State Fiscal Years 2018-2019
State Budget Bill as passed by the Ohio House

The House passed their proposal of the state operating budget for SFY 2018-2019, modifying the budget recommendations outlined by the Administration. The Senate is now considering the measure and will finalize their package by mid-June. The bill will then go to a conference committee to resolve differences before being sent to the Governor. This document contains an overview of proposals included in the House passed version that impact CCAO’s top four priorities as well as other initiatives included in our legislative platform.

PLATFORM PRIORITIES 2017-2018:

- **Replace revenue lost from the elimination of the Medicaid managed care organization (MCO) sales tax** – HB 49 proposes replacing lost state sales tax revenue with a health insuring corporation assessment that will go into a special fund to be used to fund Medicaid services. The Medicaid Local Sales Tax Transition Fund will be created, out of which, counties and transit authorities will be allocated a one-time payment of $207 million in SFY 2018 with $49 million used to cover forgone revenue for the last three months of 2017 and $158 million to provide transitional funding for the balance of SFY 2018 and succeeding years in the case of certain counties. No changes were made to this proposal, but leaders in the House have said they are committed to continuing to try to address the issue throughout the rest of the budget process.

- **Growing pressures from the opiate epidemic** - Counties need help to address the growing financial challenges that have been created by the opiate epidemic. This unprecedented crisis impacts counties in two particular areas:

  1. **Child protective services** has seen an increase in the number of children in custody due to parental addiction. These children have intense needs, and the reunification process takes much longer, causing this system to approach a level of crisis not seen in many years.

     The current budget proposal has an additional $15 M per year for county children services agencies and an additional $10 M per year for TANF Maintenance of Effort funding to provide support for kinship caregiver child care. The $15 M per year for children services represents half of the amount being sought by counties to provide this critical function on behalf of the state. An additional $15 M per year is needed to return funding to pre-recession levels and provide a small increase to help with the new challenges that the system faces.

  2. **Justice and public safety services** are under considerable strain due to a spike in individuals dealing with addiction and mental health issues in the county jails. Together with the Buckeye State Sheriffs Association and other interested parties, CCAO identified 3 priority strategies to improve our response to these growing pressures:

     *Statewide behavioral health triage centers* – These centers are places other than jails that law enforcement can take individuals in crisis to more appropriately address
their needs. This proposal is currently funded in the budget bill by providing $12 M to fund 6 regional mental health and 9 addiction crisis centers.

**Jail transitions to treatment** – Improve continuity of care by having providers in the jails to assess, treat and transition individuals upon release. This is currently funded in the budget at $12 M per year.

**Psychotropic drugs** – Require the Department of Mental Health & Addiction Services Central Pharmacy to provide psychotropic drugs prescribed for county jail inmates estimated to be $4 million per year. This is NOT currently funded in the bill.

- **Partnership between Ohio and counties to replace voting equipment** - The House version of HB 49 provides $1 M capital appropriation to be used to reimburse counties that have entered into agreements for new voting equipment on or after January 1, 2014, for up to 50% of their acquisition costs and provides that no reimbursement to a county is to exceed $250,000. The bill also requires DAS to issue an RFP, selecting no more than three vendors, for purposes of creating a unified statewide purchasing program or leasing plan for voting equipment. Finally, the bill provides a statement of intent that the General Assembly intends to provide additional funding to counties for voting equipment by SFY 19 in a similar manner as outlined above.

CCA0 appreciates the addition by the House of funds to reimburse counties who have had to purchase voting equipment but respectfully requests additional clarity to reflect that the $250,000 cap only applies to the initial $1 M appropriated in the bill as well as to increase the proposed partnership ratio between the state and counties to better reflect the partnership with electronic poll books.

We recognize that the replacement and funding of equipment will need to be done over several years and we are seeking more defining language in the Senate as to how the partnership will be funded and other expectations so counties can begin to plan accordingly.

- **Partnership between Ohio and counties to fund indigent defense** – The current version of HB 49 provides about 45% of the indigent defense reimbursement rate. We ask the senate to add the additional funds that are needed to take this number to the 50% level so that counties and state will each contribute half of the amount needed to provide indigent defense services. The House provided an increase of $7.1 million in SFY18 and $7.9 million in SFY19 and the request is for the Senate to add a matching amount. Furthermore the bill permanently reduces the percentage of the Indigent Defense Support Fund (IDSF) which is allocated to county reimbursement from 88% to 83%. This 5% decrease results in over $6 million in each year being taken from funding from reimbursement.

