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# STATEHOUSE REPORT

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April 16, 2010

**REGIONAL GOVERNMENT GROUPS SEEK REMOVAL OF LEGAL IMPEDIMENTS TO COLLABORATIVE EFFORTS**

*compiled in part from Gongwer*

On Tuesday, a panel of regional leaders told a joint committee meeting of the Housing & Urban Revitalization and Local Government & Public Administration committees that regional collaborative efforts between local units of government must be allowed to flourish as a means of smart economic growth.

Rep. Mike Foley (D-Cleveland), Chair of the Housing Committee, said the hearing was a forum intended to allow local government leaders to offer ideas for possible legislative changes to create additional opportunities for local collaboration. Rep. Kathleen Chandler (D-Kent), Chair of the Local Government Committee, added that regionalization is not a new concept and the committees would determine "where to go next" to make it an easier process for local units choosing to participate.

Hudson Mayor William Currin said, generally, land use and infrastructure planning is doable under current law, however, new growth tax base revenue sharing may face statutory and constitutional impediments. Specifically, he pointed to what he called encumbrances of HB 920 (111<sup>th</sup> General Assembly) that places limits on revenues received in relation to millage levied and the millage as a community's tax base expands or contracts. Additionally, he said clarification is necessary on the potential inability for tax base sharing under the Ohio Constitution (Art. 12, Sec. 5).

Montgomery County Administrator Deborah Feldman offered insight noting the county's Economic Development/Government Equity (ED/GE) program uses a portion of the county's sales tax revenue each year for grants to participating jurisdictions to provide the opportunity to profit from economic growth in the county regardless of where that growth occurs.

Ms. Feldman said that, through a government equity fund a portion of increased property and income tax revenues collected as a result of the economic growth of program members is shared with fellow program participants and subject to a three-year, settle-up provision providing that no jurisdiction contributes more to the fund than it receives in grants.

**PLEASE CONTACT YOUR FEDERAL REPRESENTATIVES AND SENATORS TO URGE SUPPORT FOR CHILD SUPPORT FUNDING RESTORATION**

In 2006, Congress passed the Deficit Reduction Act, which prohibited counties from using federal child support incentive dollars for match, and translated to a \$60 million loss to Ohio's child support program. The American Recovery and Reinvestment Act restored the ability to use incentives for match, but that restoration ends on September 30, 2010.

There are two federal initiatives that would make this restoration either permanent or extend it for one more year. See the flyer attached to the Statehouse Report for more information and talking points.

Please contact your federal legislators as soon as possible to encourage them to support these federal bills. If you have any questions or concerns, please contact Beth Tsvetkoff at 614-220-7996 or [btsvetkoff@ccao.org](mailto:btsvetkoff@ccao.org).

**ODJFS ANNOUNCES CONTINUATION OF VERY POPULAR SUMMER YOUTH EMPLOYMENT PROGRAM**

This week, the Ohio Department of Job and Family Services announced that it requested TANF Emergency Contingency Funds for Ohio's summer youth employment program, and received tentative, verbal approval from the federal department of Health and Human Services ("HHS"). This program was very successful and popular last year due to the influx in WIA stimulus monies available to support it. But, this year's program will be different because it will be funded through TANF and not WIA.

The program will operate out of about a \$45 million pot from June 1 through August 31, 2010, and all expenses must be paid no later than September 30, 2010. The program will be a wage subsidy program for wages that do not exceed the state minimum wage. Counties will not be able to use funds for other expenses, such as training, transportation, benefits, health insurance, and administration.

Additionally, no youth participating in the program may be supervised or trained by another person whose salary is paid with federal funds. This piece particularly is important for county agencies to keep in mind. Youth who are from a TANF eligible family will be eligible for the program.

If a county agency is interested in participating, ODJFS requires the agency to email [program-policy@ifs.ohio.gov](mailto:program-policy@ifs.ohio.gov) by Friday, April 23. The email must indicate if the agency intends to operate the program in house or contract out services. The Department will issue formal guidance soon when HHS gives final approval. If you have any questions, please contact Matthew Cunningham at 614-644-1296 or [matthew.cunningham@ifs.ohio.gov](mailto:matthew.cunningham@ifs.ohio.gov).

**OHIO SUPREME COURT SETS EXPEDITED HEARING SCHEDULE ON TOBACCO SETTLEMENT APPEAL**

On Wednesday, the Ohio Supreme Court decided to grant the state's motion for an expedited hearing schedule on the tobacco settlement litigation. In March, the Court accepted the national anti-tobacco group's appeal in the case involving the Governor's and General Assembly's decision to use moneies in Ohio Tobacco Prevention Foundation for purposes other than anti-

smoking and smoking cessation. One of these purposes was to support county human services at \$46 million per year.

