



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

December 5, 2014

Pay Bill Crunch Time: Action needed this week!

Following is news coverage provided by Gongwer News Service

Two public official pay raise measures with decidedly different but potentially complimentary approaches advanced Thursday in the House and Senate.

Strong differences of opinion on the issue were evident in the House, where the Finance & Appropriations Committee reported the GOP majority's version of a pay raise measure (HB 661) mostly along party lines before it passed the full chamber later in the evening on a 56-26 vote.

The Senate, however, has other ideas - mainly its leader's - and would prefer creating a constitutional pay commission and removing politicians from direct control over the salaries. The ballot resolution (SJR 9) sponsored by Senate President Keith Faber (R-Celina), was sent to the House with no opposition.

The House bill was amended on the floor by Rep Dan Ramos (D-Lorain) to include a \$12 million appropriation for local governments to cover the costs of the raises.

Rep Ron Amstutz (R-Wooster) said the amendment had been under discussion for some time and urged support for what he called "a good faith effort to be of assistance in a modest way in a modest bill."

The House failed to obtain support for an emergency clause, which requires two-thirds

This week is the critical moment for consideration of compensation by Ohio lawmakers, and CCAO is asking all members to contact their lawmakers urging action be taken. Below are [talking points](#) about the pending proposals.

At the time of this writing, the statehouse committee hearing schedules have not been fully finalized. CCAO anticipates consideration possibly on Tuesday, and is asking County Commissioners and other elected officials to come to the Statehouse to lobby lawmakers in person as well as to contact them via phone, email, fax, etc. Crunch time is here! Your involvement is critical to this process!

HOUSE BILL 661, which would provide fair raises for county elected officials, judges, township trustees and fiscal officers, members of boards of election, and state elected officials, has passed the Ohio House and is in the Ohio Senate for consideration. The Senate, meanwhile, has passed SENATE JOINT RESOLUTION 9, which would, through a constitutional amendment, create a pay commission to set elected officials salaries and remove the prohibition from accepting in-term raises. SINCE THESE ISSUES WILL LIKELY BE DECIDED NEXT WEEK, we need you to contact your state senator and representatives immediately with the following message:

Gongwer Story Cont'd

of the chamber's support. The vote to make the bill an emergency, which would have made it effective immediately in its entirety, failed 53-25.

However, because funding was added for local official pay raises, and an appropriation was already in the bill to cover the costs of judicial salary hikes, those two sections of the measure would become effective upon enactment is what folks understand to be the case.

Under the bill as it currently stands, legislators would not see a pay raise until beyond the next term cycle, or two years in the House and up to four in the Senate.

Rep. Michael Henne (R-Clayton) spoke out against moving the legislation, saying he finds it "hypocritical" that lawmakers are voting to raise their own salaries.

"We're recovering from a recession, everybody's still complaining they don't have enough money, yet we think it's time to give ourselves a raise. And we'll push it back a couple years because we say 'we're not truly giving ourselves a raise,'" he said. "You know what? If you think we need more money, own it - do it now, don't push it back and say it's not for us."

Rep. Gerald Stebelton (R-Lancaster) countered that if the legislature always took that attitude on the issue, elected officials would never see pay raises and would still earn what they did decades ago. He added that most lawmakers and elected officials "work very hard" and "really earn their compensation every day."

House Committee Action: In the House committee, Rep. Mike Duffey (R-Worthington) and Rep. Ross McGregor (R-Springfield) joined all Democrats in opposing the report, the vote for which was 18-12.

The committee accepted two amendments from Rep. Terry Boose (R-Norwalk), who said one was technical and the other corrective in that it changes the funding source for judicial pay to an Ohio Supreme Court fund.

Earlier in the week the panel had adopted a substitute version that, among other changes, pushed back the date for legislative salary hikes and created an advisory commission to revisit pay scales in 2023.

Pay Bill Info Cont'd

"The Ohio Council of County Officials (OCCO) supports the Senate's concept of a pay commission. But since it must go before the electorate as a constitutional amendment, it's eventual creation is by no means certain. In the meantime, county officials have been without even a cost of living increase since 2008, and we strongly urge you to enact HB 661 to provide needed and fair pay adjustments in the coming few years. The two pieces of legislation—HB 661 and SJR 9—are not mutually exclusive, and we do not have a problem with both of them being passed. But the passage of HB 661 before the legislature adjourns for this session is extremely important to us."

