



STATEHOUSE REPORT

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Commissioner Gary Lee voices concerns regarding employment services sales tax exemption bill



Commissioner
Gary Lee

Union County Commissioner Gary Lee expressed opposition to legislation ([HB 343](#)) which would exempt employment services and employment placement services from the state sales tax. The legislation had a sixth hearing before the House Economic and Workforce Development Committee this week. Joining Commissioner Lee in testimony was CCAO Executive Director Suzanne Dulaney.

In his [testimony](#), Commissioner Lee noted that Union County enjoys the distinction of having a healthy business community with several major manufacturers located within the county. Major employers within Union County make extensive use of temporary employment services and consequently Union County would experience a greater revenue loss on a proportional basis than other counties.

Commissioner Lee estimated that the Union County revenue loss from the exemption could be as much \$1 million per year in lost sales tax revenue out of a statewide county and transit authority revenue loss of \$33 million per year. A legislative service commission fiscal note also indicates state GRF revenue loss of \$131 million per year, and Local Government Fund and Public Library Fund revenue losses of \$2.3 million per year for each fund.

Under questioning from members of the committee, Commissioner Lee expressed support for this tax as a fair method for generating revenue for county services that are used by major business employers that pay the tax. While expressing sympathy for counties regarding the negative revenue impact, committee member and prime sponsor Representative Ron Young (R-Leroy Township) characterized the tax itself as an “attack on job creation” which hinders the growth of jobs and business within the state. In addition to Representative Young, Representatives Mark Romanchuk (R-Ontario), Vice Chair, and Niraj Antani (R-Miamisburg) all serve on the committee and are cosponsors of the bill.

CCAO is encouraging commissioners to contact their legislators to express opposition to the bill. In a separate memo, CCAO is asking commissioners from counties with legislators serving on

the committee to contact their legislators to ask them to oppose the bill. The House Economic and Workforce Development Committee has the following members:

- Representative Nan Baker (R-Westlake), Committee Chair, nan.baker@ohiohouse.org
- Representative Mark Romanchuk (R-Ontario), Vice Chair, mark.romanchuk@ohiohouse.org
- Representative Kent Smith (D-Euclid), Ranking Minority Member, kent.smith@ohiohouse.org
- Representative Niraj Antani (R-Miamisburg), niraj.antani@ohiohouse.org
- Representative Steve Arndt (R-Port Clinton), steve.arndt@ohiohouse.org
- Representative John Barnes, Jr. (D-Cleveland), john.barnes@ohiohouse.org
- Representative Hearcel Craig (D-Columbus), hearcel.craig@ohiohouse.org
- Representative Denise Driehaus (D-Cincinnati), denise.driehaus@ohiohouse.org
- Representative Kyle Koehler (R-Springfield), kyle.koehler@ohiohouse.org
- Representative Rick Perales (R-Beavercreek), rick.perales@ohiohouse.org
- Representative Scott Ryan (R-Newark) scott.ryan@ohiohouse.org
- Representative Ron Young (R-Leroy Township) ron.young@ohiohouse.org
- Representative Paul Zeltwanger (R-Mason) paul.zeltwanger@ohiohouse.org

An amendment was adopted by the committee delaying the implementation of the bill to July 1, 2017, therefore coinciding from a fiscal planning standpoint with the beginning of the next biennial state budget.

For additional information on this issue, please contact Brad Cole of the CCAO staff at bcole@ccao.org

Foster care bill has first hearing in the Senate

SB 240
Federal Foster Care

Sponsor: Sen. Eklund

CCAO Position: Monitoring

Status: Senate Finance Com.

Key Provisions:
Key Provisions: Extends the age for foster care and adoption payments from age 18 to 21

[Senate Bill 240](#) had its first hearing in the Senate Finance Committee on Tuesday. Senator John Eklund, the bill's sponsor, spoke on behalf of the legislation which would extend the age a person is eligible for federal foster care and adoption assistance payments under Title IV-E from 18 to 21. The new program would be administered by the Department of Job and Family Services and would be tailored to about 3000 foster youth and adoptees.

"Since 2008, over 20 states have opted into this law and have built effective programs to serve these young adults," Sen. Eklund said. "It's my goal for Ohio to follow suit and build the best program in the country to prepare our foster youth for success after age 18."

In a nutshell, the bill dictates the following:

- Requires the Director of Job and Family services to submit amendments to the state's plan for child welfare services to expand foster care and adoption assistance for persons up to age 21.
- Establishes qualification standards and various other procedures and requirements for receiving payments under the foster care and adoption assistance expansion.