- **Felony 5 offenders** - HB 49 proposes a new program, Targeting Community Alternatives to Prison (T-CAP) which would require counties to house offenders convicted of a non-violent, non-sex related, nonmandatory Felony 5 in the county jail rather than send these offenders to prison. Language was added in the House version of the bill to require that T-CAP grant funds must be used to reimburse the county jails for per diem cost for housing an F-5 felon who is sentenced to confinement in the county jail. The reimbursement to counties is greatly appreciated. However, this program would result in a major paradigm shift transferring the responsibility for felony offenders from
the state to the counties, and we ask that this program remain optional rather than become mandatory for all counties beginning in July 2018.

**BY COMMITTEE:**

**TAXATION AND FINANCE**

- **Distribution of Local Government Fund money** – The House removed the executive proposal to change the LGF distribution formula. CCAO supports the current version of the bill that leaves the LGF distribution as it is currently established.

- **Property tax appeals and payment of court costs** - Requires that, if a political subdivision or other public body appeals a decision in a property tax assessment case and the property owner prevails in the appeal, the public body must pay the property owner’s attorney’s fees and court costs with respect to the appeal. CCAO opposes this provision being considered in the budget bill.

- **Extension of authority to propose property tax levies to joint county health boards** - Authorizes a joint county health board to propose property tax levies directly to voters of the combined health district to pay the district’s expenses. (Currently, only single-county general health districts may propose tax levies, and only through their respective boards of county commissioners. Otherwise, general health districts’ local sources of tax revenue come from taxes levied by the district's constituent townships and municipal corporations.)

- **Sales tax base expansion** – Proposed expansions in the Executive proposal were removed by the House.

- **Increase the state sales and use tax rate from 5.75% to 6.25%** - This increase proposed in the Executive version of the budget was removed in the House.

- **Reduces the percentage of commercial activity tax revenue credited to the Revenue Enhancement Fund (Fund 2280)** - from 0.85% to 0.75% beginning July 1, 2017. This reduces the Department of Taxation's administrative share and increases the GRF share of CAT revenue by about $1.7 million in each of FY 2018 and FY 2019.

- **Tax increases** - Allows counties and transit authorities to increase their local sales and use tax levies in increments of 0.05%, rather than 0.25%.

- **Sales tax on electronic services** - Specifies that sales of automatic data processing (ADP), computer services (CS), electronic information services (EIS), and electronic publishing services are not taxable through sales tax, when such services are provided primarily for the delivery, receipt or use of another, nontaxable service. States that this provision applies retrospectively to all cases pending or transactions made on or after December 21, 2007. The revenue loss from these refunds is unknown, but could be significant.
• **Sales and use tax vendor licenses** - Eliminates the requirement that county auditors submit to the Tax Commissioner a list of vendor's licenses issued and requires county auditors to use a system provided and maintained by the Tax Commissioner to issue sales tax licenses. Requires the Tax Department to make public an electronic list containing the name, account number, and business address of holders of vendor's licenses, direct pay permits, and sellers use tax accounts.

• **Increases the share of CAT revenue credited to the GRF** - from 75% to 85% beginning July 1, 2017, and decreases the shares allocated to reimburse school districts and other local taxing units for their loss of tangible personal property taxes, from 20% to 13% for school districts and from 5% to 2% for other taxing units. Two other provisions would increase the CAT tax revenues but do not appear to generate enough additional revenue to offset the percentage reduction to those entities.

• **Contents of property tax resolution** - Requires property tax resolutions to include the following additional information: (1) Whether the tax is a renewal or a replacement of an existing tax with an increase or decrease; (2) The term of the tax; (3) The subdivision's territory in which the tax will be voted upon and levied; (4) The date of the election; (5) The first tax year to which the tax will apply; (6) Each county in which the subdivision has territory.

• **Enterprise Zone agreement extension** - Extends indefinitely the authority of a county or municipal corporation to enter into an enterprise zone agreement with a business (that authority is currently set to expire on October 15, 2017).

