vendor waives the time limitation under ORC Section 5739.16 (A)(3). If the time limitation is waived, the refund application period must be extended for the same period as the waiver.

State tax policy should discourage overpayment of state sales taxes by vendors. Vendors should be encouraged to pay only the sales taxes that are owed, thus minimizing the need for costly and financially disruptive refunds paid by county governments.

CCA0 supports reducing the period of time during which a consumer or a vendor may seek a refund from four to three years. CCA0 also supports eliminating the provisions of law (ORC Sections 5739.07 (D) and 5739.16 (A)(3)) permitting a consumer or vendor to waive the four-year time limit for an indefinite period of time.

Existing law requires the tax commissioner to recover from the current receipts of the same tax source from which a refund is to be paid. If the current receipts from that tax source are inadequate for the purpose of covering the refund, then the refund is transferred from the current receipts of the state sales tax and then reimbursed to the state from the next distribution of that tax to the taxing jurisdiction. If the refund exceeds 25 percent of the next distribution of the tax, the tax commissioner may spread the recovery over a period of no more than three years, taking into account the amount to be recovered and the amount of future distributions.

CCA0 supports extending the length of time a county may reimburse a consumer or vendor for an overpayment, from a maximum of three years to a maximum of four years.

CCA0 supports requiring the Department of Taxation to share sales and use tax return and audit information to boards of county commissioners to verify vendor compliance with a county’s sales and use taxes.
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INDIRECT COST

CCAO supports legislation to authorize counties to recover indirect costs, including the costs of building renovations and expansions, from non-general fund programs, following strict cost accounting principles.

CONTROL OF AUDIT COSTS

CCAO supports legislative and other efforts to relieve counties of the costs imposed by state audits. Audit cost reductions should be based on the population of the county, a percentage of the county’s annual budget, or other fair and equitable criteria, with special consideration given to the costs imposed on less-populated counties.

In addition, CCAO supports legislation authorizing county commissioners to charge each office for the cost of an audit performed by the state auditor’s office, and authorizing the state auditor to waive annual audits in favor of biennial audits for entities that the state auditor determines to be at low risk of having audit exceptions.

DEPOSIT OF ALL FUNDS IN COUNTY TREASURY

Under current law, there are a variety of bank accounts maintained outside of the county treasury. CCAO supports legislation to require all monies collected by county agencies to be deposited and disbursed from the county treasury and all outside bank accounts to be closed. Asset forfeiture funds should also be accounted for within the county auditor’s general ledger. Exceptions to this general rule would be allowed for child support custodial monies and law enforcement undercover accounts of the sheriff and prosecutor. In the case of these accounts, additional financial reporting and internal controls would be required.

USER FEES

CCAO supports the increased utilization of user fees to fund specific county services. CCAO supports a thorough review of user fees and modernization of all user fees to reflect the cost of doing business.

General tax dollars should not be allocated to subsidize county functions that benefit users of specific services. Where policy does not dictate uniform statewide fees for services, the county should be given additional authority to adjust fees to reflect the cost of performing the specific service. Existing fees that go to the county general fund should not be earmarked for the exclusive use of any one office. County commissioners must have flexibility to allocate resources in the budget process and provide appropriate oversight of spending of public monies.

In addition, authority should be granted to establish fees for the services of the county auditor as the sealer of weights and measures. Counties also should be given permissive authority to test the quality of fuel, but only if fees are charged to the fuel providers to fully fund the initiative.

Finally, CCAO seeks an increase in the current 50 cent fee to $2.00, which goes to the county auditor’s office, for the transfer or entry of land, lot, or part of lot, or the transfer or entry on or after January 1, 2000, of a used manufactured home or mobile home as defined in ORC Section 319.54(G)(2).