- Requires the Department of Job and Family Services to adopt rules to implement the foster care and adoption assistance expansion, including a rule to create an advisory council to evaluate and make recommendations regarding the bill's statewide implementation and rules establishing the scope of practice and training for foster care workers and their supervisors.
- Makes an appropriation to provide for the planning for, and the expansion of, the foster care and adoption assistance payments.



Sen. Eklund

SB 240 largely mirrors a bill sponsored by Representative Pelanda in the House (HB 50) which passed out of that chamber in December. Although HB 50 passed almost unanimously, there were some complaints from legislators that the bill's appropriation was removed before the vote. So far, SB 240 keeps the appropriation intact.

CCAO staff will continue to monitor both bills as they move through the senate.

If you would like to know more about SB 240, please contact CCAO Policy Analyst Kate Neithammer at 614-220-7996 or kneithammer@ccao.org.

Comprehensive case management update

As you know, county councils and commissioners received a letter last week from the Ohio Department of Job and Family Services (ODJFS) regarding lead agency designation for the new Comprehensive Case Management and Employment Program (CCMEP). Although the deadline to choose a lead agency is May 15th, ODJFS is urging counties to make this decision by March 1st to better plan for the transition. The new program is set to launch on July 1, 2016.

According to the letter, counties need to designate a lead agency to oversee program administration between the county job and family services office and local workforce board. You may choose either:

- The county department of job and family services, or
- The workforce development agency that serves the county.

A [link](#) was included so you can see a list of these agencies by county.

You should expect to receive a financial FAQ document from ODJFS that we hope will answer additional questions – we know there are a lot out there.

The letter also included links to a fact sheet on CCMEP and a sample resolution you will need to sign to designate your lead agency.

- To see the fact sheet click [here](#).
- To see the sample resolution click [here](#).

Leadership at ODJFS has encouraged us to continue to send them questions on the implementation of CCMEP. If you have questions please send them to CCAO Policy Analyst Kate Neithammer at 614-220-7996 or kneithammer@ccao.org.

Clean Water Bond Issue has first hearing

Senator Joe Schiavoni's measure ([SJR3](#)) would create a 10-year, \$1 billion bond program to boost sewer and water system capital improvements. The resolution would permit no more than \$100 million a year in general obligation bonds to fund acquisition, construction, improvement and other costs related to wastewater treatment systems; water supply systems; and storm water and sanitary collection, storage and treatment facilities.



Sen. Schiavoni

The measure had its first hearing before Senate Finance committee on Tuesday. Sen. Schiavoni in sponsor testimony lobbied committee members to support the bill, noting its bipartisan support. Republicans supporting the bill include Sen. John Eklund (R-Chardon) and Sen. Bill Seitz (R-Cincinnati). Nine Senate Democrats have also signed on to cosponsor the measure.

"This resolution is not the entire solution to our underground infrastructure needs, but it would be a significant step in the right direction," he said. "The passage of SJR3 could be the difference in how quickly projects can move forward and the timetable in which they are completed."

Sen. Schiavoni introduced the resolution in September, saying it would create thousands of jobs and help local communities tackle major water infrastructure projects. At the time he said he was eyeing the issue for the March ballot. If passed, the measure would take effect immediately upon a successful ballot vote. Sen. Schiavoni in October presented the resolution to members of the Lake Erie Caucus, where it received a warm reception.

Next Steps depend on more conversations



Sen. Gardner

But the future of the resolution depends on ongoing conversations between the Boardman Democrat and Sen. Gardner (R-Bowling Green), who chairs the Lake Erie Caucus. Sen. Scott Oelslager (R-Canton), Chairman of the Senate Finance Committee said he's waiting on ongoing talks between Minority Leader Joe Schiavoni and Sen. Randy Gardner to conclude before moving a proposed water infrastructure bond issue through the hearing process.

But Sen. Gardner said Tuesday he doesn't believe the measure is ballot ready. "I believe there's still more work to do to involve various stakeholders - environmental groups, agriculture groups, business groups, tourism groups - to try to develop the best strategy. This could be part of that. It may or may not be," Sen. Gardner told Sen. Schiavoni. "I look forward to continuing to share information and working together.

We do, I believe, have a few months to come together and work on a strategy if there's going to be a ballot issue."

In response, Sen. Schiavoni said the dialogue the two have engaged in has been "great." "But like you said, time is of the essence here," he said. "If we can come up with something everybody can get behind I think this is something that's necessary now. I'm not married to

every word of this resolution. I'd be happy to work with you if there are changes that you or other interested parties see fit and have that conversation."

Would Clean Water Bond be enough?

