

CCAO BUDGET OVERVIEW

FY 2020-2021

*A New Day for the
State-County Partnership*



CAB 2019-05

TABLE OF CONTENTS

Preface	1-2
Justice and Public Safety	3-7
Taxation and Finance	8-13
Jobs, Economic Development and Infrastructure	14-16
General Government and Operations	17-18
Health and Human Services	19-24
Agriculture and Rural Affairs	25-26
Water Quality Task Force	27-28

PREFACE

This year's state budget marks a fresh new day in the state-county partnership. The recent years leading up to this budget were ones of great strain for counties. Dramatic reductions in tax revenue coupled with exploding costs left county budget stretched to their limits. Counties called on Gov. Mike DeWine and the General Assembly for much-needed relief. DeWine and state lawmakers answered the call.

Counties looked toward this budget with hope for a revitalized state-county partnership. Previous policy decisions at both the state and federal levels in recent years had slashed county tax revenues significantly. The permanent loss of Medicaid Managed Care Organization (MCO) sales tax revenue, Local Government Fund cuts and the phase out of the Tangible Personal Property tax had left counties with a collective \$351 million annual revenue loss. Tightening revenue streams led to layoffs, deferred maintenance, and limited county services.

Meanwhile, the ongoing addiction crisis fueled unprecedented demand for county services. County criminal justice, public safety and health and human services were all strained as opiate-related expenses filled courtrooms, county jails and children services agencies. Counties looked to DeWine and the General Assembly for badly needed relief from these unsustainable budgetary pressures, and they delivered.

DeWine's executive budget provided counties with an additional \$60 million each year of the biennium for indigent defense reimbursement – a historic amount of funding for this program. Increasing indigent defense reimbursement was CCAO's number one budget priority. With more state funds directed toward this state-mandated service, counties could reallocate more of their own funds to other pressing priorities. Following through on his pledge to help Ohio's children, DeWine also increased Ohio's commitment to Children Services by \$30 million, providing badly-needed state resources to support Ohio's most vulnerable residents – our children.

In the House of Representatives, House Speaker Larry Householder and fellow lawmakers increased the indigent defense reimbursement an additional \$35 million in FY 2021 and doubled the funds to Children Services with an additional \$30 million. The \$35 million in FY 2021 fulfilled CCAO's budgetary request for indigent defense reimbursement. The House also included critical updates to Ohio's sales tax statutes regarding remote seller nexus. This change will ensure that out-of-state vendors will collect and remit sales tax to Ohio and its counties, promoting marketplace fairness and strengthening the largest county revenue stream.

The Senate, led by Senate President Larry Obhof, maintained these crucial investments and made further policy changes to benefit counties. The Senate increased the percentage of GRF dedicated to the Local Government Fund, a key CCAO priority, providing an additional \$5 million annually for counties, townships and municipalities.

The Senate also provided most counties with an additional 0.5 percent permissive sales tax authority for detention center capital expenses. Many county jails are aging, overcrowded and rapidly deteriorating. This revenue stream will provide counties with a new potential tool to fund these critical capital projects.

The biennial operating budget bill, House Bill 166, marked the first operating budget for DeWine. Passage of HB 166 was somewhat unique, as legislative leaders could not reach agreement on several conference committee items prior to the June 30th deadline, requiring a 17-day interim budget to allow time for more negotiations. Agreement between the houses was eventually reached and the completed budget was signed by DeWine on the morning of July 18th.

The budget received 25 line-item vetoes, including a veto requested by CCAO and other local government and economic development groups which would have created a one-size-fits-all residential development property

tax exemption. This provision would have usurped local decision making on land use, reduced revenues and circumvented locally-negotiated tax incentive agreements. CCAO thanks DeWine for this veto.

In totality, the budget bill was a group effort, with the governor, House and Senate all contributing beneficial components for county government. While one budget alone cannot fill all the losses sustained by counties, this budget marks the most significant investment in county government in years. Equally important, this budget lays the groundwork for a renewed state-county partnership that can serve as a vehicle for further policy successes in the future.

CCAO sincerely thanks DeWine, House and Senate leadership, and the membership of the Ohio General Assembly for their support of county government in HB 166. As we have long held, a strong state-county partnership leads to stronger counties, and ultimately, a stronger Ohio.

The following pages contain additional details on budget provisions included in HB 166 as well as other provisions impacting county government. Please feel free to contact the CCAO policy team should you have any questions about the provisions described in this document.

JUSTICE AND PUBLIC SAFETY

Indigent Defense

Reimbursement seen as a key element in securing revenue stability for counties

CCAO's request for indigent defense reimbursement funding resulted in an additional \$60 million in SFY 2020 and \$95 million in SFY 2021, unprecedented funding which symbolizes a new day in our state-county partnership. CCAO believed the added \$95 million in the second year could potentially provide full reimbursement, assuming system conditions remained the same.

CCAO concentrated on securing funding for full reimbursement for indigent defense costs as a method through which the state could assist counties in obtaining some element of revenue stability. If the state expects its county partners, as its agents, to be able to successfully accomplish the state's mission at the local level, the state must take steps to dedicate adequate resources to counties to ensure that success.

In *Gideon v. Wainwright* (1963), the U.S. Supreme Court held that the fundamental right to counsel is made obligatory upon the states by the Fourteenth Amendment. Counties are fulfilling that obligation for the state. CCAO identified indigent defense reimbursement as a logical way to both facilitate the partnership and bring added revenue stability to our counties.

The budget bill also eliminated the language limiting reimbursement to a maximum of 50 percent. As of October 2019, the reimbursement percentage will, in essence, simply be governed by allocating the amount of the funding appropriated for reimbursement pro-rata across all counties based upon that county's expenses to the total system costs.

Indigent defense funding success is leading to pressure to address the system's shortfalls

CCAO has come to realize that the availability of additional state funding is placing pressure upon the counties to increase compensation to public defender office staff and increase assigned counsel hourly rates and case fee caps based on the legal community's argument that the system is significantly underfunded. Indeed, following the signing of the state budget bill, the State Public Defender's office issued a memo to county commissioners, auditors, judges, public defender directors and several state associations detailing how the additional indigent defense dollars included in the state budget could be utilized by counties to expand and enhance their indigent defense systems. These options include raising rates paid to counsel, reducing caseloads, increasing staffing, and establishing pay parity between prosecutors and public defenders.

CCAO has continually expressed our concern that the indigent defense system is underfunded and needs substantial reform in order to ensure that competent legal representation is provided to all those who qualify. Counties should also recognize that the decision to enhance indigent defense services in one county has a direct fiscal impact on all other counties' general funds. As indigent defense expenses rise in one county, whether it be through increased demand, rate increases, additional staff or other factors, this reduces the finite state funds available for reimbursement to all other counties.

Reporting requirement established to help the legislature better track indigent defense system costs

Under amendments to ORC 120.041, the legislature established an annual reporting requirement for the State Public Defender to report on the following cost data:

- The amount counties submitted for reimbursement, the total amount reimbursed and the corresponding percentage of requested reimbursements paid.

- The change in total dollars paid as reimbursements from those paid in the preceding fiscal year.
- The total dollar amount of reimbursements used by all counties for costs for personnel, expert witnesses, appointed counsel, investigations, transcripts, rent or lease, utilities, furnishings, maintenance, equipment, travel, and for any other cost category the State Public Defender sets along with the change in the amount of reimbursement money used for each category of costs for that fiscal year from the amount of money used for each category for the previous fiscal year.
- The cost per each felony, misdemeanor, traffic, or juvenile delinquency case assigned to a public defender or counsel.