COUNTY BOARD OF REVISION CHANGES

CCAO supports legislation to do all of the following:

• Create a more informal review process for adjustments to disputed valuations of $50,000 or less.
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• Allow county auditors, with the approval of the board of revision, to correct errors in real property valuations after the tax duplicate is delivered to the county treasurer.
• Allow a board of revision to issue subpoenas and compel the attendance of witnesses and production of records and documents.
• Allow a board of revision to issue protective orders to restrict discovery of a complainant’s confidential information.
• File complaints with the probate court to compel compliance with the board’s directives.
• Prevent any complainant who fails to provide to the board of revision any evidence or information that affects a property valuation from introducing that un-provided evidence or information in any appeal to the board of tax appeals or to a court.
• Require any person to be current in the payment of property taxes in order to file an appeal with the board of revision.

CCAO opposes legislation to permit anyone to appeal a decision from the county board of revision to the common pleas court. Appeals from the board of revision to the common pleas court should remain limited to property owners.

COMPETITIVE BIDDING

Larger counties should be permitted to waive performance bond requirements on construction projects that do not exceed $250,000. Indexing of the competitive bid limit to the consumer price index (CPI) should be required on either an annual or biennial basis.

CONTRACTS FOR FISCAL AND MANAGEMENT CONSULTANTS

CCAO supports legislation to provide that all contracts for fiscal and management consultants only can be executed by a board of county commissioners. This does not apply to appraisal contracts paid from the real estate assessment fund.

ADVERTISEMENT OF DELINQUENT PROPERTY TAXES

CCAO supports legislation to establish a dollar threshold below which the listing of delinquent property taxes would not have to be advertised in newspapers of general circulation and allow the full delinquent property tax list to be published on the internet.

STATE TERM CONTRACTS

CCAO supports legislation to eliminate state fees and quarterly reporting requirements for local governments using state term contracts and permit local governments to take delivery of patrol cars through local dealers.

PRESERVATION OF PROPERTY TAX CREDIT PROGRAMS FOR TAXPAYERS

CCAO opposes efforts to reduce in scope or eliminate the current state-funded property tax relief program, which grants a 10 percent reduction in each taxpayer’s real property tax bill, an additional 2.5 percent reduction in real property tax bills for owner-occupied dwellings and additional reductions under the homestead program for homeowners over age 65.

PRESENTMENT OF CERTIFIED COPIES, IN PLACE OF ORIGINALS, TO THE COUNTY AUDITOR

CCAO supports legislation that would authorize the county auditor, when verifying the amount and purpose of monies payable from the county treasury, to accept legible certified copies of original invoices, receipts, bills, credit card statements or checks in place of those original documents.
The generating agency, office, officer, board or tribunal must make original invoices, receipts, bills, credit card statements or checks available for the county auditor to inspect at a time and place mutually convenient to both.

The county auditor must not require a generating agency, office, officer, board or tribunal to provide original invoices, receipts, bills, credit card statements or checks if those documents are required to remain in the possession of the presenter for use in connection with any state, federal or other audit.

**TAX MAP OFFICE**

CCAO supports amending Ohio law to eliminate the requirement that commissioners fund the tax map office from the general fund. Instead, the law should allow the tax map office to be funded from the real estate appraisal fund (REA) and establish the county auditor as the appointing authority of the tax map draftsman and other tax map office employees. Permit the consolidation of tax map office services and geographic information system (GIS) services.

**COUNTY ENGINEER FUNDING**

CCAO supports legislation that eliminates the requirement that the commissioners support any part of the operation of the county engineer’s office from the county general fund. To the extent constitutionally permissible, the engineer’s office should be wholly funded through motor vehicle gas and license tax revenues collected by the state and distributed to county road and bridge funds by the state.

**PROHIBIT TAX LEVIES AT SPECIAL ELECTIONS**

Support legislation prohibiting taxing districts from submitting tax levies at special elections in August.

**PAYMENT OF LODGING TAXES**

Support legislation to increase the penalties for failure to collect and remit the lodging tax to local taxing districts (counties, municipal corporations and townships) so that the penalties are similar to the penalties established by existing Ohio law for failure to collect and remit sales and use taxes.

**LODGING TAX AND CONVENTION AND VISITORS BUREAUS**

Counties may levy a lodging tax of not more than 3 percent on transient guests who stay at places of lodging in the county. Existing law (ORC Section 5739.09 (A)) requires the county levying a lodging tax on lodging transactions after paying the cost of administering the tax to return an amount not to exceed 1/3 to the municipal corporation or township (that is not levying the same lodging tax) in which the place of lodging is located. At least 2/3 of the revenue remaining after the cost of administering the tax must be placed in a special fund to the benefit of the convention and visitor’s bureau.