Sen. Michael Skindell (D-Lakewood) said the resolution is a good idea, but that \$100 million a year is not nearly enough to meet statewide needs. "It's a drop in the bucket, but it's needed," he said. Sen. Schiavoni agreed that amount wouldn't meet all local needs, but said the resolution "would be a great way to get the conversation started."

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 wastewater projects in Ohio over the next five years. The agency's [2012 Clean Watersheds Needs Survey](#) illustrates the capital funding needs for an approximate 5-year period in each state based on state and local planning needs to sustain water infrastructure and comply with the federal Clean Water Act.

The EPA conducts the study every four years and clean water advocates say the total need rarely squares with current federal or state funding levels. Together, Great Lakes States like Ohio would require \$80 billion for wastewater infrastructure moving forward. Overall, the 50 states reported needs totaling \$271 billion, according to the report. About 75% of that is for wastewater infrastructure, including treatment plant improvements, conveyance system repairs, new conveyance systems and recycled water distribution. Another 18% were for combined sewer overflow correction with an additional 7% for stormwater management.

U.S. EPA Report, Other Ohio needs include:

- \$1.279 billion for secondary treatment
- \$890 million for storm water management
- \$723 million for new inceptor sewers
- \$551 million for new collector sewers
- \$369 million for advanced treatment
- \$173 million for infiltrate/inflow correction
- \$45 million for combined sewer overflow green infrastructure

Ohio's share of the need stands out in two areas: combined sewer overflow correction and conveyance system repair. In those categories, Ohio was among states showing the greatest amount of financial need.

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. That represents about 16% of the states' total need of \$48 billion. Only New Jersey's needs are higher at \$8 billion. And when it comes to conveyance system repair, Ohio saw the third highest need nationally at \$3.3 billion - or about 6% of the \$51.2 billion in needs reported by all states. California and New York both showed greater need at \$6.5 billion and \$5.2 billion respectively.

The report comes at a time of seemingly renewed interest in water quality efforts both because of recent state bond issue proposals and continued questions over lead contaminated drinking water in Sebring, Ohio.

Greater Ohio also recently released its report: [An Assessment of Ohio Cities' Water and Sewer Infrastructure and Brownfield Sites Redevelopment: Needs and Gaps](#). This report was written in collaboration with and support from the Ohio Water Development Authority. The report

recommends that Ohio is in need of an estimated \$25 billion over the next 20 years for system upgrades and modernization improvements.

CCAO Reviewing Support for Clean Water Bond (SJR3)

Sen. Schiavoni has asked that CCAO support his legislative proposal SJR3. Below is CCAO's Platform Priorities. CCAO's General Government Committee will meet Thursday, February 18 to discuss this proposal as one of its agenda items.

CCAO PLATFORM PRIORITIES FOR 2015-2016

KEYS TO SUCCESSFUL ECONOMIC DEVELOPMENT

Our aging infrastructure (roads, bridges and public utilities) significantly impedes economic development. Project costs to repair, replace or install necessary infrastructure far exceed the current financial capability of our counties. Counties ask the state to provide significantly greater funding support to help counties deal with the growing infrastructure crisis. Therefore the state should:

- Provide additional vehicle registration fee authority to fund road and bridge projects.
- **Allocate additional public works bonding capacity for water and sewer projects.**
- Re-establish the Ohio water and sewer rotary commission to help communities and their citizens who are confronted with EPA orders.

A qualified, employment-ready workforce also is a critical component of economic development infrastructure. Therefore the state should:

- Engage in a strong collaboration with its counties in workforce development programs, operation of the OhioMeansJobs county centers, and implementation of the Workforce Innovation and Opportunity Act (WIOA).
- Identify and promote best practices in workforce development.

For additional information on water quality issues, please contact CCAO staffer Brian Mead at bmead@ccao.org or 614-220-7982.

January 2016 casino revenues better January 2015 numbers



Month-to-month revenue dropped for most Ohio casinos in January, according to revenue reports released Monday. Ohio casinos took in \$65.5 million in January. That's nearly \$6 million less than the casinos pulled in in December when they earned \$71.58 million. Last month's numbers did reflect an increase compared to January 2015, when the operations

reported adjusted gross revenue totaling \$64.81 million.

Among casinos, Horseshoe Cincinnati pulled in \$15.4 million in adjusted gross revenue in January - a drop from the \$17.68 million the casino earned last month but above January 2015's \$15.23 million. Horseshoe Cleveland earned \$17.33 million compared to \$18.84 million in December and \$17.38 million in January 2015. Hollywood Columbus earned \$17.48 million compared to \$18.24 million in December and \$17.87 million in January 2015. Hollywood Toledo earned \$15.29 million compared to \$16.81 million in December, but was the only casino to show an increase between January 2015 and 2016 numbers earning \$14.31 million in January 2015.