Department of Rehabilitation and Correction

Adult Parole Authority ending provision of probation services to common pleas courts

The Department of Rehabilitation and Correction (DRC) intends to remove Adult Parole Authority (APA) staff support to county common pleas court probation departments and offer the county grant funding to replace the services being provided by APA staff.

Probation departments are the responsibility of the county common pleas court and DRC has been providing APA staff to assist with the supervision of county common pleas court probation cases. In 23 counties the APA staff augments the probation department's staff; however, nineteen counties do not have a probation department and the APA staff is providing all probation services.

For 23 counties with probation departments who receive supplemental support from the APA, the court and the APA will work out an amount to be provided by the state to the county to help fund the replacement of the APA assistance. DRC will be contacting these counties soon to discuss next steps and to customize a timeline for transitioning from the APA agreement to grant funding.

The 19 counties that do not have their own probation department and currently totally rely on the APA will be able to either maintain their current arrangement or work out grant funding to assist them in starting their own probation department. DRC intends to engage in discussion and planning during the next two years to prepare for all these counties to establish their own probation departments and relieve the APA of providing probation services beginning in FY 2022.

DRC is notifying the common pleas courts in those nineteen counties to whom the APA currently provides full probation services that DRC will only move forward with a transition proposal in those counties who opt to accept the grant funds. Any full-service county who wished to opt to accept the funds was to have notified DRC by August 15, 2019.

(ORC 2301.32, 2929.15)

T-CAP Program – Felony 5 Offenders

The Targeting Community Alternatives to Prison (T-CAP) program provides unrestricted grant funding to counties to underwrite the costs of retaining offenders who have been convicted of a non-violent, non-sex related Felony 5 offense in the county jail rather than sending these offenders to prison.

The budget bill made this program totally voluntary and removed the requirement that the “Target Counties” (the ten largest counties: Franklin, Cuyahoga, Hamilton, Summit, Montgomery, Lucas, Butler, Stark, Lorain and Mahoning) participate in the program.

The program is a Community Corrections Act (CCA) grant-funded program with DRC awarding grants to the participating county common pleas courts. Use of the grant funds is unrestricted, however, they may not be used to buy or build a building. The grant application must be accompanied by a memorandum of understanding that has been entered into by the commissioners, sheriff and common pleas court that outlines how the T-CAP grant funds will be utilized and establishes the average daily jail cost that will be used to calculate the amount of grant funds utilized for jail housing for felony 5 offenders the common pleas court sentences to serve time in the county jail.

Your county's allocation for each year of the biennium can be found at: drc.ohio.gov/tcap.

(ORC 2929.34, 5149.38)

Community Corrections Act Funding

Community Corrections Act (CCA) line items support felony prison diversion (407 line item) and misdemeanor jail diversion (408 line item) programs in the local communities.

The 408 line item "Community Misdemeanor Programs" has traditionally provided grants to counties and cities to operate pretrial release, probation, or other local programs for misdemeanor offenders in lieu of confinement in jail. HB 166 maintains this level of funding for jail diversion programming provided in the previous biennium at \$9.3 million in each year.

The 407 line item "Community Nonresidential Programs" includes the Probation Improvement and Probation Incentive Grant programs (PIIG Grants), T-CAP funding and the SMART Ohio Grants and is funded at \$78.5 million in SFY20 and \$84.7 million in SFY21.

Department of Youth Services

RECLAIM - Continues funding for the RECLAIM (Reasoned and Equitable Community and Local Alternatives to the Incarceration of Minors) program at current levels of \$30.6 M per fiscal year, which has remained unchanged since FY 2011. RECLAIM is intended to reduce the number of youth sentenced to DYS custody and provides as much as half of a juvenile court's annual budget. Funding is allocated to counties through a formula based upon each county's proportion of statewide felony delinquent adjudications. The budget also provides additional funding for two special RECLAIM programs.

DYS' Targeted RECLAIM program is allocated \$6.4M 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 was increased by \$1.1 million each year to now provide \$3.3 million each year to support competitive performance grants to juvenile courts. Competitive RECLAIM supports non-residential diversion and research-backed programs that serve juvenile court-involved youth based on their assessed risk level to re-offend.

Youth Services Subsidy - Continues to provide \$16.7 million per fiscal year, as it has done since FY 2011. Under the Youth Services Block Grant, money is distributed to juvenile courts according to a set formula. Each juvenile court is guaranteed a base of \$50,000 plus additional funding on a per capita basis for counties with a population over 25,000.

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.

Addiction and Mental Health

Psychotropic Drug Reimbursement Program – The program provides reimbursement to county jails from ODMHAS for psychotropic drugs dispensed to inmates. Funding continues at \$2.5 million per fiscal year from GRF line item 336504, Community Innovations, for the Psychotropic Drug Reimbursement Program with any of the SFY20 allocation that is unexpended and unencumbered re-appropriated for expenditure in SFY21.

(ORC 5119.19; Section 337.11)

Coroner Reimbursement for Toxicology Screenings – Appropriates \$1 million in each fiscal year in DPF Fund 5TZ0 440621, Toxicology Screenings, to be used to reimburse county coroners in counties in which the coroner has performed toxicology screenings on a victim of a drug overdose. The director of the Ohio Department of Health is to allocate the funds to counties in proportion to the numbers of toxicology screenings performed per county.

(Section 291.20)

Specialized Docket Support – Continues the funding to subsidize courts operating a specialized docket by providing \$7.5 million in SFY20 and \$10 million in SFY21 through the Specialized Docket Support line item 336425. The subsidy is to be used to defray a portion of the annual payroll costs associated with the operation of the 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.

(Section 337.100)

Criminal Justice Services Line Item Expenditures – Provides \$17.1 million in both fiscal years through the Criminal Justice Services line item 336422 to support the courts in providing services to the mentally ill and addicted under the jurisdiction of the court.

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 the Ohio Department of Mental Health and Addiction Services (ODMHAS) prior to conditional release to the community. The funds may be allocated through the Alcohol, Drug Addiction and Mental Health Services (ADAMHS) boards to community addiction and/or mental health services providers in accordance with a distribution methodology as determined by the ODMHAS director to provide the services.

(Section 337.60)

Multi-Agency Radio Communications System (MARCS)

Local Governments' Subscriber Fees Reduced – Continues the subscriber fee subsidy to the local governments/emergency responders on the MARCS system who are classified as Tier 1 subscribers by the MARCS Steering Committee. The \$2 million per year appropriated in GRF line item 10051 funds a credit of \$10.00 per month against the \$20.00 per month user fee charged.

(Section 207.10)

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.

(Section 243.20)

Miscellaneous

Pike County Capital Case Reimbursement – Appropriates \$1 million (GRF line item 055505 – Pike County Capital Case), to be used, subject to the Controlling Board, to defray the costs of ongoing capital case litigation in Pike County.

(Section 221.30)

Concealed Handgun License Issuance Expense Fund – Allows a sheriff, with the approval of the board of county commissioners, to use the county’s portion of revenue from concealed handgun license fees for any costs incurred in constructing, maintaining, or renovating a shooting range that is used by the sheriff or the sheriff’s employees.

(ORC 11.42, 311.42)

Public safety answering points minimum staffing – Provides that a public safety answering point (PSAP) may be deemed compliant with minimum staffing standards adopted in rules by the Statewide Emergency Services Internet Protocol Network Steering Committee (ESINet Committee) if the PSAP complies with all other operational standard rules.

(ORC 128.021)

Building code services for political subdivisions – Authorizes the Superintendent of the Division of Industrial Compliance of the Department of Commerce to administer and enforce the building code on behalf of political subdivisions or health districts, pursuant to a contract entered into between the two parties.