CCAO supports legislation that would revisit the relationship between convention and visitors bureaus and taxing authorities with particular emphasis upon the purposes for which convention and visitors bureaus may expend funds and the reporting requirements of bureaus to taxing authorities.

**PUBLIC UTILITY PERSONAL PROPERTY TAXES**

During 2005 to 2008, the state, under tax reform, phased out tangible personal property taxes on machinery, equipment and inventory paid by businesses operating in Ohio, but retained personal property taxes on the tangible personal property of public utilities, including electric, rural electric, natural gas, pipeline, water works water transportation, heating and telegraph companies. Given the importance of
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this remaining revenue source to counties and local governments, CCAO opposes elimination of or further reductions to personal property taxes paid by public utilities operating in Ohio.

When a utility taxpayer files with the tax commissioner for a reduction in tangible personal property taxes, local taxing districts, including the county commissioners of any county affected by an appeal, should be notified of the appeal and should have standing to appeal the decision of the tax commissioner if the decision of the tax commissioner is adverse to the interests of the affected taxing district.

TAX INCREMENT FINANCING (TIF)

The law permits counties, municipalities and townships to establish TIFs that commence whenever one of the following occurs:

- The value of an improvement exceeds a specified amount.
- The construction of one or more improvements is completed.
- Regarding an incentive district TIF, the exemption may commence in different years on a parcel-by-parcel basis.

This language has the practical effect of allowing TIFs to exist well beyond the 30-year time period originally authorized for a TIF. CCAO supports legislation that would limit TIFs to as close to 30 years as possible while grandfathering TIFs that have been authorized under the new law and are currently in place.

VALUATION OF LOW INCOME HOUSING PROJECTS

In the case of Woda Ivy Glen Ltd. Partnership vs. Fayette County Board of Revision (2009), the Ohio Supreme Court ruled that new low income rental properties must be appraised using an income approach rather than a cost approach to value. This decision has the practical effect of undervaluing the construction valuation of these properties, disregarding income to the owners of these properties who receive substantial tax credits, decreasing the tax base for taxing districts and shifting the tax burden to local residential/agricultural land owners.

CCAO supports an amendment to the property tax law that would permit the valuation of such properties on the basis of construction value, not income. If income approach to valuation must be used, then the value of substantial income tax credits should be added to the income of the owners of such properties for valuation purposes.

SUNSET THE COUNTY RECORDERS TECHNOLOGY FUND

The law permits any county recorder to request on an annual basis that additional county recordation dollars be allocated to the County Recorders Technology Fund for a period of five years. If requested by the county recorder, establishment of the fund and allocation of the recordation fees from the general fund to the Technology Fund is mandatory. CCAO supports letting this mandate expire at the end of 2018 when existing law makes the allocation of funds discretionary on the part of county commissioners.

LIBRARY AND HEALTH DISTRICT LEVIES

CCAO supports giving a board of commissioners discretion regarding the submission, type of property tax levy (renewal, increase, reduction or replacement), millage, and duration of property tax levies submitted to the voters for the purpose of funding a health district, library, or any other taxing authority with unelected members. Existing law requires a board of commissioners to submit a levy to the voters whenever requested by a board of health or a library board.
Water quality issues facing Ohio are multifaceted problems with various contributing factors. Agricultural nutrient runoff, failing home sewage treatments systems, combined sewer overflows, dredge material, industrial discharge and discharge from wastewater treatment facilities are all contributing to nutrient pollution affecting Lake Erie. Changing weather patterns featuring more frequent heavy rain events exacerbate the transmission of these nutrients to Ohio’s waterways.

Efforts to reduce nutrient pollution in Lake Erie must be accounted for from non-point sources as well as point sources. Improving water quality is a complex challenge and progress should be viewed on a time horizon which recognizes that new practices may not yield immediate results.

