County Commissioners Association of Ohio's Budget Overview

Items of Interest to Counties
HB64 Ohio's SFY
2016-2017 Biennial Budget

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Budget Preface

In keeping with a pattern in recent years, the state biennial budget (HB 64) was not only a document that set forth the state's funding plan for the next two years, but also contained a wide array of policy changes across many program areas. This year's bill was a bit shorter than last biennium's record setting budget, coming in at 2,876 pages v. 3,747 pages. Tax and education reforms, along with Medicaid policies, once again received a great deal of focus and attention. Governor Kasich used his veto pen 44 times before signing the bill into law, double the number of vetoes in the last budget.

CCAO achieved its primary budget objective of securing additional funding to reimburse counties for indigent defense costs. The bill also contains pay raises for county elected officials. Good news also came in the form of $12.75 million for the purchase of electronic poll books and the elimination of the February special election. It is worth noting that an item NOT included as part of the budget bill is a provision that would have greatly expanded a county's financial liability as it relates to providing Adult Protective Services. It was also nice that, for the first time since 2011, there was no concerted effort to revise the LGF formula to redistribute LGF revenue for counties to other political subdivisions.

Highlights of the $71 billion budget include an additional reduction in personal income tax rates and a reduction to the small business income tax. The school funding formula was modified, along with changes to funding for student assessments. The bill increases the state's rainy day fund and creates the Ohio 2020 Tax Policy Study Commission.

State revenues continued to improve and the total state and federal GRF appropriations came in at $34.88 billion in SFY 2016 and $36.34 billion in SFY 2017, increases of 11.2 percent and 4.2 percent, respectively. The inclusion in the GRF of Medicaid funding for newly eligible individuals is the main contributor to the 11.2 percent increase in SFY 2016. Medicaid and K-12 Education account for 52.1 percent and 26.3 percent, respectively, of the biennial total state and federal GRF appropriations. State-source GRF appropriations total $22.57 billion in FY 2016 and $23.36 billion in FY 2017, increases of 3.4 percent and 3.5 percent, respectively.

Program Area	FY 2014 (Actual)	FY 2015 (Estimate)	FY 2016 (Approp.)	FY 2017 (Approp.)
K-12 Education	$8,257.4	$8,797.9	$9,186.9	$9,538.1
Medicaid	$13,570.5	$15,232.0	$18,097.5	$19,027.1
Health & Human Services	$1,232.2	$1,291.1	$1,339.9	$1,345.5
Higher Education	$2,304.9	$2,379.9	$2,487.2	$2,567.2
Corrections	$1,740.8	$1,772.3	$1,804.0	$1,846.9
General Government	$1,795.8	$1,901.8	$1,964.8	$2,014.9
Total	**$28,901.7**	**$31,375.1**	**$34,880.3**	**$36,339.8**

Source: Ohio Legislative Service Commission

Indigent Defense Funding

CCAO's primary budget request centered around seeking an additional $12 million per year to achieve an estimated 50 percent reimbursement rate to counties. The as-introduced version of the budget held the reimbursement rate at the previous biennium's funding level of 40 percent. The House displayed an outpouring of bipartisan support to address this priority item, with over 55 State Representatives from both sides of the aisle signing onto the amendment adding indigent defense funding. The Senate kept the additional funding and proposed some additional changes around reimbursement rates and death penalty cases. In the end, the $12 million per year remained, along with the Senate's provision of an additional $1.5 million of funding for death penalty cases for each year in the biennium. These increases in funding, when coupled with non-GRF funding from the Indigent Defense Support Fund, should provide the 50 percent reimbursement to the counties for their costs incurred in providing indigent defense services.

Tax Policy

Governor Kasich again introduced a budget bill replete with significant tax policy changes. The Administration proposed tax cuts to personal income taxes by 23 percent, small business income tax relief, and increases to personal income tax exemptions. Proposed revenue enhancements included expansion of the sales tax base plus a permanent .5 percent rate increase, a CAT tax rate increase from .26 to .32 percent, a $1 per pack on cigarettes and increases in other tobacco taxes, a severance tax proposal, and elimination of a small set of income tax deductions and credits for taxpayers making over $100,000. In broad terms, the reform proposal started off providing a net tax cut of $523 million over two years.

The House put their imprimatur on the budget by deleting nearly all tax proposals and creating the Ohio 2020 Tax Policy Study Committee. They did include an income tax cut of $1.2 billion (6.3 percent), using projected growth in revenue and made permanent a 75 percent small business tax cut on the first $250,000.

The Senate extended 2014's temporary 75 percent deduction on up to $250,000 of income into 2015 for small businesses, and then raises it to a 100 percent deduction in 2016 and converted Ohio income tax for small business owners on any marginal income above exemptions to a 3 percent flat tax. They also increased the state's budget stabilization fund from 5 percent ($1.8 billion) to 8.5 percent ($2.5 billion). Finally the cigarette tax was raised from $1.25 to $1.60 per pack.

In the end, the House level of income tax cuts prevailed, as did their Ohio 2020 Tax Policy Study Commission, with some additions and revised timelines for certain components. The Senate's proposals around small business taxes and the budget stabilization fund were also included in the final version, along with the cigarette tax increase. The long-debated issue of reforming Ohio's severance tax was left to the 2020 Tax Policy Study Commission, with a severance tax report due on October 1, 2015. The Senate indicated interest in putting a new severance tax into the budget bill, but in the end agreed to the hard study committee deadline of October 1. One detail is that the budget does not take effect until Sept. 30, so the Commission technically does not exist until one day before the severance tax study deadline. It is also interesting to note that due to a drafting error, when the budget bill came out of the joint conference committee, it failed to specify that the 3 percent tax rate for small business owners applies to income over $250,000. Instead, the language reads that it applies to all taxable business income. Thus, taxes would actually go up this year for most business filers because under Ohio's progressive tax system, where higher earnings are taxed at higher rates, the vast majority of Ohioans pay an effective state income-tax rate of less than 3 percent. A fix is anticipated upon the General Assembly's return in the fall.

Elected Official Compensation

After a coordinated and intensive lame duck push to address elected official compensation failed at the end of the last biennium, the future of pay raises for county commissioners as part of the budget bill was uncertain at best. The Governor's as-introduced version of the budget included the Ohio Supreme Court's request for judicial pay raises. The House stripped the judicial pay raise provision. The Senate addressed pay raises for judges, prosecutors and sheriffs. Emerging from conference committee, the budget bill provides most county elected officials with a 5 percent increase in 2016 and another 5 percent in 2017, coupled with a compensation class reduction in 2017 wherein old classes 1 and 2 move into old class 3. County elected officials will be able to receive these adjustments once their new term of office begins after September 29, 2015. Unfortunately, county commissioners and auditors who next take office in 2019 will benefit later than their colleagues in the courthouse, due to the Ohio Constitutional provision prohibiting legislative pay adjustments in-term.

Local Government Funds

No changes were proposed during the budget process to the county undivided allocation formula or distribution approach. The percentage of total state GRF tax receipts comprising the LGF remains at 1.66 percent. The Ohio Tax Department is estimating an overall 1.5 percent increase in the County Undivided Local Government Fund from calendar year 2015 to calendar year 2016. However, some counties will receive a different percentage due to the "hold harmless" provision enacted four years ago. Appendix A provides specific county estimates of dollar amounts and percentages.

Municipalities, however, were not so fortunate. Cities saw the portion of LGF they receive redirected for several purposes. First, $24 million of the LGF municipal distribution was redirected to townships and small villages. Secondly, $15 million over the biennium is redirected from cities to the Law Enforcement Assistance Program to increase the required number of hours of police officer training. Finally, $2 million over the biennium was redirected from cities to implement recommendations from the Governor's Community Police Relations Task Force, including financing the creation and operation of a database and public awareness campaign.

The concerted legislative advocacy efforts put forth by our members were the critical component to our success in accomplishing CCAO's top legislative priorities during the biennial budget. Our sincere thanks from your CCAO staff for the time and effort you put forth on behalf of county government throughout the budget process.

Taxation and Finance

Local Government Funds

Local Government Fund Distributions - Continues the Local Government Funds (LGF) on a percentage of tax receipts formula which was established in 2013. The funding percentage is 1.66 percent and was derived by dividing the SFY 2013 LGF deposits by total SFY 2013 state general revenue fund tax receipts.

Summary of County Undivided LGF Deposits, CFY13-15 (in millions)

	CFY 2013	CFY 2014	est. CFY 2015	est. CFY 2016	% change: CFY 13-14	% change: CFY 14-15	% change: CFY 15-16	Three-year average % change
LGF	$328	$321	$345.4	350.6	-2.1%	7.6%	1.5%	2.3%

Source: Ohio Department of Taxation

The budget continues to require that in SFY 2016 and thereafter, distributions to each county from the Local Government Fund are at least $750,000 or the amount distributed to the county in SFY 2013, whichever is less. Twenty-three counties benefited from this minimum guarantee provision in 2014 and twenty-two counties are projected to benefit from this provision in 2015. The cost of the minimum guarantee provision will come off the top of growth in distributions to the counties that do not receive additional funding under the minimum guarantee provision, assuming that there is adequate growth in overall state general revenue fund tax receipts. As LGF distributions grow over time, counties that have been subject to the minimum distribution provision can be expected to surpass the minimum guarantee.

However, should state general fund tax revenues unexpectedly perform lower than predicted, the cost of the minimum guarantee provision for such counties will be shared by the remaining counties that are not on the minimum guarantee. Thus, those counties will have their distributions reduced proportionally in order to pay for these minimum distributions.

An annual reconciliation will occur the last month of each state fiscal year (June) to ensure that each county has received no less than its minimum distribution amount during the just-ending fiscal year. To the extent there are any supplemental LGF distributions needed to implement the minimum distribution requirements for the fiscal year (and to the extent there are any corresponding reductions to the county undivided distributions in order to pay for those supplements), such supplements and reductions will be embedded into the June LGF distributions.

(Section 375.10)

Local Government Fund Adjustments for Municipal and Township Governments - For the first time since the SFY 2012-2013 budget in 2011, there was no concerted effort within the legislature to revise the statutory state LGF formula so as to redistribute LGF revenue earmarked for counties to other political subdivisions. Municipal corporations were not so fortunate. This budget alters the distribution of money in the LGF, specifying that $10 million in each of SFY 16 and 17 be distributed through county undivided local government funds to townships, and $2 million each year be distributed to small villages, instead of directly from the Department of Taxation to municipal corporations.

For the purpose of this provision, small villages are defined as those with populations under 1,000. The net loss to cities and larger villages is more than $11 million per year and the net gain to small villages is approximately $1 million per year during each year of the biennium. Of the amount of additional revenue to be distributed exclusively to townships, half is to be divided among the counties so that each township in the state receives the same amount, and half is be apportioned based on township road miles. Of the additional amount to be distributed to villages, half is to be divided among counties so that each qualifying village receives the same amount, and half is to be apportioned based on village road miles.

(Section 375.10)

Traffic Camera Fine Receipts and LGF Payment Adjustments for Municipal Governments - Another provision of the budget may further reduce LGF distributions to municipal corporations. Prior to the adoption of the state budget, the legislature had passed legislation prohibiting municipal corporations and other local governments from using traffic cameras, unless such traffic cameras were accompanied by a peace officer to enforce the traffic violations such cameras are intended to photograph. Municipal corporations argued that requiring a peace officer to monitor each traffic camera made the use of traffic cameras cost prohibitive.

In order to put teeth into the state law effectively banning the use of traffic cameras, the legislature added a provision to the budget requiring any local authority that has operated a traffic camera between March 23, 2015, and June 30, 2015, to file either of the following with the auditor of state on or before July 31, 2015, 1) if the local authority has complied with the traffic camera law, a statement of compliance with the traffic camera law; or 2) if the local authority has not complied with the traffic camera law, a report including the civil fines the local authority has billed to drivers for any violation of any municipal ordinance that is based upon evidence recorded by a traffic camera. These reports are filed with the auditor of state and the tax commissioner on a quarterly basis 30 days after the end of each calendar quarter.

Any local authority that reports the collection of fines from traffic cameras that does not employ a peace officer to enforce a traffic camera will have their local government fund distributions reduced by the gross amount of traffic camera fine receipts reported by the local authority. Any local authority that uses traffic cameras and does not file the required reports or statements will have their local government fund distributions suspended until such time as the required reports or statements are submitted to the state. LGF Funds that otherwise would have been distributed to such municipal corporations will be distributed to other political subdivisions within the county.

(ORC Sections 5747.51, 4511.0915, 5747.50, 5747.502, and 5747.53)

Casino Revenues

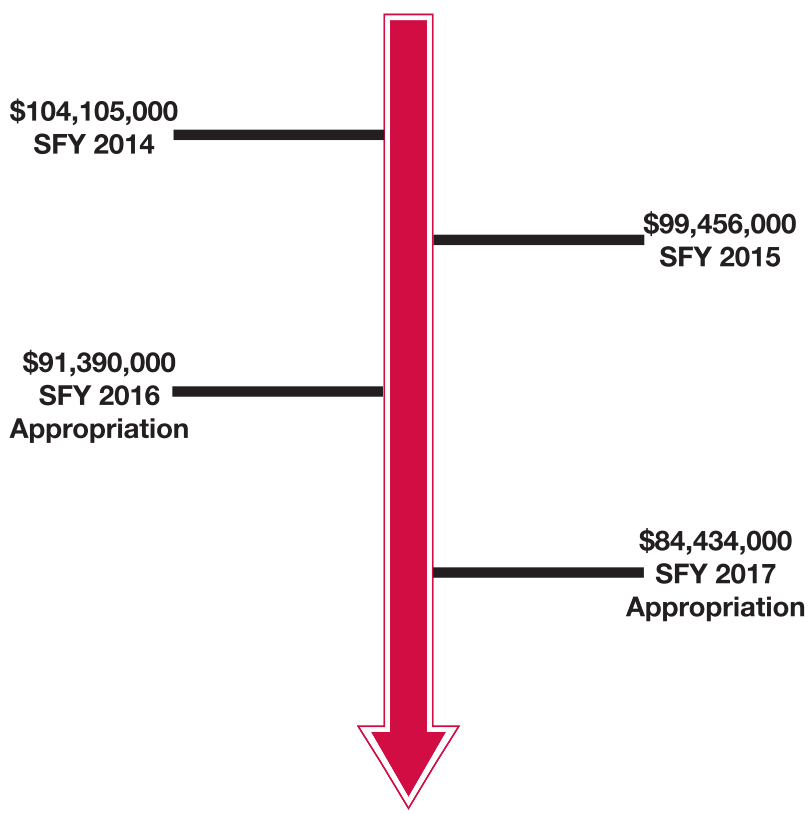
Casino Revenue Decreasing - The state budget appropriations of casino revenue project an approximate 17 percent reduction in annual casino revenue to the counties in just the two years from SFY 2015 to SFY 2017. The Constitutional provision regarding distribution of the 33 percent gross casino revenue tax paid by the four casinos allocates 51 percent of the tax to the counties in proportion of their populations. In the eight largest counties the Constitution requires an equal division of the county allocation between the county and its largest city, and these eight cities together receive approximately 26 percent of the total state-wide allocation. Consequently, counties really receive only about 74 percent of the county casino revenue distribution.

Property Tax Reimbursement-Local Government and Education - The budget appropriates a total of $1,846,500,000 in SFY 2016 and $1,877,100,000 in SFY 2017 for reimbursement of local governments and school districts for losses incurred as a result of the 10 percent and 2.5 percent rollback reductions in real and manufactured home property taxes and as a result of the homestead exemption reductions in taxes. The reimbursement is paid to local governments and school districts for qualifying levies that are generally on the tax list for tax year 2013 or renewals of such levies.

(Section 375.10)

Gross Casino Revenue Distributed to 88 Counties

amount to eight largest cities not included



Summary of Property Tax Reimbursement for Local Governments and Schools SFY 16-17 (in millions)

	SFY 2016	SFY 2017	% change
Property Tax Reimbursement-Local Government	$664,740	$675,000	1.54%
Property Tax Reimbursement-Education	$1,181,760	$1,201,340	1.66%
Totals	$1,846,500	$1,877,100	1.65%

Increase Funding to Public Library Fund - Increases the percent of GRF tax revenues transferred to the Public Library Fund (PLF) to 1.70 percent in SFY 2016 and 2017, from 1.66 percent under permanent law. The fiscal effect is that this temporary law change increases transfers from the GRF to the PLF by about $10 million in each of the next two fiscal years.

(Section 375.10)

Budget Stabilization Fund or "Rainy Day Fund"

State Budget Stabilization Fund - Increases the amount of money intended to be maintained in the Budget Stabilization Fund (BSF) from 5 percent of state GRF revenues for the preceding fiscal year to an amount equal to 8.5 percent of such revenues. On July 7, 2015, the Administration deposited $526.6 million into the BSF bringing it to a record balance of $2.005 billion, which is approximately 6.4 percent of FY15 GRF revenues. The additional 3.5 percent authorization will enable the BSF cap in FY 16 to be $2.675 billion. It is estimated that the BSF cap could potentially reach over $3 billion in FY18, though there is no projection that the balance would actually reach that level.

(ORC Sections 131.43 and 131.44)

Development Services Agency

Community Services Block Grant Distribution of Funds - Decreases from 95 percent to 91 percent the minimum percentage of funds that must be distributed to community action agencies or migrant and seasonal farm worker organization from the federal Community Services Block Grant. Requires at least 4.5 percent of the funds to go to one or more nonprofit organizations that train and provide technical assistance to community action agencies. The fiscal effect is to alter the allocation of federal CSBG funding that passes through DSA, distributed through the Community Service Block Grant Fund.

Extension of Township Tax Increment Financing (TIF) Exemptions - Authorizes the board of trustees of a township with a population of 15,000 or more to amend a TIF resolution adopted before December 31, 1994, to extend the exemption of the parcel or parcels included in the TIF for up to an additional 15 years, however the percentage of improvements exempted from taxation may not be altered. The township must notify the affected political subdivisions prior to adopting the extension.