Briefly, HB 661 would:

- For non-judicial county elected officials, a reduction in the number of population pay classes from eight to six. This would modernize the pay structure and provide a modest pay raise. The structure would be phased-in during 2015-2016. Officials can receive this higher compensation once their new term of office begins

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Finance Chairman Rep. Amstutz said voting on the proposal was a legislative responsibility, adding that the process had only occurred a couple of times over the last 36 years. "It is appropriate for us to carry out our constitutional duty" and "not hand it away," he said.

Rep. McGregor objected to the timing and said he was leery about raising elected official pay anyway given the many levies that were rejected in his area in the last elections. "This is an activity that is best handled in the context of the budget," he said.

Rep. Vernon Sykes (D-Akron), the ranking minority member on the panel, said of Democrats' concerns, "We're concerned about the timing as well." The lawmaker had previously expressed reservations about granting pay raises to judges given what he viewed as continuing problems with the poor gaining appropriate access to the judicial system.

Rep. Alicia Reece (D-Cincinnati) said she opposed the bill for similar reasons, citing recent incidents in which black youth have been shot. "We've got African-Americans who are being shot and killed with no indictments," she said.

Her comment prompted a response from Rep. Robert Sprague (R-Findlay), who said, "One sure way to have a justice system that's not functioning" is to underpay judges and not attract the best candidates for the posts.

Rep. Mike Foley (D-Cleveland), who would later support the bill on the floor after apparently hearing that it was not going to be dismissed out of hand by the Senate, touched on the political aspects of the vote, recalling some of the negative ads he's witnessed during his eight years in the House. He questioned whether lawmakers should stick their necks out given Sen. Faber had been vocal about preferring a pay raise commission in the Ohio Constitution.

Pay Bill Info Cont'd

subsequent to HB 661's enactment. Thus, county auditors as well as the county commissioners who start their term January 1, can take the increase in 2015, while most other county officials would receive the increase in compensation in 2017.

- A traditional cost of living adjustment (COLA) based on the consumer price index (CPI) capped at 3 percent thru 2023 for local officials and judges. The COLA for county officials would begin in 2017, and it would begin in 2019 for judges.
- In addition, the proposal would provide county boards of elections members a similar adjustment to county elected officials.
- For judges, a 5 percent pay increase starting in 2015 and provided annually thru 2018. COLA would begin in 2019. (The judicial increases would be paid by the state.)
- For township trustees and fiscal officers, a nominal one percent increase along with the implementation of the COLA.
- Lawmakers and statewide office holders would receive a COLA adjustment starting in 2017. No change in salary would occur in 2015 or 2016.
- A study commission would be established to analyze compensation and make an advisory recommendation in late 2022 or early 2023

Gongwer Story Cont'd

"This is a potential trap vote," he said. "I'm concerned this is not a real thing because the Senate is not going to take this up."

Rep. Amstutz replied, "Now there was a courageous comment."

He and other Republicans followed that up by stating that the House must do its work regardless of what the Senate may or may not do on legislation.

Rep. Stebelton, after recalling the long-term negotiations that had brought agreement from interested parties on the bill at hand, called it "the right thing to do for the House of Representatives now."

Rep. Richard Adams (R-Troy) agreed, saying it was how salaries are modified in Ohio. "This is the way we are meeting our responsibility," he said.

Senate Plan: Unlike the House proposal, the Senate's pay raise plan proved to be innocuous in terms of prompting debate, as it received unanimous support on the chamber floor Thursday.

Members who spoke to the resolution on the floor said they'd like to see it become law in tandem with the House's pay raise proposal because one offers a long-term solution while the latter will provide short-term relief for those public officials who haven't seen wage increases in six years.

"I would hope that the two chambers could work together whereby they would pass our resolution and we would consider their resolution which deals with what happens in the interim or if this constitutional amendment does not receive favorable support from the voters," Sen. Bill Seitz (R-Cincinnati) said.