Water quality issues have multiple contributing factors, and fixing these issues will need multiple solutions.

**SUCCESSFUL NUTRIENT REDUCTION EFFORTS WILL REQUIRE BUY-IN AND PARTICIPATION FROM ALL AFFECTED STAKEHOLDERS, INCLUDING THOSE IN AGRICULTURE, PRIVATE INDUSTRY, CENTERS OF HIGHER EDUCATION, AND THE PUBLIC, ALONG WITH LOCAL, STATE AND FEDERAL GOVERNMENTS.**

The agricultural community has a prominent role to play in reducing non-point source nutrient loading into the Western Lake Erie Basin. Agricultural producers who utilize best management practices to reduce nutrient runoff should be recognized for their efforts to improve water quality. However, there must be a continued emphasis on those agricultural producers who do not utilize best management practices or make the protection of water quality a priority on their operations. All agricultural producers, along with their industry partners, must make protecting water quality a priority if Lake Erie’s health is to improve. Those who do not utilize voluntary best management practices should be subject to regulation.

As owners of regulated and permitted publicly owned treatment works (POTW), counties and our sanitary engineers have been working with the U.S. Environmental Protection Agency (USEPA) and Ohio Environmental Protection Agency (OEPA) on nutrient loading issues for many years through the permitting process. New regulations, policies, aging facilities/infrastructure and technical advances directly contribute to the management process of our facilities, as well as the cost allocation assessed to our rate payers. Ohio should lead the way to accomplish the recommendations of the Western Basin of Lake Erie Collaborative Agreement that recommended a 40 percent total load reduction in the amount of total and dissolved reactive phosphorus by 2025 and aspires to achieve a 20 percent reduction by 2020. Water quality issues have multiple contributing factors, and fixing these issues will need multiple solutions.

**COMMITTEE PRIORITIES**

**SOIL AND WATER CONSERVATION DISTRICTS FUNDING**

More research and funding is needed to find solutions to today’s water quality challenges. County soil and water conservation districts
(SWCDs) play a critical role in improving water quality across the state. The expertise that county SWCDs provide is essential to improving water quality across the state. The financial costs of the tools, technology, infrastructure and manpower needed to improve water quality across Ohio, however, cannot be borne by counties alone.

As enacted in House Bill 49 of the 132nd General Assembly, the amount of state match for local soil and water funding reached a historically low level of $.71 per local dollar invested.

**CCAO SUPPORTS AN INCREASE IN THE STATE SOIL AND WATER MATCH PROGRAM TO RETURN ONE DOLLAR OF STATE FUNDS FOR EACH LOCAL DOLLAR INVESTED.**

Senate Bill 299 of the 132nd General Assembly provided $3.5 million in additional county SWCD funding for counties located in the Western Lake Erie Basin watershed. This marks a positive first step.

Additionally, CCAO believes any enforcement of agricultural regulations should be done by ODA or OEPA, while SWCDs main functions should be maintained as an advisory role. It is critical that the communication, trust and relationships SWCDs have with local farmers be maintained.

CCAO has additional positions relative to SWCDs that can be found under the Agriculture and Rural Affairs section of this document.

**WATER INFRASTRUCTURE BONDING AND FUNDING**

CCAO supports efforts to allocate additional public works bonding capacity for water and sewer projects.

Senate Joint Resolution 4 was introduced last session in the Ohio legislature. This legislation would create a 10-year, $1 billion bond program to boost sewer and water system capital improvements. Most of the bond funds would have been used as grants. Senate Joint Resolution 6 and House Joint Resolution 16 were also introduced, which would establish a similar bond program but extend funding to agricultural nutrient loss reduction practices as well.

There are several sources of low interest loans available today for water and sewer projects. Our members have communicated to CCAO that many local projects need more grant sources to become successful, or to even get started. Ultimately, project costs far exceed the financial capability of counties and local governments to incur these obligations. The state must find ways to address the ability of counties, local governments and residents to afford the undertaking of necessary water and sewer projects. Counties ask the state to consider allocating public works bonding capacity to these projects, reestablish the Ohio water and sewer rotary commission, and provide significantly greater funding support for governments and citizens confronted with OEPA findings and orders to install water and sewer systems.