(ORC Section 5709.73)

Sales and Use Tax Law Changes

Sales Tax: Eliminate Compensation for Cash Register Adjustments - Eliminates a requirement that counties and transit authorities compensate vendors, upon request, for the expense of adjusting cash registers when a local government sales and use tax is increased or imposed, beginning on July 1, 2015. Currently, such compensation is up to $50 per cash register or up to $100 if only one register is in the place of the business.

(ORC Section 5739.212 repealed)

Out of State Seller Liability for Use Tax - Prescribes new criteria for determining whether sellers have substantial nexus with Ohio, and are therefore required to register with the tax commissioner, and collect and remit use tax for out-of-state purchases by Ohio Consumers. Expresses the nexus criteria as presumptions that can be rebutted by sellers. Permits a seller presumed to have substantial nexus with Ohio to rebut that presumption by demonstrating that the activities conducted by a person on the seller's behalf are not significantly associated with the seller's ability to establish or maintain an Ohio market for the seller's sales. Requires a person or that person's affiliates, before the person sells or leases tangible personal property or services to a state agency, to register with the tax commissioner and collect and remit the use tax. While an exact revenue estimate does not exist, the Legislative Service Commission projects increases in state revenue from the sales and use tax by several million dollars per year.

(ORC Sections 5741.01 and 5741.17)

Use Tax Collections by Remote Sellers and Income Tax Reduction Fund Transfers - Defers the first date that the Director of OBM is required to transfer new remote seller use tax collections to the Income Tax Reduction Fund from July 1, 2015 to the 31st day of January or July following the effective date of a federal law that authorizes states to require sellers that lack substantial nexus to the state to collect and remit use tax. New use tax collections from remote sellers that would otherwise be deposited in the Income Tax Reduction Fund will go to the GRF until future federal legislation is enacted.

(ORC Sections 5741.01 and 5741.03; Section 812.20)

Sales and Use Tax Exemption for Meat Sanitation Services - Exempts from sales and use tax the provision of sanitation services to a meat slaughtering or processing operation necessary for the operation to comply with federal meat safety regulations beginning October 1, 2015. The revenue loss was not known by the Legislative Service Commission.

(ORC Sections 5739.01 and Section 803.330)

Sales Tax Exemption for Rental Vehicles Provided by Warrantor - Exempts from sales and use tax any transaction by which a rental vehicle is provided to someone whose motor vehicle is undergoing repair or maintenance, if the cost for the rental vehicle is reimbursed by the manufacturer, warrantor, or other provider of a maintenance or service contract or agreement, with respect to the vehicle being repaired or maintained. The revenue loss to the state GRF, the LGF, and counties was unknown to the Legislative Service Commission.

(ORC Section 5739.02 and Section 757.110)

Property Tax Law Changes

Property Tax Replacement Payments to Local Taxing Districts - Beginning in SFY 2016, resumes the phase-out of business and utility tangible personal reimbursement payments to local governments based on each unit's combined business and TPP reimbursement payments received in SFY 2015. Specifies that replacement payments for current expense levies be phased out according to the ratio of a taxing unit's SFY 2015 payment amount to its total operating revenue from state and local sources. Specifies that the replacement payment will only be made in SFY 2016 if the unit's SFY 2015 payment represents more than 2 percent of its total resources; increases the percentage threshold to 4 percent in SFY 2017 and by 2 percentage points for each year thereafter. State reimbursement payments to local governments including counties, townships, municipal corporations, other local taxing units, and public libraries will be reduced from $127.6 million in SFY 2015 to $65.9 million in SFY 2016 and to $40.2 million in SFY 2017 saving the state over $140 million during this biennium alone.

(ORC Sections 5709.93, 5727.84, 5727.86, 5751.20, and 5751.22; Section 757.10)

Property Tax Exemption for Fraternal Organizations - Extends the property tax exemption for real estate held or occupied by a fraternal organization to property that is not used primarily for meetings and administration of the fraternal organization but is used for other nonprofit purposes on nonprofit educational or health services.

(ORC Sections 5709.17, 757.80, 5709.17, 757.190, 5709.17, and 757.190)

Tax Valuation for Farmland Storing Dredged Material - Allows unproductive farmland to continue to be valued for property tax purposes according to its current agricultural use value (CAUV) for up to five years if the land is being used to store or deposit materials dredged from Ohio's waters pursuant to a contract between the landowner and the Department of Natural Resources or U.S. Army Corps of Engineers. Applies the valuation method to tax years 2015 and thereafter.

(ORC Section 5713.30)

Qualified Energy Project Tax Exemption - Extends by five years the deadlines by which the owner or lessee of a qualified energy project must submit a property tax exemption application, submit a construction commencement application, begin construction, and place into service an energy facility using renewable energy resources (wind, solar, biomass, etc.) to qualify for an ongoing real and tangible personal property tax exemption. Extending the deadline allows qualified energy projects placed into service between 2017 and 2021 to remit a payment in lieu of taxes (PILOT).

(ORC Section 5727.75)

Property Tax Bill Mailings and Penalty Waivers - Requires the county treasurer to maintain a record of the person or agent to whom each property tax bill is mailed. Waives any penalty due with respect to unpaid property taxes resulting when a mortgage lender fails to notify the county auditor of a satisfied mortgage.

(ORC Sections 323.13 and 5717.39)

Income Tax Changes

Small Business Income Tax Deduction - Allows taxpayers to deduct 75 percent of the first $250,000 of all pass through entity income of an income taxpayer's business income in SFY 2016 (affecting tax year 2015) and increases the deduction to 100 percent in SFY 2017 on the first $250,000 of income. Allows personal and dependent exemptions to be used only to reduce nonbusiness income. Imposes a flat 3 percent tax on all business income in excess of these amounts. The flat 3 percent tax on all business income has the practical effect of increasing income taxes on certain small businesses with business income of less than $270,000 in the first year. Upon learning of this anomaly, legislative leaders have indicated that the legislature may be asked in the fall of 2015 to eliminate this tax increase which the legislature in all likelihood did not intend to impose. The small business income tax deduction reduces state general revenue fund (GRF) income by $303 million and $490 million in SFY 2016 and 2017, respectively, and reduces the LGF by approximately $5 million in SFY 2016 and $8 million in SFY 2017.

Income Tax Rate Reduction - Provides for a personal income tax reduction of 6.3 percent for all income tax brackets for taxable years beginning in 2015. The personal income tax rate reduction will reduce state GRF revenue on an all funds basis by an estimated $617.8 million in tax year 2015 and $645.8 million in tax year 2016. The LGF loss would be approximately $10 million during each tax year.

Means Test Retirement Income Tax and Senior Citizen Credits - Applies a means test to the retirement income credit, the lump-sum retirement credit, the lump distribution credit, and the senior citizen credit. For taxable year beginning in 2015 and thereafter, only taxpayers with Ohio taxable income of less than $100,000 would be eligible for the credits. Means testing of these credits will increase personal income tax revenue by up to an estimated $24.9 million in SFY 2016 and $25.5 million in SFY 2017. LGF revenue would increase about $400,000 in each year of the biennium.

Commercial Activity Tax (CAT) Law Changes

CAT Revenue Allocation Changes - Changes the share of commercial activity tax revenue credited to the GRF from 50 percent to 75 percent, reduces from 35 percent to 20 percent the share credited to the School District Tangible Personal Property Tax Replacement Fund and decreases from 15 percent to 5 percent the share credited to the Local Government Tangible Personal Property Tax Replacement Fund, beginning July 1, 2015. This change increases the amount of revenue credited to the GRF and was made possible by the budget's resumption of the phase-out of tangible personal property tax reimbursement payments from the state to school districts and local governments.

(ORC Sections 5751.02 and 5751.20)

Historic Rehabilitation Tax Credits for Corporations - Extends, to July 1, 2017, current law that authorizes owners of an historic rehabilitation tax credit certificate to claim the credit against the commercial activity tax (CAT) if the owner cannot claim the credit against another tax.

(Section 757.70)

Cigarette Tax Law Changes

Cigarette and other Tobacco Tax Enforcement - Earmarks $250,000 of the Department of Taxation budget for cigarette and other tobacco tax enforcement. Requires the tax commissioner to prepare quarterly reports to the General Assembly regarding the impact of additional enforcement activities. The Legislative Service Commission projects increased tax collections for the State GRF.

(ORC Section 5703.85 and Section 397.10)

Increase Cigarette Tax Excise Tax Rate - Increases the per pack rate on cigarettes from $1.25 per pack to $1.60 per pack. This rate increase the state GRF by $208.6 million in SFY 2016 and by $170 million in SFY 2017.

(ORC Sections 5743.02 5743.32; Sections 757.30 and 803.50)

Kilowatt Hour and Natural Gas Consumption Taxes

Kilowatt-Hour Excise Tax: All Revenue to GRF - Requires that 100 percent of revenue from the kilowatt-hour excise tax be deposited into the GRF beginning July 1, 2015, instead of 88 percent to the GRF, 9 percent to the School District Property Tax Replacement Fund and 3 percent to the Local Government Property Tax Replacement Fund. This budget resumes the phase out of reimbursements to school districts and local governments for lost kilowatt-hour tax revenue. Under this budget, the minimal amount of revenue still required to be paid to schools and local governments as reimbursement for lost kilowatt-hour taxes will be paid from CAT tax receipts rather than from kilowatt-hour revenues.

(ORC Sections 5727.81, 5727.811, and 5727.84)

Auditor of State's Oversight - Makes several changes to actions that the Auditor of State may exercise relative to performance audits and fiscal emergency declarations. Specifically, authorizes the Auditor of State, on the Auditor's own initiative, to conduct a performance audit of a county, municipality or township that is under fiscal caution, fiscal watch, or fiscal emergency. Specifies that the cost of a performance audit undertaken as such must be reimbursed by the state. (This provision is eliminated two years from the effective date of HB 64 - September 29, 2015.)

In addition, requires the Auditor of State to declare that a fiscal emergency condition exists in a county, municipality or township if a jurisdiction in which a fiscal watch exists has not made reasonable proposals or otherwise taken action to discontinue or correct the fiscal practices or budgetary conditions that prompted the declaration of fiscal watch, if the auditor determines a fiscal emergency is necessary to prevent further decline. Reduces from 120 to 90 days the amount of time a jurisdiction for which fiscal watch has been declared is given to submit to the Auditor of State its financial recovery plan.

Special Legislative Study Committees

Ohio 2020 Tax Policy Study Commission - Establishes a commission to review Ohio's tax structure and policies and make reports to the General Assembly on three different issues. The commission is comprised of seven members: three from the House, three from the Senate, and a Governor appointee, and is to be co-chaired by the chairs of the Ways and Means Committees of the two houses. The committee is to be staffed by LSC who is to use dynamic analytical tools to aid in its review.

The three separate issues and their report dates are:

- Maximizing Ohio's competitiveness by the year 2020, transitioning Ohio's personal income tax to a 3.5 percent or 3.75 percent flat tax by tax year 2018, and studying Ohio's state tax credits. This report is to be submitted by October 1, 2017.
- Reforming Ohio's severance tax. This report is to be submitted by October 1, 2015
- The effectiveness of the historic building rehabilitation tax credit and whether to make the credit refundable or to create a grant program. This report is to be submitted by October 31, 2016
- (ORC Section 757.50)

Grace Commission (Ohio Expenditure Committee) - Establishes a joint committee of the General Assembly, to review all expenditures of state government for fiscal year 2015. The committee is to consist of one member of the Senate and four other individuals appointed by the President, one member of the House of Representatives and four other individuals appointed by the Speaker, and the vice chairpersons of the Senate and House finance committees who are ex officio members. The committee is to present its findings in a written report to the General Assembly and to the Governor not later than eight months after the amendment's effective date.

(ORC Sections 701.60 and 701.05)

County Debt Financing

Refunding General Obligation Debt - Requires the last maturity of refunding securities to be not later than the later of: (1) 30 years from the date of issuance of the original securities issued for the original purpose (as under current law); or (2) the year of the last maturity that would have been permitted for the original securities if they had been issued as general obligation securities and the law as to the maximum maturity of general obligation securities issued for the original purpose was the same at the time the original securities were issued as the law existing at the time the refunding securities are issued.

Expands, to any special obligation security, the types of securities a political subdivision may issue to fund or refund various types of outstanding securities. (Currently, only sales tax supported securities may be issued.) Expands, to include sales tax supported securities, the types of securities a political subdivision may issue securities to fund or refund. Specifies that special obligation securities issued to fund or refund other securities, other than sales tax supported bonds, are payable as to principal at such times and in such installments as determined by the taxing authority and not subject to the provisions of the Public Utilities Law regarding payment of principal of securities. Further specifies that the last maturity of these refunding securities may be not later than the year of last maturity permitted by law for the obligations being refunded.

Authorizes political subdivisions to hold in cash any money derived from the proceeds of securities issued to fund or refund other securities or obligations that is in escrow. Specifies that the political subdivision may invest such money if and to the extent authorized by the taxing authority.

(ORC Section 133.34)

Lodging Taxes

Financing for Sports Park - Authorizes a county with a population in the 2010 Census between 75,000 and 78,000 to increase its general hotel tax rate by 1 percent for the purpose of paying the costs of constructing and maintaining a sports park and promoting tourism in the county. The increased rate may be applied county-wide, even if a municipal corporation or township in the county has levied a 3 percent lodging tax in addition to a separate 3 percent lodging tax.

Further authorizes the county to enter into a cooperative agreement with port authorities, nonprofit corporations, and operating companies governing the construction, financing, and operation of a sports park or the acquisition, renovation, or maintenance of an existing sports park; allows the county commissioners to amend the county's existing lodging tax to authorize all or a portion of that tax to finance a sports park; and, clarifies that the county may pledge any lodging tax it levies towards financing a sports park.

(ORC Sections 307.679, 133.07, and 5739.09) [Erie County]

Sports Facilities - Authorizes a county with a population between 175,000 and 225,000, that has an amusement park with an average annual attendance over two million, and that levied a 3 percent lodging tax on December 31, 2014, to levy an additional 1 percent lodging tax for the purpose of constructing and maintaining county-owned sports facilities and financing efforts by the convention and visitors bureau to promote travel and tourism with respect to the sports facilities.

(ORC Section 5739.09) [Warren County]

County Agricultural Societies - Authorizes a county with a county or independent agricultural society hosting an annual harness horse race with at least 40,000 per-day attendees to levy, subject to the approval of county voters, a lodging tax of up to 3 percent for up to 5 years to pay for permanent improvements at sites where an agricultural society conducts fairs or exhibits.

(ORC Sections 1711.15, 1711.16, and 5739.09) [Delaware County]

Permanent Improvements - Authorizes a county with a 2010 population of between 39,000 and 40,000 that does not currently levy a lodging tax and a county with a 2010 population between 71,000 and 75,000 that currently levies a 3 percent lodging tax for a convention and visitors bureau to levy a lodging tax of up to 3 percent for the purpose of financing permanent improvements. The tax would apply throughout the county, including in any township, city, or village that levies its own lodging tax and is subject to referendum if 10 percent of the county's electors sign and file petitions within 30 days after the county commissioners adopt the tax measure.

(ORC Sections 5739.09, 133.07, and 305.31) [Defiance and Hancock Counties]

Lake Erie Shoreline Improvements - Authorizes a county on the Lake Erie shore to levy a lodging tax, subject to referendum, of up to 2 percent to fund shoreline improvements to be carried out by a port authority under an agreement between the county and port authority. Restricts eligibility to a county that has Lake Erie shoreline equal in length to at least 50 percent of the length of the county's border with other Ohio counties. Authorizes the port authority to issue bonds supported by the lodging tax revenue pledged by the county. Specifies that bond proceeds may be used for any kind of project that may be undertaken by a port authority under continuing law, except that the project must be located within one mile of Lake Erie and must receive the approval of the board of county commissioners. Limits the maximum maturity of the bonds to 30 years.

(ORC Sections 4582.56, 305.31, and 5739.09) [Lake County]

Justice and Public Safety

We are extremely pleased that the Legislature supported CCAO's primary budget priority of restoring the partnership for indigent defense.