(ORC 121.083, 3781.10)

TAXATION AND FINANCE

Sales and Use Tax Law Changes

Nexus Standards for Remote Vendors – Establishes economic nexus standards that determine when out-of-state vendors are required to collect use tax when making sales to Ohio consumers. The new thresholds – \$100,000 annual sales or 200 transactions in the current or preceding calendar year – are the same as those used by the state of South Dakota and upheld in the U.S. Supreme Court’s 2018 decision *South Dakota v. Wayfair*. As of August 1, 2019, out-of-state vendors that meet these criteria must register with the Ohio Department of Taxation and collect and remit use tax to the state. The tax will be situated to the county of the purchaser (destination-based sourcing) and distributed to counties and transit authorities.

The same economic nexus thresholds will also apply to “marketplace facilitators” that facilitate physical or electronic sales on behalf of other businesses (e.g., Amazon). The law defines circumstances in which a sale is facilitated on behalf of a marketplace seller, but marketplace facilitators do not include businesses that only provide advertising services (ORC 5741.01(T) and (W)). Marketplace facilitators are not liable for collecting the tax if the marketplace seller fails to provide sufficient information about the customer’s location. A marketplace seller may apply for a waiver from the tax commissioner to retain responsibility for remitting the tax provided certain conditions are met.

According to LSC, local permissive sales and use taxes will increase by \$30 million in FY 2020 and \$51 million in FY 2021.

(ORC 5741.01, 5741.04, 5741.07, 5741.071, 5741.11, 5741.13, 5741.17, 5743.62, Sections 812.20)

Local Permissive Sales Tax Authority – Permits local permissive sales and use tax rates to be adjusted in increments of one-twentieth of one percent (0.05 percent) in addition to current law authority to use one tenth of one percent (0.10%) and one fourth of one percent (0.25 percent). The provision is effective October 1, 2019.

(ORC 5739.021, 5739.023, 5739.026; Section 757.331)

Local Permissive Sales Tax Authority for Detention Center Capital Expenses – Modifies permissive sales tax law effective October 1, 2019, to allow counties to enact a special tax for the construction or renovation of a detention center. This authority does not apply to charter counties. This is the only method by which a total sales tax rate enacted by a county board of commissioners may exceed 1.5 percent. This option is only available if the transit authority in the county has not used all of its allotted 1.5 percent sales tax rate authority.

The rate for this special tax cannot exceed 0.5 percent and must be lower if the transit authority sales tax rate exceeds 1.0 percent. In other words, the sum of the transit authority tax rate and special detention center rate cannot exceed 1.5 percent.

The law allows the tax to be used “exclusively for the construction, acquisition, equipping, or repair of a detention facility in the county.” Funds may be used for debt service for securities issued under ORC Chapter 133. Revenues from the tax must be placed in a special fund in the county treasury. The tax cannot be used to pay for operating expenses.

The resolution proposing the adoption of the tax cannot be adopted as an emergency measure and must propose submission of the tax for voter approval. The standard procedures for adoption of the resolution

continue to apply, including the requirement to conduct two public hearings with proper notice in a newspaper or with a second notice as allowed by ORC Section 7.16. Because this purpose falls within the category of “criminal and administrative justice services,” it is subject to the continuing requirement for the presentation of a statement of prior expenditures and preliminary spending plan at the first public hearing.

(ORC 5739.021)

Sales and Use Tax Exemption for Bullion and Coins – Eliminates the sales and use tax exemption for investment bullion and coins. LSC estimates a state GRF revenue gain of \$3.6 million in FY 2020 and \$5.6 million in FY 2021. Based on these estimates, local permissive sales tax gains will be under \$1 million in FY 2020 and about \$1.4 million in FY 2021.

(ORC 5739.02)

Sales and Use Tax Exemption for Property Sold to Qualified Racing Team – Eliminates the sales and use tax exemption for qualified property sold to qualified motor racing teams. LSC estimates the revenue gain is minimal.

(ORC 5739.02)

Sales and Use Tax Exemption for Property and Supplies Used in Cleaning Equipment used to Prepare Human Food – Expands the current sales and use tax exemption for equipment and supplies used to clean dairy processing equipment to include equipment and supplies used to clean equipment that is used to produce or process any type of food for human consumption. LSC estimates a local permissive sales tax loss of \$300,000 in FY 2020 and \$500,000 in FY 2021.

(ORC 5739.011; Section 757.130)

Local Government Fund – Increases the LGF share of state General Revenue Fund tax receipts in permanent law from 1.66 percent to 1.68 percent, effective with the August 2019 distribution. Temporary law provisions restore the direct municipal share, which was suspended in FY 2018-2019, but modify the distribution formula to shift funds toward smaller cities and larger villages. An additional amount will be transferred to the LGF in August to compensate local governments for the later than expected passage of the budget. LSC estimates that local governments will receive a total of about \$5 million per year more because of increased formula percentage. Counties will receive about \$1.8 million of this total based on historical county LGF distribution patterns.

(ORC 5747.50; Sections 387.10, 387.20, 757.230 of the bill)

Property Tax Law Changes

Board of Developmental Disabilities Reserve Balance Account - Limits the balance in a reserve balance account of a board of development disabilities to 40 percent of the board’s prior year expenditures and specifies that amounts below the limit will not be taken into consideration by a county budget commission when determining whether to reduce the millage rate of a levy. Continuing law, unchanged by the bill, allows a separate capital improvements account to contain 25 percent of the replacement value of all capital facilities and equipment.

(ORC 5705.222)

County Budget Commission Review of Board of Developmental Disabilities Levy – Modifies the procedures that a county budget commission must use when considering whether to reduce the millage rate of a

developmental disabilities levy. Before making the determination, the budget commission must hold a hearing solely on the question of whether to reduce the taxing authority of the county in connection with the balance of the developmental disabilities fund. The budget commission must publish a notice of the hearing in a newspaper of general circulation in the county once a week for two consecutive weeks or as provided in section ORC Section 7.16. The second publication must be not less than 10 nor more than 30 days before the date of the hearing. The notice must include the date, time, place, and subject of the hearing, and a statement that a determination to reduce the taxing authority of the county may result in a decrease in revenue available to the county board of developmental disabilities.

Upon publishing the notice, the budget commission must notify the board of county commissioners or board of developmental disabilities of the date, time, place, and subject of the hearing. Any board entitled to notice may designate an officer or employee of the board to whom the budget commission must deliver the notice. The commission must permit representatives of the county that established the fund to appear at the hearing and explain the financial needs of the county board of developmental disabilities.

The new law also stipulates that the budget commission must take into account the Developmental Disabilities' Board 5-year projection of revenues and expenditures before making its determination.

(ORC 5705.322)

Extension of Tax Increment Financing (TIF) Agreement – Allows a county, township, or municipality to amend an existing tax increment financing arrangement to extend the term by up to 30 years if certain conditions are met:

- The TIF generates \$1.5 million in service payments in the immediately preceding year;
- The property owner must fully compensate the affected school district for its property tax losses;
- If the TIF is adopted after January 1, 2021, it does not generate more than \$1.5 million in service payments in any other preceding year.

(ORC 5709.51, see also ORC 5709.40 and 5709.41- municipal; ORC 5709.73 – township, and ORC 5709.78 - county; Section 757.291)

Property Tax Exemption for Certain Arenas and Convention Centers – Lowers the population threshold needed to qualify for a property tax exemption for arenas and convention centers to 750,000 (Hamilton County). The exemption covers circumstances in which a convention center or arena is owned by a convention facilities authority but leased to private enterprise.

