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Cheryl Subler, Executive Director

**Ohio Senate Government Oversight Committee
Proponent Testimony – Senate Bill 91
Kyle Petty, Managing Director of Policy**

Chairwoman Roegner, Vice Chair Antani, Ranking Member Hicks-Hudson, and members of the Senate Government Oversight Committee, my name is Kyle Petty, the managing director of policy with the County Commissioners Association of Ohio (CCAO). Thank you for the opportunity to provide proponent testimony for Senate Bill 91.

SB 91 seeks to improve Ohio's waste, fraud, and abuse laws for public funds. As the budget authority for Ohio's 88 counties, the boards of county commissioners care deeply about this issue. According to the most recent data available, counties annually spend more than \$3.4 billion dollars from their general revenue to provide a wide array of services to the citizens of Ohio. Counties have a limited number of ways to raise revenue in statute and thus, must ensure that every penny is spent in the most efficient and effective manner possible. Counties work every day to prevent wasted revenue through fraud, waste, or abuse and SB 91 will assist with those efforts.

SB 91 establishes a list of mandatory reporters in statute who must make a report through the Auditor of State's fraud reporting system. The mandatory reporters identified in the bill are elected officials, persons appointed to a public office, persons with a fiduciary duty in a public office, persons holding supervisory positions in a public office, and persons employed in the department responsible for processing expenses of a public office.

Under this definition, mandatory reporters at the board of commission level would include commissioners themselves, county administrators, clerks to the boards of commissioners, and fiscal directors, if counties employ one. In charter counties (Cuyahoga County and Summit County), it would apply to the county executive, members of the county council, county administrators, and members of a finance department, should the county have one. It would also apply to similarly situated individuals in the other county-wide elected offices.

Counties already have experience with mandatory reporter requirements in the children services area so we believe that commissioners and key county staff will adjust quickly to their new responsibilities.

One concern CCAO has regarding the bill was the dereliction of duty provision. Under the as introduced version of SB 91, a mandatory reporter who recklessly fails to report a violation



may be found in violation of dereliction of duty, a second-degree misdemeanor which carries a punishment of not more than 90 days in jail and a fine of not more than \$750.

While CCAO understands the rationale behind the provision, we have concerns that imposing those penalties on a failure to report could lead to overreporting of potential waste, fraud, and abuse claims. This unintended consequence could increase the time it takes the Auditor of State to investigate these types of claims, as there will be an increase in the amount of potentially unsubstantiated claims sent to their office.

That said, CCAO has worked closely with bill sponsor Senator Tim Schaffer and Auditor of State Keith Faber to modify that language. It is our understanding that the substitute bill adopted today incorporates changes relative to this provision of the bill.

CCAO would like to thank Senator Schaffer and Auditor of State Faber for bringing legislation forward and for the opportunity to testify in support of this important piece of legislation. I would be happy to answer any questions from the committee at this time.