

Dear Township Officials:

Here are a few things for your review.

Ohio Budget (HB 1) Update

On Monday the Senate approved House Bill 245 to, yet again, temporarily extend the biennial budget for another seven days through July 14th; ultimately giving the legislature a week to craft a bipartisan plan. Yesterday the Governor held a press conference calling for a final resolution and also commented that he would not be willing to sign a third temporary budget. In addition the Senate sent the Governor a letter along with a Joint Resolution which would place Video Lottery Terminals on the November ballot as part of a constitutional amendment. At this point the Administration and the Senate Republicans are at a stalemate and no further hearings are scheduled. As developments occur we will continue to update you.

As for all the other township issues in (or not in) the budget as passed by the Senate, the OTA has not heard any additional changes than what was reported in the last Legislative Alert. We will continue to keep our ear to the ground and let you know of any pertinent township issues should they develop.

OPERS Update

There has been no legislation introduced yet pertaining to increasing the monthly minimum for a full-year service credit. The OTA pledges to work with OPERS and members of the general assembly on this matter.

The OTA did attend a meeting two weeks ago at OPERS where it was announced that OPERS was making some health care changes. With the goal of extending the solvency of OPERS health care fund for as long as possible, OPERS has made changes to the retiree health care plan for 2010. Although these changes were planned some time ago as part of the health care preservation plan, they have taken on even more significance as we are experiencing the most challenging economic environment in recent history. Investment losses in 2008 and the subsequent reduction of the portion of the employer contribution rate used to fund health care are expected to reduce the solvency of the OPERS health care fund from 31 years as of Dec. 31, 2007, to approximately 10 to 15 years as of Dec. 31, 2008. The changes OPERS has enacted for 2010 will add approximately 3-4 years of solvency to the health care fund. OPERS has negotiated new contracts with two medical plan administrators. These new contracts will provide OPERS with an estimated savings of \$92.4 million over the next three years. OPERS has chosen Humana to administer the medical portion of the OPERS health care plan for Medicare-eligible retirees. OPERS has selected Medical Mutual to administer the medical portion of the OPERS health care plan for OPERS retirees who are not yet Medicare-eligible. OPERS will be sending letters to all OPERS members announcing the changes in the next few weeks. Additionally, the OTA will have an article in the next newsletter providing more details.

Federal Stimulus Dollars Available for Broadband

On July 1, 2009, the National Telecommunications and Information Administration (NTIA) and the Department of Agriculture's Rural Utilities Service (RUS) began soliciting applications for their respective stimulus-funded broadband initiatives. A total of \$4.7 billion for broadband grants is available through NTIA's Broadband Technology Program, while an additional \$2.5 billion will be awarded by RUS's Broadband Initiatives Program as grants and loans. Local governments, nonprofit organizations and private companies are all eligible to apply for funding from both programs, however at least 75% of any project funded under the RUS program must serve a rural area. Applications for both programs will be accepted from July 14, 2009 until August 14, 2009.

To read the Notice of Funding Availability for these programs, go to:

http://www.ntia.doc.gov/broadbandgrants/BBNOFAFINALwithDisclaimer_1.pdf To access the online application portal, go to: <http://broadbandusa.sc.egov.usda.gov/> In addition, our national organization NATaT, which is run by the Ferguson Group in Washington, DC, has a website that lists stimulus updates at (http://www.fergusongroup.us/stimulus_update.htm).

Federal Legislation Alert

HR 3007 Local Fiscal Assistance Act of 2009

Sponsor - Rep. Kanjorski (D-Pennsylvania)

Pending - US House Oversight & Government Reform Committee

HR 3007 would create a "Local Government Fiscal Assistance Trust Fund" in the U.S. Treasury for payments to local governments. It would appropriate \$30 billion for the period beginning on the bill's enactment to Sept. 30, 2009, \$30 billion for fiscal 2010 and \$30 billion for fiscal 2011. The funds would come from the Treasury's general fund of collections of federal individual income taxes that are not otherwise appropriated. Any money the Treasury secretary determines is not needed for local governments would be transferred back to the general fund. Local governments could use the funds only for priority expenditures, meaning only "ordinary and necessary" maintenance and operating expenses. The funds would go to government programs including public safety, public transportation, health, recreation, libraries, social services and environmental protection. The Treasury secretary would act as the fund's trustee and make the payments in installments of at least one per quarter. The bill would require each local government unit receiving funds to submit a report to the secretary with the amount of funds received and how they were used or obligated. The secretary would post the reports on a public Web site. To receive funds after Oct. 1, 2009, local governments would be required to submit a report to the secretary with the amount requested and the purposes for which the funds will be used. In addition, the governments would be required to establish their own trust funds for the payments from the Treasury and use the funds for the appropriate expenditures during the appropriate time period. If any money were spent in violation of the bill's provisions, the local government would be required to pay 110 percent of the amount back to the Treasury. The secretary could stop payments to a local government if he determined the government did not comply with the bill's regulations. If the government did not make corrective actions within 60 days of the secretary's notification, it would not receive payments until the secretary determines the proper action has been taken. The secretary would have access to all of the local government's documents and records. In addition, the local governments would make annual and interim reports as the secretary required. The Treasury secretary would report to Congress annually, no later than March 1, on the trust fund's operation and status during the preceding fiscal year. The bill would establish several formulas to determine the funding allocations for different communities. The formulas would take into account a community's population, among other factors. The bill would also set limits on the amounts allocated to county areas or local governments.

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