• **Changes in current agricultural use valuation calculations** - Prescribes in statute factors that must be considered in computing the current agricultural use value (CAUV) of agricultural land for property tax purposes. Requires the formula used to compute CAUV values to employ a capitalization rate and requires (1) the equity yield rate in the capitalization rate formula to equal the greater of the 25-year average of the total rate of return on farm equity published by the United States Department of Agriculture, or the loan interest rate; and (2) a holding period of 25 years for calculating equity build-up and land value appreciation in the formula. Places a ceiling on the taxable value of CAUV land used for conservation purposes by requiring the land to be valued as though it included the least productive type of soil. Phases in the amendment's changes over two reassessment or update cycles. Specifies that during the first three-year cycle in each county, the tax value of CAUV land will include one half of the difference between its value under the new versus the old formula. The required changes to the formula would reduce tax revenues to schools by an estimated $4 million in tax year 2017, payable in 2018, and would reduce tax revenues to other units of local government by a similar amount. Revenue losses would increase each year until tax year 2022 when they would total an estimated $14 million to each of schools and other local governments. GRF reimbursements of property tax rollbacks and the homestead exemption would increase to an estimated $1 million, as effective tax rates on residential real property subject to tax reduction factors would increase because of lower tax values on CAUV land.

• **Regional transportation improvement projects** - Authorizes counties participating in a regional transportation improvement project (RTIP) to create a transportation financing district that, similar to a tax increment financing (TIF) incentive district, generates funding for transportation projects by exempting improvements to nonresidential parcels from
property taxation and collecting service payments equivalent to the exempted amount from the owners of those parcels. Establishes circumstances where this can be permitted.

- **Oil and gas severance tax** - Proposed changes in the Executive proposal were removed by the House.

- **FY 2017 GRF ending balance** - Requires the Director of OBM to allocate cash from the FY 2017 surplus GRF revenue that would otherwise be transferred to the Budget Stabilization Fund or the Income Tax Reduction Fund as follows: (1) Transfer up to $207,000,000 cash to the Medicaid Local Sales Tax Transition Fund (2) Transfer up to $273,415 cash to the Lake Erie Protection Fund.

- **Suspension of inflation indexing of income tax brackets** – Executive proposal removed in House.

- **Reduction of income tax rates and number of brackets** - Replaces the Executive proposed reduction in nonbusiness income tax rates and reduction in the number of brackets with elimination of the bottom two income tax brackets ($0-$5,000 and $5,000-$10,000). Specifies that taxpayers with Ohio adjusted gross income less exemptions and less taxable business income of $10,000 or less will owe no tax.

- **Personal income tax exemption increase** – Executive proposal was removed in the House.

- **Low income tax credit eligibility expansion** – House removed Executive proposal and replaced it with a provision that repeals the tax credit.

- **Repeal political contribution income tax credit** – The House removed this proposal from the Executive version of the budget so the $50 tax credit remains available.

- **Cigarette tax increase, excise tax increase on other tobacco products, vapor products tax and alcoholic beverage tax rates** – these proposals in the Executive budget were removed by the House.

- **Local sales tax for permanent improvements** - Allows community improvements board (CIB) grants to a school district, which are funded by a county sales tax, to be spent for permanent improvements outside the county where the tax is levied so long as the improvements are within the school district and a part of the school district is within the county. Applies this authority to provide such grants funded by money under existing sales tax levies as long as that use is consistent with the authorizing sales tax resolution in addition to future levies. CCAO is working on an amendment with the sponsor of this provision to limit the application of this to Medina County, which has an existing agreement with their CIB.

- **Board of revision** - Increases the time within which boards of revision must decide property tax complaints. Extends the time for the ten most populous counties from the current 90 days to 180 business days. Extends the time for all other counties from the current 90 days to 90 business days. Under continuing law, a property owner and certain other interested parties may file a complaint with the county board of revision to
challenge specific determinations regarding real property, usually the tax value assessed by the county auditor. The number of days a board of revision has to render a decision begin tolling on the date the complaint or, if applicable, a response, is filed.