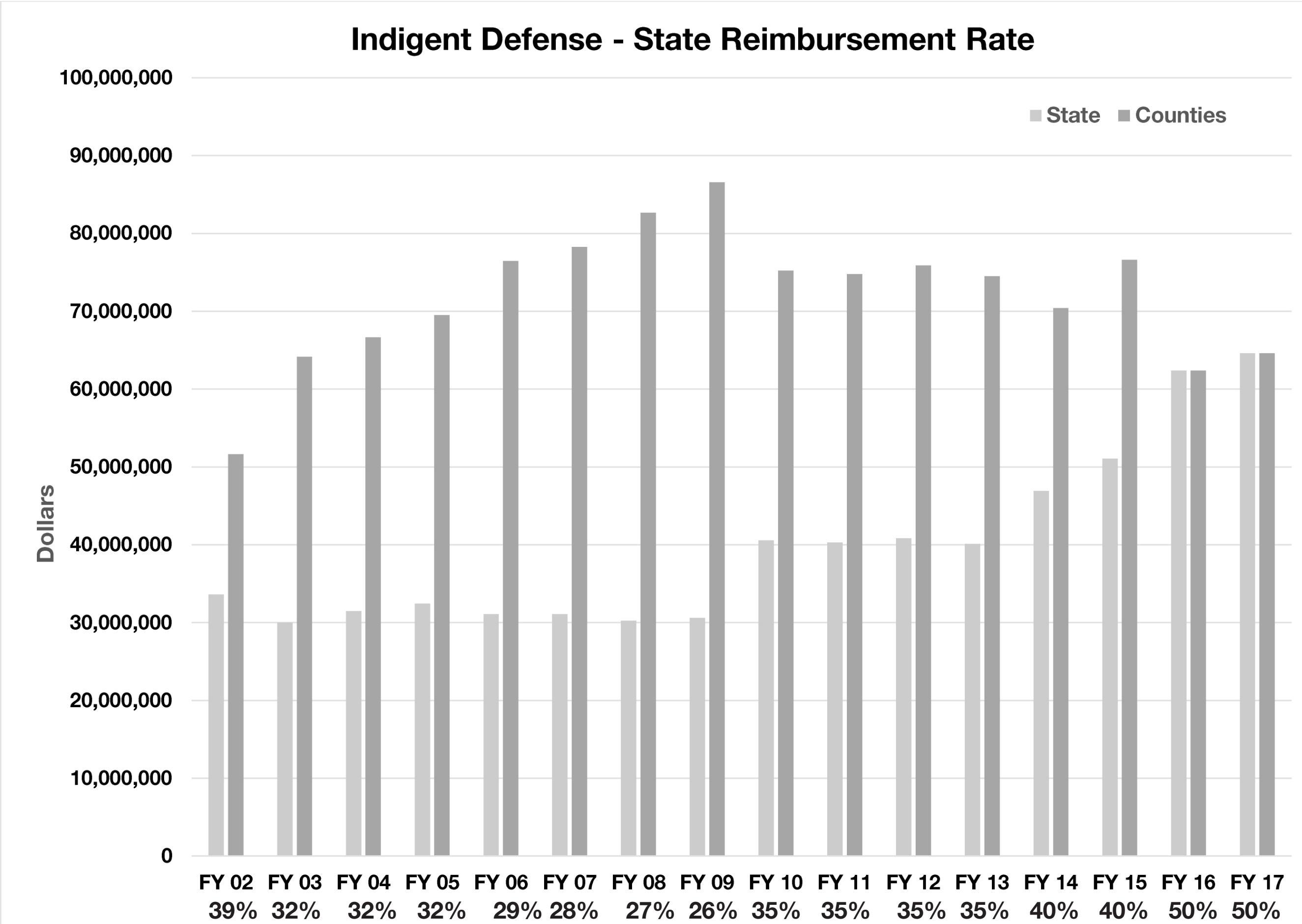
HB 64 includes the Ohio House of Representatives' proposal providing an additional $12 million for indigent defense reimbursement and the Senate's provision of additional $1.5 million of funding for death penalty cases for each year of the biennium. These general fund appropriations totaling slightly more than $25 million, when coupled with the non-GRF funding from the Indigent Defense Support Fund, should provide 50 percent reimbursement to the counties for their costs incurred in providing indigent defense services.

Years ago, 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 state-wide 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. Since 1979 the counties have been carrying more than their 50 percent share of the burden. The rate averaged 34.6 percent for the decade prior to the SFY14/15 biennium and hit its record low of 26.1 percent in SFY 09.

Indigent Defense

Reimbursement Rate - The Ohio House of Representatives provided an additional $12 million in the GRF line items for indigent defense reimbursement, and the Senate included $1.5 million specifically for death penalty cases for each year of the biennium beyond the GRF appropriation contained in the budget as introduced. These general fund appropriations totaling slightly more than $25 million, when coupled with the non-GRF funding from the Indigent Defense Support Fund (IDSF) of approximately $38 million, should provide 50 percent reimbursement to the counties for their costs incurred in providing indigent defense services. This is an increase in the reimbursement percentage of 10 percent over the 40 percent being provided during the current SFY 14/15 biennium. The reimbursement rate was at 35 percent during the SFY 10/11 and SFY 12/13 bienniums.

However, based upon newly developing trends, the State Public Defender will initially be reimbursing counties at 48 percent instead of 50 percent. It is hoped that as the fiscal year progresses, the projections will improve and reimbursement will be able to be adjusted up to 50 percent.



In recent months, there has been a significant increase in the amount counties have submitted for state reimbursement. At the time the State Public Defender Commission filed its fiscal year 2016-2017 biennial budget request, statewide costs were $117.3 million and growing at about three percent per year. Actual statewide costs in fiscal year 2015 were $127.7 million, and based on the recent submission trend from the counties, system costs are now projected to be around $133 million in fiscal year 2016 and $138 million in fiscal year 2017.

On the funding side, revenues flowing into the Indigent Defense Support Fund (IDSF) are declining and are trending below the original projections. In fiscal year 2015, IDSF revenues were $41.8 million. This compares to $43.1 million collected in fiscal year 2014, a decrease of about $1.3 million or three percent. At the time the fiscal year 2016-2017 budget request was filed, monthly revenues were averaging about $3.7 million per month or $44 million per year. The current trailing 12-month average is about $3.5 million per month or $42 million per year, and on a declining trend. In addition, HB 64 contained temporary language, to which both the Public Defender's Office and CCAO objected, that reduced the percentage of the IDSF dedicated to county reimbursement from 88 to 87 percent. The budget bill appropriates $38 million in SFY 2016 and $39.4 million in SFY 2017 from the IDSF for county reimbursement. Given the revenue trends, however, this revenue may not support these levels of appropriation.

CCAO appreciates the steady climb in reimbursement rate over the last 3 biennia and certainly hopes that 50 percent reimbursement will be able to be achieved. The graph above provides a history of the system's costs and respective shares borne by the counties and the state over that time.

Department of Rehabilitation and Corrections

Community Corrections Act Funding - Prior to the SFY12-13 budget bill, HB 153 of the 129th General Assembly, the Community Corrections Act (CCA) line items supported felony prison diversion (407 line item) and misdemeanant jail diversion (408 line item) programs in the local communities. In SFY14-15 these line items were increased by about $7 million a year to provide funding for several new Department of Rehabilitation and Corrections (DRC) grant funding concepts. Specifically, DRC established other grant funding programs to further the "justice reinvestment" initiative. The Probation Improvement Grant and SMART Ohio Grant support the reduction of recidivism of felony probationers while the Probation Incentive Grant rewards those counties who are successful in actually reducing their probation revocation rates and meeting the reduction targets outlined in their Probation Improvement Grant.

During the new FY16/17 biennium, funding for misdemeanant jail diversion 408 line item programs will increase by $1,500,000 in each year of the biennium to provide $14.3 million to support the increased use of community sanctions, and fill voids in probation and treatment services available to misdemeanant offenders. The felony prison diversion 407 line item will see a significant increase in funding from around $36 million in FY'15 to approximately $51.4 million in FY16 and $53.3 million in FY17 to support expansions of the Probation Improvement and Probation Incentive Grant programs as well as SMART Ohio Grants. It is anticipated that the expansion of these grant programs will significantly increase community sentencing alternatives, and alleviate gaps in services and treatment available to felony offenders. Additionally, portions of the 407 line item will be allocated in support of alternative prison incarceration options for low level, non-violent, drug dependent felony offenders as outlined in the Targeted Diversion Model (Treatment Transfers). This program will provide intensive substance abuse treatment in monitored community residential centers, similar to the Transitional Control program.

Department of Youth Services

RECLAIM - Continues funding for the RECLAIM program at current levels of $30.6 million per fiscal year, which has remained unchanged since FY 2011. The budget also provides additional funding for two special RECLAIM programs.

DYS' Targeted RECLAIM program is allocated $6.4 million each year that is earmarked for the 15 counties that have historically committed the most youth to DYS institutions. Targeted RECLAIM is designed to implement evidence-based and model programs in the community that have been shown to successfully divert youth from DYS institutions.

DYS' Competitive RECLAIM program, which began in FY 2015, is funded with $2.2 million each year to support competitive performance grants to juvenile courts. Competitive RECLAIM supports innovative diversion and research-backed programs that serve juvenile court involved youth based on their assessed risk level to re-offend.

Behavioral Health/Juvenile Justice Initiative - The DYS budget continues to provide $2.4 million each year for this program designed to advance local options for services to juvenile justice involved youth with serious behavioral healthcare needs. The projects are designed to transform child-serving systems by enhancing their assessment, evaluation and treatment of multi-need, multi-system youth and their families providing juvenile court judges local alternatives to incarceration.

Youth Services Subsidy - Continues to provide $16.7 million per fiscal year, as it has done since FY 2011.

Multi-Agency Radio Communications System (MARCS)

Local Government Representation Provided - Permits the MARCS Steering Committee (currently comprised of all state agency representatives) to establish a subcommittee to represent MARCS users on the local government level and provide that if the Committee establishes such a subcommittee, the chairperson of the subcommittee also may serve as a member of the Steering Committee.

(Section 610.20)

Reduction of Local Governments' Subscriber Fees - Provides up to $2.0 million in each fiscal year from the GRF to be transferred to the MARCS Administration Fund to reduce or eliminate MARCS subscriber fees paid by political subdivisions and regional public safety and first response agencies classified as Tier 1 subscribers by the MARCS Steering Committee.

(Section 207.180)

Fire Department Grants - MARCS Grants – Up to $3 million in each fiscal year is earmarked from the Fire Department Grants Fund (Department of Commerce, Division of State Fire Marshal) to be awarded to small and rural fire departments who are on the MARCS system for the payment of MARCS user access fees.

MARCS Grant awards may be up to $50,000 in each fiscal year per eligible recipient and the State Fire Marshal may give a preference in the awarding of funds to grant applicants that will enhance the overall interoperability and effectiveness of emergency communication networks in the geographic region that includes and that is adjacent to an applicant.

(Section 241.10)

Behavioral Health Funding Supporting the Criminal Justice System

A significant element of this state budget focused upon remediating drug and alcohol dependency and providing mental health care for individuals involved in the criminal justice system. The following programs contained within the Department of Mental Health and Addiction Services (MHAS) budget provide programs and funding to assist our courts and law enforcement.

Specialized Docket Support - Provides a subsidy to courts operating a specialized docket through GRF line item 336425, Specialized Docket Support. The subsidy is to be used to defray a portion of the annual payroll costs associated with the employment of one full-time, or full-time equivalent, specialized docket staff member by a specialized docket of a common pleas court, municipal court, county court, juvenile court, or family court that meets all of the eligibility requirements, including a family dependency treatment docket. The maximum amount of the subsidy is not to exceed $50,700 and is calculated at 65 percent of the lesser of the actual annual compensation and fringe benefits paid to the staff member proportionally reflecting the staff member's time allocated for specialized docket duties and responsibilities or $78,000.

To be eligible for funding, the court's specialized docket must be certified by the Supreme Court and include participants with a drug addiction or dependency in its target population, and the employee must have received training for or education in alcohol and other drug addiction, abuse, and recovery and have demonstrated, prior to or within ninety days of hire, competencies in fundamental alcohol and other drug addiction, abuse, and recovery. The county auditor, for any court located within the county, or a municipal auditor, for a municipal court that is not a county-operated municipal court, is responsible for providing and verifying the information necessary to determine eligibility for and the amount of any funding to be awarded.

(Section 331.113)

Criminal Justice Services Line Item Expenditures - The line item is to be generally used to provide forensic psychiatric evaluations to courts of common pleas and to conduct evaluations of patients of forensic status in facilities operated or designated by ODMHAS prior to conditional release to the community.

Permits a portion of this line item to be allocated through community ADAMHS boards to community addiction and/or mental health services providers in accordance with a distribution methodology as determined by the ODMHAS Director.

Requires up to $1.0 million of the line item in each fiscal year be used to support specialty dockets and expand and/or create new certified court programs. Permits the line item to be also used to do the following:

- Provide forensic monitoring and tracking of individuals on conditional release;
- Provide forensic training;
- Support projects that assist courts and law enforcement to identify and develop appropriate alternative services to incarceration for nonviolent mentally ill offenders;
- Provide specialized re-entry services to offenders leaving prisons and jails;
- Provide specific grants in support of addiction services alternatives to incarceration; and
- Support therapeutic communities.

(Section 331.80)

Medication-Assisted Treatment (MAT) Drug Court Program for Specialized Dockets
MHAS is directed to conduct a program to provide addiction treatment, including medication-assisted treatment, to persons who are offenders within the criminal justice system, eligi-

ble to participate in a Medication-assisted treatment (MAT) drug court program, and are selected to be participants in the program because of their dependence on opioids, alcohol, or both.

Program counties - The program is to be conducted in Allen, Clinton, Crawford, Cuyahoga, Franklin, Gallia, Hamilton, Hardin, Hocking, Jackson, Marion, Mercer, Montgomery, Summit, and Warren counties in those courts that have a MAT drug court program and may conduct the program in any other court that is conducting a MAT drug court program.

Appropriation/clients served - Not more than $5.5 million in each fiscal year is appropriated for the program, and not more than 1,500 persons are to be participating in a program at any time, subject to available funding, however, MHAS may authorize the maximum number to be exceeded in circumstances that it considers to be appropriate.

Program services - The treatment provided in a MAT drug court program shall be provided by a certified community addiction services provider which shall comply with specific program requirements and treatment protocols.

(Section 331.90)

Community Innovations Funding - Is to be used by MHAS to make targeted investments in programs, projects, or systems operated by or under the authority of other state agencies, governmental entities, or private not-for profit agencies that impact, or are impacted by, the operations and functions of the Department, with the goal of achieving a net reduction in expenditure of state general revenue funds and/or improved outcomes for Ohio citizens without a net increase in state general revenue fund spending.

There are two major funding earmarks within the Community Innovations fund line item in each fiscal year that are relevant to county law enforcement:

- Up to $500,000 to enhance access to Naloxone across the state. County health departments will disperse the funds through a grant program to local law enforcement, emergency personnel, and first responders.

- Up to $3.0 million to improve collaboration between local jails, state hospitals, and treatment providers in order to reduce transfers, improve safety and judicial oversight as well as address capacity issues in both jails and state hospitals.

(ORC Section 331.160)

Probate Court Reimbursement for Commitment of Mentally Ill - Eliminates the requirement of sending a probate court's transcript of proceedings to the mentally ill person's county of residence in order for the committing court to be reimbursed for its expenses and instead requires the committing court to send a copy of the commitment order which the receiving court must enter and record on its journal and which then serves as prima facie evidence of the person's residence.

(ORC Section 5122.36)

Sheriffs' Offices

Law Enforcement Officers Training Requirements - The Ohio Peace Officer Training Commission is directed to require every police agency, including the county sheriff, to have their appointed peace officers complete a total of eleven hours of continuing professional training in calendar year 2016, and a total of twenty hours of continuing professional training in calendar year 2017. The current requirement is four hours per year.

The appointing authority for the police agency receives reimbursement for the training from the Law Enforcement Assistance Fund (ORC Sections 109.802 and 109.803). 100 percent of the 11 hours of training required for SFY 2016 will be reimbursed. In fiscal year 2017 each appointing authority will be reimbursed 100 percent reimbursement for eleven of the required twenty hours. Of the remaining nine hours each appointing authority will receive reimbursement at the rate of 100 percent for the first fifty full-time officers and 80 percent for any additional full-time officers.

The Law Enforcement Assistance Fund (LEAF) has been funded with casino revenue. The budget directs additional funding derived from the Local Government Funds earmarked for those municipalities that levy an income tax to be transferred to the LEAF. For both fiscal years the LEAF will receive $2.8 million from casino revenues. In SFY 2016 it receives an additional $5 million from the LGF for a total of $7.8 million. In SFY 2017 it receives an additional $10 million from the LGF for a total of $12.8 million.

(ORC Section 221.10)

Community Police Relations Fund Established - $2 million per year is appropriated to the Fund which is to be used to implement the key recommendations of the Ohio Task Force on Community-Police Relations, including a database on use of force and officer involved shootings, a public awareness campaign, and state-provided assistance with policy-making and manuals.

(Section 361.10)

Peace Officer Training on Companion Animal Encounters - Authorizes the Ohio Peace Officer Training Academy to develop training on companion animal encounters. Requires the Attorney General to adopt rules on the training content and hour requirements.

(ORC Sections 109.747, 109.77, and 109.79)

Housing Pre-sentenced Individuals in Minimum Security Jails - Provides for the use of a minimum security jail to confine a person charged with a traffic violation or misdemeanor or a felony of the fourth or fifth degree who has not been released on bail and who is confined in jail pending trial, if the person is classified as a minimal security risk.

(ORC Section 341.34)

Journalist Access to Concealed Handgun License Information - Eliminates the journalist access exception to the general prohibition against the release of confidential records a sheriff possesses relative to the issuance, renewal, suspension, or revocation of a concealed handgun license.

(ORC Section 2923.129)

Jobs, Economic Development, and Infrastructure

Economic Development/Workforce Development

Enterprise Zone Agreement Extension - Extends the time during which local governments may enter into enterprise zone agreements for another additional two years until October 15, 2017.

(ORC Sections 5709.62, 5709.63, and 5709.632)

County Land Reutilization Corporation – Allows any county to now establish a land bank by eliminating the current county population threshold of 60,000 required in order for a county to form a land bank.

(ORC Section 1724.04)

New Community Authorities Changes - Eliminates or makes permanent, various provisions that applied only to new community authorities established between March 22, 2012 and March 22, 2015. Includes telecommunications facilities, off-street parking facilities, and facilities for renewable or sustainable energy, in the definition of a "community facility," eliminates the requirement that the acreage included in a proposed district be developable as one functionally interrelated community, and modifies how the property of a new community authority upon dissolution is distributed.

Alters the process for creating a new community authority by shifting duties from the clerk of the board of county commissioners of one of the counties in which all or part of the proposed new community district is located to the clerk of the organizational board of county commissioners and eliminating the requirement that the organizational board of commissioners' resolution be entered of record in its journal and the journal of the board of county commissioners with which a petition was filed. If the organizational board of commissioners is the legislative authority of the only proximate city for the proposed new community district, then the required hearing on the petition must be held not less than 30 nor more than 45 days after the petition filing date, and, the clerk of the board is not required to provide written notice of the date, time, and place of the hearing or to furnish a certified copy of the petition to the clerk of the legislative authority of each proximate city which has not signed the petition.