Racinos likewise showed mostly declines between December and January generating \$69 million statewide for January, down more than \$3.6 million from December's numbers.

Statehouse, Etc.



House Democrats realign leadership. Rep. Kevin Boyce (D-Columbus) who is running for a seat on the Franklin County Board of Commissioners has given up his position of House Minority Whip. Democrats chose to move Rep. Nickie Antonio (D-Lakewood) up from Assistant Minority Whip to fill the Boyce spot and named Rep. Jack Cera (D-Bellaire) as the Assistant Minority Whip. Cera is the dean (or most senior member) of the House Democrat members.



Rep. Cera

Rep. Bob Hackett selected to replace Chris Widener in the 10th Senate District. The former Madison County Commissioner and London, Ohio, resident was chosen by a five-member screening committee and will likely be seated Feb. 23, which is the next slated full session in the Senate. Bob was a Madison County commissioner from 2001-2008 before joining the House, where he has served the 74th District since 2009. He currently chairs the House Insurance Committee.



Sen. Hackett

Severance tax. The tax was discussed by legislative leaders during a Q&A at the Ohio Associated Press' annual Legislative Preview Session. None of the lawmakers indicated they would be interested in raising the severance tax at a time when the natural gas market is suffering as a result of low per-barrel prices. Senate President Keith Faber, however, noted that now may be the best time to come up with a tax rate that would be triggered when market conditions improve to a certain point. The panelists also agreed that any tax increases should benefit the local communities where the resources are extracted as opposed to going toward an income tax cut per the governor's previous proposals. Senate Minority Leader Joe Schiavoni said that when he talks to oil and gas industry folks, they're not so opposed to severance tax that goes into infrastructure and training, as long as it's reasonable, but the industry does not support using the revenue to go towards tax cuts that don't benefit the industry.

Bills Introduced



SJR 4 ■

GRAND JURIES (Williams, S.) Proposing to amend Section 10 of Article I of the Constitution of the State of Ohio to eliminate the requirement that a felony be prosecuted

- only on presentment or indictment by a grand jury.
- SB 275** ■ **PHOTO MONITORING** ([Patton, T.](#)) To prohibit a local authority from deriving more than 30 per cent of the total annual revenue of the local authority from the issuance of tickets for traffic law violations based on evidence recorded by traffic law photo-monitoring devices.
- SB 276** ■ **PHOTO MONITORING** ([Patton, T.](#)) To prohibit a local authority, in any year, from issuing a total number of traffic tickets based on the use of traffic law photo-monitoring devices that exceeds two times the population of the local authority.
- SB 277** ■ **PHOTO MONITORING** ([Patton, T.](#)) To prohibit a local authority with a population of 200 or fewer from utilizing traffic law photo-monitoring devices.
- SB 278** ■ **PHOTO MONITORING** ([Patton, T.](#)) To prohibit a municipal corporation or township that does not operate either a fire department or an emergency medical services organization from utilizing traffic law photo-monitoring devices.
- HB 454** ■ **SALES TAX HOLIDAY** ([Patterson, J.](#)) To provide for a permanent three-day sales tax "holiday" each August during which sales of back-to-school clothing and school supplies are exempt from sales and use taxes. Am. 5739.02 and 5739.05.
- HB 456** ■ **POLITICAL PARTIES** ([Becker, J.](#)) To revise the law concerning electors' political party affiliations, candidates for public office, and the removal of appointed political party central committee members. Am. 3501.01, 3503.10, 3503.11, 3503.14, 3503.15, 3503.16, 3503.19, 3503.23, 3505.181, 3505.182, 3505.183, 3509.03, 3511.02, 3513.05, 3513.18, 3513.19, 3513.191, 3513.192, 3513.30, 3513.31, 3513.311, 3517.012, 3517.013, 3517.05, 3599.02, 3599.11, 3599.18, and 4507.06; to enact sections 3503.20, 3513.053, and 3513.054; to repeal sections 3513.20, 3517.014, and 3517.016 of the Revised Code; and to amend the version of section 4507.06 of the Revised Code that is scheduled to take effect January 1, 2017, to continue the provisions of this act on and after that effective date.
- HB 458** ■ **FOSTER CARE** ([Boyce, K.](#), [Rezabek, J.](#)) To provide foster care maintenance payments for children in the care of a kinship caregiver without requiring the caregiver to be certified to provide foster care and to require, rather than permit, the creation of the statewide program of kinship care navigators. Am. 5101.851 and to enact sections 5101.855 and 5101.856.
- HB 462** ■ **POLICE DISTRICT** ([Hagan, C.](#), [Sprague, R.](#)) To establish a joint police district, to modify the membership of a joint police district governing body, to expand the offense of solicitation to also apply to a person who agrees with another to engage with the other person in sexual activity for hire, to provide that the "prescription exemption" from the drug possession offenses does not apply to a person who uses more of the drug than the maximum prescribed amount per day or the maximum amount to be used within the prescription timeline or who administers or takes the drug in a manner not prescribed by the prescribing health professional, and to provide immunity from civil liability to a peace officer who administers naloxone to a person who is apparently experiencing an opioid-related overdose. Am. 505.482, 715.05, 2907.24, 2925.11, and 2925.61