(ORC 5709.084; Section 757.90)

Child Care Center Property Tax Exemption – Authorizes a partial real property tax exemption for child care centers that serve low-income children from households that receive public assistance from any of the following programs: ODJFS-funded child care, SNAP, Medicaid, Ohio Works First or WIC. If the percentage of children at the center receiving public assistance is between 25 and 50 percent, the exemption equals 50 percent of the taxes due on the property. If the percentage of such enrolled children is higher than 50 percent, then the exemption equals 75 percent of assessed property taxes. The child care center must apply annually to the county auditor to establish eligibility. The child care center must be licensed by ODJFS, but it cannot be the administrator's main residence or be used for any other commercial purpose. Local taxing authorities are not reimbursed for the revenue lost as a result of the exemption.

(ORC 319.302, 323.155, 323.16; Section 757.100)

Local Government Audits – Revises audit cost recovery procedures used by the State Auditor for local government audits. The new law provides that the Auditor must recover the total costs of the audit, both direct and indirect, but allows audit costs to be offset by other state resources, including a new Local Government Audit Support Fund created by the bill. The fund receives a monthly distribution of tax revenue such that over the course of the year the distributions equal the appropriation amount established by the General Assembly. The Controlling Board may not authorize additional spending from the fund in excess of the appropriation level established by the General Assembly.

Rather than establishing audit costs by rule, the new law allows the state auditor to determine and publish annually rates to be charged to local public offices. At the conclusion of an audit, the fiscal officer of the entity being audited may allocate charges billed for the cost of the audit to appropriate funds using a methodology provided by the state auditor. The state auditor is authorized to negotiate with any local public office regarding a schedule for payment of the audit cost.

(ORC 117.131, 131.511)

Convention and Visitors Bureau / Lodging Taxes

Lodging Tax for New Convention Facilities Authority – Authorizes the board of directors of a convention facilities authority created between July 1 and December 31, 2019, to levy a 3-percent lodging tax. This tax is in addition to any lodging tax levied by a township or municipality. The resolution levying the tax cannot take effect sooner than ninety days after the convention facilities authority is created.

A resolution by a board of county commissioners creating a convention facilities authority between July 1 and December 31, 2019, is subject to a referendum if a petition is filed with the county auditor within 90 days after the resolution is adopted. If a referendum is held, the board's resolution creating the convention facilities authority does not take effect unless approved by a majority of voters.

(ORC 351.021; Section 757.311)

Lodging Tax Revenue for County Fairgrounds – Allows the Muskingum County Convention Facilities Authority to dedicate up to 25 percent of county lodging tax proceeds to county fairground purposes. The previous limit was 15 percent. Unspent revenue from prior years that was previously allocated to the fairgrounds will not count toward the 25 percent limit.

(ORC 351.021)

Extension of County Lodging Tax to 15 Years – Allows a board of county commissioners to extend the term of an existing county lodging tax from the previous limit of 5 years to 15 years in a county that hosts an annual harness horse race with at least 40,000 one-day attendees (Delaware County). The extension can be adopted by resolution but is subject to a referendum if signatures are collected. The rate of the tax continues at three percent and must be used to pay for permanent improvements at sites where an agricultural society conducts fair or exhibits.

(ORC 5739.09)

Income Tax

Modification to Personal Income Tax Rates – Reduces state income tax rates by 4 percent for tax year 2019 and thereafter, increases personal exemption amounts, and reduces the tax rate to zero for incomes below \$21,750. LSC estimates a reduction of LGF revenue of \$5.6 million in FY 2020 and \$5.8 million in FY 2021.

County LGF distributions will be lowered by about \$1.5 million per year.

(ORC 5747.02, 5747.022, 5747.025, 5747.03, 5747.04, 5747.05, 5747.054, 5747.055; Sections 757.150 and 757.160)

Opportunity Zone Credit – Creates a new nonrefundable Opportunity Zone Credit equal to 10% of an investor’s investment in an Opportunity Zone Fund. Credits are transferable and may be carried forward for up to five years. The Opportunity Zone Fund must have 100 percent of its assets invested in in Opportunity Zone property. ODSA cannot issue more than \$1 million in credits to an individual investor or more than \$50 million in total credits in any fiscal biennium. ODSA is required to file an annual report on the program with the legislature and the governor.

The Legislative Service Commission expects a reduction in income tax revenue starting in FY 2021, which will lower LGF distributions.

(ORC 122.84,122.86, 5747.02, 5747.82, 5747.98)

Lead Abatement Tax Credit – Creates a lead abatement tax credit to offset costs incurred by a taxpayer in hiring a licensed lead abatement specialist to conduct a lead risk assessment, lead abatement project, or clearance examination on a building constructed before 1978. The amendment may be claimed for taxable years starting after January 1, 2020. Eligible costs also include relocation costs of occupants for their protection during the project. Taxpayers must apply to the Ohio Department of Health for the lead abatement tax credit certificate. The amount of certificate is limited to the lesser of (a) the lead abatement costs incurred by the taxpayer on the eligible dwelling during the taxable year, (b) the amount of lead abatement costs listed on the application, or (c) \$10,000. Excess amounts may be carried forward up to seven years. ODH may not issue more than \$5 million in tax credit certificates in any fiscal year.

(ORC 3742.50, 5747.08, 5747.26, 5747.98)

Campaign Contribution Credit – Eliminates the campaign contribution credit, effective for the 2019 taxable year.

(ORC 5747.29, 5747.98; Section 757.10)

Ohio Political Party Fund Tax Checkoff – Prior law allowed taxpayers to dedicate portion of their income tax payments to the Ohio Political Party Fund. The bill eliminates the checkoff for taxable year 2019 and thereafter, and dissolves the Fund as of January 1, 2020.

(ORC 5747.03, 5747.081, 3517.16, 3517.17, 3517.18 (repealed); Other conforming amendments to Chapter 3517; Section 757.240)

Business Incentive Tax Credit Estimate – Establishes a new requirement that an executive operating budget proposal submitted to the General Assembly must contain information regarding certain business tax incentives. For each business incentive tax credit, the operating appropriations act must contain a detailed estimate of the total amount of credits that may be authorized in each year, an estimate of the amount of credits expected to be claimed in each year, and an estimate of the amount of credits expected to remain outstanding at the end of the biennium. This requirement applies to the following credits:

- Job creation tax credit (ORC 122.17);
- Job retention tax credit (ORC 122.171);

- Historic preservation tax credit (ORC 149.311);
- Motion picture and Broadway theatrical production tax credit (ORC 122.85);
- Research and development credit (ORC 166.21);
- Small business investment credit (ORC 122.86);
- Rural growth investment credit (ORC 122.152);
- Opportunity zone investment credit (ORC 122.84).

(ORC 107.036)

JOBS, ECONOMIC DEVELOPMENT, AND INFRASTRUCTURE

Rural Industrial Park Loan Program – Appropriates \$25 million for the Rural Industrial Park Loan Program in the Ohio Development Services Agency, which has not received an appropriation since FY 2011. Eligible recipients are counties with a population under 125,000 that meet certain criteria for economic distress.

(ORC 122.26)

Pay for Success Contracting Program – Establishes the state treasurer as the lead agency for the Pay for Success Contracting Program except for ongoing pilot projects to reduce infant mortality that are overseen by the Department of Health and the Department of Administrative Services (DAS). The Pay for Success program creates a legal structure for the state and political subdivisions to use a “social impact bond” financing arrangement in which contract payments to a service provider are based strictly on performance. The service provider may have private sector investors that provide capital at the start of the project and share in performance payments.