(ORC Sections 349.01, 349.03, 349.04, 349.06, 349.07, and 349.14; Section 703.10)

Defense Development Assistance - Appropriates $3.5 million in each fiscal year to the Development Services Agency, to be allocated to Development Projects, Inc., for economic development programs and the creation of new jobs to leverage and support mission gains at Department of Defense (USDOD) and related facilities in Ohio by working with future base realignment and closure activities and ongoing USDOD efficiency and partnership initiatives, assisting efforts to secure USDOD support contracts for Ohio companies, assessing and supporting regional job training and workforce development needs generated by the ODOROUS and the Ohio aerospace industry, promoting technology transfer to Ohio businesses, and for expanding job training and economic development programs in human performance and cyber security related initiatives. Any unexpended, unencumbered balance of the SFY 2016 appropriation is automatically re-appropriated to the SFY 2017 appropriation.

(Section 257.30)

Ohio Military Facilities Commission - Forms the newly created commission under the Adjutant General, to develop a finance program to assist in financing capital improvement at Ohio's military and defense installations. Requires any potential improvements provide military value to the site and meet standards of the "Defense Base Closure Realignment Act of 1990."

(ORC Sections 5913.12, 5913.13, and 5913.14)

Appalachian Assistance and Local Development Districts - Appropriates $5.7 million in each fiscal for Appalachian Assistance and earmarks funding to support the four local development districts. The earmarks are for $170,000 in each fiscal year for the Ohio Valley Regional Development Commission, the Ohio Mid-Eastern Government Association, and the Buckeye Hills-Hocking Valley Regional Development District, and $70,000 in each fiscal year for the Eastgate Regional Council of Governments. The remaining appropriation may be used for funding projects including those designated by the local development districts as community investment and rapid response projects, operating the Governor's Office of Appalachia, providing financial assistance to projects in Ohio's Appalachian counties, matching federal funds from the Appalachian Regional Commission, and paying the dues to the Appalachian Regional Commission. DAS is also required to conduct compliance and regulatory review of programs recommended by the local development districts.

(Section 257.20)

Comprehensive Case Management and Employment Program - see page 46.

Work Experience Strategies in Higher Ed - Requires the department of higher education to develop implementation strategies to embed work experiences, including internships and co-ops, into the curriculum of degree programs in the 16/17 academic year, to explores ways to increase student participation in in-demand occupations, and to create industry clusters to develop a curriculum that can be used for competency based tests.

Defense/Aerospace Workforce Development Initiative - Appropriation increased from $4 million to $10 million per SFY. Funds to be used by the Applied Research Corporation to strengthen Ohio's aviation, aerospace and defense industries. Continues match requirement of $4 million over the biennium.

(Section 369.455)

Workforce Grants/Workforce and Higher Education Programs - Establishes a $7.5 million per SFY appropriation, $5 million/year of which is appropriated to the Chancellor of Higher Education to distribute grant awards under the Ohio higher education innovation grant program.

Makes several earmarks, including $5 million in SFY16, to Ohio State University to support collaboration between Ohio's research universities, Wright Patterson Air Force Base, NASA Glenn Research Center, and the private sector to align the state's research and workforce assets with the two federal installations.

OhioMeansJobs Registration - Requires participants in an adult training or education program funded under WIOA as well as other programs to create an account on OhioMeansJobs.com, with certain exemptions.

Maritime Port Funding Study Council Report Deadline Extension - Extends the time period for the Maritime Port Funding Study Committee to issue its report from January 1, 2015 to January 1, 2016. The Committee was established last session to study alternative funding mechanisms for maritime ports in Ohio.

(Section 610.14)

Infrastructure Loans from a Regional Council of Government - Permits an Educational Service Center (ESC) serving as a fiscal agent for a regional council of governments (COG) to establish a program in which it enters into agreements with the governing body of member governments to lend them money to improve infrastructure within the territory of members located within Ohio.

(ORC Section 167.041)

Energy and Environment

Political Subdivisions Subject to Oil and Gas Field Pooling - Applies to public land the provisions in the Oil and Gas Law governing minimum distances of wells from the boundaries of tracts, voluntary and mandatory pooling, special drilling units, establishment of exception tracts to which minimum acreage and distance requirements do not apply, unit operation of a pool, and revision of an existing tract by a person holding a drilling permit by revising the definition of "tract" to mean a single, individual parcel or land or a portion of a single, individual parcel of land rather than a single, individually taxed parcel of land appearing on the tax list. This may result in property owned by a political subdivision becoming subject to a voluntary pooling arrangement or mandatory pooling order. As a member of a resource pool, public entities would be subject to the costs, and enjoy the benefits, including royalties, or participation in the pool .

(ORC Section 1509.01)

Wind Farm Setback Exception - Exempts a wind farm facility with an existing Power Siting Board certificate from being subject to the current set back requirements for amendments to the certificate if the certificate is sought to be amended within 180 days after the exemption provision takes effect and the turbine or turbines subject to the exemption were approved under the existing certificate but not yet been installed and will be installed in the same spot and would be more efficient or otherwise more technologically advanced and not more than eight percent taller than the type of turbine originally approved.

(ORC Sections 4906.20, 4906.201, and 4906.13 - Section 749.20)

Abandoned Gas Station Cleanup Grant Program - Amends the current capital appropriations bill to create the Abandoned Gas Station Cleanup Grant Program for the cleanup and remediation of Class C release sites. The program is funded at $20 million by transferring this amount from the Clean Ohio Revitalization Fund into the newly created Service Station Cleanup Fund. The Director of Development Services is to award grants under the program to local governments or to organizations that own Class C release sites that have entered into a relevant agreement with a political subdivision. Grants are capped at $100,000 for a property assessment or $500,000 for cleanup and remediation.

(Section 610.20)

E-Check Program Extension - Authorizes the Director of Ohio EPA to extend the motor vehicle inspection and maintenance program (E-Check) through June 30, 2021 in Ohio counties in which the program is mandated by the federal government to comply with the federal Clean Air Act. It also authorizes the EPA Director to extend its current program vendor contract for an additional 24 months. After 24 months, OEPA will be required to enter into a new contract with a vender to administrate the program for 24 months.

(ORC Section 3704.14)

Energy Strategy Development Program - Directs the Ohio Air Quality Development Authority to develop energy initiatives, projects, and policy that align with the state's energy policy. Provides $176,175 in SFY 2016 and $176,394 in SFY 2017 for program oversight and initiatives.

(ORC Section 213.20)

Water Pollution Control Law: Isolated Wetlands Permits and Section 401 Water Quality Certifications - Revises the definition of "preservation" as it relates governing permits for impacts to isolated wetlands to mean the "long-term" protection rather than "in perpetuity" protection of ecologically important wetlands. Requires an applicant for isolated wetland permit to demonstrate that the mitigation site will be protected "long-term." Applicants for a Section 401 water quality certification to include a detailed mitigation proposal to include the proposed real estate instrument or other available mechanism for protecting the property long-term.

(Anyone who wishes to discharge dredged or fill material into the waters of the U.S., regardless of whether on private or public property, must obtain a Section 404 permit from the U.S. Army Corps of Engineers, and a Section 401 Water Quality Certification from the state. Anyone who wishes to discharge dredged or fill material into isolated wetlands in Ohio must obtain an Isolated Wetland Permit from Ohio EPA).

(ORC Sections 6111.02, 6111.027, and 6111.30)

Section 401 Water Quality Certification; Certified Water Quality Professionals - Updates the data requirements to determine existing aquatic life when applying for a section 401 permit. Authorizes OEPA to establish a program and adopt rules to certify water quality professionals to assess streams to determine existing aquatic life use and to categorize wetlands in support of applications for section 401 water quality certification. Requires OEPA to use information submitted by certified water quality professionals in reviewing section 401 permits, and to address specified topics to be used by certified water quality professionals in conducting stream assessments and wetlands categorizations.

(ORC Section 6111.30)

Water Pollution Control Law; Shale and Clay Products - Redefines “industrial waste” as it relates to clay and shale products for disposal. Generally prohibits a person from using, managing, or disposing of certain structural products created from clay or shale in a manner that could result in a nuisance or environmental safety issue. Stipulates that the prohibition regarding placement, accumulation, or storage does not apply to structural products that have been sold and distributed in the stream of commerce as desired commodities. Authorizes the Ohio EPA to enter private or public property to investigate conditions or examine recorders relating to alleged noncompliance.

(ORC Sections 6111.01 and 6111.051)

Water Pollution Control Law Enforcement - Increases criminal penalties for certain violations of the Water Pollution Control Law. It also establishes culpable mental states for certain violations. If a person is convicted or pleads guilty to a violation, the court may order the person to reimburse the state agency or political subdivision for any actual response costs.

(ORC Section 6111.99)

Drinking Water Solutions - Allows the Director of OEPA, in consultation with the Director of ODNR, to distribute funds to each municipal corporation in the Lake Erie drainage basin and the Ohio River drainage basin and that is subject to the Great Lakes-St. Lawrence River Basin Water Resources Compact if the municipal corporation is experiencing increased costs for treating or obtaining drinking water supplies. $4 million is allocated in each SFY. Requires the funds to be used for one of the following purposes:

- Relocating its water treatment facility
- Partnering with another political subdivision(s) to access water sources
- Establishing pipelines to access suitable water resources
- Treating water to supply drinking water to the municipal corporation

(ORC Section 275.10)

Solid Waste Law Changes - Reorganization of State Solid Waste Advisory Councils – Merges the Solid Waste Advisory Council with the Recycling and Litter Prevention Advisory Council, and renames the merged council the Materials Management Advisory Council. The budget generally transfers the responsibilities and duties of the two Councils to the new Council. New duties of the council include:

- Triennially advise OEPA Director in conducting a review of the achievements made un der the state solid waste management plan

- Prepare and submit an annual report to the General Assembly on the state's solid waste management plan and its achievements

- Research and respond to questions posed by the director

- Establish and develop partnerships that foster a productive marketplace for the collec tion and use of recycled materials

The law requires the Governor to appoint the members of the new council who must represent the following interests:

- Health district employee with solid waste enforcement responsibility

- County representative

- Municipal representative

- Township representative

- Solid waste district representative

- Statewide environmental advocacy representative

- Public representative

- Six members representing private industry, with knowledge and experience in waste management, recycling, or litter prevention programs. Statute mentions broad range of interests including manufacturing, wholesale, retail, labor, raw materials, commercial recycling, and solid waste management.

The OEPA Director appoints the chairperson of the council and the Council is required to meet twice a year.

(Sections 3734.49, 3734.50, 3734.51, 3734.822, 3736.03, 3736.04, 3736.05, and 3736.06; Section 515.10)

Solid Waste Flow Control Provisions - Authorizes source separated recyclable materials, defined to mean material separated from other solid wastes at the location where the materials are generated for the purpose of recycling at a legitimate recycling facility, to be taken to any legitimate recycling facility, to be taken to any legitimate recycling facility rather than to a facility designated in the initial or amended plan of a district.

The law defines "legitimate recycling facility" by reference to an existing rule, to mean an engineered facility or site where recycling or material other than scrap tires is the primary objective of the facility.

(Section 343.01)

Lakes in Economic Distress Revolving Loan - Creates a new revolving loan program in the Department of Development Services. $500,000 is allocated each SFY to assist businesses or other entities that have been adversely affected when a lake has been declared in economic distress by the Director of ODNR. Lakes can be declared in economic distress for environmental or safety issues, including the closure of a dam for safety reasons. The loan program will provide zero interest loans to entities while the lake is declared to be in distress.

(ORC Sections 122.641 and 257.30)

Travel and Tourism Grants – Creates a new grant program in the Department of Development Services. $1 million per SFY is to be used for travel and tourism grants awarded for sporting events, and an additional $250,000 each SFY is to be used to assist businesses or other entities that have been adversely affected when a lake has been declared in economic distress by the Director of ODNR.

(ORC Section 257.20)

Buckeye Lake Dam Rehabilitation - Increases the Parks and Recreation Improvement Fund in ODNR for Buckeye Lake Dam rehabilitation. Allocates $29 million over the SFY 2015 & 2016. Increases bonding authorization by $25 million. Requires that $25 million be used for dam construction, and to provide incentives for early completion.

(ORC Section 610.50)

Dredging of Inland Lakes - Requires ODNR to determine the amount of dredging that is needed in each inland lake in Ohio and to develop a plan to meet the identified needs. ODNR should optimize the utilization of dredging resources to maximize the amount of sediment removal from any inland lake that serves a watershed in distress and that is subject to a lake facility authority created under the Lake Facilities Authorities Law.

Authorizes ODNR to enter into contracts with other entities for dredging of inland lakes and appropriates $1.0 million from the state GRF to the Waterway Safety Fund. Earmarks an additional $500,000 in each SFY to conduct enhanced activity aimed at maximizing sediment removal and dredging in Grand Lake St. Marys.

(ORC Sections 1521.20, 337.10, and 337.45)

OhioMeansJobs Registration - Requires participants in an adult training or education program funded under WIOA as well as other programs to create an account on OhioMeansJobs.com, with certain exemptions.

(ORC Section 3121.03)

Infrastructure

Rural transit funding - Requires at least $500,000 in each fiscal year from GRF appropriation item 775451, Public Transportation - State, to be allocated to rural transit systems.

(Section 399.15)

Private sources of funding for regional transit authorities - Permits a regional transit authority to apply for and accept grants and loans from any private source, and to acquire real and personal property by borrowing from any federal, state, other government or private source.

(ORC Section 306.35)

General Government

Acquisition of Electronic Pollbooks
Provides $12,750,000 to be used to pay 85 percent of the cost to purchase electronic pollbooks on behalf of county boards of elections. Requires the Director of Administrative Services and Secretary of State to allocate to each county board of election an amount of cash in proportion to the number of registered voters in each county as of July 1, 2015.

The bill also provides the following:

- Requires the Secretary of State, at the request of a county board of elections, to provide a list of vendors and electronic pollbooks certified in accordance with Section 3506.05 of the Revised Code.
- Requires the Secretary of State, at the request of a county of board of elections, to provide a list of vendors and electronic pollbooks certified in accordance with Section 3506.05 of the Revised Code.
- Requires a county board of elections to select electronic pollbooks from that list and notify the Office of Procurement Services of its selection.
- Requires the Office of Procurement Services to purchase the electronic pollbooks selected by the board and to transfer those pollbooks to the board of elections.
- Requires a county board of elections to enter into a memorandum of understanding with the county commissioners and DAS concerning those purchases.
- Specifies that a county board of elections is responsible for 15 percent of the purchase costs as determined by the Director of Administrative Services and Secretary of State.

Furthermore, if a county already has purchased electronic voting equipment prior to the provision's effective date in HB 64, DAS is to reimburse county boards of elections for those purchases for 85 percent of the cost up to the amount allocated by DAS and the Secretary of State's Office. These reimbursements are to be paid to the county's general fund.

Mailing of Unsolicited Applications for Absent Voter's Ballots - Provides $1.25 million for the Secretary of State to print and mail unsolicited applications for absent voter's ballots in 2016 (FY 2017).

(ORC Section 111.31 and Section 245.10)

Eliminate February Special Election

Eliminates the ability to conduct statutorily established special elections in February. CCAO supported this provision given the low voter turn-out and the overall expense of conducting special elections for limited issues.
(ORC Sections 3501.01, 5705.194, 5739.026)

Pre-Payment for Special Elections

Requires a political subdivision that submits an item for placement on the ballot at a special election to pre-pay the board of elections 65 percent of the estimated cost of the election. The payment is to go into the county elections revenue fund not less than ten business days after the deadline for submitting a question or issue for placement on the ballot for that special election. Not later than 60 days after the date of a special election, the board of elections is to provide the true cost for conducting the election, and a political subdivision that owes money is to submit such within 30 days of being notified of the final cost. If the political subdivision over-paid, the board of elections is to promptly notify the board of county commissioners who are to remit from the county elections revenue fund the overpayment amount to the political subdivision within 30 days after receiving notification.

In addition, the board of elections, not less than 15 business days before the deadline for submitting a question on the ballot at a special election, is to prepare and file with the board of county commissioners and the Secretary of State's Office the estimated cost for preparing and conducting an election on one question in each precinct in the county at that special election and shall divide that cost by the number of registered voters in the county. The board of elections is to provide to a political subdivision seeking to submit a question or issue on the ballot at a special election with the estimated cost for preparing and conducting that election, which shall be calculated either by multiplying the number of registered voters in the political subdivision with the cost calculated as described prior or by multiplying the cost per precinct with the number of precincts in the political subdivision.

(ORC Section 3501.17)

Poll Workers Training - Provides $234,196 in each state fiscal year to help reimburse county boards of elections for poll worker training pursuant to Section 3501.27 of the Revised Code. The "total amount" for this biennium is the same that was appropriated in the last budget bill; however, this time the total ($468,392) is split equally between SFY16 and SFY17.

(Section 383.10)

Financial Disclosure Statements Filing Deadline - Changes the annual deadline for public officials and employees who are required to file financial disclosure statements with the appropriate ethics commission to file from April 15 to May 15.

(ORC Sections 102.02, 102.22, and 187.03)

Employment/Compensation/Human Resources

Compensation Adjustments to Judges, County and Township Elected Officials, and Board of Elections Members - Provides most county elected officials with a 5 percent increase in 2016 and another 5 percent in 2017, coupled with a compensation class reduction in 2017 whereby old classes 1 and 2 move into old class 3, thus becoming new class 1. Prosecutors and sheriffs are to receive additional 5 percent increases in each of 2018 and 2019. However, these elected officials can only receive the increase in compensation once their new term of office begins after September 29, 2015.

Judges are to receive a 5 percent increase starting September 29, 2015 followed by a 5 percent increase in January 2017, 2018, and 2019. This increase will be paid by the state. Board of elections members also will see their minimum pay threshold increased as well as receive increases of 5 percent in 2016 and 2017. Since these officials are appointed, and not elected, they can receive their adjustment in term.

