

FACT SHEET REGARDING THE NEED TO ADDRESS COUNTY REVENUES

We would like to share with you a little bit about how your county government serves you and the challenges we are facing in our effort to serve you even better.

County government is the primary agent of the state government. We have a different level of responsibility to our residents than municipalities and townships who are true "local governments," that are tasked with providing directly for the health, safety and welfare of their residents.

Counties, on the other hand, do the state's work as the state's local branch office, so to speak. And we do it with very little discretion. Our authority is strictly limited by the Ohio Revised Code - if it's not in black and white in the Ohio Revised Code, we can't do it. This can prove frustrating to us, and, on many occasions, to our constituents who don't understand why we can't do what they ask us to do to help them.

Unfortunately, most of our residents' contact with the county isn't a pleasant experience - they are in court - paying taxes - seeking public assistance - or running into potholes....

But what does it mean to be the state's local branch office? Counties, in reality, are tasked by the state with providing vital services to our residents.

We are responsible to provide for county-wide elections.

We provide for justice and public safety through the county and common pleas courts including special drug and mental health courts. We are responsible for providing defense for those who can't afford it, often referred to as indigent defense, the county jail, and community corrections activities that offer counseling and rehabilitation treatment to offenders in our local community. And we provide child and adult protective services.

We provide the safety net and opportunities for success for our families in need through our Human Services Department.

We provide a large part of the infrastructure – roads, bridges, sanitary sewer and storm water management - that helps support our business community and local economy.

And as the budgetary authority for the county - the Commissioners pay ALL the bills. The Commissioners' key responsibility is to consider and approve the budgets for each of the courts and the 9 different independently elected county office holders.

Commissioners are obligated to take a broad and all-encompassing view when making public policy and budget decisions. Our residents expect us to act in a fiscally responsible manner and exercise good business acumen when matching the revenue available – which is their money – to service needs that have been identified. We hold the heavy burden of making choices - many times tough choices - between and among our county government offices for program funding - which is no easy task.

And that task has gotten more difficult. Today, counties find themselves in the extremely difficult position of balancing unprecedented revenue losses with escalating costs. Most of this is the result of state policies enacted over the last decade.

The dramatic loss of the Medicaid managed care organization (MCO) sales tax, severe reductions in the Local Government Fund (LGF) and the phase out of the tangible personal property tax (TPP) have eliminated \$351 million per year in county revenue on a state-wide basis.

Here in Union County we lost over \$ 250,000 annually with the elimination of the Medicaid MCO sales tax last year.

Since 2008, our county's support from the LGF has fallen from \$894,574 per year to \$419,000 in the current year. That's a 7% reduction over 10 years.

And when you talk about money, everybody wants to know about all that casino revenue the county is getting. Well we're getting about \$ 670,000 per year and statewide the counties' annual share has held pretty steady at about \$100 million per year, so it doesn't appear to be growing with the economy.

We are also confronted with the exploding costs associated with the opiate epidemic which are crippling justice and public safety budgets. According to the C. William Swank Program in Rural - Urban policy at OSU, total costs of the opiate crisis in Ohio in 2015 were between \$6.6 billion and \$8.8 billion.

We have seen a major increase in criminal cases filed involving drugs over the last five years.

We have increased the number of children needing foster care and as a result our total children's services budget has experienced a major increase.

And, sadly, we have had numerous deaths attributed to drug overdose in the last 3 years while last year alone over 5,000 Ohioans died from this deadly scourge.

Another key concern for counties is indigent defense. Back in 1963 the U.S. Supreme Court held that the states have a constitutional obligation to provide an attorney for defendants who cannot afford one. Ohio, however, assigned this responsibility to the counties and the state provided for some reimbursement of our costs. Initially, reimbursement was 50%. But, in 1979, the state began to reduce its share. Over the last decade, the average reimbursement to counties from the state has been about 35%.

In 2019 counties will not be reimbursed for about \$86.5 million of the cost. Our county has spent considerable dollars in recent years providing and paying for a responsibility that is the state's.

When you couple the state's changes to revenue policies like indigent defense with our growing costs, you create an environment where many counties have had to deplete reserves, delay capital projects

and struggle to provide the services that Ohioans need. In many instances, while the state was cutting taxes, counties were forced to raise taxes to continue their state mandated functions.

In our county, the tight revenue picture has forced us to keep our operating budgets steady. This has resulted in the deferral and curtailing of various operating expenditures.

These challenges have meant that we have not been able to proceed with capital projects, delayed repair/maintenance activities, and we have deferred adding staff (such as highway workers, Sheriff's deputies, building inspectors, custodians, etc.).

And, finally, we struggle with an antiquated structure for county government. Our commissioners have advocated for reform for a long time, and while not politically popular, we do it because we recognize the need to improve the efficiency of county government and reduce our costs.

So where does that leave our county and why should you care?

Counties, acting on behalf of the state, must have the state's financial commitment to ensure that county revenue streams correspond to the services they are mandated by the state to provide.

As you can see, county challenges have increased significantly, and a stronger partnership between state and county government is critical to the quality of life and prosperity of Ohio and its citizens. We must strive for a stronger partnership between our counties and the state. In the meantime, all counties have been forced to explore any and all possible revenues streams that the state has not eliminated or reduced. Thus, the option that brings us to tonight's hearing; the proposal to raise the transfer fee from \$2 to \$4.

Thank you for the opportunity to share Union County's story with you today and we would be happy to take questions for discussion.