As you may recall, CCAO, the Ohio Job and Family Service Directors Association, the Public Children Services Association of Ohio, and the Ohio Child Support Enforcement Agency Directors Association filed an amicus brief supporting the state in the lawsuit concerning those funds. Likewise, the group is planning on filing an amicus brief in the Supreme Court, and likely well before the end of May.

We will keep you up-to-date on the case's progress. If you have any questions or concerns, please contact Beth Tsvetkoff at 614-220-7996 or [btsvetkoff@ccao.org](mailto:btsvetkoff@ccao.org).

### **WITNESSES OFFER SUPPORT, OPPOSITION TO LATEST PIT BULL BILL**

Dog enthusiasts descended on the Statehouse Wednesday in yet another attempt to convince lawmakers to remove pit bulls from the statute that defines them as vicious dogs.

While a number of the witnesses testified in support of the bill (HB 79) during a House Agriculture & Natural Resources Committee hearing, members also heard some opposition to the proposal from animal control workers.

Chairman Rep. John Domenick (D-Smithfield) said that while he generally supports the idea of declassifying pit bulls as vicious because the law unfairly penalizes responsible citizens but does little to address negligent dog owners, he could not speak to the prospect of the measure moving through the Committee or chamber. "The reason we had the hearing was to try to get the spotlight on the issue. Now will it move any further? I don't know, we're trying to initiate that process," he said.

Former Rep. Shawn Webster, who testified on behalf of the Ohio Veterinary Medical Association in support of the bill, said the current "vicious dog" label on pit bulls was unenforceable and unfairly stigmatizes the breed. "It spite of the folklore about pit bulls' jaw strength and aggressiveness, it has been my experience during my 37 year veterinary career that if owned responsibly, pit bulls pose no more danger than any other breed of dog," he said.

Bryan Wagner, Chief Environmental Specialist for the Franklin County Environmental Court, spoke in opposition to the bill. "While any dog can demonstrate aggression and bite, statistics show more bites are attributed to pit bulls than other breeds," he said. In Franklin County, 126 of the 333 dog bites reported last year were attributed to a pit bull. "Pit bull dogs represent a threat and I make that statement based on the statistics I see in Franklin County," he said. "I believe that pit bull dogs represent a substantial and real threat to the citizens of a crowded, urban environment such as Franklin County."

The law requires owners of vicious dogs, including pit bulls, to securely confine the dog or have them on a leash and carry animal liability insurance of at least \$100,000, Mr. Wagner said. "I don't think it's unreasonable to ask these things because the person is making a conscious decision to own, keep, or harbor a dog that statistically exhibits risky behavior."

Thomas Skeldon, retired Lucas County Dog Warden, also testified in opposition to the bill, noting the vicious dog definition unanimously was upheld by the Ohio Supreme Court. "There's a lot of demagoguery around this situation with pit bulls," he said, "However, pit bulls cause the highest percentage of dog bites in Toledo."

**REMINDER: CCAO ACTION ITEM ALERT ON COUNTY RECORDERS PROPOSAL AND ALTERNATIVE ENERGY LOCAL TAX ABATEMENT OPTION AMENDMENT**

CCAO is asking commissioners to contact members of the Senate Agriculture Committee and Senate Energy and Public Utilities Committee regarding two recent proposals; one from the Ohio Recorders Association, the other a CCAO supported amendment to an alternative energy tax measure.

*Recorders' Proposal*

The Ohio Recorders Association (Recorders) is seeking a change in law to require commissioners, upon the recorder's request, to establish a special fund for office operations and equipment. In some counties, this could result in money currently going into the general fund to be diverted to the recorder's special fund. CCAO opposes this proposal and encourages commissioners to contact legislators to voice this opposition. Recorders are shopping the proposal as an amendment to House Bill 175, legislation regarding humane agents, which is pending in the Senate Agriculture Committee.