Raising concerns that House leadership won't bring forward pay raise legislation from the Senate because they prefer their own, and vice versa, Sen. Seitz said he would "extend the olive branch" in the hopes that both chambers could work together.

Sen. Faber told reporters after session that Sen. Seitz's idea of passing both chambers' public official compensation measures was "an interesting suggestion," but expressed doubt that the

Pay Bill info cont'd

In addition, an amendment was added by Rep Ramos on the House floor that appropriates \$12 million to the Local Government Salary Assistance Fund, which counties and townships can seek reimbursement to help pay for the salary adjustments included in HB 661. Also, the emergency clause failed to receive adequate support on the House floor to remain a part of .

Briefly, SJR 9 would:

- Ask voters in May 2015 to amend the Ohio Constitution to create a nine-member Public Office Compensation Commission.

Gongwer Story Cont'd

The Senate president said he believed his proposed commission would more fully eliminate political considerations from the issue than the House's version.

When SJR9 came before the Senate State Policy & Government Reform committee earlier in the day, Sen. Seitz questioned the plans the state has to educate voters on the issue if it makes it to the May ballot and what the back-up plan will be if it's not approved.

"Our folks have gone a long, long time without any raise...the cost of living increase was given in January 2008," he said. "My concern and the concern of many elected official that I've talked to is what if it doesn't pass?"

President Faber, who provided sponsor testimony in committee, said he thinks most people are in favor of taking legislators out of the pay raise equation, but if voters do reject the plan, "that's a pretty powerful message that voters are concerned about giving pay raises."

"It's simple, it's clean and it's common sense. I'm surprised it hasn't been done before now," he later said on the floor.

Sen. Faber said 17 other states have established similar commissions. Ohio's nine-member commission would include appointees chosen by the governor, Senate president, House speaker, House and Senate minority leaders and the Ohio Supreme Court chief justice, he said.

Although the legislation would require the commission to reconvene every even-numbered year, it would make its initial compensation recommendations in 2015, Sen. Faber said.

During the committee hearing, Sen. Turner questioned why the judicial branch and minority members choose only one member each while the executive branch and majority leaders choose two members each. The sponsor said giving legislators and the governor input balances out the fact that the process is no longer solely in their hands.

Pay Bill info cont'd

- Commission would recommend pay changes by December 2015. Changes would take effect July 2016, unless 3/5th of the House and Senate vote to reject the changes.
- Commission subsequently would meet in even-numbered years to review pay and recommend changes.
- Eliminate the prohibition against executive/elected officers' compensation being increased or decreased during the period for which the officer was elected.

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In contrast with comments made by House Democrats, Sen. Turner suggested that the judicial branch should have additional appointments to negotiate on their behalf.

"Judges do deserve their raises," she said, pointing to testimony from Geauga County Probate Court Judge Tim Grendell, who said Ohio ranks 43rd in the country for judicial pay.

Committee Chair Sen. Dave Burke (R-Marysville), Sen. Michael Skindell (D-Lakewood) and Sen. Seitz also agreed that putting a compensation scheme in place ensures that the most qualified and competent professionals are holding elected office as opposed to seeking out private sector positions that pay substantially more.

A substitute measure adopted in committee requires the compensation commission to set raises for the executive branch, which was unintentionally left out in the introduced version, the sponsor said.

Three amendments were also added to the resolution during Senate session. The amendments carried by Sen. Skindell would ensure that chartered governments can set their own pay raises, replace all references to public official with public office and replace references to term with term in office.

Sub House Bill 490 – Agriculture and Natural Resources MBR Commissioner Stolte testifies on Sewers in the Senate

This week [Substitute HB 490](#) began its hearing process in the Senate Agriculture Committee. Several witnesses testified on a variety of subjects from algal blooms, puppy mills, and telecommunication to sewer projects and the Great Lakes Compact.

With regards to sewer projects, numerous local government witnesses testified in opposition to a provision that would allow homeowners to opt-out of hooking in to privately constructed sewers under certain conditions. Union County Commissioner Steve Stolte, representing the County Commissioners Association of Ohio, said public sewer systems will be negatively affected by the proposal because most privately constructed sewers are later turned over to public systems.