JUSTICE AND PUBLIC SAFETY

- **MARCS radio subsidy** – The House added language providing $1 million per year continuing the current user fee subsidy to the local governments/emergency responders on the MARCS system. The current biennium subsidy is $2 million per year and provides a credit of $10.00 per month against the $20.00 per month user fee charged. This suggests that the House’s level of funding would provide a subsidy of $5.00 per month and result in the user fee paid by local governments being reduced to $15.00 per month per unit.

- **Reimbursement for OVI-related chemical tests** - Authorizes a court to order an offender to reimburse a law enforcement agency for any costs incurred by the agency with respect to administering blood or urine chemical tests if the offender is convicted of or pleads guilty to an OVI violation and the test or tests indicated that the offender had a prohibited concentration of a controlled substance.

- **Community-based correctional facility reporting** - Provides that specified community-based correctional facilities file an annual financial report, rather than quarterly reports to the Auditor of State.

- **Community police relations** - Implement 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 manuals.

- **Multi-jurisdictional local correctional centers** - Specifies that a multi-jurisdictional local correctional center's operational standards and procedures may be amended by agreement of a majority of the voting members of the center's corrections commission or by other means specified in the contract between the contracting counties and municipal corporations and clarifies that items required for the standards and procedures also are required for the amendments.

- **Using commissary profits for contraband screening** - Allows the sheriff of a county jail to use profits from the jail's commissary to purchase technology designed to prevent contraband from entering the jail.

JOBS, ECONOMIC DEVELOPMENT, AND INFRASTRUCTURE

- **Extension of the deadline for Community Reinvestment Area designations** - Extends the deadline by which a municipal corporation or county must petition DSA to approve the local government's designation of a Community Reinvestment Area (CRA), from 15 to 60 days after the subdivision's adoption of the designating resolution.
• **Pre-1994 community reinvestment area term extension** - Authorizes a county or municipal corporation, under certain circumstances, to extend the term of a community reinvestment area (CRA) property tax exemption without triggering an existing law requiring that the CRA conform to various requirements and limitations enacted in 1994.

• **Local Government Innovation** – Requires the Local Government Innovation fund to be used to make loans and grants to political subdivisions under the Local Government Innovation Program. Allows up to $275,000 of the line item to be used in each fiscal year for administrative costs.

• **Financing of capital improvements by government entities from other states** - Prohibits another state or a governmental entity of another state from providing financing for certain capital improvement projects located in Ohio unless the entity within two business days after the entity has initial contact with the person or governmental agency proposing the project, notifies the port authority (if the project will be located within the territory of a port authority) or the county (if the project will not be within a port authority’s territory) of the entity's interest in the project upon entering into a financing agreement, provides written confirmation to the port authority or county that an agreement has been reached and certain conditions are met, including that the interest payable on the financing is intended to be exempt from federal taxation and the laws of the other state permit an Ohio governmental entity to provide similar financing on similar terms for a capital improvement project located in that other state. Provides penalties for noncompliance.

• **Monitoring of explosive gases at solid waste disposal facilities** - Revises the law governing the monitoring of methane gas at solid waste disposal facilities authorizing, rather than requiring as provided under current law, the Director of Environmental Protection to order the submittal of explosive gas monitoring plans when there is a threat (rather than a danger as in current law) to human health or safety or the environment. Requires a plan to be submitted for active or closed solid waste disposal facilities, if ordered, rather than for active or closed sanitary landfills (a subset of solid waste disposal facilities) as provided under current law.

• **Total maximum daily load (TMDL)** - Authorizes the Director of the Ohio Environmental Protection Agency (Ohio EPA) to establish a TMDL for each impaired body of water in Ohio and to submit the TMDL to the United States Environmental Protection Agency. Outlines the scope of this authority in order to supersede case law regarding TMDLs (County Board of Commissioners v. Nally, 143 Ohio St.3d 93 (2015)). Alters the Ohio Supreme Court’s ruling by establishing specific procedures and standards under which a TMDL may be issued. Requires the Director to adopt new rules governing TMDLs no later than December 31, 2018 that allocates pollutant load between and among nonpoint sources and point sources in a TMDL report, establishes procedures and requirements for developing, issuing, revising and updating TMDLs.

• **Areawide planning agencies** - Permits the Director of Environmental Protection to award grants to areawide planning agencies engaged in areawide water quality management and planning activities in accordance with the nonpoint source pollution control provisions of the federal Clean Water Act.
- **Merger of the Manufactured Homes Commission into the Department of Commerce** – The House version of the bill deletes this proposal.

