

2003 - A Year Of Major Challenges...

As I write this 2003 will soon be history. Last December, 2002 when I started my year as the new CCAO President, my job quickly became one of representing the CCAO in a year of major challenges for county government, and thus, also for CCAO. We were faced with real concerns with state and local budgets.

A busy year!, To say the least! A year when you and I as County Commissioners stepped up to the plate and became more engaged than we have for a number of years in making our voices heard in the halls of the statehouse. We spoke out on the needs of county government. We also spoke out on the vital need for a true partnership with the governor and our legislators if we are to serve our joint constituents.

As the 125th General Assembly convened last January, not only did Governor Taft have to present a budget for the next Biennium, but he also found himself in a position that he had to plug an estimated budget hole of around \$250 million during the last 5 months of the then current fiscal year. Two weeks later this budget hole had gotten bigger – the shortfall had now grown to \$720 million, representing the largest state budget gap in half a century.

As a part of the package to close this hole, the governor recommended the local government funds be cut by \$30 million along with other cuts. In addition, a variety of tax increases, primarily “sin taxes” on cigarettes and alcoholic beverages were proposed. With your help, we were able to fight back the \$30 million cut in the house version of the budget correction bill. However, in the end, language was included in the final bill that gave the governor authority to make the \$30 million cut. This cut took place with the July payments and was on top of the \$57 million cut in a budget “fix it” bill that took place in 2002. The final bill also rejected the governor’s proposed “sin tax” increases.

While the hole in the current budget was being filled, at the same time, the governor and the legislature were also debating the operating budget for the next two years and a transportation budget.

It was much like the three ring circus I used to go to during my childhood—too much to look at and not sure

exactly what to focus on.

We worked hard on the transportation budget. With the governors leadership the legislature increased the gas tax by 6 cents. They also increased the county engineer's force account limits. Both were long sought after priorities of CCAO. We were also successful in removing increased title fees as a source of revenue to fund roads, bridges and the state highway patrol.

The operating budget significantly more important to the county general fund, was another story altogether. You will remember the very real and serious threat to the local government funds. We were talking not only about a freeze or cuts, but there was serious talk about the total elimination of these funds that are vital not only to counties, but also to our townships, and municipalities.

Thanks to your hard work and involvement, and the hard work of our CCAO staff, we were able to avoid the outright elimination of the local government funds. I, for one, believe elimination was a serious option under consideration. I also feel that we must be continually diligent or the loss of these funds is indeed possible.

While the continuation of the freeze in local government funding can hardly be considered a victory, it is certainly better than the very real threat of total elimination. It is, however, necessary to remember the impact of the local government fund freeze. What does it mean? It means that by again moving counties off the statutory formula, that the state is receiving around \$300 million dollars that would normally go to local governments that will be used to balance the state budget.

My biggest disappointment is that we continue to receive inadequate funding from the state for public defenders. This is a classic example of a broken promise and a major unfunded mandate. The budget will allow for reimbursements of only 33%, the lowest in my memory. This is even more disappointing given the fact that court costs were increased \$4, but only \$1 of this increase went to fund public defenders. The rest of the court cost increase will be used to fund other state programs. Something is terribly wrong here, and I hope you

will continue to make your voices heard on this issue with me.

After many years, we were also successful in getting a change in the law so counties would not be required to provide defense in certain cases in juvenile court where there is no loss of liberty. The governor, unfortunately, chose to veto this provision of the state budget bill, so it did not become law.

Another disappointment was the doubling of county recorders fees to fund the housing trust fund. In my opinion, the state wants to use our sources of revenue to fund their programs. Just look at the proposals we had this year to increase county fees --auto title fees, recorders fees and court costs--to fund state, not county programs.

Finally, I am disappointed that the legislature did not adopt the language that governor taft proposed at CCAO's urging that would have specifically authorized counties to charge indirect costs to most special revenue funds. Here is a case where the other county elected officials simply were better lobbyists than we were.

On the other side of the ledger sheet, the state budget included items that will help county government such as the consolidated grant for human services, new language on partnership agreements, procedures for allocating workers compensation costs, increases in sheriff's fees, increases in competitive bid limits, corrective language relating to office space costs of educational service centers, and a variety of other issues that will help counties be more efficient and save money.

While the state budget and state finances definitely dominated the year for CCAO. There were numerous other legislative issues such as civil service reform, changes to PERS, suspension of elected officials, county procurement card legislation, and e-commerce legislation, just to name a few, that have kept our lobbying staff busy this year on your behalf.

And over the past year we provided a series of meetings around the state for county commissioner's clerks and engineer's secretaries. Just as it is vital for commissioners to get together and learn from one another, the same

holds true for our local staff. CCAO serves a valuable role in this regard.

Finally, perhaps the most important initiative for the year and one that has been requested by counties for years, has been a joint program of CCAO and of its insurance pool, CORSA, the County Risk Sharing Authority. We have invested not only considerable time, but also considerable financial resources, to develop a health insurance program for counties. CEBCO, The county Employees Benefits consortium, is off and running and scheduled to take affect the first of the year. While the initial membership is not as great as we had hoped, we need to remember when CORSA started some 17 years ago only 9 counties initially signed on the dotted line. As a board member of CORSA and past president, I am confident that CEBCO has the same potential as CORSA which now provides coverage for 58 counties. It is, however, vital that both CCAO and individual counties not be short sighted but take the long view on this program.

I believe our organization will also face major challenges in 2004, but I know that no matter what challenges await local government, we will continue to provide strong leadership for our constituents knowing that we have the strength of our professional organization, the CCAO, and it's staff, to rely on.