



## **OHIO TOWNSHIP ASSOCIATION**

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### **House Bill 110 – Operating Budget House Finance Committee March 11, 2021**

Chairman Oelslager, Vice Chair Plummer, Ranking Member Crawley, and members of the House Finance Committee, thank you for the opportunity to provide written proponent testimony on House Bill 110, the state operating budget.

Ohio's 1,308 townships provide essential services to 35 percent of the state's residents. Over the years, as costs rise and state support has decreased, it has become increasingly difficult to meet citizens' needs. This strain on local resources has become even more acute during the COVID-19 pandemic, as townships continue to serve their residents in a new and unprecedented environment.

House Bill 110 largely maintains funding for townships in Ohio, and the OTA appreciates the effort to preserve the state's financial commitments to local governments in this challenging time. With so much uncertainty, our members appreciate this financial support. Nonetheless, there are several areas on which we would like to comment.

#### **Township Funding**

Townships in our state are still in great need of general funding. Unlike counties and municipalities, townships do not levy sales or income tax; therefore, they are heavily reliant on property tax. Partnership funding from the state has been reduced over the last 10 years and has forced townships to go to local voters for additional revenue.

Township residents have filled some of the hole left by state revenue sharing reductions; however, townships still have to keep the lights on and pay for basic administration – and this comes out of the general fund, where money is greatly lacking.

House Bill 110 maintains the LGF at 1.66 percent of state general revenue, which provides for modest increases tied to the state's revenue growth. The OTA appreciates that this fund is kept steady. Ideally, we would like the percentage restored to 3.68 percent but would appreciate any additional resources that could be directed to the LGF to help townships.

The bill before you continues to provide revenue for townships explicitly for their use. In 2015, the General Assembly allocated \$10 million per year for townships. This allocation has been retained in the last three operating budgets and is included in HB 110. The OTA appreciates that this revenue is available exclusively for townships and requests that the General Assembly maintain this allocation.

#### **Indigent Burial**

Last General Assembly, HB 166 provided \$2 million dollars to reimburse local governments for the cost of indigent burials under the Board of Embalmers and Funeral Directors. With the opiate epidemic and now COVID-19, indigent burials have been a significant cost for some Ohio townships, and this funding has been a way to alleviate some of that strain. HB 110 maintains this funding and provides an allocation to the Board, which has experienced staffing issues in administering this program. The OTA supports this program and an allocation for the Board to administer it.

#### **Auditor of State Funding**

Also included in HB 166 was funding for the Auditor of State to support the cost of local government audits. House Bill 110 retains this funding at \$13.2 million each fiscal year. Without this additional funding, townships,

which are required to be audited every two years, will bear the higher audit costs when resources are already strained. The OTA supports Auditor Faber's efforts to keep audit costs affordable for townships.

### **Broadband Expansion**

If we have learned anything from the pandemic, it is that broadband is no longer a luxury – it is an essential service. Whether through the biennial budget process or House Bill 2, the OTA supports effort to expand broadband access in Ohio and appreciates the Governor and General Assembly's attention to this critical issue.

### **Safety Services**

The Small Government Fire Department Services Revolving Loan Program was created by the General Assembly to assist local governments in funding certain fire department major related expenses. This program is enormously helpful to small departments that may not otherwise be able to afford certain purchase. House Bill 110 allows funding to be transferred from the State Fire Marshal's Fund upon request from the Department of Commerce to support the small government fire department services revolving loan fund if funding for the program runs short. This will ensure that cash flow issue will not hinder the success of the program.

Additionally, the bill provides funding for various fire department and MARCS grants under the Department of Commerce. The grants are widely used and assist local governments in providing essential safety services to their residents. Finally, HB 110 adds support for peace officers and grants for local law enforcement agencies for body camera programs.

### **Combined Health District Levy**

House Bill 110 will allow a combined health district to place a levy on the ballot. When health districts join to form a single city health district or general health district, they are serving multiple areas. These districts should be able to place a levy on the ballot that supports the entire district and its services.

### **Potential Amendments**

As you know, townships are creatures of statute and require express or implied authority in law to provide services, develop regulations, and generally run their local jurisdictions. As such, the OTA is requesting two changes to be included in HB 110 that will help townships meet the needs of their residents.

#### *Continuous Joint Policy and Fire Levies*

The OTA has requested an amendment that allows for a continuous joint police and fire levy. Unlike police levies and fire levies, a joint police and fire levy cannot be continuous and must be voted on every 5 years (ORC 5705.19 (AAA)(3)(a)). An amendment allowing a continuous safety service levy is a practical change that would ensure continuity of service in jurisdictions that provide both police and fire.

#### *Permanent Extension of Electronic Meetings*

The COVID-19 pandemic has allowed public bodies to modernize their meetings through the use of virtual meeting tools. By and large, this change has allowed greater flexibility and public access. While not all townships are able to conduct virtual meetings for various reasons (i.e. lack of broadband or other technology infrastructure), the OTA requests that this options is made available on permanent basis for those that would like to implement it.

As the House continues its works on the biennial budget, we would encourage consideration of the partnership between state and local governments – a partnership that we hope continues to grow. The OTA thanks Governor DeWine and his administration for this proposal, which funds the items listed above, and would again like to thank this committee for its time and consideration of our requests.