**HUMAN SERVICES**

- **Comprehensive Case Management and Employment Program** - Original proposals from the Administration were kept, which included making CCMEP an ongoing program rather than one that expires July 1, 2017, reducing the minimum age of participation in the program from 16 to 14 years and permitting the JFS Director to specify in rules additional mandatory and voluntary participation groups.

- **Adult protective services** – The appropriation for APS was increased by approximately 10%, for a total appropriation of $2.89 M/year. Language from HB 78 was incorporated that would expand the definition of “exploitation,” eliminate the required MOU between CDJFS’ and other parties, and expand the list of mandated reporters.

- **County hub program to combat opioid addiction** – A one-time allocation of $25,000 to counties to create a community hub that will develop strategies to fight opioid addiction.

- **Drug overdose fatality review committees** - Authorizes the establishment of county or regional drug overdose fatality review committees. Requires each committee to submit to ODH an annual report containing specified information related to the drug overdose or opioid-involved deaths reviewed by the committee.

- **Foster care advisory group** – Created within ODJFS to advise and assist the department in identifying and implementing best practices to recruit, retain and support foster caregivers. The group will issue a report by May 1, 2018 before disbanding.

- **Disability financial assistance program** - Beginning December 31, 2017, eliminates the Disability Financial Assistance Program within JFS. Requires the Executive Director of the Office of Health Transformation to ensure the establishment of a program to refer certain Medicaid recipients to services and assist certain Medicaid recipients to expedite applications for federal benefits.

- **Family and children first flexible funding pool**- Permits a county family and children first council to create a flexible funding pool to assure access to services by families, children, and seniors in need of protective services.

- **Child support** – The state child support match allocation received a 1.5% cut.

- **Child welfare background checks** – Requires that before a PCSA employs an applicant responsible for the care, custody or control of a child, the director is to review relevant information, including abuse and neglect reports.

- **Special funds** – Permits a county family services agency to have a deficit in a special fund if the agency has a request for payment pending with the state to cover the amount of the deficit and the unspent and unencumbered balance in the county’s general fund is greater than the aggregate deficit in all of the county’s special funds.
• **Healthier buckeye grant program** – Requires ODJFS to permit those receiving grant awards under the Healthier Buckeye Grant pilot program to expend these awards

• **Kinship permanence incentive program** - Repeals the 48-month time limit under which a kinship caregiver may receive additional payments under the Kinship Permanency Incentive Program. Provides that an eligible caregiver may receive a maximum of eight payments per minor child.

• **Non-Emergency transportation** - Proposes to shift responsibility from the current county-led system to a state-led brokered system. Precise language is not currently in the bill, but has been referenced several times in testimony from the Dept. of Medicaid. The bill does include authority to move NET funds from an ODJFS line item to a Dept. of Medicaid line item

• **Multi-county health district levies** - Authorizes a multi-county health district board to propose a property tax levy directly to the voters of the district to pay for its expenses. As written, county council members/commissioners would not have discretion regarding the submission, type, millage or duration of levies submitted to the voters for this purpose.

• **County veterans’ service commission** – Executive proposal described below was removed. Defines the minimum qualifications for an executive director of a veteran’s service commission (possess at least three years of experience in administration, fiscal matters, law, operations, or communications). Permits a veteran’s service commission to hire a spouse, surviving spouse, child, or parent of a veteran as a service officer if a qualified veteran is not available.

• **Abuse, neglect, exploitation, and misappropriation in nursing homes and other facilities** - Includes psychological abuse, sexual abuse, and exploitation as additional types of misconduct in a long-term care facility that must be reported.

• **Training and education programs for nursing home administrators** - Modifies the Board of Executives of Long-Term Services and Supports' authority to create education and training programs for nursing home administrators by permitting the Board to conduct the programs online or in-person, charge a fee for the programs; and contract with a government or private entity to develop or conduct the programs.

• **Approval of continuing education courses for nursing home administrators** - Requires the Board of Executives of Long-Term Services and Supports to approve continuing education courses for nursing home administrators. Authorizes the Board to establish a fee for approval of such courses.

