



STATEHOUSE REPORT

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209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

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Guidance on Ohio's next operating budget released



Tim Keen, Director of the Office of Budget and Management, released [guidance](#) to agency leaders on the 2018-2019 state operating budget process. In his letter he described the difficulties the administration will face with this particular budget, noting a possible recession and the elimination of the Medicaid managed care sales tax, stating “a recent federal regulatory decision will likely bring to an end the State’s targeted collection of sales tax on Medicaid managed care plans, which would dramatically reduce expected revenue growth.”

Keen counseled agencies to improve efficiency and identify savings, noting that any general revenue fund requests should be no more than 90% of fiscal year 2017 appropriations. He went on to say, “Governor Kasich will use the next biennial budget to continue to enhance the climate of economic competitiveness and job growth in Ohio, restrain State spending; and improve services for taxpayers.”

As we look toward the next legislative session, CCAO anticipates this budget to be extremely challenging. Our CCAO committees are currently meeting to discuss priorities for our next legislative platform, and we encourage all our members to participate in this important process. For more information please contact CCAO Policy Analyst [Kate Neithammer](#) 614-220-7996.

Ohio legislators hear the need for more water and sewer infrastructure at national conference

Many Ohio legislators recently attended the annual National Conference of State Legislatures ([NCSL](#)) summit in Chicago. Experts stressed the need for boosted funding for the country's aging water systems during a conference session. Governments at all levels must step up their investment in water and sewer infrastructure to avoid a reoccurrence of the Flint water crisis, a panel told lawmakers Wednesday. The session can be [streamed](#) on the NCSL website through the OhioChannel.

"If you're a legislator I don't think I have to tell you your constituents and various interests groups are coming to you every day asking for you to invest in the water and sewer infrastructure," said John Covington, a financial analyst with the U.S. EPA's Water Infrastructure and Resiliency Finance Center. "I would encourage you not just look at the federal dollars...but there has to be a state investment. Every level of government is going to have to step up and provide some level of financing for these communities."



Also joining the panel were Greg DiLoreto, chair of the American Society of Civil Engineers Report Card for America's Infrastructure, and former Michigan state lawmaker Chris Kolb, who co-chaired the state's Flint Water Advisory Task Force. Mr. DiLoreto said the ASCE's report card rates America's infrastructure - including water and sewer systems - every four years. Water and sewer infrastructure earned a D grade in the [2013 report card](#), up from D- four years prior.

"The fact is all water pipes in America are deteriorating and we have some 240,000 water main breaks a year in this country and that number continues to grow," Mr. DiLoreto said. "Those breaks, along with other things, caused us to lose some 2 trillion gallons of water in the last year - so 14-18% of the water we treat. Folks, we've already paid to have this water treated and we've lost it." He said the group's research shows the nation would have to invest \$3.2 trillion by 2025 to adequately update such systems but that projected funding only provides about \$1.8 trillion in investment.

Greater Ohio has also released its report: [An Assessment of Ohio Cities' Water and Sewer Infrastructure and Brownfield Sites Redevelopment: Needs and Gaps](#) that has similar findings of the ASCE's report. 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.

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

- **\$1.279 billion for secondary treatment**
- **\$890 million for storm water management**
- **\$723 million for new interceptor 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**

U.S. Environmental Protection Agency released its water quality report 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% was for combined sewer overflow correction with an additional 7% for stormwater management.

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.

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

Addiction and the child protection system

The significant pressures being placed on the child protection system have been in the news recently. On July 16th the Toledo Blade ran an op-ed penned by Robin Reese, Executive Director of Lucas County Children Services (LCCS), and on August 8th the Newark Advocate published a story highlighting Licking County Department of Job and Family Services Director John Fisher's letter to state officials calling for funding to protect abused and neglected children. Both expressed concern about the effects that addiction is having on the system and how it will alter their ability to protect children.

Reese spoke about her challenges, stating "two critical aspects of this epidemic have not received the attention — or the funding — they deserve: the impact that adult heroin, opiate, and fentanyl addictions are having on children, and the lack of detoxification resources for minors." She went on to explain the tension this causes saying, "The agency has been bursting at the seams to care for children whose parents are impaired by addiction."

Fisher's letter called on state officials to "consider awarding additional funds for state fiscal year 2017 and add additional investments for the upcoming biennial budget", citing "the county is using all of its federal resources, a local children services levy and the county's general fund, but one potential partner is mostly missing." According to Fisher, drug use by parents accounts for 75 percent of children in the county's care.

Links to the stories:

<http://www.toledoblade.com/Op-Ed-Columns/2016/07/16/Children-are-also-victims-of-addiction.html>

<http://www.newarkadvocate.com/story/news/local/2016/08/05/county-official-begs-state-help-protect-our-children/88116858/>

CCAO has heard from many members that this is an important issue affecting their counties. We welcome any information you can provide as we work to tell this story to our state partners. For more information or to share the challenges your child protection system is facing, please contact CCAO Policy Analyst [Kate Neithammer](#) 614-220-7996.