Commissioners are encouraged to contact members of the Senate Agriculture Committee and their legislators expressing concerns about this proposal. For bullets and background information, please see the April 26<sup>th</sup> version of *The Statehouse Report*. The members of the Senate Ag Committee include the following Senators:

Chairman Kirk Schuring (R- Canton):	614-466-0626
Vice Chairman Bob Gibbs (R- Lakeville)	614-466-7505
Ranking Member Jason Wilson (D- Columbiana)	614-466-6508
Senator John Carey (R- Wellston)	614-466-8156
Senator Keith Faber (R- Celina)	614-466-7584
Senator Karen Gillmor (R- Tiffin)	614-466-8049
Senator Tim Grendell (R-Chesterland)	614-644-7718
Senator Sue Morano (D- Lorain)	614-644-7613
Senator Fred Strahorn (D- Dayton)	614-466-6247

If you have questions, please feel free to contact CCAO Executive Director Larry Long or Managing Director of Policy Cheryl Subler at 614-221-5627 or via email at [llong@ccao.org](mailto:llong@ccao.org) and [csubler@ccao.org](mailto:csubler@ccao.org).

*Alternative Energy Local Tax Abatement Option Amendment*

The Legislature is considering two separate bills (SB 232 and HB 464) aimed at fulfilling a state policy goal of alternative energy investment. Unfortunately, both bills do so at the expense of local tax revenue with absolutely no input by local governments.

SB 232, sponsored by Senate Energy & Public Utilities Chairman Sen. Chris Widener (R-Springfield), is an alternative to Gov. Ted Strickland's proposal to eliminate the tangible personal property tax for wind and solar energy companies. The bill would create a \$7,000 per megawatt annual payment in lieu of TPP tax (PILOT) for renewable energy facilities. Meanwhile, Rep. Roland Winburn (D-Dayton) has introduced a similar proposal, HB 464. The House measure also would offer a \$6,000 per MW payment in lieu of taxes for renewable energy developers. However, it would create a tiered system of payments that would be linked to a company's rate of Ohio-based employment.

CCAO recognizes that some counties are anxious for wind turbine development, yet wants to insure that tax policy changes do not have long-term negative repercussions. In particular, CCAO is advocating the inclusion of language that would allow local governments to opt out of the PILOT program and instead negotiate an alternative energy abatement agreement that would require the sign-off of all political subdivisions in which the project is sited. The model generally is based off the enterprise zone agreement. CCAO is very concerned that the legislation as introduced allows for no input by local governments. This amendment would provide an option for local governments to work out an agreement that is tailored appropriately to their own communities. The CCAO Taxation and Finance Committee offered unanimous support for this proposal.

Because Chairman Widener has expressed his desire to move SB 232 prior to the summer recess, commissioners are asked to contact members of the Senate Energy & Public Utilities Committee to advocate the inclusion of CCAO's local abatement process. The members of the Senate Energy & Public Utilities Committee include the following Senators:

Chairman Chris Widener (R-Springfield)	614-466-3780
Vice-Chairman Tim Schaffer (R-Lancaster)	614-466-5838
Ranking Member Ray Miller (D-Columbus)	614-466-5131
Senator Steve Buehrer (R-Delta)	614-466-8150
Senator Karen Gillmor (R-Tiffin)	614-466-8049
Senator Jim Hughes (R-Columbus)	614-466-5981
Senator Jon Husted (R-Kettering)	614-466-4538
Senator Tom Sawyer (D-Akron)	614-466-7041
Senator Joe Schiavoni (D-Youngstown)	614-466-8285
Senator Jimmy Stewart (R-Albany)	614-466-8076
Senator Jason Wilson (D-Columbiana)	614-466-6508

For more information on alternative energy tax legislation, please contact CCAO Policy Analysts Josh Hahn or John Leutz at [jhahn@ccao.org](mailto:jhahn@ccao.org) and [jleutz@ccao.org](mailto:jleutz@ccao.org), respectively.

## **COMMITTEE SCHEDULE:**

### **Tuesday, April 20**

#### **House Alternative Energy**, (Chr. Celeste, 644-6005), Rm. 114, 3:00 pm

HB 439 ENERGY IMPROVEMENTS (Phillips, Stewart, D.) To exempt from property taxation the cost of energy-conservation or renewable energy improvements to business property and to authorize an additional income tax deduction for the costs of such improvements if the property is sold for a gain. --1st Hearing-Sponsor

HB 469 HOME ENERGY AUDITS (Phillips) To allow a nonrefundable credit against the personal income tax for home energy audits. --1st Hearing-Sponsor

### **Wednesday, April 21**

#### **House Ways & Means**, (Chr. Letson, 466-5358), Rm. 114, 9:30 am

HB 464 ALTERNATIVE ENERGY EXEMPTION (Winburn) To exempt qualifying wind and solar energy facilities from property taxation for up to 20 years and to require payments in lieu of taxes on the basis of each megawatt of production capacity of such facilities. --4th Hearing-All testimony

#### **Senate Session**, (Chr. Harris, B., 466-4900), Senate Chamber, 1:30 pm

# *Insight* into Ohio's *Child Support Funding*

## ***ALERT FFY10*** ***Congressional action needed***

Congress must continue temporary restoration or pass permanent restoration of the ability to use federal earned performance incentives as local dollars as soon as possible.