Com. Steve Stolte

Eliminating the connection requirement for homeowners with properly functioning septic systems could "destroy the financial feasibility of sanitary sewer projects," he said, noting that sewers protect public health and the environment. To read Commissioner Stolte's full testimony, please click [here](#).

Dax Blake, administrator of Columbus's Division of Sewerage and Drainage, said the amendment would impede the city's ability to meet its obligations under a water quality management plan approved by the EPA.

Mr. Blake said Columbus is aware that legislators are considering a broader amendment that would extend the exemption to include publicly owned and constructed sewer lines. That measure would jeopardize the city's loan program and perpetuate the threat to public health and the environment from failing septic tanks, he added.

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On Thursday afternoon, the committee pulled the House's controversial proposal to weaken puppy mill regulations from the bill. More amendments are expected next week.

In offering the rider to remove the puppy mill provisions, Chairman [Sen. Cliff Hite](#) (R-Findlay) said he believed the changes could upset agreements among a wide variety of stakeholders that had supported the original law. "We had a very delicate compromise and I don't want to jeopardize that," he said in an interview with Gongwer News.

Senate [President Keith Faber](#) (R-Celina) hinted that the upper chamber could remove several other controversial amendments or might just let the entire bill sit until next session. "The House had nine months to work on that, and then loaded it up with a bunch of extra stuff," he told reporters.

"I'm not sure in three more session days, four more session days, that that bill is going to be considered in the detail that it is," he said. "We're trying to assess what's necessary and what's not necessary and whether any of that is necessary or if it could all wait until next January."

The Senate committee will continue to hear testimony next week, but hopes to vote the measure out of committee before Thursday, December 11th. For additional information on Sub HB 490 please contact CCAO staffer Brian Mead at bmead@ccao.org or 614-220-7982.

Hearings continue on sales tax holiday legislation, amendments and committee vote expected Dec. 9

The House Finance and Appropriations Committee continued hearings on [SB 243](#) that would establish a three day sales tax holiday to commence on the first Friday in August of each year. The committee is scheduled to consider amendments and vote on the bill on December 9.

In a previous hearing CCAO staffer Brad Cole provided opposition testimony ([link](#)) before the committee. CCAO said in its testimony that if the General Assembly decided to proceed with the legislation, CCAO asked that the General Assembly consider adopting amendments which would:

- Establish the sales tax holiday as a pilot limited to one year
- Require the Department of Taxation to conduct a study to determine the fiscal impact of the legislation
- Require the state to reimburse counties and transit authorities for any lost revenues based on the tax department study

CCAO is also supporting amendments which would:

- Eliminate an outdated requirement that counties and transit authorities reimburse vendors for the cost of resetting cash registers whenever a local government increases the local sales and use tax. This requirement was established years ago when cash registers had to be reset individually. Today cash registers can be reset through computer programs with little or no cost to the vendor.
- Amend the county credit card law to permit counties to use county held credit cards for webinar expenses and certain electronic data processing, record keeping equipment, software or services.
- Amend the “county credit card acceptance policy law” to permit a county law library board to accept credit card payment of fees for services and gifts to the county law library resources fund if the county commissioners have adopted a county credit card acceptance policy.

The committee is also expected to be asked to consider an amendment which would permit individual business vendors to opt out of the sales tax holiday if the vendor determines that they do not want to participate in the sales tax holiday.

For additional information regarding SB 243 or any of the amendments, please contact Brad Cole or John Leutz of the CCAO staff at bcole@ccao.org or jleutz@ccao.org respectively.

CCAO testifies in support of regional transportation improvement project bill, substitute bill accepted, possible committee vote Dec. 9

CCAO staffer Brad Cole provided proponent [testimony](#) before the Senate Ways and Means Committee on [HB 494](#) which would permit two or more boards of county commissioners and the county engineers of those counties to form a governing board for a transportation improvement project.

The legislation sponsored by Representative Kirk Schuring (R-Canton) would permit county officials from two or more counties to enter into cooperative agreements for the purpose of undertaking regional transportation improvement projects that would benefit the region in which the counties are located.