(ORC Sections 325.03, 325.04, 325.06, 325.08, 325.09, 325.10, 325.11, 325.14, 325.15, 505.24, 507.09, and 3501.12)

Reduction of Pay in Classified Service - Adds "unsatisfactory performance" to the list of reasons an employee in the classified service may be reduced in pay or position, fined, suspended, or removed, or have the employee's longevity reduced or eliminated. Other existing reasons include the following: incompetency, inefficiency, dishonesty, drunkenness, immoral conduct, insubordination, discourteous treatment of the public, neglect of duty, violation of any policy or work rule of the officer's or employee's appointing authority, violation of chapter 124 or the rules of the director of administrative services or the commission, any other failure of good behavior, any other acts of misfeasance, misfeasance, malfeasance, or nonfeasance in office, or conviction of a felony.

(ORC Section 124.34)

Veteran's Preference for Paramedic Certification - Requires the state to grant credit to a veteran who received training as a paramedic while serving in the armed forces and evaluate the person to determine the extent of the training received and whether the person should be issued a paramedic certification. If the training is insufficient to grant certification then the training must be credited towards the person's pursuit of certification.

(ORC Section 4765.161)

Pooling of Funds for Health Care Expenses by Regional Council of Governments - Permits a regional council of governments established to provide health care benefits to member governments' employees and the employee's dependents to pool funds received from all members of the council, including members from other states to the extent that the laws of such other states permit, for the payment of health care related claims and expenses.

(ORC Section 167.06)

Pharmacy Benefit Managers - Requires pharmacy benefit managers to be licensed as third-party administrators and specifies requirements with regard to maximum allowable cost provisions in contracts instituted between pharmacy benefit managers and plan sponsors.

(ORC Section 3959.111, 3959.01, and 3959.12; Section 303.10)

Subrogation Changes - Provides a significant revision to Ohio's subrogation laws that would alter the procedure for distributing recoveries to injured parties and subrogees in tort actions. Specifically provides that notwithstanding any contract or statutory provision to the contrary, the rights of a subrogee or any other person or entity that asserts as contractual, statutory, or common law subrogation claim against a third party or an injured party in a tort action will be subject to the following:

- If less than the full value of the tort action is recovered for comparative negligence, diminishment due to a party's liability under sections 2307.22 to 2307.28 of the Revised Code, or by reason of the collectability of the full value of the claim for injury, death, or loss to person resulting from limited liability insurance or any other cause, the subrogee's or other person's or entity's claim shall be diminished in the same proportion as the injured party's interest is diminished.

- If a dispute regarding the distribution of the recovery in the tort action arises, either party may file an action under Chapter 2721, of the Revised Code to resolve the issue of the distribution of the recovery.

Local Government Grant Programs

Local Government Safety Capital Grant Program - Establishes the Local Government Safety Capital Grant Program under the Local Government Innovation Council to award grants, up to $100,000 each, to political subdivisions to be used for the purchase of vehicles, equipment, facilities, or systems needed to enhance public safety. The program is funded by creating and appropriating $ 20 million to the Local Government Safety Capital Fund.

(Sections 257.30, 701.20, and 767.10)

Local Government Innovation Fund - When established in 2011 the Local Government Innovation Fund (LGIF) received an appropriation of $45 million. In 2013, the program received an additional $4.6 million in SFY 14 and $5.9 million in SFY 15 for the Local Government Efficiency Program. No additional funding has been provided to the LGIF since 2013. The total $55.5 million is allocated into three categories – LGIF grants, LGIF loans, and the Local Government Efficiency Program. The table below details what has been awarded up through the most recent funding Round, including projects that have been cancelled or returned funds, and the current balance for each category and the current balance available for use in future funding rounds.

Based upon Development Services Agency estimates needed to appropriate during funding rounds in the SFY 16/17 biennium, the budget appropriated $11.9 million for each year of the biennium.

	Innovation		Efficiency	Total
	Grants	Loans		
Original Funding	$11,100,000.00	$36,000,000.00	$8,400,000.00	$55,500,000.00
(plus LGIC's transfer from loans to grants)				
Total Encumbered as of 7/27/15	$9,913,322.70	$14,096,522.70	$6,952,472.00	
Current Balance	**$1,186,677.30**	**$21,903,477.30**	**$1,447,528.00**	**$24,537,682.60**

Constitutional Modernization Commission -Terminates the Commission in two and a half years on January 1, 2018, instead of its original time frame of July 1, 2021. The Senate had originally proposed to terminate the Commission at the end of this year.

(ORC Section 102.01)

Transitioning from Wireline to Internet-Protocol (I-P) Based Voice Telephone System

Transition Plan - Directs the PUCO to plan the transition from the current public switched telephone network to an internet-protocol network consistent with the directives and policies of the FCC and to adopt rules that are consistent with the FCC rules to implement the transition. The transition plan must include a review of statutes or rules that may prevent or delay an appropriate transition and the PUCO is to report to the General Assembly on any further action required to be taken by the General Assembly to ensure a successful and timely transition.

The PUCO to directed to establish a collaborative process with incumbent local exchange carriers, competitive local exchange carriers providing BLES, representatives of cable operators, the Office of the Ohio Consumers' Counsel, and other invited members to focus on the transition from the wireline network to an internet-protocol network for voice transmission and the related consumer issues associated with this transition.

Basic Local Wireline Telephone Exchange Service - Permits a telephone company to abandon its provision of wireline service in an exchange area in accordance with an order from the Federal Communications Commission (FCC).

An incumbent local exchange carrier (telephone company) is authorized to withdraw or abandon basic local exchange service (BLES) in an exchange area if the carrier were to withdraw the interstate-access component of its BLES in accordance with an order of the FCC. The carrier must give 120 days' notice to the Public Utilities Commission of Ohio (PUCO) and affected customers.

An affected residential customer who is unable to obtain "reasonable and comparatively priced voice service" (as defined by the PUCO) may petition the PUCO to find a willing provider of reasonable and comparatively priced voice service. If no willing provider can be found for an affected residential customer the PUCO is permitted to order the withdrawing or abandoning carrier to provide reasonable and comparatively priced voice service to that customer for one year and extend the order for an additional year if such voice service is still not available to the customer.

Once the two 12-month periods lapse, if no alternative reasonable and comparatively priced voice service is available, the PUCO is permitted to order the withdrawing or abandoning carrier to continue to provide such voice service to the affected customer for an unspecified length of time.

(ORC Sections 4927.10, 4905.71, 4927.01, 4927.02, 4927.07, 4927.101, 4927.11, and 4927.15; Sections 363.20, 363.30, and 749.10)

Dog Warden Issues

County Payment of Claims for Injury or Loss of Animals Killed by Dogs
Eliminates the mandate requiring a board of county commissioners to reimburse the owner of an animal that has been killed or injured by a dog not belonging to the owner.
(ORC Sections 955.12, 955.121, 955.14, 955.15, 955.20, and 955.27;
Repealed: 955.29, 955.30, 955.32, 955.35, 955.351, 955.36, 955.37, 955.38)

Miscellaneous

Political Subdivision Sale and Leaseback Agreements - Permits a political subdivision, notwithstanding contrary statutory limitations, to enter into a sale and leaseback agreement under which the legislative authority conveys a building to a purchaser who must lease all or portions of the building back to the legislative authority. Requires that such an agreement obligate the lessor to make public improvements (renovations, energy conservation measures, and other improvements that upgrade functionality and reduce operating costs) to all or leased portions of the building.

(ORC Section 9.483)

Ohio Judicial Conference - The Conference was funded only through the end of 2016. The Senate had proposed transferring the responsibilities of the Conference to the Supreme Court at the end of October of this year and requiring the Conference to form an advisory committee that would submit a report to the General Assembly not later than October 31,2015, outlining recommendations concerning the manner in which the functions of the Conference should be performed by either an independent association that does not receive public funds, the Supreme Court, or any other method the advisory committee would consider to be appropriate.

Park District Building Permits - Enables certified local government building departments to issue building permits, conduct inspections, and conduct certain other administrative actions for a park district upon the approval of the board of park commissioners for the park district.

(ORC Section 3781.10)

Housing Trust Reserve Fund - Creates a reserve fund in the state treasury to be used by the Ohio Housing Trust Fund should its fee revenue be less than $50 million in a SFY. The Housing Trust Reserve Fund will be funded with any excess revenue in the Ohio Housing Trust Fund that exceeds $50 million in a SFY. (Previous law required excess revenue over $50 million to be deposited in the State GRF) The reserve fund balance cannot exceed $15 million, and any overage will then be deposited in the State GRF.

(ORC Sections 174.09, 174.02, and 319.63)

Agriculture and Rural Affairs

Transfer of the Soil and Water Conservation Program
On January 1, 2016, the administration of the Soil and Water Conservation Program from Ohio Department of Natural Resources' Division of Soil and Water Resources will be transferred to other agencies. The main administrative agency will become the Ohio Department of Agriculture, while Ohio EPA will administer the stormwater functions. The duties and responsibilities of the ODNR's Division of Soil and Water Resources will be consolidated in the new Division of Water Resources.

- Agricultural Soil and Water Conservation Program and its resources will be transferred to the Ohio Department of Agriculture. This includes the Ohio Soil and Water Conservation Commission, support and coordination of activities with local SWCDs, oversight of agricultural operation and management plans, and control of the Agricultural Pollution and Abatement Fund.

  (ORC Sections 939.02, (1511.02), repeals numerous other provisions under Title XV and re-codifies them under Title IX; Sections 709.20 – 709.50)

- Stormwater Management Program and its resources will be transferred to the Ohio Environmental Protection Agency.

  (ORC Sections 6111.03, 3734.57, 1511.02, and 737.40)

- Transfers the Silvicultural Assistance Program from ODNR Division of Soil and Water Resources to ODNR Division of Forestry.

  (ORC Sections 1503.55 and 1503.99; Sections 715.30 and 715.40)

Soil and Water Districts Funding - The legislature slightly increased soil and water program funding in the budget to $11.5 million. Soil and water funding is provided by a number of revenue sources, including the following: State GRF, Tire Fees, CDD (Construction & Demolition Debris) Fees, and MSW (Municipal Solid Waste) Fees.

The main state funding for local Soil and Water Conservation Districts (SWCDs) comes through the State Match Program, which receives oversight from the Ohio Soil and Water Conservation Commission. The overall State Match Program funds decreased by approximately $30,000, for a total matching funds available in the program of $10.278 million. The State Match Program percentage of state match funds to local SWCDS from local government match dropped from

80 to 76 percent because of two factors: local contributions from local entities increased by approximately $700,000, and a new weighted State Match Program funding policy formula that encourages counties to provide a minimum amount of local funding. State funds are distributed by the state match policy; therefore, it is important for counties to check how this translates to them.

(ORC Section 211.10)

- **State Matching Funds for Soil and Water Conservation Districts** - Requires funds to be matched pursuant to a contract entered into with a board of county commissioners that has formed a county sewer district under which the SWCD will conduct projects and activities for the purpose of complying with the phase II of the storm water program of the National Pollutant Discharge Elimination System.

  (ORC Sections 1515.14 (940.15) and 6117.021)

- **Western Lake Erie Basin; SB1 Programs** - Provides $350,000 SFY 2017 for SWCDs to provide technical assistance in developing nutrient or manure management plans, and to train and hire SWCD staff on best conservation practices to support farmers in the Western Lake Erie Basin. Support will be provided by Department of Agriculture to comply with SB1 provisions.

  (ORC Section 211.10)

- **Forestry Pollution Abatement Fund** - Creates the new fund to be used by the Division of Forestry to administer the Silvicultural Assistance Program and for investigating or abating pollution of the waters of the state caused by forestry pollution that requires emergency action to protect public health.

  (ORC Sections 1503.55 and 1503.99; Sections 715.30 and 715.40)

Funding

County Agricultural Societies; Junior Fair - Maintains current annual funding of $391,415 to be used to reimburse county and independent fair board for expenses related to Junior Fair Activities.

(ORC Section 211.10)

County Agricultural Society Facilities Grant Program – Establishes the Agricultural Society Facilities Grant Program in the Department of Agriculture for SFY 2017 ($4.7 million). The program provides grants to county and independent agricultural societies to support capital projects. Grant funds can be used for the acquisition, construction, expansion, improvement, planning, and equipping of facilities.

An Agricultural society that applies for a grant must obtain a matching grant from an individual or entity. The matching grant can be any combination of funding, materials, and donated labor. Documentation of the matching grant must be submitted with the application.

The grants are to be distributed equally among the societies that apply for grants. Applications are to be made to ODA by July 16, 2016. Awards are to be approved, and applicants notified by August 1, 2016. Requires ODA to approve the application unless one of the following applies:

- The project or facility that is subject of the application is not a bondable capital improvement

- The agricultural society does not provide a matching grant

(ORC Sections 717.10, 610.20, and 610.21)

OSU Extension, OARDC and Sea Grant Funding - Increases funding by 5 percent each SFY for each institution. Approximately $24 million per year of the biennium for OSU Extension, approximately $36 million per year of the biennium for OARDC, and $300,000 for Sea Grants.

(ORC Sections 1.611, 124.57, 307.07, 903.11, 905.06, 1511.02, 1511.022, 1711.07, 3335.35, 3335.36, 3335.37, 3335.38, 3345.05, 3717.08, 4123.32, and 5705.19)

Central State Agricultural Research and Development; Cooperative Extension Services - Allocates $1.85 million per SFY to develop a School of Agriculture Education and Food Science at Central State. Also allocates $350,000 per SFY to develop Cooperative Extension Services at Central State. These funds are to be used to draw federal matching dollars for land grant universities.

(ORC Sections 369.33 and 369.373)

Healthy Lake Erie Fund - Continues appropriations to the Healthy Lake Erie Fund, to be used by the Director of Natural Resources for:

- Support of conservation measures in the Western Lake Erie Basin,

- Funding assistance for soil testing, winter cover crops, edge of field testing, tributary monitoring, animal waste abatement, and

- Any additional efforts to reduce nutrient runoff.

Requires the Director to give priority to recommendations that encourage farmers to adopt agricultural production guidelines commonly known as 4R nutrient stewardship practices.

(ORC Section 337.30)

Miscellaneous

OSU Extension Fingerprinting of 4-H Volunteers - Requires OSU Extension to set policy that would only mandate 4-H volunteers to be fingerprinted one time.

(ORC Section 3335.361)

Agricultural Linked Deposit Program - Allows the Treasurer of State to increases the maximum loan amount for agricultural business applicants that maintain land or facilities in the western basin from $150,000 to $500,000. Loans must be used exclusively for agricultural purposes on the land or facilities in the western basin and will help the business comply with new manure management practices enacted by Senate Bill 1.

(Sections 135.731 and 135.74)

Studies of Zebra Mussels, Quagga Mussels, and Canada Geese Impact on Lake Erie - Requires ODNR's Division of Wildlife Conservation to study the effect zebra and quagga mussels have on Lake Erie in SFY 2016, and to study the effect Canada geese have on Lake Erie in 2017. $50,000 is allocated in each SFY.

(Section 337.43)

Study of Nutrient Loading to Ohio Watersheds - Requires OEPA to study, examine and calculate nutrient loading to watersheds in the Lake Erie and Ohio River basins from point and nonpoint sources. Requires OEPA to report and update the study's results to coincide with the release of the Ohio Integrated Water Quality Monitoring and Assessment Report. The study's cost over a two year period is estimated at $200,000, with subsequent updates costing $30,000 annually thereafter.

(Section 6111.03)

Health and Human Services

Comprehensive Case Management and Employment Program (CCMEP)

The bill requires ODJFS to create, coordinate and supervise the program for the biennium. The program is not to serve individuals until July 1, 2016.

Lead Agency Designation - In counties where they are separated, boards of county commissioners are to designate either the CDJFS or county OhioMeansJobs center/workforce development one-stop to serve as the lead agency. While the bill has a deadline of May 15, 2016 for such designation, the ODJFS Office of Human Services Innovation recommends the designation occur no later than February 2016 for planning purposes of the county agencies. The the lead agency will administer both the TANF and WIOA components of the program.

Population - CCMEP will serve individuals between the ages of 16-24 who are eligible for one or both of the Temporary Assistance for Needy Families program and/or the Workforce Innovation and Opportunity Act. (These two federal programs are the funding streams for the program.) Ohio Works First work-eligibile individuals must participate in CCMEP in order to receive OWF benefits. OWF non-work eligible individuals and individuals receiving services through the county's Prevention, Retention and Contingency Program are permitted to volunteer to participate in CCMEP. Low-income adults, in-school youth, and out-of-school youth who have barriers to employment must participate in CCMEP in order to participate in workforce development activities funded by TANF or WIOA.

Requirements - Counties are to provide program participants with an initial assessment of their employment and training needs, based on which individual employment plan will be created. The plan is to be reviewed, revised and terminated in accordance with established procedures, and is to specify which of the following services, if any, the individual needs: support for the individual to obtain a high school diploma or equivalent, job placement, job retention support, or other services that will help the individual reach the plan's goals.

Funding - JFS has allocated $310 million statewide for the program out of WIOA and TANF funds.

Healthier Buckeye

Healthier Buckeye Grant Pilot Program ($11.5 million) - Creates the Healthier Buckeye Fund only for SFY16 and 17. Appropriates $5 million in SFY16 and $6.5 million in SFY17 to the fund. This program replaces the existing (but never funded) Healthier Buckeye Grant Program. Under the pilot program, grants may be awarded to local healthier buckeye councils, other public and private entities, and individuals.

The bill calls for the Ohio Healthier Buckeye Council to recommend to the ODJFS director eligibility criteria, application processes, and maximum grant amounts for the program. ODJFS is to issue an RFP for grant proposals not later than 180 days after the bill becomes effective.

A grant proposal must demonstrate how the recipient will test and evaluate effective models of intensive case management in order to promote financial self-sufficiency and reduced reliance on public assistance through a community environment that maximizes opportunities for individuals and families in achieving optimal health in all aspects.

(Section 305.30)

Helping individuals and families reach self-sufficiency is a main focus in the bill. Counties will be eligible for grants under the Healthier Buckeye Grant Program and will receive resources to administer the Comprehensive Case Management and Employment Program.