The program is permissive and allows a state agency or political subdivision(s) to request that the state treasurer enter into a pay for success contract with a service provider on behalf of the requesting entity. DAS will enter into the contract jointly with the treasurer if the requesting entity is a state agency. Program areas include, but are not limited to, education, public health, criminal justice, or natural resource management. The law prohibits a political subdivision from using state funds to pay the costs of the contract, but the state treasurer may apply for federal grant funds on behalf of the requesting entity. Three new funds are created in the state treasury to implement the program and prevent commingling of funds from different levels of government: the federal pay for success contract fund, the state pay for success contract fund, and the local government pay for success contract fund.

The law permits the state treasurer to adopt rules to implement the program, including:

Procedures for a public entity to request the creation of a pay for success contract and to deposit funds to pay for the contract cost with the state treasurer;

- Specifying the types of services that are appropriate for a service provider to provide under a pay for success contract;

In addition, the state treasurer is required to adopt rules for the following:

- A requirement that for not less than 75 percent of the pay for success contracts entered into under this authority, the performance targets specified in the contract require that the improvement in the indicators in the geographical target area of the contract be greater than the average improvement in status with respect to that issue in other geographical areas during the period of the contract;
- A process to ensure that any regional or national data used to determine whether a service provider has met its performance targets under a pay for success contract are scientifically valid.

The law requires that a pay for success contract contain the following elements:

- Performance targets to be met by the service provider. The targets must be set by the state treasurer in consultation with the requesting entity and DAS, if a state agency is involved. If scientifically valid regional or national data are available to compare the geographic target area of the project against the

status of other geographical areas with respect to that issue, the performance targets must require the improvement in indicator(s) with respect to that issue be greater than the average improvement in status with respect to that issue in other geographical areas during the period of the contract.

- Specify the process or methodology that an independent evaluator contracted by the state treasurer must use to evaluate whether the service provider has met each performance target. The law also specifies that the independent evaluator must have no connection with the service provider, including no common owners, administrators, managers or employees.
- Require the state treasurer to pay the service intermediary in installments that are specified in the contract and are consistent with applicable state law
- Require the installment payments to the service intermediary to be based on whether the service provider has met each performance target, as determined by the independent evaluator;
- Specify the maximum amount a service intermediary may earn for meeting the performance targets;
- Require the requesting public sector entity to determine, in accordance with applicable laws, which data in its possession may be used by the service intermediary for the purpose of fulfilling the contract and any limitations on the use of the data. The law requires that the requesting public sector entity retain control over the data and provide the data directly to the service intermediary in accordance with the terms of the contract. If any dispute arises concerning the data, the requesting entity must work directly with the service intermediary to resolve the dispute.

(ORC 113.60, 113.61, 113.62; Sections 601.30 and 601.31)

Job Retention Tax Credit (JRTC) – Revises the eligibility for the Job Retention Tax Credit. Under continuing law, the job retention tax credit may be claimed against the financial institutions tax, domestic or foreign insurance tax, corporation franchise tax, personal income tax, or commercial activity tax. The bill makes the following changes to the credit:

- Removes payroll and employment eligibility requirements for a corporate headquarters site if it is located in a foreign trade zone if it continues to meet minimum capital investment requirements.
- Provides an alternate eligibility criterion for a manufacturer by allowing the site to qualify if it maintains capital investment over three years equal to at least 5 percent of the net book value of tangible personal property used at the project. Continuing law also allows a manufacturer to qualify using a \$50 million investment.
- Provides the Tax Credit Authority with discretion to determine the amount a company must repay if it does not meet minimum payroll, employment, or location requirements. Current law limits the payback to no more than 100 percent of the total amount of the credit.

The Legislative Service Commission estimates a potential GRF revenue loss from the changes.

(ORC 122.171)

Tourism Development Districts (TDD) – Permits a municipality or a township that has designated a tourism development district resort area to utilize a development charge as an alternative to the gross receipts tax authorized by current law in ORC 5739.101. The development charge requires the approval of the board of county commissioners. The development charge is established by agreement with a property owner in the TDD, and can be levied in increments of one-half percent up to 2.0 percent on wholesale or retail sales

excluding food consumed off the premises. The tax is collected in the same manner as a property tax lien. A township or municipality that uses a development charge in a TDD cannot also impose a gross receipts tax. The provision only applies to Stark County.

The bill also extends the window for a township or municipality to adopt a gross receipts tax until December 31, 2020.

(ORC 715.014, 715.015, 503.56, 503.58, 5739.101)

Opportunity Zone Credit - The bill also creates an Opportunity Zone income tax credit. (See the entry in the Taxation and Finance Committee section.)

Activities of a Metropolitan Housing Authority – Enlarges the scope of activities that a Metropolitan Housing Authority (MHA) may undertake to include property redevelopment and making available mixed use or mixed income developments or a combination of these developments. These developments may include rentals or leases to nonresidential tenants or persons with varying income levels within the project, mixed use, or mixed income development. The bill also permits an MHA to participate in partnerships or joint ventures relating the development of housing or other projects, and to sell, license, or transfer to organizations or government agencies housing-related technology, innovations, or expertise. The sale or transfer of the technology or innovation must be for a housing-related purpose defined in the law.

(ORC 3735.31, 3735.33, 3735.40, 3735.41)

Solid Waste

Allow all municipalities to place liens for unpaid garbage fees – Authorizes all municipalities providing garbage collection to have garbage fees charged as a lien against real property so long as the amount of the unpaid fees is \$250 or more. Previously, only municipalities in charter counties had this ability and there was no minimum fee amount.

(ORC 701.10)

Post-use polymers and recoverable feedstocks – Excludes post-use polymers and recoverable feedstocks from the laws governing solid waste disposal if all of the following apply: (a) they are stored for a period of less than 90 days; (b) they remain retrievable and substantially unchanged physically and chemically; (c) their storage does not cause a nuisance; (d) their storage does not pose a threat from vectors; (e) their storage does not adversely impact public health, safety, or the environment; (f) prior to the end of the 90-day or less storage period, they are converted using gasification or pyrolysis.

(ORC 3734.01)

GENERAL GOVERNMENT AND OPERATIONS

County Recorder Fees and Housing Trust Fund Fees - Increases the fee that a county recorder charges for recording documents from a \$14 base fee plus a \$14 Housing Trust Fund (HTF) fee for the first two pages, to a \$17 base fee plus a \$17 HTF fee. Thus, the charge will go from a total of \$28 to \$34 for the first two pages.

Also removes the \$50 million statewide cap on the amount of HTF fees that the treasurer of state is required to deposit annually into the Low- and Moderate Income HTF (Fund 6460), thereby allowing HTF fee revenue higher than \$50 million to be used for housing purposes that fiscal year.

(ORC 317.32, 174.02, 319.63, 174.09 (repealed))

County Recorder Technology Fund - Extends the possible existence of the County Recorder Technology fund to January 1, 2025. Therefore, a proposal submitted between October 1, 2019 and October 1, 2023 for the additional amount of \$3 credited to the fund (as in current law) may be requested and must be approved by the board of county commissioners. More details on the history of this special fund are available in CCAO [County Advisory Bulletin 2013-03](#). Note: in 2019, the effective date of the budget and this provision are not until October 17, 2019. As a result, counties should consult their legal counsel in regards to requests made in 2019 for implementation in 2020, since the statute provides each annual request must be submitted in writing to a board of county commissioners by October 1 of the prior year.

(ORC 317.321)

Elections Administration – Includes several provisions relating to elections administration:

- Changes the date of the 2020 Presidential Primary from March 10 to March 17th. Also provides that if a candidate already filed petitions with the original date listed, that those petitions are still valid.

(ORC 3501.01, 3513.01, 3513.12 and 735.15)

- Enables a board of elections (BOE) to “right-size” the number of poll workers at voting locations that serve multiple precincts and use electronic poll books. At least 3 of the 4 board members must vote to support such reduction. The secretary of state is expected to issue an advisory bulletin on this provision.