Rep. Kirk Schuring

In testimony Cole said that CCAO supports providing county commissioners with authority and funding options to proceed with transportation projects that have a regional impact.

The legislation establishes requirements for an agreement to undertake a regional transportation improvement project which would include:

A description of the existing transportation system including deficiencies in that system

- A list of transportation projects to be completed including a general description of each improvement, schedules for completion of each improvement, and the cost of each improvement
- Policies regarding the operations and reporting requirements of the governing board
- The number of years that the agreement is to be in effect
- Any terms necessary to communicate the intentions of the cooperative agreement

The legislation permits county commissioners who are parties to the agreement to levy a motor vehicle license tax, subject to voter approval in each county participating in the agreement, in \$5 increments up to a maximum of \$25.

The substitute bill includes provisions requiring the establishment of a transportation advisory council to advise the governing board of the regional transportation improvement project regarding the levying of motor vehicle license taxes if such taxes are to be levied on the operation of trucks. The advisory council, which would include trucking industry representation, would have to approve any motor vehicle license tax that applied to trucks before the governing board of the regional transportation improvement project could recommend to commissioners the proposed levying of a motor vehicle tax that applied to the trucking industry.

HB 494 is scheduled for a hearing, amendments and a possible vote by the Senate Ways and Means Committee on Dec. 9. For additional information on this bill, please contact CCAO Staffer Brad Cole at bcole@ccao.org.

Hearing Schedule

Tuesday, December 8

Energy Mandates Study Committee, (Chr. Stautberg, P., 466-6886), Senate Finance Hearing Rm., 10:00 a.m.

- Presentation from Chairman Thomas W. Johnson, Public Utilities Commission of Ohio

Joint Committee on Agency Rule Review (Committee Record), (Chr. Peterson, B., 466-4086), Senate Finance Hearing Rm., 1:30 p.m.

Tuesday, December 9

House Judiciary, (Chr. Butler, J., 644-6008), Rm. 114, 9:00 a.m.

SB 177 **COMPANION ANIMALS** (Skindell, M., Hughes, J.) --4th Hearing-All testimony-Possible vote

SB 207 **PARENTAL RIGHTS** (Patton, T., Manning, G.) --2nd Hearing-Proponent

SB 316 **SEX OFFENSES** (Cafaro, C.) --2nd Hearing-Proponent

Senate Insurance & Financial Institutions, (Chr. Hughes, J., 466-5981), Finance Hearing Rm., 9:30 a.m.

HB 511 **HEALTH INSURANCE** (Sears, B.) --5th Hearing-All testimony-Possible amendments & vote

HB 201 **MORTGAGE SUBROGATION** (Butler, J.) --7th Hearing-All testimony-Possible amendments & vote

House Finance & Appropriations, (Chr. Amstutz, R., 466-1474), Rm. 313, 10:00 a.m.

SB 243 **SALES TAX HOLIDAY** (Bacon, K.) --5th Hearing-Possible amendments & vote

House Policy & Legislative Oversight, (Chr. Dovilla, M., 466-4895), Rm. 115, 10:00 a.m.

SB 342 **PHOTO MONITORING** (Seitz, B.) --2nd Hearing-All testimony

House Session, (Chr. Batchelder, B., 466-3357), House Chamber, 11:00 a.m. If needed

Senate Session, (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 p.m.

House State & Local Government, (Chr. Anielski, M., 644-6041), Rm. 121, 2:00 p.m. or after session

HB 654 **CRIMINAL RECORDS** (Schuring, K., Slesnick, S.) --1st Hearing-Sponsor

HB 665 **REDEVELOPMENT DISTRICTS** (Schuring, K.) --1st Hearing-Sponsor

HB 605 **ILLEGAL RESIDENTS** (Adams, J., Retherford, W.) --1st Hearing-Sponsor

HB 403 **CONCEALED HANDGUNS** (Becker, J.) --1st Hearing-Sponsor

Senate Medicaid, Health & Human Services, (Chr. Jones, S., 466-9739), North Hearing Rm., 3:15 p.m.