Failure to restore this funding mechanism will create a \$60 million dollar funding gap for the 88 Ohio County CSEA's which provide services to nearly one million families in Ohio.

Ohio recognizes the importance of the child support program and in FFY08, the Governor and General Assembly worked to fill the gap in funding. Current economic trends in Ohio will make this impossible in SFY11.

*Promoting and securing financial stability for the local agencies charged with serving Ohio's Families relying on the child support program is a top priority for OCDA.*

*The financial stability for the nation's child support program has been in question for the past few years. Congress passed the Deficit Reduction Act of 2005 in February 2006. One component of the DRA was to dramatically reduce available funding to the nation's child support program by removing the ability to use earned federal incentives as local funds for the purpose of child support expenditures. The funding reduction came into play in FFY08.*

*For Ohio, the inability to use earned federal incentives as local match was a potential \$60 million dollar reduction in available funding. This equated to a 28% reduction in available funding for the 88 local child support enforcement agencies responsible for providing direct services to nearly one million families. During the SFY08/09 budget cycle, Governor Strickland and the General Assembly identified Ohio's child support program as a critical program and increased state funding to fill most of the gap. However, as the current economic recession began appearing in Ohio's revenue, the funds available continued to be reduced.*

*As part of ARRA, Congress issued a two year temporary stay on the inability to use earned federal incentives as local funds. This was for FFY09/10 and currently is slated to end as of September 30, 2010. With Ohio's current economic difficulties, the ability to fill the funding gap is highly unlikely in the next budget cycle. There is funding available equating to 15% of what is needed to maintain current available funds for FFY10 at this time if there is no congressional action.*

*Currently, there are two opportunities for Congress to act and save the viability of the nation's child support program. Senators can be supportive of S1859 which is cosponsored by Senators Rockefeller, Cornyn, Kohl and Snowe and 21 others. The second opportunity is to be supportive of the budget recommendation from the President which would temporarily extend the ARRA provision for another year until TANF reauthorization is reviewed by Congress in 2011. Please support this opportunity to positively impact one million families in Ohio relying on our services and over 3,000 county staff members providing the direct services.*

*The White House Budget Office gave the child support program the highest rating possible for effectiveness as a program. Ohio currently ranks third in the nation in child support collections and ranks higher in most performance measurements as compared to other large states and the nation. The performance measurements that are evaluated in order to earn funding for use by the states are based upon performance in the areas of paternity establishment, support order establishment, collections on current support, collections on arrears and cost effectiveness.*

# *Insight* into Ohio's *Child Support*Funding

## Ohio's Performance

Paternity

**98.6%**

Establishment

**75.6%**

Current Support

**68.8%**

Arrears Collections

**68.2%**

Cost Effectiveness

**\$6.78**

## National Average

Paternity

**85.72%**

Establishment

**79.17%**

Current Support

**61.94%**

Arrears Collections

**63.45%**

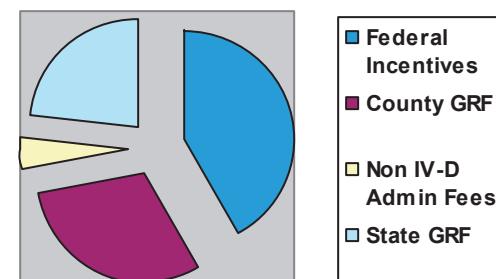
Cost Effectiveness

**\$4.92**

## **Current County CSEA Funding Sources**

On average Ohio's county CSEAs spend \$210 million in eligible IV-D Expenditures administering the program at the local level. Typical funding streams include:

- Federal financial participation administrative match generated approximately \$138 million for local operations.
- Earned federal incentives currently generate approximately \$30 million annually which goes to local CSEAs for operations.
- County general revenue fund contributions, including direct contributions to CSEAs and indirect contributions for total county operations required by the program have averaged \$20 million annually.
- State general revenue fund contribution also known as the child support administrative match to local offices was \$16.8 million annually. This figure has remained the same since SFY01.
- Administrative fees paid by the obligors provide net funding of approximately \$13 million



annually. A very small portion is available for local match, but