(ORC 3501.22)

- Continues to appropriate \$468,392 over the biennium for poll worker training; however, the budget splits that amount equally over each of the two years.

(395.20)

- Cleans up an oversight in last year’s pay bill so that BOE members in smaller counties will receive a COLA adjustment through 2028. Specifically increases by 1.75% annually, through 2028, the statutory \$6,000 minimum amount paid to small county BOE members, thus, providing the same COLA given to other BOE members & elected officials under current law.

(ORC 3501.12)

- Continues to authorize the Secretary of State to request funding to pay the costs of printing and mailing unsolicited applications for absent voters’ ballots for the November 2020 general election.

(Section 395.20)

County Elected Officials Compensation – Continues the state-county partnership with the state reimbursing counties for 1/8 of the sheriffs’ salary by including \$983,341 in SFY 2020 and \$1,000,554 in SFY 2021. Also, appropriates approximately \$1.2 million in each year for certain small county prosecutors’ salaries. Specifically, the state is to reimburse counties 40 percent of the difference between the “without a private practice” and “with a private practice” compensation for those prosecutors in a county with a population of 70,000 or less who choose to forego a private practice.

(Section 221.20)

Intergovernmental Cooperation with Park Districts – Adds a park district created under ORC Chapter 1545 to the definition of “contracting subdivision” to allow such parks to work jointly with other contracting subdivisions to acquire property for, construct, operate, and maintain any parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, indoor recreation centers, educational facilities, and community centers.

(ORC 755.16)

Electronic Notarization - Requires county auditors, engineers, and recorders who electronically accept documents for recording to also accept electronically executed and notarized documents on the same terms. Replaces existing law’s requirement that printed copies of electronically executed and notarized documents be accepted on the same terms as documents submitted electronically with a requirement that they be accepted so long as they are properly authenticated.

(ORC 147.591)

Two-Year Window to Amend Local Smaller Subdivision Rules - Enacts a new two-year window of time in which planning authorities may amend their local subdivision rules concerning approvals of proposed divisions of parcels of land without a plat and in which they may define an “original tract” for purposes of the limitation on approving not more than five lots without a plat. This process, as well as the former two-year window, was created by S.B. 115 of the 125th GA.

(ORC 711.131)

HEALTH AND HUMAN SERVICES

Children Services and Adult Protective Services

Increase in state funding for child protection – Ohio increased its investment in the state child protection allocation by an additional \$65 million per year, bringing the total investment to \$125 million per year. This new funding will provide a base allocation of \$200,000 for each county. Up to \$5 million per year will be used for staffing for foster parent recruitment, engagement, and support. Up to \$10 million will be used to strengthen best practices identified with the help of the Department of Job and Family Services. The remainder of the investment will be distributed according to the child protection allocation formula in ORC 5101.14.

(Section 307.110)

Children Services Fund Maintenance of Effort – The bill requires each county that is currently contributing local funds to the county's Children Services Fund to continue doing so in an amount to be determined by the director of the Department of Job and Family Services through administrative rule. Local funds include general fund dollars and levy dollars. The rules will include a hardship provision for counties in the event that a county experiences financial distress, such as a levy failing. This language was included in temporary law, so it is currently only applicable to SFY 20 and SFY 21.

(Section 307.110)

Kinship Care Navigator Program – Allocates \$8.5 million in each fiscal year for the kinship care navigator program. These dollars may be used to match Title IV-E funds. ODJFS is mandated to establish the program and will establish five to twelve regions. Each region will provide information, referral services, and help obtaining support services for kinship caregivers in within its region. The language explicitly states that no county department of job and family services (CDJFS) or public children services agency (PCSA). PCSA is responsible for the cost of the program. The bill expands the definition of "kinship caregiver" to include any nonrelative adult having a familiar and long-standing relationship or bond with the child or the family, which relationship or bond will ensure the child's social ties.

(ORC 5101.85, 5101.851, 5101.853, 5101.854, 5101.855, 5101.856, Repealed: 5101.852, 307.115)

Kinship Caregiver Program – Allocates \$15 million per year from the TANF block grant to county departments of job and family services to fund the Kinship Caregiver Program which requires counties to offer subsidized services including child care for caregivers as part of the TANF Prevention, Retention and Contingency Program. The bill specifies that the program include family stabilization services and caregiving services. The language specifies that the CDJFS must enter into a memorandum of understanding with the PCSA authorizing the expenditure of the funds for this purpose.

(Section 307.100)

Bridges – The Bridges program, which provides extended services to children who are aging out of foster care, received an increase of \$5.7 million per year.

Technology funding – Allocates \$3.4 million per year to support technology needs for caseworkers, including support for purchasing equipment and managing the Enterprise Data Management Systems for PCSAs.

Family and Children First Flexible Spending Pool – County family and children first councils are permitted to create a flexible funding pool to assure access to services by families, children and seniors in need of protective services.

(Section 337.180)

Adult Protective Services – Adult protective services received an increase of \$1.49 million per year for a total allocation of \$4.23 million per year. These funds will be distributed equally among the 88 counties, resulting in about \$48,000 per county.

(Section 307.133)

Multi-system youth

Funding for children in custody – Multi-system youth are those in need of services from two or more of the following systems: child protective services, mental health and addiction services, developmental disabilities services, and juvenile court. The bill allocates \$25 million GRF per year to assist counties in providing services to multi-system youth. These funds may be used for youth currently in the custody of a public children services agency (PCSA) or to prevent children from entering the custody of a PCSA by custody relinquishment or another mechanism. The ODJFS director has rulemaking authority with respect to these funds.

(Section 307.110)

Multi-system youth action plan – The bill states that the intent of the General Assembly is to stop the process of custody relinquishment for the sole purpose of gaining access to services for multi-system youth. The Ohio Family and Children First (OFCF) Cabinet Council is required to develop a comprehensive multi-system youth action plan that implements the Joint Legislative Committee for Multi-System Youth recommendations with respect to preventing custody relinquishment and helping youth obtain services. The OFCF Cabinet Council must also include an assessment of conditions that contribute to custody relinquishment in its action plan. The plan is due to the General Assembly by December 31, 2019.

(ORC 121.374)

Funding to prevent custody relinquishment – A new fund, the “Multi-System Youth Custody Relinquishment” fund was created within the Department of Medicaid. The bill requires the money in this fund to be used to obtain services consistent with the multi-system youth action plan developed by the Ohio Family and Children First Council. \$6 million in FY 20 and \$12 million in FY 21 is appropriated for this purpose.

(Section 333.95)

Public Assistance

Comprehensive Case Management and Employment Program (CCMEP) – Provides that if a CDJFS director determines that an assistance group has received fraudulent assistance, the group is ineligible to participate in CCMEP until that assistance is repaid. There are similar provisions in the code for Ohio Works First and the Prevention, Retention and Contingency Program.

(ORC 5101.83)

TANF Work Requirements Demonstration Project – Requires ODJFS to seek federal approval to operate a two-year demonstration project under which an OWF participant satisfies federal work requirements through on-the-job training, education directly related to employment, or a course of study leading to a certificate of general equivalence.

(Section 307.96)

Healthy Food Financing Initiative – Requires that the GRF appropriation (\$150,000 in each fiscal year) for the Healthy Food Financing Initiative be used to contract with the Finance Fund Capital Corporation, in cooperation with the Department of Health, to support healthy food access in underserved communities. This item received a \$50,000 increase in each year this biennium.