Current Law - Under existing statute (ORC Section 355.02) boards of county commissioners have the authority to designate a county healthier buckeye council, with the following permissive duties:

- Promote means by which council members or the entities they represent may reduce the reliance of individuals and families on publicly funded assistance programs using programs proven to be effective and practices that identify and seek to eliminate barriers to achieving greater financial independence;
- Promote care coordination among physical health, behavioral health, social, employment, education, and housing service providers within the county.

To CCAO's knowledge, no counties have yet created a Healthier Buckeye Council given a lack of infrastructure and supporting state funds. The bill strengthens the structure of this program.

Modification of Local Council Structure - The budget bill refers to "local" councils instead of "county" councils. Now, if commissioners establish a county council, the resolution shall specify the organization of the council, designate a member to serve as a staffing agent and, if the board determines necessary, a member to serve as a fiscal agent. (Such organization may be revised by resolution.) Commissioners from two or more counties also have the authority to form a joint local council.

Membership - Any person or entity may become a member of the council, including individuals with community leadership experience, individuals likely to receive services and participate in council programs, representatives from public and private entities, social service providers, and faith based groups.

Duties - The bill makes the current permissive statutory duties mandatory, and adds the main objective of promoting a cooperative and effective environment in all communities to maximize opportunities for individuals and families to achieve and maintain optimal health in all aspects, thereby achieving greater productivity and reducing reliance on publicly funded assistance programs. Other duties include:

- Developing a healthier buckeye plan that promotes the main objective;
- Convening at least once a year;
- Collecting and analyzing data regarding individuals or families who receive services from or participate in programs operated by council members or entities they represent;
- Submitting an annual report of the council's performance to the Ohio Healthier Buckeye Council;
- Permissively, applying for, receiving, and overseeing the administration of grants.

Ohio Healthier Buckeye Council - Also existing in current law is the Ohio Healthier Buckeye Council, which convened for the first time this calendar year during the budget process. The state council's duties are somewhat modified in the budget bill, and mandatory duties now include:

- Developing the means by which local councils may reduce reliance on public assistance programs;
- Providing assistance in the establishment of local councils;
- Identifying barriers and gaps faced by families trying to achieve greater financial independence; and
- Collecting, analyzing and reporting performance measure information.

(ORC Sections 5101.91-93)

Ohio Department of Job and Family Services

Creation of Three New Administrative Funds - Creates three new administrative funds within ODJFS:

- The Unemployment Compensation Administrative Support Other Sources Fund, and allows ODJFS to use the fund to release employment and wage information and to support expenses related to unemployment insurance initiatives;
- The Human Services Projects Fund, and allows ODJFS to use the fund to support expenses related to human services initiatives; and
- The Workforce Development Projects Fund, and allows ODJFS to use the fund to support expenses related to the implementation of workforce initiatives.

(ORC Sections 4141.432, 5101.072, and 6301.17, respectively)

Adult Protective Services

Additional funds for adult protective services as well as updates bolstering Ohio law are designed to help ensure all counties have the capacity to meet core minimum standards for adult protective services.

Adult Protective Services - As introduced, the budget would have eliminated current law providing counties must investigate reports, evaluate the need for, and provide or arrange for protective services "to the extent of available funds." The bill as introduced would have eliminated the caveat of "to the extent of available funds," but maintained the requirement to investigate reports, evaluate the need for, and arrange for the provision of protective services.

(ORC Sec 5101.62)

- CCAO advocated to keep current law in this regard and was successful in both the House and Senate versions.

Increase in State Funding - Increases state support for adult protective services from $500,000/year statewide to $2.64 million statewide. Rather than use the traditional formula allocation, ODJFS will be provided every county with a flat $30,000 allocation each year. (This represents an increase to all but three counties.) In large part, this increase in funding is to help counties meet core minimum requirements for adult protective services by July 2016. These core minimum requirements were recommended by the APS Workgroup created in HB 483 of the 130th General Assembly, and were jump-started with the one-time appropriation of $10 million made by the legislature toward adult protective services in the same bill.

Statewide APS Information System - Requires ODJFS to create and maintain, and counties to use, a statewide information system.

State-defined Procedures - Permits ODJFS to promulgate rules creating requirements around intake procedures, investigations, case management, and the provision of protective services.

Emergency Protective Orders - Adds immediate and irreparable financial harm to the reasons for which an emergency protective services order may be issued. Creates a procedure for the issuance of an ex parte emergency protective services order for an older adult.

24/7 Accessibility - Requires a CDJFS to be available to receive reports of elder abuse, neglect, or exploitation 24 hours a day/7 days a week. (Note: This is already a requirement within the children services system.)

Memorandum of Understanding - Requires each CDJFS to prepare an MOU that establishes the procedures to be followed by local officials when working on cases of elder abuse, neglect, and exploitation. The MOU is, among other things, also to establish an interdisciplinary team.

Training - Requires protective services caseworkers and their managers to complete training on the implementation of the APS statutes, which ODJFS must provide.

(ORC Sections 5101.60, 5101.61, 5101.611, 5101.612, 5101.62, 5101.621, 5101.622, 5101.69, 5101.691, 5101.692, 5101.71, 5101.72, 5101.99, and 1347.08.)

Victims of Human Trafficking - Creates the fund within ODJFS to be used to provide treatment, care, rehabilitation, education, housing, and assistance for victims of human trafficking. Appropriates $100,000/SFY with authority for OBM to authorize additional expenditures and make additional appropriations at the request of the ODJFS director.

(Section 305.170)

The accelerated phaseout of TPP reimbursements means levy funded programs like children services and behavioral health are going to receive a net cut this biennium. Impact on the Developmental Disabilities system was mitigated.

Children Services and Family and Children First

Joint Legislative Committee on Multi-system Youth - Creates the ten member committee to issue a report by December 31, 2015 to the General Assembly and Governor in which it:

- Identifies the services currently provided to multi-system youths and the costs and outcomes of those services;
- Identifies best practices to eliminate custody relinquishment as a means to receive services;
- Identifies the best methods for person-centered care coordination;
- Identifies a system to monitor the progress of multi-system youths in residential placement; and
- Recommends a funding and service delivery system to meet the needs of all multi-system youths.

A multi-system youth is defined as a youth who is in need of services from at least two or more of the following systems: child welfare, behavioral health, developmental disabilities, or the juvenile court.

(Section 701.80)

Transition of Foster Youth to Medicaid Managed Care - Children in child protection will be transition from fee-for service to managed care for physical health services by January 1, 2017. The transfer of behavioral health services (see separate item) to Medicaid managed care will also impact the foster youth population.

Behavioral health services and children in foster care are going to be integrated into Medicaid managed care this biennium. Advocates and stakeholders will be actively engaged in this transition.

Children's Trust Fund Regionalization - Divides the state into eight regions, identified in statute, for the purpose of applying for, receiving, and implementing Board-approved child abuse and child neglect programming and services. In doing so, among other changes:

- Eliminates child abuse and child neglect prevention advisory boards and creates child abuse and child neglect regional prevention councils for each region. Sets forth the membership and duties of the councils;

- Requires boards of county commissioners that oversee a child abuse and child neglect prevention advisory board to oversee the transfer of advisory board assets and liabilities and to complete, or delegate to a regional council, any pending business of the advisory board;

- Requires each council to be under the direction of a regional prevention coordinator, who is to be selected through a competitive selection process conducted by the Board.

(ORC Sections 3109.16, 3109.17, 3109.171-178, and 3109.18; Section 731.10)

State Draw Down of Federal Funds - Requires up to $3.2 million of line item 600523 be used each year to match eligible Title IV-B ESSA funds and IV-E Chafee funds allocated to public children services agencies.

(ORC Section 305.120)

Child Placement Level of Care Tool - Provides $700,000 in SFY16 and $200,000 in SFY17 to fund a pilot program in which ODJFS implements and oversees use of a tool for 18 months in up to ten counties. The tool helps assess a child's placement needs when a child must be removed from his or her own home and cannot be placed with kin. The assessment includes the child's functioning, needs, strengths, risk behaviors, and exposure to traumatic experiences.

(ORC Section 305.120)

Regulation of Therapeutic Wilderness Camps - Exempts private, nonprofit therapeutic wilderness camps from certification by ODJFS and makes other changes to the licensing and regulation of such camps.

(ORC Sections 2151.011, 2151.421, 5103.02, and 5103.50-55; Section 751.61)

Flexibile Funding Pool - Authorizes a CDJFS or PCSA, in collaboration with the county family and children first council, to transfer a portion of certain allocations to a flexible funding pool.

(ORC Section 305.110)

Public Assistance

Ohio Benefits Implementation - Supports the transition to a new public assistance eligibility system (Ohio Benefits) at county JFS departments by allocating up to $7.2 million per fiscal year of state funds that can be used for costs specifically related to the system transition. Such funds can be used to draw down a 75 percent federal match in Medicaid administrative funds.

Report on County Spending of TANF Block Grant - Requires ODJFS to study TANF funding allocations to each county to determine benefits and services provided through the PRC program and other TANF-funded programs. A report is due June 30, 2016 and is to be on the most recently completed federal fiscal year.

(Section 305.195)

Ohio Works First and Supplemental Nutrition Assistance Program Work Requirements and Services - Specifies that rules governing OWF (cash assistance) must include requirements for work activities, developmental activities, and alternative work activities for program participants. Specifies that rules governing SNAP (food assistance) must be consistent with federal work and employment and training requirements and must provide for SNAP recipients to participate in certain work activities, developmental activities, and alternative work activities.

(ORC Sections 5101.54 and 5107.05)

Earmarks $500,000/SFY to establish a pilot project in Cuyahoga County to implement reforms to the OWF and SNAP programs, and separately, to provide services to SNAP recipients who face significant barriers to employment, including recipients who have disabilities or mental or physical health problems, are long-term public assistance recipients, or have been incarcerated.

(Section 305.198)

Healthy Food Financing Initiative - Provides $1 million/SFY to the Healthy Food Financing Initiative, to be used to support healthy food access in under-served communities in urban and rural areas designed as low and moderate income areas as defined either by the USDA or through a methodology that has been adopted for use by another governmental or philanthropic healthy food initiative. Requires ODJFS to contract with a certified Community Development Financial Institution to implement and administer the program. ODJFS, in cooperation with the Ohio Department of Health and the approval of the Office of Health Transformation, is to establish certain monitoring and accountability mechanisms for the initiative and evaluate the health impact of the program.

$250,000 in each fiscal year is earmarked from the funding for the East Side Market in Cleveland.

(Section 305.10 and 305.25)

Ohio Association of Food Banks - Requires, with other administrative requirements and funding specifications, ODJFS provide the Association of Food Banks no less than $19.75 million each SFY.

(Section 305.60)

Disability Finance Assistance Eligibility Determinations - Permits ODJFS to contract with a state agency to make eligibility determinations for the DFA program.

(ORC Section 5115.04)

Child Care

Eligibility for Publicly Funded Childcare - Expands eligibility for continued publicly funded childcare from 200 percent of the federal poverty level (FPL) to 300 percent of the FPL. ODJFS plans to increase initial eligibility from 130 percent of the FPL to 135 percent.

(ORC Section 5104.38)

Step Up to Quality Program - Codifies the SUTQ program. Requires ODJFS and the Ohio Department of Education to develop a tiered quality rating system for all early learning and development programs, and provides financial incentives for achieving and maintaining identified standards for programs providing publicly funded child care. Specifies by year the percentage of programs (except for Type B family day care homes) that provide publicly funded childcare that must meet specific quality ratings.

Requires ODJFS spend up to $20 million per SFY to achieve the SUTQ goals outlined in statute.

(ORC Sections 5104.29 - 5104.31; Sections 263.10, 263.20, 263.200, 263.320, 305.10, and 305.163)

Definitions - Makes several changes to child day-care definitions.

(ORC Section 5104.01)

Suspension of Provider Licenses - Requires ODJFS to suspend, without prior hearing, the license of a daycare provider under specified circumstances such as alleged abuse and neglect or alleged fraud.

(ORC Section 5104.042)

Limit on Number of Full-time Care Providers per Family - Specifies a caretaker parent may not receive full-time publicly funded child care from more than one provider during a week (as opposed to current law which says during any period) unless approved by the CDJFS.

(ORC Section 5104.34)

Child Support Enforcement

Processing Charge - Requires a court or administrative agency to impose on a child support obligor a processing charge in the amount of 2 percent of the support payment to be collected under a support order instead of a charge equal to the greater of that amount or $1 per month.

(ORC Section 3119.27)

Obligor Registration in OhioMeansJobs - Requires a court or administrative support agency, when ordering an obligor to seek employment or participate in a work activity, to also require the obligor to register with OhioMeansJobs.

(ORC Section 3121.03)

Uniform Interstate Family Support Act - Harmonizes Ohio law with the Uniform Interestate Family Support Act of 2008, ensuring Ohio will remain compliant with federal law and eligible to receive federal funding for child support enforcement activities.

(ORC Chapter 3115 and other sections)

Infant Mortality, Maternal Health, and Early Childhood Development

Help Me Grow Home Visiting - Requires Medicaid managed care to provide or arrange for the provision of home visiting (which must include depression screenings) and cognitive behavioral therapy (CBT) that is determined to be medically necessary. In addition, requires the CBT be provided in the enrollee's home at her request.

(ORC Sections 5167.16 and 5167.01)

Enhanced Care Management to Reduce Infant Mortality - Requires a Medicaid managed care organization to provide enhanced care management services to women who are or may become pregnant in areas of the state identified as high risk for infant mortality.

(ORC Section 5167.17)

Managed Care Enrollment and Infant Mortality Outcomes - Requires the state to modify the default enrollment for managed care for SFY17 such that a preference is given to managed care organizations that have reduced infant mortality rates.

(Section 327.340)

Maternal and Child Health - Earmarks $500,000 in a new appropriation item in SFY16 to Integrating Professionals for Appalachian Children to be used to improve maternal and child health outcomes in the service area comprised of Athens, Gallia, Hocking, Jackson, Meigs, Perry, Ross, Vinton, and Washington counties.

(Section 327.245)

Veterans

Military Injury Relief Fund Program Administration and Eligibility - Transfers from ODJFS to the Department of Veteran Services all duties relating to grants from the fund. Expands eligibility of service members eligible to receive a grant to include a service member injured while serving after October 7, 2001, or any service member diagnosed with post-traumatic stress disorder while serving, or after having served, after October 7, 2001.

(ORC Sections 4503.535, 5101.98, 5747.01, 5747.113, and 5902.02; Sections 405.30 and 759.10)

Medicaid Program

Health and Human Services Fund - Creates the Health and Human Services Fund which will be funded at $200 million. These funds have been identified as the state share for the Medicaid expansion group in SFY17, as that is the first year states will be paying some of the cost. The funds are subject to Controlling Board approval.

Behavioral Health Integration into Managed Care - Requires the inclusion of alcohol, drug addiction, and mental health services in the care management system by January 1, 2018.

- Requires the approval of the Joint Medicaid Oversight Committee (JMOC) to include behavioral health into managed care before January 1, 2018.

- Requires JMOC to monitor the state's actions on a quarterly basis in regard to the transition, including the proposed timeline, access to service, network adequacy, and payment levels.

(ORC Sections 5167.03 and 5167.04; Section 103.42)

Healthy Ohio Program - Requires the Department of Medicaid to seek a waiver from the federal government allowing Ohio to establish the Healthy Ohio program, under which certain Medicaid recipients would have a health savings account rather than traditional coverage through a managed care or fee for service plan. If allowed, under the bill:

- Individuals are required to participate in the program if they are over 18 and eligible for Medicaid under the covered families and children or eligibility expansion group under the ACA. (Wards of the state are exempted.)

- Each program participant will have a "Buckeye account" established, which will consist of Medicaid funds and contributions made by the individual and on the individuals behalf.

- Participants must make an annual contribution to their accounts - the greater of two percent of his or her annual countable family income, or $99. The contributions may be made in monthly installment payments.

- Terminates coverage for at least twelve months if a participant fails to make a monthly installment contribution to his or her account (excluding pregnant women) or a participant fails to timely submit documentation needed for a Medicaid eligibility redetermination. A participant is permitted to resume participation once the full amount of the monthly installation is paid, or necessary documentation is submitted.

- Creates annual and lifetime payout limits for an individual's account. Once those pay outs are exhausted, an individual is then transferred to the fee-for-service or managed care system.

- Requires each county JFS department to offer to refer each program participant who is un- or underemployed (defined in the bill as working less than an average of twenty hours per week) to a workforce development agency.

Note: The implementation of the Healthy Ohio program is contingent upon Federal approval of a waiver to allow the program. If such a waiver is not approved, the Administration is likely to reconsider their initial proposal of charging premiums of approximately $20/month for Medicaid recipients above 100% of the federal poverty level.

(ORC Sections 5166.40, 5166.401-409, 5166.01, and 5167.03)

Workgroup to Study the Feasibility of Medicaid Recipients' ID and Benefits Cards - Creates an 11-member workgroup comprised exclusively of cabinet members or their designees to, in order to reduce enrollee and provider fraud and abuse, to study the feasibility of using state-issued licenses and identification cards to establish an individual's eligibility for all state public assistance programs and benefits under them, such as Medicaid, HEAP, food assistance, TANF and child care. Requires the workgroup's findings and recommendations be reported to the General Assembly by July 1, 2018.

(Section 751.30)

Review of Department of Health Line Items - Requires the Joint Medicaid Oversight Committee to review the use and necessity, both before and after the enactment of Medicaid expansion, of certain Department of Health line items, including that of Medically Handicapped Children.

(Section 308.10).

Independent Provider Medicaid Agreements - States it is the General Assembly's intent to study independent providers and whether or not they will be able to enter into or maintain Medicaid provider agreements. The intent language gives the legislature until December 31, 2015, to resolve the issue.

(Section 751.10)

Health Outcome Report on Expansion Population - Requires the state to submit a report to the General Assembly evaluating the Medicaid program's effect on clinical care and outcomes for individuals included in the Medicaid expansion group.

