

Dear Township Officials:

A substitute version of the budget bill was introduced last week by Sponsor and Finance Committee Chairman Vernon Sykes. An omnibus amendment was introduced and accepted yesterday afternoon. Late last evening, Sub. HB 1 was favorably reported by the House Committee by a vote of 16-15 and will be on the House floor on April 29. The altered budget bill contains several provisions that pertain to townships.

Extension of Full TPP Reimbursement

A provision was included that would extend 100% TPP reimbursement through FY 2011, which ends June 30, 2011. This gives local governments an extra six months of full reimbursement and members of the general assembly extra time to possibly come up with a funding source to address the trainwreck that will occur in 2018 when the TPP is completely phased out.

The OTA strongly supports the inclusion of this provision.

Rural University Funding & OSU Extension Funding

The Sub. bill includes a provision to restore partial funding (\$149,891 each year) to the Rural University Program, of which Miami University - Center for Public Management and Regional Affairs (CPMRA) receives their funding. As you all know, the Ohio Township Association has a cooperative agreement with CPMRA and we work very closely with Dr. Russo and staff on a variety of projects including our website, surveys, Leadership Academy, conference presentations, and much, much more.

Sub. HB 1 also restored 2008 level funding to OSU Extension. The OTA also works closely with OSU Extension on projects including zoning surveys, Leadership Academy, zoning seminars, OTA scholarships, and many more.

The OTA strongly supports the restoration of funding for both of these programs.

Fire Department Grants

Language was inserted in Sub. HB 1 through the omnibus amendment that would provide for over \$1.6 million in fire department grants and the following entities would be eligible: volunteer fire departments, fire departments serving small communities, joint fire districts comprised of volunteers that serve primarily small communities, and units of local government responsible for fire departments or the provision of fire protection for small communities. Additionally, fire protection services would be an eligible use of grant money but award amounts will be limited to \$15,000 per fiscal year per award winning entity for fire protection services and fire fighter training.

The OTA strongly supports all programs that would provide grants to local governments.

OTHER THINGS IN THE BILL

Extension of Time for Forming Enterprise Zones

A provision was inserted in the omnibus amendment that would extend the possibility of creating an enterprise zone. Current law sunsets enterprise zone law in October 15, 2009. The language in the omnibus amendment would extend the time period to October 15, 2010.

County Land Banks

Last General Assembly, Cuyahoga County was given permissive authority to create a county land bank to deal with foreclosed homes and abandoned homes. This permissive authority is being granted to all counties in the omnibus amendment to Sub. HB 1. This program will allow counties to create a land reutilization corporation for the purpose of disposing of tax-delinquent real property.

CONCERNS WITH SUB HB 1 & OMNIBUS AMENDMENT

Collective Bargaining for All Paid, Full-Time Township Fire Departments

Unfortunately the House Majority did not remove a provision of the bill that pertains to township fire departments. Current law exempts townships that have less than 5,000 people from the collective bargaining law. Sub. HB 1 contains a provision that would require all paid, full-time

township fire departments, regardless of population, to be subjected to the collective bargaining law. This is of grave concern for townships, as collective bargaining causes substantial costs increases for townships. (Attached is a letter that the OTA prepared pertaining to HB 1 and this issue is discussed and you are encouraged to review the letter.) The OTA is working with several members of the House minority caucus on an amendment to Sub. HB 1 that may be offered prior to the bill being voted out of Finance Committee next week.

The OTA strongly objects to this provision.

Mandated Cafeteria Plans for Health Care

New language (Section 4113.11) was inserted in HB 1 that would mandate any township with 10 or more employees to offer a cafeteria plan. Townships with more than 500 employees would be required to implement a cafeteria plan by January 1, 2011 or six months after rules are adopted, townships with 150-500 employees would be required to implement by July 1, 2011 or 12 months after rules are adopted and townships with 10-150 employees would be required to implement by January 1, 2012 or 18 months after rules are adopted. This is of grave concern to us because it is an unfunded mandate and it would require a township to additionally offer a cafeteria plan even though the township is offering an alternate form of health care coverage. (Please refer to RC 505.603 for township's current ability to offer this program.)

The OTA strongly objects to this provision.

WHAT CAN YOU DO?

The OTA is requesting that townships contact your state representatives and express **their support for the TPP extension, the Rural University Program/OSU Extension Funding, and the fire department grants** and your **opposition to the collective bargaining and mandated cafeteria plan** language.

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