(Section 307.135)

Publicly Funded Childcare – Publicly funded childcare received an increase of more than \$147 million in FY 20 and nearly \$180 million in FY 21 for child care providers. Of those totals, \$83 million per year will be used to bring payment rates for providers up to market rate; \$61 million in FY 20 and \$87 million in FY 21 will be used to help fund enhancement payments to Step Up To Quality providers as they move up the rating scale; and \$1.5 million in FY 20 and \$2.5 million in FY 21 will be used for payments to providers serving families with incomes between 200 and 300 percent of the federal poverty level.

Developmental Disabilities

County board share of waiver services – Requires the Department of Developmental Disabilities Director to establish a methodology to be in used in FY 20 and FY 21 to estimate the quarterly amount each county board of developmental disabilities (county DD board) is to pay of the nonfederal share of home and community-based services for which the county board is responsible. Requires the Director to provide written notice of the amount owed by each county DD board for each quarter and also specify when the payment is due.

(Section 216.130)

County board projections and plans – Requires each county DD board to annually submit a 5-year projection of revenues and expenditures to the Department of Developmental Disabilities. If a county DD board fails to submit the projection as required, the department may withhold funds, conduct further reviews, and revoke certification or accreditation of the board. The projections are due to the department by December 31st of each year

(ORC 5126.054, 5126.053, 5123.046, 5126.056, 5166.22)

Family Support Subsidy – Permits the GRF Family Support Services item (\$5.84 million in each fiscal year) to be used for the following purposes:

- To provide a subsidy in quarterly installments to county DD boards for family support services under ORC 5126.11 according to a formula developed by the Department of Developmental Disabilities director in consultation with representatives of county DD boards.
- To distribute funds to county DD boards for the purpose of addressing economic hardships and to promote efficiency of operations.
- Specifies that a county DD board is not to use more than 7 percent of its subsidy for administrative costs.

(Section 261.40)

Community Supports and Rental Assistance – Allows the Department of Developmental Disabilities Director to use the Community Supports and Rental Assistance appropriation (\$727,500 in each fiscal year) to provide funding to county DD boards for rental assistance to individuals with developmental disabilities receiving home and community-based services under certain circumstances and individuals with developmental disabilities who enroll in a Medicaid waiver component providing home and community-

based services after receiving preadmission counseling. Requires the Director to establish methodology determining the amount and distribution of the funding to county DD boards for rental assistance.

(Section 261.70)

Department of Health

Legislative Committee on Public Health Futures – Reestablishes the Legislative Committee on Public Health Futures. The committee will make legislative and fiscal policy recommendations on improving local public health services in Ohio and produce a report by December 31, 2020. The County Commissioners Association of Ohio makes one appointment to this committee.

(Section 737.40)

Medically Handicapped Children – County Assessments – Requires DPF Fund Medically Handicapped Children – County Assessments to be used to make payments for expenses associated with the Bureau for Children with Medical Handicaps (BCMh). The county and state line items for BCMh reflect an increase due to anticipated natural growth.

(Section 291.20)

Harm reduction – The bill appropriated \$50,000 in each year to the Harm Reduction fund and requires these funds to be used to distribute up to \$15,000 per year per program to local health departments that operate harm reduction programs, including syringe services.

(Section 291.20)

Lead-Safe Home Fund Pilot Program – Requires the director of the Department of Health to establish a two-year Lead-Safe Home Fund Pilot Program to improve housing conditions for children by providing grants to eligible property owners for lead-safe remediation actions. Requires the director to enter into a cooperative agreement with Lead Safe Cleveland Coalition whereby the Coalition may make decisions and determinations regarding the program. The program will be funded using up to \$1 million GRF in payments made to Lead Safe Cleveland Coalition.

(Sections 737.15, 291.20)

County Homes / County Hospitals

County hospitals involvement with nonprofits – Allows a board of county hospital trustees of a county hospital or joint township district hospital board to form or acquire control of a domestic nonprofit. The board is allowed to be a partner, member, owner, associate, or participant in a nonprofit enterprise or nonprofit venture.

(ORC 339.10, 513.172)

Medicaid rates for nursing facility services – Makes changes to the formula used to determine the Medicaid payment rates for nursing facility services. This provision was partially vetoed by the governor.

(ORC 5165.15, 5165.152, 5165.21, 5165.25, 5165.26, Sections 333.270, 812.10, 812.12)

Infant Mortality and Maternal Health

Infant Vitality – Retains the previous investment of \$6.9 million per year to allow for data analysis to better target areas with high incidences of infant mortality and to invest in programs to reduce the rate in these areas. The bill specifies measurable interventions may include activities related to safe sleep, community engagement, Centering Pregnancy, newborn screening, safe birth spacing, gestational diabetes, smoking cessation, breastfeeding, care coordination and progesterone.

(Section 291.20)

Moms Quit for Two Grant Program – Program was retained which is to provide grants to private, nonprofit entities or government entities that demonstrate the ability to deliver evidence-based tobacco cessation interventions to pregnant women and women living with children who reside in communities with the highest infant mortality, as determined by ODH.

(Sections 291.30, 291.20)

Fetal-infant mortality review boards – Authorizes local boards of health to establish fetal-infant mortality review boards to review fetal and infant deaths within the board's jurisdiction. Requires the Department of Health Director to adopt rules associated with the establishment and operation of fetal-infant mortality review boards.

(ORC 121.22, 3701.049, 3707.70-3707.77)

Department of Mental Health and Addiction Services

Mental Health Crisis Stabilization Centers – Appropriates \$1.5 million in each fiscal year to the ADAMHS boards to establish and administer six mental health crisis stabilization centers. Each board must use its allocation to establish and administer a stabilization center in collaboration with the other ADAMHS boards that serve the same state psychiatric hospital region. One center is to be located in each of the six state psychiatric hospital regions established by the Department of Mental Health and Addiction Services.

(Section 337.50)

Substance Abuse Stabilization Centers – Requires the establishment and administration, in collaboration with the other ADAMHS boards that serve the same state psychiatric hospital region, acute substance use disorder stabilization centers. There must be one center in each state psychiatric hospital region.

(Section 337.150)

Recovery Housing – Appropriates \$2.5 million to expand and support access to recovery housing for individuals recovering from alcoholism or drug addiction and states the Department of Mental Health and Addition Services shall develop procedures for the administration of these funds.

(Section 337.90)

Recovery Housing Pilot Program – The Department of Mental Health and Addiction Services and the Development Services Agency will work to develop a pilot program in partnership with rural Ohio counties hard hit by the opioid epidemic to enhance funding availability for recovery housing. This partnership may include local OhioMeansJobs and Job and Family Services entities to develop workforce job training and employer participation for those individuals participating in recovery housing programs.

(Section 701.40)

Prevention and Wellness – Appropriates up to \$1.25 million in each fiscal year to ADAMHS boards to purchase evidence-based prevention services. Appropriates up to \$500,000 per year to support suicide prevent efforts and to study the rates of suicide in Ohio in coordination with the Department of Veterans Services.

(Section 337.30)

Department of Medicaid

Public Assistance Eligibility Determination and Local Program Support – The Department of Medicaid may release up to \$5 million per year to counties for public assistance eligibility determination and local program support.

(Section 333.140)

Work Requirement – OhioMeansJobs and County Costs – \$10 million in each FY may be transferred to help counties pay for the cost of a new work requirement. The language requires the Medicaid Director to establish criteria for the distribution of these funds and for CDJFSs to submit allowable expenses.

(Section 333.210)

Employment Connection Incentive Programs – As part of the reprocurement process for new Medicaid MCO contracts, the Department of Medicaid is required to include in the measures used to determine which MCOs will be awarded contracts measures related to the abilities and commitment of MCOs to establish and operate employment programs for their enrollees.