• **Workforce Innovation and Opportunity Act** – Updates language from former federal WIA to current WIOA. Aligns ORC with JFS current practices. Eliminates current state law requirements for the membership and responsibilities of local boards for workforce development and instead requires that the boards carry out the functions described in and meet the membership requirements of WIOA. Modifies the requirements for written grant agreements for the allocation of funds under WIOA and requires the ODJFS Director to award grants only through these agreements. Requires every local area (a specified region for workforce development purposes) to ensure the availability of a physical one-stop location called an "OhioMeansJobs center" in the local area for the
provision of workforce development activities under WIOA. Changes the requirements for continuing law local workforce development plans, specifies that those plans must be four year plans (as required under WIOA), and requires regional plans (required under WIOA). Requires the chief elected official or officials of a local area to monitor all private and government entities that receive funds allocated under a grant agreement to ensure that the funds are used in accordance with applicable state laws, policies, and guidance.

- **Applications for workforce innovation and opportunity act programs** - Requires the Governor's Office of Workforce Transformation (OWT) in consultation with ODJFS, Higher Education, Aging, and Opportunities for Ohioans with Disabilities to develop and maintain a uniform electronic application for adult training programs funded under the WIOA by September 30, 2017, for use beginning not later than July 1, 2018.

- **Local workforce development board meetings by teleconference** - Allows local workforce development boards to hold meetings by interactive video conference (the preferred means) or by teleconference, and requires a board that wishes to hold meetings in such a manner to adopt rules that, at a minimum, require meetings to be conducted in a certain manner and establish a minimum number of members who must be physically present at the primary meeting location.

- **Lead abatement** - Generally, provides that the state, acting through ODH, has the sole and exclusive authority to compel, prohibit, license, or regulate lead abatement activities in Ohio, including the licensing of lead abatement professionals and excepting only those activities for which oversight has been delegated by the Revised Code to boards of health. Fiscal effect: Potential decrease in costs for any local public entity involved in regulation of lead abatement activities; however, these entities might also realize a loss in revenue if any fees are charged for relevant activities.

**GENERAL GOVERNMENT**

- **Program for Medically Handicapped Children (BCMH)** – Reforms to the BCMH program included in the Executive budget were removed. A $3 M appropriation for the program was added.

- **Appointment of coroners and county engineers and mergers of the positions and offices** – This provision proposed in the Executive Budget was removed by the House.

- **Board of County Commissioners deadline** - Modifies the date by which a board of county commissioners must annually organize from the second Monday in January to no later than the second Monday in January.

- **County recorder fees and technology funding** - Revises the fees for recording and indexing various types of instruments, specifies those fees and extends to January 1, 2029, the term of a proposal for funding the county recorder's imaging and technology needs that was approved by the board of county commissioners before, and is effect on, September 29, 2013, regardless of the number of years of funding specified in the previously-approved proposal.
• **Disposition of balance after sale on execution** - Raises from $25 to $100 the amount of the balance following a sale on execution over which the clerk of a court of common pleas must notify the judgment debtor by certified mail and publish an advertisement of the balance if notifications by certified and ordinary mail fail. Requires that an advertisement of a notification in a newspaper published and circulated in the county run at least once rather than three times. Requires that balances unclaimed after 90 days be treated the same as other unclaimed money in the clerk's possession, including deposit into the county general fund. Requires that the clerk be paid the actual costs of notifying the judgment debtor before paying the balance to the judgment debtor.

• **Absent voter's ballot application mailing** - Requires the Controlling Board, upon request of the Secretary of State, to approve cash transfers from the Controlling Board Emergency Purposes/Contingencies Fund to the Absent Voter's Ballot Application Mailing Fund to be used by the Secretary of State to pay the costs of printing and mailing unsolicited applications for absent voters' ballots and specifies that the money is to be used to cover such costs for the November 2018 general election.

• **Precinct Election Officials Training** – Continues to provide some funding to reimburse county boards of elections for precinct election official (PEO) training. Re-appropriates the unexpended, unencumbered portion of the line item at the end of FY 2018 for the same purpose in FY 2019.

• **Ballot advertising costs** – Continues to fund advertising costs for statewide ballot initiatives.

• **County auditor financial report** - Increases, from 90 to 150, the number of days after the close of the fiscal year within which a county auditor must prepare a financial report of the county for the preceding fiscal year.

