



# Ohio Legislative Service Commission

## Bill Analysis

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### H.B. 115

130th General Assembly  
(As Introduced)

Rep. Schuring

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## BILL SUMMARY

- Creates the Local Government Bridge Fund and grant program to provide financial assistance, as well as efficiency and cost-savings assistance to counties, townships, and municipal corporations facing reductions in the level of services provided directly to residents due to a reduction in funding received from the Local Government Fund.
- Requires the Director of Budget and Management to issue grants from the Fund to counties, townships, and municipal corporations.
- Authorizes the Director to require a grant recipient to permit the Auditor of State to conduct a performance audit of the recipient.
- Makes an appropriation.

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## CONTENT AND OPERATION

### Local Government Bridge Fund and grant program

The bill creates the Local Government Bridge Fund, consisting of money appropriated to the Fund. The Fund is to be used by the Director of Budget and Management to award grants to subdivisions, defined in the bill as counties, townships, or municipal corporations.<sup>1</sup>

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<sup>1</sup> R.C. 126.33(A) and (B).

## Application process

A subdivision may apply to the Director, in the manner prescribed by the Director, to receive a grant from the Fund. The Director must prescribe guidelines and forms for the grant program on or before September 30, 2013. The Director must accept applications from subdivisions for grants between October 1, 2013, and October 31, 2013. A subdivision may not apply for a grant in excess of the subdivision's maximum allowable award (see "**Grant amount**," below).<sup>2</sup>

## Grant eligibility and approval

The Director must approve a subdivision for a grant from the Fund if, to the Director's satisfaction, the applicant subdivision establishes or provides all of the following:

- Evidence that, without the grant, the applicant subdivision will be required to reduce the level of services provided directly to residents of the subdivision in the subdivision's following fiscal year compared with the level of such services provided in the subdivision's current fiscal year. In determining the level of such services, any costs related to the internal administrative organization of the subdivision must be excluded.
- Evidence that any growth in the applicant subdivision's general fund budget has been proportionate to or proportionately less than the subdivision's growth in population over the ten preceding fiscal years. If the growth in the subdivision's general fund budget is proportionally greater than the growth in the subdivision's population, the subdivision must provide a written explanation of the reasons for such disproportionate growth.
- A written plan for developing and implementing, within two years, measures that would reduce the applicant subdivision's costs and increase its efficiency for the purpose of balancing future budgets or that would increase collaboration with other subdivisions to share services and reduce costs. If state law would impede such a plan from being effective, the subdivision must submit the plan assuming that state law was amended to remove the impediment and must provide an explanation of amendments to state law that would need to be enacted before the plan could be effective.

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<sup>2</sup> R.C. 126.33(C) and Section 2.



The bill requires the Director to notify an applicant subdivision whether or not the subdivision will be awarded a grant and the amount of the grant on or before November 30, 2013.<sup>3</sup>

### **Grant amount**

The bill requires the Director to award a grant to each approved applicant in an amount up to the subdivision's maximum allowable award. Under the bill, "maximum allowable award" means the sum of the following amounts:<sup>4</sup>

- The amount the subdivision received from the Local Government Fund (LGF) in state fiscal year 2011 minus the amount the subdivision received from the LGF in state fiscal year 2012;
- The amount the subdivision received from the LGF in state fiscal year 2011 minus the amount the subdivision received from the LGF in state fiscal year 2013.

### **Distribution of grants**

The Director must distribute awarded grant money to approved subdivisions between January 1, 2014, and January 31, 2014.<sup>5</sup>

### **Performance audits**

The bill permits the Director to require an approved applicant, as a condition of receiving a grant from the Fund, to agree to be subject to a performance audit by the Auditor of State, conducted pursuant to the laws governing the Auditor. The bill requires that the costs of any performance audit must be paid by the subdivision to the Auditor from the money awarded to the subdivision.<sup>6</sup>

### **Appropriations**

The bill appropriates \$200 million from the General Revenue Fund to the Local Government Bridge Fund in fiscal year 2014 to be used by the Director to distribute grants to subdivisions.<sup>7</sup>

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<sup>3</sup> R.C. 126.33(C) and Section 2.

<sup>4</sup> R.C. 126.33(A) and (D).

<sup>5</sup> Section 2.

<sup>6</sup> R.C. 126.33(E).

<sup>7</sup> Sections 3 and 4.

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## HISTORY

ACTION

DATE

Introduced

04-02-13

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