Hearing Schedule



Tuesday, February 16

House Financial Institutions, Housing & Urban Development ([Committee Record](#)), (Chr. [Terhar, L.](#), 466-8258), Rm. 122, 10:00 am

HB 415 ■ **LINKED DEPOSITS** ([Schuring, K.](#)) To create the business linked deposit program, to permit credit unions to participate in that program, to permit credit unions to participate in the agricultural linked deposit program, and to make other changes to the linked deposit law. --**3rd Hearing-All testimony-Possible vote**

HB 435 ■ **STATE FINANCING** ([McClain, J.](#)) To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those

qualifying entities. --2nd Hearing-Proponent

House Local Government (Committee Record), (Chr. [Anielski, M.](#), 644-6041), Rm. 018, 10:30 am

HB 407 **BODY CAMERAS** ([Boyce, K.](#), [Grossman, C.](#)) To require law enforcement agencies that use body cameras to adopt written policies for operation of the cameras and to require agencies to make the adopted policies available to the public. --1st Hearing-Sponsor

HB 361 **COMMUNITY EVENT FUNDING** ([Brenner, A.](#)) To authorize boards of township trustees and boards of park commissioners to expend funds for the public purpose of presenting community events in their parks and at other recreational facilities. --2nd Hearing-Proponent

HB 277 **911 LEVIES** ([Brenner, A.](#)) To authorize a county, township, or municipal corporation to impose a 9-1-1 system levy in only the portion of the subdivision that would be served by the 9-1-1 system. --4th Hearing-All testimony-Possible vote

HB 335 **COURT JURISDICTION** ([Craig, H.](#), [Grossman, C.](#)) To specify the jurisdiction of municipal and county courts over municipal traffic ordinances and to establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a municipal corporation that does not have the authority to establish a mayor's court. --4th Hearing-All testimony-Possible vote

HB 413 **EXECUTIVE SESSION** ([Brinkman, T.](#)) To add to the purposes for which a board of township trustees may go into executive session, to permit a township to charge for recycling services, to reduce the population threshold for a township to adopt a limited home rule form of government, to authorize a township to purchase, lease, or provide underwater rescue and recovery equipment for fire and rescue purposes, to authorize boards of township trustees to pay for group life insurance for any employee, to make other changes to the township laws, to allow taxing units to use the proceeds of a fire, police, or emergency services tax levy to pay costs related to the service for which the tax is levied, and to expand the public infrastructure improvements townships, municipal corporations, and counties may pay for using money from their public improvement tax increment equivalent funds. --2nd Hearing-Proponent

House Ways & Means (Committee Record), (Chr. [McClain, J.](#), 644-6265), Rm. 121, 1:30 pm

HB 12 **TIF CREATION** ([Butler, J.](#), [Burkley, T.](#)) To establish a procedure by which political subdivisions proposing a tax increment financing (TIF) incentive district are required to provide notice to the record owner of each parcel within the proposed incentive district before creating the district, and to permit such owners, under specific conditions, to exclude their parcels from the incentive district by submitting a written response. --3rd Hearing-All testimony

HB 409 **TAX EXEMPTION** ([Green, D.](#)) To exempt from property taxation any retail store operated by a nonprofit housing organization that sells donated items suitable for residential housing purposes. --2nd Hearing-Proponent

Joint Legislative Task Force on Department of Transportation Issues, (Chr. [Grossman, C.](#), 466-9690; Chr. [Manning, G.](#), 466-9690), South Hearing Rm., 3:00 pm

- 1st Hearing- Alternative methods to fund Ohio roadways and infrastructure.

Thursday, February 18

Joint Medicaid Oversight Committee (Committee Record), (Chr. [Sears, B.](#), 466-1731), Senate Finance Hearing Rm, 9:00 am Payment Reform Update from Greg Moody, Office of Health Transformation
Grace Commission, (Chr. [Coley, B.](#), 466-8072), Rm. 116, 3:00 pm