HB 258 **OPTICIANS** (Gonzales, A.) --4th Hearing-All testimony-Possible amendments & vote

HB 0394 **IMMUNIZATIONS** (Smith, R., Antonio, N.) --3rd Hearing-All testimony-Possible amendments & vote

HB 412 **PHYSICIAN ASSISTANTS** (Gonzales, A.) --4th Hearing-All testimony-Possible amendments & vote

HB 463 **DENTAL PROFESSIONALS** (Johnson, T.) --3rd Hearing-All testimony-Possible amendments & vote10410

HB 552 **DOWN SYNDROME** (Stautberg, P.) --2nd Hearing-All testimony-Possible vote

House Health & Aging, (Chr. Wachtmann, L., 466-3760), TBD, 3:30 pm

- Agenda is TBD

House Policy & Legislative Oversight, (Chr. Dovilla, M., 466-4895), Rm. 115, 4:00 pm or after session

- Discussion on TourismOhio. The hearing will focus on the small businesses in our state that rely on travel and tourism, Ohio's fourth largest industry, and the changes being implemented by the Development Services Agency and TourismOhio as a result of Senate Bill 314 from the 129th General Assembly.

Senate Ways & Means, (Chr. Peterson, B., 466-8156), South Hearing Rm., 4:30 p.m.

SB 259 **TAX RETURNS** (Skindell, M.) --1st Hearing-Sponsor

HB 494 **TRANSPORTATION PROJECTS** (Schuring, K.) --3rd Hearing-All testimony-Possible amendments & vote

Tuesday, December 10

Senate Insurance & Financial Institutions, (Chr. Hughes, J., 466-5981), Finance Hearing Rm., 9:00 a.m.

- If needed

HB 511 **HEALTH INSURANCE** (Sears, B.) --6th Hearing-All testimony-Possible amendments & vote

HB 201 **MORTGAGE SUBROGATION** (Butler, J.) -- 8th Hearing-All testimony-Possible amendments & vote

House Policy & Legislative Oversight, (Chr. Dovilla, M., 466-4895), Rm. 115, 9:00 a.m.

SB 342 **PHOTO MONITORING** (Seitz, B.) --3rd Hearing-All testimony-Possible amendment & vote

House Session, (Chr. Batchelder, B., 466-3357), House Chamber, 1:30 p.m.

Senate Session, (Chr. Faber, K., 466-4900), Senate Chamber, 1:30

Senate Public Utilities, (Chr. Seitz, B., 466-8068), Finance Hearing Rm., 2:30 pm or after session

SB 59 **SCHOOL ENERGY PURCHASES** (Beagle, B.) --6th Hearing-All testimony-Possible amendments & vote

SB 391 **NATURAL GAS DEVELOPMENT** (Balderson, T.) --2nd Hearing-All testimony-Possible amendments & vote

HB 319 **NATURAL GAS RIDER** (Grossman, C.) --1st Hearing-All testimony-Possible amendments & vote-
Pending referral

Senate State Government Oversight & Reform, (Chr. Burke, D., 466-8049), South Hearing Rm., 3:15 p.m.

HB 575 **ECONOMIC COUNCIL ON WOMEN** (Baker, N., Anielski, M.) --3rd Hearing-All testimony

HB 277 **ANNEXATION** (Stautberg, P.) --2nd Hearing-All testimony-Possible amendments & vote

Thursday, December 11

Ohio Retirement Study Council, (Chr. Wachtmann, L., 228-1346), Location to be announced, 9:00 a.m.
(Updated: 10:49 a.m., December 5, 2014)

- ORSC Subcommittee to Develop the RFP Regarding the PERS Actuarial Audit

Statehouse Etc.

State, county workforce success measures to be unveiled next week. The Governor's Office of Workforce Transformation invited CCAO and other stakeholders/workforce partners to participate in a webinar highlighting workforce success measures. Next week, the online dashboard will be presented to the Governor's Executive Workforce Policy Board at their quarterly meeting and be made available for public use. Information can be found online here. Contact CCAO policy analyst Laura Abu-Absi at labu-absi@ccao.org for more information.