• **State of Ohio Leadership Institute** - $5,000,000 in FY 2018 for The Ohio State University's John Glenn College of Public Affairs to establish the State of Ohio Leadership Institute to provide leadership training and education for current and future elected officials and senior staff in state and local government.

• **Veteran's and reservist's preference in classified civil service** – Executive proposal removed in House.

• **Local Government Innovation** – Provides $5.63 million to the Local Government Innovation fund to be used to make loans and grants to political subdivisions under the Local Government Innovation Program.

**METROPOLITAN AND REGIONAL AFFAIRS**

• **Use of community adult and early childhood facility sale proceeds** – Permits a county DD board or board of county commissioners to use the proceeds from the sale of a community adult or early childhood facility to renovate or make accessible housing for individuals with developmental disabilities.
Office of Aviation oversight of navigable airspace - Alters various provisions of law governing the oversight and permitting of navigable airspace conducted by the Office of Aviation.

AGRICULTURE AND NATURAL RESOURCES

- **County Agricultural Societies** - Requires that GRF appropriation for County Agricultural Societies, be used to reimburse county and independent agricultural societies for expenses related to Junior Fair activities. Continues the annual appropriation at the same level as the current fiscal year.

- **Soil and Water Districts** - Allows the Department of Agriculture to pay any soil and water conservation district an annual amount not to exceed $40,000 upon receipt of request and justification from the district and approval by the Ohio Soil and Water Conservation Commission. This is in addition to already-allocated funds for SWCDs.

- **State matching funds for conservation districts - Federal Storm Water Program Phase II** - Extends, through calendar year 2019, the stipulation that state matching funds awarded to a soil and water conservation district for money received from entering into a contract with a board of county commissioners to carry out Phase II of the Federal Storm Water Program must be capped at the amount that the district received during 2013 for entering into that type of contract.

- **Extension of sunset on fees on the sale of tires** - Extends, from June 30, 2018 to June 30, 2020, the sunset of a 50¢ fee per tire levied to assist soil and water conservation districts.

- **OSU Extension, OARDC and Sea Grant funding** – As introduced, HB 49 provides a slight decrease to OSU Extension the first year of the biennium and otherwise holds the 3 lines level throughout the 2 year cycle.

- **Central State Agricultural Research and Extension** – Provides about $2.77 million per year of the biennium, same as FY 2017 appropriation, for Central State to operate an agricultural research and extension program.

- **Central State Agriculture Education** - Requires this GRF appropriation to be used to establish a School of Agriculture Education and Food Science within the College of Education at Central State University. Requires the School to use the funds for specified activities related to agriculture education and food science.

- **Collaboration Requirement** - Requires state institutions designated as "land grant colleges" (currently only Ohio State University and Central State University) to also enter into a compact with one another to enhance collaboration.

WATER QUALITY TASKFORCE
• **Western Lake Erie basin earmark** - Earmarks $350,000 in each fiscal year from GRF appropriation for Soil and Water District Support to be used by the Department of Agriculture for a program to support soil and water conservation districts in the Western Lake Erie Basin to comply with provisions of Sub. S.B. 1 of the 131st G.A. Specifies that a soil and water district’s application for funding must demonstrate that the money will be used for but not limited to providing technical assistance, developing nutrient or manure management plans, hiring and training staff on best conservation practices, or other activities that assist farmers in the Western Lake Erie Basin in compliance with aforementioned provisions.

• **Lake Erie Protection Fund** - Requires the Director of Environmental Protection, on July 1, 2017, or as soon as possible thereafter, to certify the cash balance in the Lake Erie Resources Fund to the Director of Budget and Management (OBM). Permits the Director of OBM to transfer the certified cash amount from that fund to the Lake Erie Protection Fund. Requires the Director of OBM, upon completion of the transfer, to cancel any existing encumbrances against the Lake Erie Resources Fund and reestablish them against the Lake Erie Protection Fund.

• **Healthy Lake Erie Program** - Requires the Healthy Lake Erie Program, to be used in support of conservation measures in the Western Lake Erie Basin as determined by the Director of Natural Resources; 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 as the Director may decide. Requires that the Director give priority to recommendations that encourage farmers to adopt 4R nutrient stewardship practices.