(Section 751.20)

Family Panning Services - Eliminates a requirement that Medicaid cover family planning services.

(Section 5163.06)

Medicaid Rates for Home Health Aide Services - Specifies the Medicaid payment rate for home health aide services, excluding independent providers, is to increase by at least five percent for SFY17 than the rate in effect on October 1, 2015.

(Section 327.250)

Medicaid Eligibility

Streamlining Aged, Blind and Disabled Eligibility with SSI - The Administration announced an intent to terminate the federal 209(b) option Ohio currently uses, under which the requirements for aged, blind, and disabled Medicaid eligibility (64 percent of the federal poverty level, or FPL) are more restrictive than the eligibility requirements for the Supplemental Security Income program (75 percent of the FPL). The bill prohibits such action before July 1, 2016.

(Section 327.310)

Transitional Medicaid - Repeals a requirement that transitional Medicaid coverage be provided to eligible individuals for a 12 month period, rather than an initial six month period followed by a second six month period.

(Repeals ORC Section 5163.08)

Transfer of Assets - Permits an institutionalized individual to enroll in Medicaid despite a transfer of assets for less than fair market value if all of the assets are returned or the individual or individual's spouse receives an amount equal to the difference between the amount received for the assets and the asset's fair market value.

(ORC Section 5163.30)

Developmental Disabilities

The developmental disabilities system is in the midst of a major evolution. An infusion of resources is designed to help move the system forward while ensuring services to individuals are not disrupted.

As a result, the state biennial budget contains many significant changes to the system, and overall, reflects a significant investment in the system as well.

Funding - When looking at overall funding, there is a 15.33 percent increase in developmental disabilities funding in SFY16 compared to SFY15. Similarly, there is an additional 9.81 percent increase in SFY17 from SFY16.

Most of the increase in funding is in direct service or program line items, such as the line items that fund community-based waiver services.

In addition, county boards of developmental disabilities secured an amendment to require $20 million over the biennium be distributed to help maintain current Medicaid waiver levels to help offset the impact of the acceleration of the phase out of tangible personal property tax reimbursement.

Independent Providers - See page 56.

General Assembly Intent Around Adult Day Services/Sheltered Workshops - Specifies that it is the General Assembly's intent for individuals currently being served through the existing array of adult day services, including those delivered in sheltered workshops, to both be fully informed of any new home and community-based services and their option to receive those services and to continue receiving services in a variety of settings if those settings offer opportunities for community integration.

(ORC Section 5123.621)

Efforts to Decrease Institutional-based Care and Increase Home and Community-based Services - The bill contains several policies to this effect, including incentives for entities to decrease institutional based care.

(Multiple ORC Sections, including 5123.376)

Behavioral Health

Behavioral health services and children in foster care are going to be integrated into Medicaid managed care this biennium. Advocates and stakeholders will be actively engaged in this transition.

Note: For information on behavioral health budget provisions impacting county government court and corrections, see pages 21-23.

Continuum of Care Services Line Item Expenditures - Provides $72 million per year in the line item, which funds county ADAMH boards. This is a 7.3 percent decrease from the previous biennium. The bill discontinues the increased investments of $50 million per year allocated largely to county boards in the previous biennium. Requires a portion of the line item be allocated to community ADAMHS boards in accordance with a distribution methodology determined by the ODMHAS Director for the boards to purchase mental health and addiction services.

Permits an ADAMHS board to use funds provided by the line item to provide subsidized support for psychotropic medication needs of indigent citizens in the community to reduce unnecessary hospitalization due to lack of medication and to provide subsidized support for medication assisted treatment costs.

Permits a portion of the line item to be distributed to ADAMHS boards, community addiction and/or mental health services providers, courts, or other governmental entities to provide specific grants in support of mental health and addiction services initiatives.

(Section 331.70)

Funding - Community behavioral health services are largely flat funded for the biennium.

Recovery Housing - Expands and supports access to recovery housing with a dedicated new line item of $2.5 million per year. Defines "Recovery Housing" as housing for individuals recovering from alcoholism or drug addiction that provides an alcohol and drug-free living environment, peer support assistance with obtaining alcohol and drug addiction services, and other alcohol and drug addiction recovery assistance where the length of stay is not limited to a specific duration. Requires ODMHAS to prioritize support for projects in counties of the state that are underserved or do not currently have recovery housing stock and to develop procedures to administer the recovery housing funds, GRF line item 336424, in a manner that is consistent with current community capital assistance guidelines.

(Section 331.110)

Prohibits an ADAMHS board from owning recovery housing except in certain circumstances.

Removes the express authority for a community addiction services provider or other local governmental organization to own and operate recovery housing. Allows residential facilities to own or operate recovery housing or provide addiction services, but prohibits recovery housing from being subject to Ohio Department of Mental Health and Addiction Services (ODMHAS) residential facility licensure.

(ORC Sections 340.01 and 340.034 - Section 812.40)

Transfer of Bureau of Recovery Services – The Bureau of Recovery Services (BRS) and all of its employees is transferred from the Department of Rehabilitation and Correction to ODMHAS.

(Section 331.100)

ADAMHS Board Advocacy - Expressly permits an ADAMHS board to advocate on behalf of Medicaid managed care enrollees and Medicaid-eligible individuals who need addiction or mental health services.

(ORC Section 340.03)

Residential State Supplement - Doubles the Residential State Supplement program funding, resulting in $15 million per year. Makes several changes to the laws governing the RSS program, such as:

- Removes from eligibility for the residential state supplement an apartment or room certified and approved under Ohio law to provide community mental health housing services.

- Permits an individual residing in a living arrangement housing with more than 16 individuals to be eligible for the Program if the ODMHAS Director waives the size limitation with respect to that individual.

- Removes the residential state supplement eligibility requirement that a residential state supplement administrative agency has determined that an individual's living environment is appropriate for the individual's needs. Limits the referral requirements so that a residential state supplement administrative agency must refer an enrolled individual for an assessment only if the agency is aware that the individual has mental health needs.

- Removes the requirement that ODMHAS maintain a waiting list for the Residential State Supplement Program.

- Permits the Department of Medicaid, in addition to the applicable county department of job and family services, to (1) determine whether an applicant meets eligibility requirements and (2) notify each denied applicant of the applicant's right to a hearing.

- Permits GRF line item 335610, Residential State Supplement, to be used by ODMHAS to provide training for residential facilities providing accommodations, supervision, and personal care services to three to sixteen unrelated adults with mental illness and to make benefit payments to residential state supplement recipients.

- Requires ODMHAS to adopt rules establishing eligibility criteria and benefit payment amounts under ORC section 5119.41 and modifies the authority under which the ODMHAS Director adopts rules for the RSS Program from ORC Section 111.15 to Chapter 119. of the Revised Code.

  (ORC Sections 5119.41 and 5119.411 [Repealed] - Section 331.130)

Prevention and Wellness Funding Earmarks - Allocates, in each year of the biennium, from GRF line item 336406, Prevention and Wellness: up to $1.5 million to expand evidence based prevention resources statewide; up to $1.0 million to support and expand suicide prevention efforts; and, $120,000 to Northeast Ohio Medical University to use for campus safety and mental health programs.

(Section 331.40)

Community Innovations Funding - Provides $72 million/year Is to be used by ODMHAS to make targeted investments in programs, projects, or systems operated by or under the authority of other state agencies, governmental entities, or private not-for profit agencies that impact, or are impacted by, the operations and functions of the Department, with the goal of achieving a net reduction in expenditure of state general revenue funds and/or improved outcomes for Ohio citizens without a net increase in state general revenue fund spending.

The ODMHAS Director is to identify and evaluate programs, projects, or systems proposed or operated, in whole or in part, outside of the authority of the Department, where targeted investment of these funds in the program, project, or system is expected to decrease demand for ODMHAS or other resources funded with state general revenue funds, and/or to measurably improve outcomes for Ohio citizens with mental illness or with alcohol, drug, or gambling addictions. Funding decisions are at the discretion of the ODMHAS Director and subject to conditions that the Director determines most likely to achieve state savings and/or improved outcomes.

The following programing earmarks are provided for the Community Innovations fund line item in each fiscal year:

- Up to $500,000 to enhance access to Naloxone across the state. County health departments will disperse the funds through a grant program to local law enforcement, emergency personnel, and first responders.

- Up to $3.0 million for community projects across the state that focus on support for families, assisting families in avoiding crisis, and crisis intervention.

- Up to $3.0 million to improve collaboration between local jails, state hospitals, and treatment providers in order to reduce transfers, improve safety and judicial oversight as well as address capacity issues in both jails and state hospitals.

- Up to $1.0 million to implement strategies to increase job opportunities, reduce the number of positive drug screens, and improve workforce readiness for individuals in recovery.

- Up to $100,000 to continue ODMHAS cross-agency efforts to share evidence based practices that encourage the use of trauma-informed care.

(Section 331.120)

Early Childhood Mental Health Counselors and Consultation Funding - Is to be used to promote identification and intervention for early childhood mental health and to enhance healthy social emotional development in order to reduce preschool to third grade classroom expulsions through supporting early childhood mental health credentialed counselors and consultation services, as well as administration and workforce development for the program.

(Section 331.140)

Problem Gambling and Casino Addictions - Requires that a portion of the Problem Gambling and Casino Addictions line item be allocated to ADAMHS boards in accordance with a distribution methodology determined by the ODMHAS Director.

(Section 331.150)

Family and Children First Flexible Funding Pool - Permits a county family and children first council to establish and operate a flexible funding pool, with some restrictions, in order to assure access to needed services by families, children, and older adults in need of protective services.

(Section 331.160)

County Homes

Nursing Facilities' Medicaid Payment Rates - Revises the formula used to determine nursing facilities' Medicaid rates beginning in FY 2017 as follows: (1) eliminates the quality incentive payments and quality bonuses paid under current law; (2) increases each nursing facility's base rate by $16.44; (3) reduces each nursing facility's base rate by $1.79; and (4) provides for all of the funds made available by the base rate reductions to be used to make quality payments to nursing facilities that meet at least one of certain quality indicators.

Maintains rate-setting for nursing facilities' Medicaid payments in statute, rather than rule (as the executive version proposed).

Requires the Medicaid director to establish an alternative purchasing model for nursing facility services provided by designated discrete units to Medicaid recipients with specialized health care needs.

(ORC Sections 5165.15, 173.47, 5165.151, 5165.192, 5165.23, 5165.25, 5168.40, and Repeals ORC Sections 5165.25, 5165.26; Section 812.10)

Nursing Facilities' Medicaid Payment Rates for Low Acuity Residents - Sets the Medicaid rate for nursing facility services provided to low resource utilization residents at:

- $115 per Medicaid day if ODM is satisfied that the nursing facility is cooperating with the LongTerm Care Ombudsman Program in efforts to help the nursing facility's low resource utilization residents receive the services that are most appropriate for their level of care, or

- $91.70 per Medicaid day if ODM is not satisfied.

(ORC Sections 5165.152 and 5165.01; Section 812.10)

MCDCD6 - Performance Payments for Medicaid Managed Care - Requires ODM, for FY 2016 and FY 2017, to provide performance payments to Medicaid MCOs providing care under the Dual Eligible Integrated Care Delivery System (ICDS). Requires ODM, if ICDS participants receive care through Medicaid MCOs, to both develop quality measures designed specifically to determine the effectiveness of the health care and other services provided to ICDS participants; and, to determine an amount to be withheld from Medicaid premium payments paid to Medicaid MCOs for ICDS participants.

(Section 327.70)

Transfer of Assets – see above

Ohio Access Success Project Funds - Permits up to $450,000 in each fiscal year to be used to provide one-time transitional benefits under the Ohio Access Project that the Medicaid Director may establish. (The project is designed to expand Ohio's capacity to serve residents living in a nursing facility who want to live in a community setting to do so with linkages to community supports and services.)

(Section 327.130)

Nursing Facility Demonstration Project - Requires the Department of Medicaid to seek a federal waiver to operate a two-year demonstration project under which Medicaid recipients are admitted to participating nursing facilities in lieu of freestanding long-term care hospitals. Four nursing facilities are to be selected in Cuyahoga, Franklin, Hamilton and Lucas counties (or other counties if necessary to find qualified facilities).

(Section 327.270)

County Hospitals

Hospital Assessments - Maintains the current authority held by the executive to set the assessment rate, or franchise fee, administratively rather than in statute.

HCAP - Continues the hospital care assurance program for an additional two years.

Appendix A
Local Government Fund

County Undivided Local Government Fund Estimated Distributions

County	Calendar Year 2015 Total	Calendar Year 2016 Total	Dollar Difference	Percentage Difference
Adams	$750,000.00	$750,000.00	$0.00	$0.00
Allen	$2,594,646.84	$2,635,246.23	$40,599.39	1.56%
Ashland	$1,210,122.80	$1,229,058.03	$18,935.23	1.56%
Ashtabula	$2,293,059.64	$2,328,940.02	$35,880.38	1.56%
Athens	$1,167,666.28	$1,185,937.19	$18,270.91	1.56%
Auglaize	$1,309,637.51	$1,330,129.87	$20,492.36	1.56%
Belmont	$1,618,627.64	$1,643,954.91	$25,327.27	1.56%
Brown	$750,000.00	$750,000.00	$0.00	0.00%
Butler	$8,245,300.55	$8,374,317.80	$129,017.25	1.56%
Carroll	$750,000.00	$750,000.00	$0.00	0.00%
Champaign	$822,542.87	$835,413.52	$12,870.65	1.56%
Clark	$3,246,453.51	$3,297,251.95	$50,798.44	1.56%
Clermont	$2,486,036.80	$2,524,936.73	$38,899.93	1.56%
Clinton	$920,977.26	$935,388.14	$14,410.88	1.56%
Columbiana	$2,346,189.49	$2,382,901.21	$36,711.72	1.56%
Coshocton	$818,583.35	$831,392.04	$12,808.69	1.56%
Crawford	$1,198,909.46	$1,217,669.24	$18,759.78	1.56%
Cuyahoga	$ 61,233,549.24	$62,191,692.93	$958,143.69	1.56%
Darke	$1,355,624.14	$1,376,836.09	$21,211.95	1.56%
Defiance	$1,019,688.69	$1,035,644.15	$15,955.46	1.56%
Delaware	$2,761,143.91	$2,804,348.50	$43,204.59	1.56%
Erie	$2,126,662.42	$2,159,939.09	$33,276.67	1.56%
Fairfield	$2,845,425.41	$2,889,948.81	$44,523.40	1.56%
Fayette	$750,000.00	$750,000.00	$0.00	0.00%
Franklin	$42,138,081.64	$42,797,431.62	$659,349.98	1.56%
Fulton	$1,127,754.85	$1,145,401.23	$17,646.38	1.56%
Gallia	$750,000.00	$750,000.00	$0.00	0.00%
Geauga	$1,559,181.66	$1,583,578.75	$24,397.09	1.56%

County	Calendar Year 2015 Total	Calendar Year 2016 Total	Dollar Difference	Percentage Difference
Greene	$4,626,187.98	$4,698,575.63	$72,387.65	1.56%
Guernsey	$848,912.67	$862,195.91	$13,283.24	1.56%
Hamilton	$29,133,549.63	$29,589,412.93	$455,863.30	1.56%
Hancock	$2,228,119.48	$2,262,983.67	$$34,864.19	1.56%
Hardin	$750,000.00	$750,000.00	$0.00	0.00%
Harrison	$593,998.25	$593,998.24	($0.01)	0.00%
Henry	$750,000.00	$750,000.00	$0.00	0.00%
Highland	$765,263.36	$794,588.73	$29,325.37	3.83%
Hocking	$750,000.00	$750,000.00	$0.00	0.00%
Holmes	$750,000.00	$750,000.00	$0.00	0.00%
Huron	$1,541,594.85	$1,565,716.76	$24,121.91	1.56%
Jackson	$750,000.00	$750,000.00	$0.00	0.00%
Jefferson	$2,212,010.90	$2,246,623.05	$34,612.15	1.56%
Knox	$1,134,970.67	$1,152,729.97	$17,759.30	1.56%
Lake	$9,640,972.62	$9,791,828.44	$150,855.82	1.56%
Lawrence	$1,073,730.62	$1,090,531.70	$16,801.08	1.56%
Licking	$3,750,412.48	$3,809,096.55	$58,684.07	1.56%
Logan	$1,033,360.52	$1,049,529.92	$16,169.40	1.56%
Lorain	$9,203,218.70	$9,347,224.81	$144,006.11	1.56%
Lucas	$13,979,490.02	$14,198,232.22	$218,742.20	1.56%
Madison	$822,008.48	$834,870.72	$12,862.24	1.56%
Mahoning	$5,712,513.78	$5,801,899.60	$89,385.82	1.56%
Marion	$1,511,941.94	$1,535,599.85	$23,657.91	1.56%
Medina	$3,890,143.93	$3,951,014.47	$60,870.54	1.56%
Meigs	$686,137.38	$686,137.38	($0.00)	0.00%
Mercer	$1,061,087.75	$1,077,690.98	$16,603.23	1.56%
Miami	$2,923,628.01	$2,969,375.10	$45,747.09	1.56%
Monroe	$440,232.48	$440,232.48	$0.00	0.00%
Montgomery	$17,767,358.72	$18,045,371.04	$278,012.32	1.56%
Morgan	$442,257.41	$442,257.42	$0.01	0.00%
Morrow	$750,000.00	$750,000.00	$0.00	0.00%
Muskingum	$1,740,743.64	$1,767,981.68	$27,238.04	1.56%
Noble	$401,561.04	$401,561.03	($0.01)	0.00%
Ottawa	$951,801.08	$966,694.26	$14,893.18	1.56%
Paulding	$713,524.87	$713,524.89	$0.02	0.00%
Perry	$750,000.00	$750,000.00	$0.00	0.00%
Pickaway	$1,045,977.61	$1,062,344.36	$16,366.75	1.56%
Pike	$750,000.00	$750,000.00	$0.00	0.00%