(Section 333.197)

Insurance

Telemedicine Services – Requires all health benefit plans to provide coverage for telemedicine services on the same basis and to the same extent that the plan provides coverage for the provision of in-person health care services. Specifies that the health plan does not have to reimburse a telemedicine provider for telemedicine services at the same rate as in-person services.

(ORC 3902.30)

Workforce

Manufacturing Mentorship Program – Creates the Manufacturing Mentorship Program to expose 16 and 17 year olds to manufacturing occupations in Ohio through temporary employment with the employer. Requires an employer employing a minor under the program to (1) provide the minor with required training, (2) encourage the minor to participate in a career-technical program approved by ODE after the minor's employment ends, and (3) complying with all applicable state and federal laws and regulations relating to the employment of minors. The Director of Commerce will develop a list of tools that minors employed by the program are allowed to operate.

(ORC 4109.22, 4109.05, 4109.99)

TechCred Program – Appropriates \$30 million over the biennium for the TechCred Program. The program is housed in the Development Services Agency and is an incumbent workforce training voucher program.

(Sections 259.20, 259.30)

Agriculture and Rural Affairs

Soil and Water Conservation Districts - The budget bill provides matching funding to local dollars generated for Ohio's 88 soil and water conservation districts. SWCDs provide direct technical assistance and programming to landowners for conservation implementation. SWCDs receive both state GRF money as well as dedicated purpose funds (Fund 5BVO) that generates income from scrap tire fees, municipal solid waste fees and construction and demolition debris. The budget provides SWCDs an additional \$5 million in GRF funds, bringing the SWCD match rate to a 1:1 ratio.

In addition, there were three earmarks from the soil and water fund, including 1) \$3.5 million earmarked for SWCDs in the Western Lake Erie Basin for staffing costs and soil testing, nutrient management plan creation and other conservation support; 2) \$350,000 in each fiscal year for Senate Bill 1 implementation; and 3) \$275,000 to support the Heidelberg Water Quality Lab.

(Sections 211.10, 211.20)

Agricultural Society Facilities Grant Program - The budget creates the Agricultural Society Facilities Grant Program for FY 2020 to provide grants to county and independent agricultural societies to support specified capital projects. The Director of Agriculture will establish requirements for the program including procedures for awarding grant money and that the agricultural society provide a matching amount equal to the grant (any combination of funds, materials, labor) unless the society demonstrates that a match cannot be provided. The bill provides \$4.7 million and earmarks the money to be distributed evenly to all county and independent agricultural societies.

(ORC 717.11, 601.10, 601.11, 601.20, 601.21)

Defense for Nuisances for Specified Agricultural Activities - Expands the Right to Farm Law to protect agricultural activities from civil nuisance claims beyond agricultural land enrolled in an agricultural district. The budget expands the civil protection to cover agricultural activities occurring on land devoted exclusively to agricultural use in accordance with Ohio CAUV program and to agricultural activities conducted by a person pursuant to a lease agreement, written or otherwise. This significantly expands the geographic scope of the Right to Farm Law. The budget bill also clarifies which common agricultural practices are covered under the Right to Farm Law and expands protections from agricultural producers against nuisance suits from other agricultural producers.

(ORC 929.04)

County Agricultural Societies - Requires that the GRF appropriation to County Agricultural Societies (GRF line item 700501) be used to reimburse county and independent agricultural societies for expenses related to Junior Fair activities. This funding, \$379,673, remains flat funded over both years of the biennium.

(Section 211.10)

OSU Extension, OARDC and Sea Grant Funding - OSU Extension, which provides important programming like 4-H and water quality education, receives a \$1 million increase across both FY 2020 and FY 2021 under the budget. OARDC, the research arm of OSU CFAES, sees an increase of \$1 million for FY 2020 which is continued through FY 2021. Funding for Sea Grant remains flat from FY 2019 across both years of the budget.

(Section 381.10)

Central State Agricultural Research and Extension - The final version of the budget provides significant increases to these two lines in FY 2020 and holds them constant for FY 2021. The Central State Agricultural Research and Development line increased by approximately \$2.1 million in FY 2020, and the Central State Cooperative Extension Services line increased by a little over \$1.6 million.

(Section 381.10)

Urban Sediment and Storm Water Runoff Pollution - The budget revises the law governing soil and water conservation districts and urban sediment and storm water runoff pollution. The changes include the following: requiring the Director of Natural Resources to support development and implementation of cooperative programs and working agreements between SWCDs and ODNR; expanding the contracting authority of a soil and water conservation district by allowing contracts or agreements to address storm water runoff pollution, instead of only urban sediment pollution; clarifies that recommendations by the Soil and Water Conservation Commission are to encourage proper soil, water and other natural resource management for farm, rural, suburban and urban land.

(Section 211.20)

Water Quality Task Force

H2Ohio Fund - One of the highlights of the budget bill was the creation of the H2Ohio Fund, aimed at improving water quality across the state. Initial funding for the Fund totals \$172 million for the biennium, largely derived from end-of-year surpluses. The funds are to be utilized for the following purposes:

- Agriculture water projects, meaning projects that will reduce the amount of phosphorus, nitrogen or sediment entering waters of the state due to agricultural practices;
- Community water projects, meaning projects involving public water systems operated by political subdivisions that will reduce phosphorous, nitrogen and sediment;
- Nature water projects, meaning projects involving natural water systems that will reduce phosphorus, nitrogen and sediment;
- Funding cooperative research, data gathering and monitoring, and demonstration projects;
- Encouraging cooperation between the state legislature, state agencies, political subdivisions, business and industry, labor, agriculture, environmental organizations, institutions of higher education, and water conservation districts.

(ORC 126.60, Sections 211.20, 227.20, 343.30, 513.10, Line items 700670, 715695, 725681)

Soil and Water Phosphorus Program - The budget establishes in uncodified law, and continues from SB 299 of the 132nd General Assembly, the Soil and Water Phosphorus Program. The program, funded at \$20 million per year, is to assist in reducing total phosphorus and dissolved reactive phosphorus in the Western Lake Erie Basin. The funding may be used for the following purposes: Equipment for subsurface placement of nutrients, equipment for nutrient placement utilizing GPS data, soil testing, variable rate nutrient application technology, equipment implementing manure conversion technologies, tributary monitoring, water management and edge-of-field drainage management, and the agricultural phosphorus reduction revolving loan program.

(Section 211.20)

George Barley Water Prize - Appropriates \$125,000 in FY 2020 to support the final stage of the awards process for the Everglades Foundation's George Barley Water Prize. The George Barley Water Prize recognizes groundbreaking innovation in removing excess phosphorus from freshwater sources.

(Sections 277.10 and 277.20)

Healthy Lake Erie Program - Requires the \$1 million appropriation to Healthy Lake Erie Program to be used in support of conservation measures in the Western Lake Erie Basin; funding assistance for soil and water testing, winter cover crops, edge of field testing, tributary monitoring, and animal waste abatement; and additional nutrient runoff reduction efforts as the DNR director may decide.

(Section 343.20)

Prohibition Against Court Action by Nature or Ecosystem - Enacts a new section of law that provides that nature or any ecosystem does not have standing to participate or bring an action in a court of common pleas. It also prohibits any person, on behalf of nature or an ecosystem, from bringing, or intervening in an action in the court of common pleas or from bringing an action against a person who is acting on behalf of nature or an ecosystem.

(ORC 2305.011)

Voluntary Nutrient Management Plans – Soil Test Results - Increases from three years to four years the amount of time that soil test results are valid for purposes of inclusion in a voluntary nutrient management plan approved by the Ohio Department of Agriculture.

(ORC 905.31)



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