- CCAO is encouraged that OEPA made available more than $150 million in grants and loans to help public water systems to improve their facilities and reduce the amount of phosphorus they discharge into the Lake Erie watershed.
- We recommend that OEPA also offer additional loan forgiveness (grants) to go along with these loans.
WATER QUALITY TASK FORCE

CCAO has additional positions relative to infrastructure funding that can be found under the Jobs, Economic Development and Infrastructure section and the Taxation and Finance section of this document.

RESEARCH AND RESEARCH FUNDING

More research is needed by the scientific community, with consideration of adverse climate impacts to water quality in Lake Erie and the rest of Ohio. This research should be conducted by land grant universities and other institutes of higher education from Ohio, Indiana and Michigan. Specific research should be done on heavy rain events and the causes of increased phosphorus solubility.

Research should also not be limited to phosphorus alone. The role that excess nitrogen plays in algal bloom development, specifically bloom toxicity, is less studied and deserves additional research.

CCAO supports more state funding for Ohio’s research centers to study water quality issues. Heidelberg University’s National Center of Water Quality Research, University of Toledo’s Lake Erie Center and Ohio’s Sea Grant program (including Ohio State University’s Stone Lab) are on the forefront of water quality research and education aimed at maintaining the health of Lake Erie. They monitor and seek solutions to problems around water quality, invasive species and a host of other issues.

CCAO is encouraged by recent grants from the Ohio Department of Higher Education’s Harmful Algal Bloom Research Initiative, as well as The Ohio State University’s Field to Faucet initiative, but more is needed.

PHOSPHOROUS REDUCTION GOALS

CCAO believes the Ohio Legislature has started and passed significant water quality legislation, yet more should be done. Our members would welcome support from the legislature for the following legislative proposals:

- Establish a goal of a 40 percent reduction of phosphorus loading to Lake Erie from Ohio point sources and non-point sources by 2025.
- Enable OEPA, ODNR and ODA to measure point sources and non-point sources in Ohio to achieve this phosphorus loading reduction goal.
- Provide Ohio SWCDs with additional funding to address these goals.
- Restrict the application of phosphorus-containing fertilizer on lawns and golf courses.
- Further explore the role of bio-solids and their application practices in regard to excess nutrient loading.

NUTRIENT MANAGEMENT

CCAO is encouraged by efforts of the agriculture community to implement new best management practices such as incorporating the 4 R’s – the right fertilizer, the right rate, at the right time, in the right place. Cover crops, manure management and effective drainage are also important. More farmers are utilizing soil testing data for precision fertilizer application than ever before, but even more farmers need to utilize this critical tool.

CCAO is supportive of efforts to assist farmers in accessing the necessary tools, technology and best management practices to reduce excess nutrient loading. SB 299 of the 132nd General Assembly provided $20 million in funding for the Western Lake Erie Basin watershed to establish programs that increase access to soil testing, variable rate technology, subsurface placement of nutrients and other proven best management practices.

Discussions have taken place on the creation of a clean water bond issue (HJR 16 & SJR 6,
132nd General Assembly) to provide funding for agricultural nutrient management efforts as well as local wastewater and water system infrastructure. Significant investment across a broad range of nutrient management areas will likely be required for long-term water quality improvement.

OSU Extension has trained over 17,000 certified fertilizer applicators. Now over 12.8 million acres in Ohio are maintained by certified applicators. As better management practices are identified, they must be accompanied by education that gives the producers the knowledge and tools to implement them. New, better management practices should be coordinated with quality and timely research to measure their effectiveness.

DREDGING

Dredging Ohio’s shipping channels is an important practice to keep Ohio’s ports open for commercial shipping. The disposal of dredged material into Lake Erie’s open waters further increases phosphorus loading into the lake. Senate Bill 1 of the 131st General Assembly ends the practice of open lake disposal of dredged material by 2020. SB 299 of the 132nd General Assembly further provides $10 million in capital funding for projects that repurpose this dredged material to avoid open lake disposal. Further consideration should be provided to dredging the Maumee River to reduce high nutrient sediment.

