



## **COUNTY COMMISSIONERS ASSOCIATION OF OHIO**

The 2004 Local Impact Statement Report prepared by the Ohio Legislative Service Commission (LSC) shows the impact of unfunded mandates on county government. The Report continues to show that counties are more heavily impacted than are schools, townships, or municipalities by these legislative initiatives. Of the 13 bills that became law during 2004 for which a Local Impact Statement was prepared, all 13 impacted counties. Two of these bills, HB 361 providing funding for enhanced wireless 9-1-1 service and HB 414 establishing agriculture security areas, were major policy initiatives of the CCAO which we were pleased to see passed by the General Assembly. Three others, HB 262, HB 427, and SB 178, received significant attention from the CCAO with HB 262 being the best example of an "unfunded mandate" in its provision of a pay increase for poll workers to be totally born by the counties.

The Local Impact Statement process is a valuable tool that we believe makes members of the General Assembly more aware of how their decisions have financial implications to counties and other local units of government. However, the Report does not give a comprehensive and accurate view of unfunded mandates from the perspective of counties because the General Assembly has exempted budget bills from the LIS process and, thus, this Report.

A reader of this Report would "miss" the provisions of HB 95 [the FY 2004/2005 state budget bill] extending the "freeze" in Local Government Funds, a form of state revenue sharing with local governments; eliminating the reimbursement for lost revenue resulting from the state exemption of tangible personal property tax; accelerating the phase out of the inventory tax; continuing the woefully inadequate level of funding for indigent defense; or the reducing the funding for child support enforcement or child protective service, responsibilities the state expects the counties to perform. These "unfunded mandates" contained in the budget bill carry a far greater significance than the legislation reviewed in this Report.

We urge the General Assembly to include the fiscal impacts of state budget bills under the LIS process and that these bills will be included in these reports in the future. Only then, will we have a true picture of the impacts of unfunded mandates on local governments.

Unfunded mandates continue to plague all units of local government. Their impact becomes more severe, however, when coupled with the current economic climate. The demands for county government service, most of which the county delivers on the state's behalf, continue to increase while revenue sources for county governments have

stagnated or declined. Unfunded mandates continue to erode the foundation of a viable state/county partnership-county fiscal security.

CCAO wishes to acknowledge the professionalism and extreme competence of the LSC staff. We again thank the Legislative Service Commission for the opportunity to comment on this report and firmly believe that the LSC provides a true service to local governments in preparing Local Impact Statements under what is often challenging circumstances.