County	Calendar Year 2015 Total	Calendar Year 2016 Total	Dollar Difference	Percentage Difference
Portage	$3,560,302.68	$3,616,012.03	$55,709.35	1.56%
Preble	$863,013.85	$876,517.75	$13,503.90	1.56%
Putnam	$829,118.35	$842,091.87	$12,973.52	1.56%
Richland	$3,475,106.06	$3,529,482.30	$54,376.24	1.56%
Ross	$1,623,450.16	$1,648,852.89	$25,402.73	1.56%
Sandusky	$1,632,545.88	$1,658,090.93	$25,545.05	1.56%
Scioto	$1,449,896.19	$1,472,583.24	$22,687.05	1.56%
Seneca	$1,556,835.47	$1,581,195.84	$24,360.37	1.56%
Shelby	$1,365,921.32	$1,387,294.41	$21,373.09	1.56%
Stark	$8,894,426.03	$9,033,600.38	$139,174.35	1.56%
Summit	$19,412,476.92	$19,716,231.02	$303,754.10	1.56%
Trumbull	$5,181,467.10	$5,262,543.39	$81,076.29	1.56%
Tuscarawas	$2,454,844.92	$2,493,256.76	$38,411.84	1.56%
Union	$876,062.60	$889,770.68	$13,708.08	1.56%
Van Wert	$750,000.00	$754,968.97	$4,968.97	0.66%
Vinton	$356,348.03	$356,348.03	($0.00)	0.00%
Warren	$3,877,468.01	$3,938,140.21	$60,672.20	1.56%
Washington	$1,336,699.27	$1,357,615.11	$20,915.84	1.56%
Wayne	$2,810,787.17	$2,854,768.60	$43,981.43	1.56%
Williams	$1,101,416.23	$1,118,650.47	$17,234.24	1.56%
Wood	$3,210,006.23	$3,260,234.37	$50,228.14	1.56%
Wyandot	$750,000.00	$750,000.00	$0.00	0.00%
Totals	**$345,440,769.30**	**$350,635,431.09**	**$5,194,661.79**	**1.50%**

Appendix B
Soil and Water Conservation State Match SFY 2016

Soil and Water Conservation State Match SFY 2016

	2015					
District	County Funds	Muni/Twp Funds	Other-local	Total Funds	FY 2016 State Match	FY 2016%
Adams	$75,000			$75,000	$70,382	94%
Allen	$87,850	$124,250		$212,100	$153,689	72%
Ashland	$45,000			$45,000	$52,153	116%
Ashtabula	$77,427			$77,427	$71,856	93%
Athens	$95,000	$20,000		$115,000	$94,687	82%
Auglaize	$161,000			$161,000	$122,639	76%
Belmont	$80,200			$80,200	$73,542	92%
Brown	$69,686			$69,686	$67,153	96%
Butler	$159,100			$159,100	$121,484	76%
Carroll	$98,810			$98,810	$84,850	86%
Champaign	$91,504			$91,504	$80,410	88%
Clark	$140,000			$140,000	$109,878	78%
Clermont	$253,509			$253,509	$178,851	71%
Clinton	$131,000			$131,000	$104,410	80%
Columbiana	$41,800			$41,800	$50,208	120%
Coshocton	$140,000	$15,000		$155,000	$118,993	77%
Crawford	$128,750	$5,000		$133,750	$106,081	79%
Cuyahoga	$75,000	$370,500		$445,500	$295,512	66%
Darke	$160,950			$160,950	$122,608	76%
Defiance	$177,000	$11,000		$188,000	$139,045	74%
Delaware	$273,775	$17,615		$291,390	$201,869	69%
Erie	$100,880	$41,000		$141,880	$111,021	78%
Fairfield	$279,725	$4,400		$284,125	$197,454	69%
Fayette	$209,000			$209,000	$151,806	73%
Franklin	$401,250	$735,857		$1,137,107	$619,531	54%
Fulton	$226,125			$226,125	$162,211	72%
Gallia	$100,000			$100,000	$85,573	86%

Geauga	$90,000			$90,000	$79,497	88%
Greene	$200,000			$200,000	$146,337	73%
Guernsey	$96,175			$96,175	$83,249	87%
Hamilton	$201,129		$290,103	$491,232	$323,301	66%
Hancock	$118,365			$118,365	$96,732	82%
Hardin	$95,000			$95,000	$82,535	87%
Harrison	$79,200			$79,200	$72,934	92%
Henry	$116,000			$116,000	$95,295	82%
Highland	$30,000	$3,500		$33,500	$45,165	135%
Hocking	$71,588			$71,588	$68,309	95%
Holmes	$195,000			$195,000	$143,299	73%
Huron	$160,000			$160,000	$122,031	76%
Jackson	$15,000			$15,000	$33,750	225%
Jefferson	$75,000	$49,351		$124,351	$100,370	81%
Knox	$154,500			$154,500	$118,689	77%
Lake	$177,000	$8,000		$185,000	$137,222	74%
Lawrence	$125,000			$125,000	$100,764	81%
Licking	$167,635	$10,000		$177,635	$132,747	75%
Logan	$80,000			$80,000	$73,420	92%
Lorain	$59,000			$59,000	$60,660	103%
Lucas	$75,000	$25,400		$100,400	$85,816	85%
Madison	$75,950			$75,950	$70,959	93%
Mahoning	$180,000	$8,062		$188,062	$139,083	74%
Marion	$75,000			$75,000	$70,382	94%
Medina	$101,400	$24,000		$125,400	$101,007	81%
Meigs	$77,000			$77,000	$71,597	93%
Mercer	$190,000	$10,000		$200,000	$146,337	73%
Miami	$185,649			$185,649	$137,617	74%
Monroe	$76,353			$76,353	$71,204	93%
Montgomery	$191,270	$8,900		$200,170	$146,440	73%
Morgan	$3,000			$3,000	$18,750	625%
Morrow	$35,000			$35,000	$46,076	132%
Muskingum	$175,000	$6,000		$181,000	$134,792	74%
Noble	$15,000			$15,000	$33,750	225%
Ottawa	$260,388			$260,388	$183,031	70%
Paulding	$46,250	$4,800		$51,050	$55,829	109%
Perry	$112,500			$112,500	$93,168	83%
Pickaway	$172,923			$172,923	$129,884	75%
Pike	$57,410			$57,410	$59,694	104%
Portage	$0			$0	$15,000	XX

Preble	$112,303			$112,303	$93,049	83%
Putnam	$134,500			$134,500	$106,536	79%
Richland	$160,000			$160,000	$122,031	76%
Ross	$247,538			$247,538	$175,223	71%
Sandusky	$42,500			$42,500	$50,634	119%
Scioto	$50,000			$50,000	$55,191	110%
Seneca	$248,833	$500		$249,333	$176,313	71%
Shelby	$175,750			$175,750	$131,602	75%
Stark	$75,000	$73,000		$148,000	$114,740	78%
Summit	$171,900	$37,875		$209,775	$152,276	73%
Trumbull	$175,000	$43,148		$218,148	$157,364	72%
Tuscarawas	$175,597			$175,597	$131,509	75%
Union	$170,000	$27,590		$197,590	$144,872	73%
Van Wert	$62,500			$62,500	$62,786	100%
Vinton	$18,930			$18,930	$38,663	204%
Warren	$189,733	$63,703		$253,436	$178,807	71%
Washington	$80,000	$46,207		$126,207	$101,497	80%
Wayne	$236,930	$3,600		$240,530	$170,964	71%
Williams	$294,376			$294,376	$203,683	69%
Wood	$161,144			$161,144	$122,726	76%
Wyandot	$145,000			$145,000	$112,917	78%
Grand Total	**$11,417,560**	**$1,798,258**	**$290,103**	**$13,505,921**	**$10,278,000**	**76%**

State Match Formula:
$15,000 awarded to each county; 125 percent match on the first $20,000 of local appropriation: Local appropriation over $500,000 matched at 60% overall match rate.

Appendix C
Items considered but not included

Repeal of Tax on Electric Company Generation Property - This provision would have exempted electric company generation, and "other" tangible personal property that is not transmission and distribution ("T&D") property or energy conversion equipment, from utility personal property taxation and replaced the revenue lost by having the Tax Commissioner annually calculate an increased assessment rate for electric company T&D property and energy conversion equipment to raise the amount of revenue that would have been collected from the exempted generation property. The revenue obtained from the increased assessment rate would then be used to reimburse local governments for the revenue they lost lose due to the repeal of the tax on generation and "other" property.

The provision, which was one of the two veto requests CCAO made to the governor, was designed to help the state's electric utilities that generate power to remain competitive with the generation companies in the other states by shifting the public utility personal property tax on generating capacity to the transmission and distribution system while holding local governments harmless and keeping the costs the same for the rate payers. The governor noted the importance of keeping Ohio's generating capacity competitive but vetoed the provision because the exemption/replacement process was extremely convoluted, provided the potential for many unknown consequences, and was not significantly vetted during budget deliberations.

Water and Sewer Loan Program – Public/Private Sewer Connection - This would have authorized a home owner served by a household sewage treatment system that is accessible to a proposed private sewerage system, county sewer, or regional sewerage system to elect to postpone connection for 15 years. The proposal created the Sewer Development Advancement Fund in the Public Works Commission. The fund was designed to provide advances to counties, municipal corporations, regional water and sewer districts, and other public entities for their costs of extending water and sewer lines and interest charges on their debt resulting from the delay in repayment of advances from home owners who elect to postpone connection. Appropriates $1 million to the fund.

CCAO has worked with many interested parties and House and Senate leaders on this matter. Senator Peterson introduced this policy initiative as a standalone bill, SB 58. It is anticipated a substitute version of SB58 will be introduced that mirrors the proposed changes that were introduced in the Senate version of HB64.

Ohio Veterans Identification Cards Produced by County Recorders - Would have mandated, as of January 1, 2017, that every county recorder's office issue veteran identification cards (valid for 10 years) to veterans who are not eligible for a federally issued veterans identification card. Recorders would have been able to request a fee not to exceed $2 for the card, which was to be deposited into the county recorder's technology fund, if one exists in that county.

Permits a county recorder to contract with any other political subdivision of the state for veterans identification card production services and allows a county recorder to accept donations in the form of supplies and equipment, to be used in the production of Ohio veterans identification cards.

CCAO requested this item to be removed from the budget in conference committee in order to have further discussions on various components of this policy matter. CCAO has worked with many interested parties and House and Senate leaders on this matter. Representatives Anielski and Terhar introduced similar legislation, HB 173, earlier this general assembly. HB 173 has been reported out of the House Armed Services, Veterans Services, and Public Safety Committee. It has not been voted on by the full House, and yet to have hearing in the Senate.

CCMEP Advisory Board - The provision would have created an advisory board comprised of a representative from CCAO, JFSDA, a local workforce investment board, ODJFS, the Office of Workforce Transformation, one Senate member, and one House member. The board would have been charged to develop an evaluation program for the Comprehensive Case Management and Employment Program and submit it to ODJFS for approval prior to the July 1, 2016 start date of the program.

Housing Trust Fund Fees Retained by Counties - Mandated that half of the fees collected by county recorders for the Housing Trust Fund be retained by the county for the purpose of housing (approximately $25 million per SFY). The funds were to be used for various specific purposes and populations, with counties required to give preference for projects serving persons at 35 percent of the median income or below, in using the Housing Trust Fund money. This policy shift would have significantly increased the amount of Housing Trust Fund fees retained by counties and used for housing programs, with a corresponding loss in revenue for state housing programs funded by the Low- and Moderate-Income Housing Trust Fund.

CCAO was an interested party on this policy matter. Similar proposals have been initiated in previous budget conversations. CCAO will continue to work with interested parties and House and Senate leaders on this matter. It is anticipated that further discussions on this policy matter will continue in the future.

PTSD/Workers' Compensation - Adds provision similar to SB 5 of the 131st General Assembly that would have allowed PTSD claims absent of a co-occurring physical injury for first responders. The budget bill as passed by the Senate limited the duration of compensation and medical benefits to one calendar year. The provision was removed by the Conference Committee, but conversations are likely to continue on this topic, which was first brought up in the Senate during the last General Assembly (SB 252).

Recovery Housing Hearing and Resolution Requirement - VETOED – The provision would have required that new recovery housing projects have at least one public meeting to present the project to the community before purchase and that the board of county commissioners pass a resolution of support for the project in order to obtain state funding from the recovery housing line item.

CCAO, along with several other organizations, requested a partial veto of this provision.

Prevention, Retention and Contingency Program - The provision would have given ODJFS authority to standardize the program, including defining required and additional benefits in county PRC programs and setting eligibility criteria.

JFSDA and CCAO expressed concerns with the broad statutory given to ODJFS and was successful in working with the Administration and legislature to have the language removed and the TANF study put in its place.

Medicaid Services Provided by Sheltered Workshops – VETOED – Would have required a Medicaid waiver component administered by ODODD that covers adult day services provided by sheltered workshops. A participating sheltered workshop would have been prohibited from decreasing the number of Medicaid recipients it is willing and able to serve, and Medicaid rates would be unable to be cut for such workshops for the biennium.

Developmental Disabilities Closure Review Process – VETOED - Would have established a DD center closure review process that, among other things:

- Required the Governor to notify the General Assembly and the Ohio Department of Developmental Disabilities (ODODD) of the rationale for the proposed closure of such facility and any anticipated savings if the rationale for closure is expenditure reductions or budget cuts;

- Established a 13-member closure commission for each developmental center that was proposed to be closed. Required the commission, within 90 days after the Governor's notification, to provide its recommendation concerning the developmental center.

Breast or Cervical Cancer Medicaid Eligibility - Would have eliminated a requirement that the Medicaid Program cover women in need of treatment for breast or cervical cancer, and pregnant women at 200% of the federal poverty level.

Medicaid for Inmates Pilot Program - Would have required the Ohio Department of Medicaid to operate a two-year pilot project under which the suspension/termination of a person's Medicaid eligibility ended 30 days prior to an inmate's release from the county jails Montgomery and Jackson counties. This would have allowed the medical expenses for the inmates incurred within the 30 days prior to their release be covered to be covered by Medicaid instead of the counties. The proposal had a $500,000 per year appropriation.

Aviation Fuel Tax Allocation - Currently the state sales tax is applied to the sale of aircraft fuel. The aviation industry and CCAO have felt that aircraft fuel should be subject to the gas tax rather than the sales tax and should be earmarked for airport infrastructure development. The vetoed budget provision would have required the Department of Transportation (ODOT) to work with the aviation industry to draft legislation to dedicate tax revenue from the sale of aircraft fuel for maintenance, capital improvements and safety upgrades at the state's airports. In his veto message, the governor indicated that ODOT was not the appropriate agency to draft tax law.

The Federal Aviation Administration (FAA) has asked states to dedicate funding for maintaining airports. The Ohio Department of Taxation (ODT) and ODOT are currently collaborating in an effort to come up with a plan that would outline the steps necessary to create a system that would dedicate aviation fuel tax revenue to support air transportation facilities.

Water-works Tangible Personal Property Tax Assessment - This provision would have required that all new waterworks company tangible personal property first subject to taxation in tax year 2015 or thereafter be assessed at 25 percent rather than 88 percent of its capitalized cost less depreciation. The provision was vetoed according to the governor because it would have provided a special tax break for private water companies but not other private utilities and also would have meant an unmerited reduction in future tax revenue to local governments.

Change to Remittance of Sales Tax by Motor Vehicle Dealers - This provision would have allowed new and used motor vehicle dealers licensed in Ohio to remit the sales and use tax collected on vehicle sales directly to the state on the dealer's monthly sales or use tax return. Under current law, such dealers are required to remit the tax to the Clerk of the Court of Common Pleas along with the application for a certificate of title for the vehicle. Under the amendment, dealers that do not remit the tax with their returns would still be required to remit the tax due to the Clerk. The provision was vetoed because it would have allowed a second, parallel system for collecting the sales tax and required immediate costly computer programing changes to the current titling system (Automated Titling Processing System) which is scheduled for replacement in 2017.

Appendix D
CCAO Leadership

2015 CCAO Executive Committee

Mike Halleck
Columbiana County Commissioner
President

R. Douglas Corcoran
Ross County Commissioner
1st Vice President

Ed Humphrey
Clermont County Commissioner
2nd Vice President

Doug Weisenauer
Crawford County Commissioner
Secretary

Ginny Favede
Belmont County Commissioner
Treasurer

Nick Kostandaras
Summit County Council Member
Past President

Deborah Lieberman
Montgomery County Commissioner
Member

Board of Directors

Tony Anderson	Fayette Cty. Comm.	Dave Greenspan	Cuyahoga Cty. Council
Gary Bauer	Huron Cty. Comm.	Gary Lee	Union Cty. Comm.
Paula Brooks	Franklin Cty. Comm.	John Love	Putnam Cty. Comm.
Kathleen Chandler	Portage Cty. Comm.	Gary Merrell	Delaware Cty. Comm.
Bob Corbett	Champaign Cty. Comm.	Kerry Metzger	Tuscarawas Cty. Comm.
Mike Crabtree	Scioto Cty. Comm.	Glenn Miller	Henry Cty. Comm.
Janet Weir Creighton	Stark Cty. Comm.	Otto Nicely	Defiance Cty. Comm.
Carl Davis	Monroe Cty. Comm.	Ann Obrecht	Wayne Cty. Comm.
David Dhume	Madison Cty. Comm.	Barb Queer	Ashland Cty. Comm.
Julie Ehemann	Shelby Cty. Comm.	T.C. Rogers	Butler Cty. Comm.
Lenny Eliason	Athens Cty. Comm.	Todd Sands	Muskingum Cty. Comm.
Patricia Geissman	Medina Cty. Comm.	Brian Stewart	Pickaway Cty. Comm.
Pete Gerken	Lucas Cty. Comm.	Daniel Troy	Lake Cty. Comm.
Bob Glaser	Greene Cty. Comm.	Tom Whiston	Morrow Cty. Comm.