WATER QUALITY CREDIT TRADING PROGRAMS

Credit trading is the concept of investing dollars from POTWs to pay farmers to implement conservation farming practices to reduce nutrients from entering waterways. Wastewater treatment facilities will then receive credits from regulatory agencies to help meet permit criteria. Trading programs are more cost-effective and provide broader environmental benefits, than just technical upgrades at wastewater treatment facilities.

These types of programs encourage local governments and the agriculture community to work together and develop more conservation practices.

Credit trading programs should also be coordinated with quality and timely research to measure the effectiveness of these programs.

CCAO would welcome additional state support and funding to encourage more credit trading programs, similar to the state match program for soil and water conservation districts.

PUBLIC-PRIVATE GREEN INFRASTRUCTURE PROJECTS

The University of Toledo and other institutions of higher education are developing public-private projects. One example of these projects is the First Energy – Restoration of Coastal Wetlands in the Maumee River Watershed. The University of Toledo is working with First Energy, the City of Oregon and Toledo-Lucas County Port Authority to use a closed power plant’s cooling pumps to draw in water from the Maumee River and reduce the amount of phosphorous entering Lake Erie.

These types of projects would encourage local governments to partner with higher education and the private sector. As with credit trading programs, green infrastructure projects should also be coordinated with quality and timely research to measure the effectiveness of these programs.

CCAO also recommends that OEPA should include more “green” infrastructure requirements for municipal separate storm water systems in Ohio.

LAKE ERIE IMPAIRMENT

In March 2018, OEPA designated the open waters of the Western Lake Erie Basin to be impaired. CCAO emphasizes that the impairment
WATER QUALITY TASK FORCE

designation does not mean that Lake Erie is unsafe for drinking water, recreational boating or swimming. A healthy Lake Erie can be achieved alongside a vibrant and productive agricultural industry which utilizes numerical goals for nutrient reduction to measure progress and to guide future efforts.

COMMITTEE RECOMMENDATIONS

PHOSPHORUS LIMITS FOR PUBLICLY OWNED TREATMENT WORKS

OEPA should be consistent and establish by rule phosphorus effluent limit for all publicly owned treatment works (POTWs) in Ohio.

- CCAO is encouraged that OEPA made available $50 million in interest-free loans in 2018 to help public water systems keep drinking water safe, improve their facilities and reduce the amount of phosphorus they discharge into the Lake Erie watershed.
- We recommend that OEPA also offer additional loan forgiveness (grants) to go along with these loans.

SEPTIC SYSTEMS

OEPA should use its enforcement authority under ORC Chapter 6111 against property owners whose home sewage treatment systems (HSTS) lack an NPDES permit and are designed to discharge off lot.

Local boards of health in Ohio should use their enforcement authority against home owners with failing HSTS that are significantly contributing to phosphorus pollution.

- CCAO is encouraged that OEPA has made available over $13 million in loan forgiveness (grants) to county health departments and a few boards of county commissioners to help residents update or replace failing septic systems.
  - Many local health departments and boards of commissioners did not participate in this program due to the strict requirements for homeowner income levels. CCAO recommends that OEPA work to incorporate new income requirements in order for more residents to qualify.
  - CCAO would also recommend the development of a similar type of program that would help residents connect to public sewers.

FERTILIZER APPLICATOR PROGRAM AND NEW AGRICULTURAL REGULATIONS

With the passage of Senate Bill 150 (130th General Assembly) which established the fertilizer applicator certification program, and Senate Bill 1 (131st General Assembly) which prohibits applying fertilizer and manure on frozen or saturated ground, the Ohio Department of Agriculture (ODA) needs to measure constantly to ensure these new regulations and programs are effective.

The Ohio Department of Health should consider imposing more stringent standards when permitting the installation, alteration or operation of HSTS in order to minimize phosphorus pollution.
ABOUT CCAO

The County Commissioners Association of Ohio works to advance effective county government for Ohio through legislative advocacy, education and training, technical assistance and research, quality enterprise service programs, and greater citizen awareness and understanding of county government.

To learn more, visit www.ccao.org.