



**Ohio Municipal League**

*Our Cities and Villages ★ Bringing Ohio to Life*

INTERESTED PARTY TESTIMONY ON  
HOUSE BILLS 321, 322, 323 & 324

By

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Thank you Chairman Maag, ranking member Slesnick and members of the House State and Local Government: Shared Services and Government Efficiency Subcommittee for the opportunity to appear before you today on the series of four proposed bills collectively referred to as the “DataOhio Initiative”

The Ohio House Majority Republican Caucus describes the bill as:

- Requiring state and local public agencies in Ohio to adhere to an open data standard, which will make information easier to access and search (House Bill 321)
- Providing a uniform chart of accounts—which is a method of accounting that provides transparency, uniformity, accountability and comparability of financial information—for state and local government in Ohio (House Bill 322)
- Compelling Ohio to establish an online catalog (data.ohio.gov) to provide descriptions of datasets, tutorials and tools, similar to those already used by the federal government as well as nine other states (House Bill 323)
- Providing \$10,000 grants to local governments as an incentive to provide budgetary, staffing and compensation information online in an open data format that utilizes uniform accounting (House Bill 324)

The DataOhio Initiative would be advised by a 13-member board consisting of designees from all five statewide officeholders, the majority and minority legislative leaders, three local government representatives, and one designee from Ohio’s public universities. The board would advise the Legislature on improvements that could be made to further the initiative and increase open data availability.

## **Our Concerns**

We are concerned that this is a **slippery slope**—local governments cannot afford the sort of onerous reporting requirements that (for example) the local school districts undergo. This bill may open the door to extraordinary costs being imposed on local communities with little gain. Whether this bill itself takes the state in that direction or not, future General Assemblies may see it as a launching pad to more and more reporting requirements and mandates.

Next, since most of this information is already available, we are concerned this is an effort to simply place the burden for accumulating this information

on local governments with no compensation. Certainly, local governments should be compensated when this information is used for commercial purposes (which are already the case for ordinary public records requests). This legislation may be a way around that.

Further, this legislation does not make any new information available. Efforts to root out corruption are not stifled without the bill and not necessarily made any easier with it. It is hard to imagine that one could tell that corrupt activity is going on merely by looking at basic accounting data on a uniform basis. In fact, if anything, such attempts could lead to the same type of “fishing expeditions” discouraged by Ohio policy and Ohio’s public records code.

Lastly, the Ohio Auditor of State already has an ORC mandated policy that accomplishes every goal Data Ohio sets out to accomplish. Each local government entity is required to file a financial report with the Ohio Auditor of State under ORC 117.38. If any entity need help filing these reports, they can contact the Auditor’s Local Government Services division. The website on this program is here:

<https://ohioauditor.gov/references/shells/gasb34ocboa.html>

**ORC 117.38 Annual reports.**

Each public office, other than a state agency, shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The auditor of state may extend the deadline for filing a financial report and establish terms and conditions for any such extension. At the time the report is filed with the auditor of state, the chief fiscal officer, except as otherwise provided in section 319.11 of the Revised Code, shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state that the

financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer.

The report shall contain the following:

- (A) Amount of collections and receipts, and accounts due from each source;
- (B) Amount of expenditures for each purpose;
- (C) Income of each public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation;
- (D) Amount of public debt of each taxing district, the purpose for which each item of such debt was created, and the provision made for the payment thereof. The substance of the report shall be published at the expense of the state in an annual volume of statistics, which shall be submitted to the governor. The auditor of state shall transmit the report to the general assembly at its next session.

Any public office, other than a state agency, that does not file its financial report at the time required by this section shall pay to the auditor of state twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments shall not exceed the sum of seven hundred fifty dollars. The auditor of state may waive all or any part of the penalty assessed under this section upon the filing of the past due financial report. All sums collected from such penalties shall be placed in the public audit expense fund—local government. If the auditor of state fails to receive payment for penalties not paid within one year from the required filing date, the auditor may recover the penalties through the process in division (D) of section 117.13 of the Revised Code.

Every county agency, board, or commission shall provide to the county auditor, not later than the first day of March each year unless a later date is authorized by the county auditor, all information determined by the county auditor to be necessary for the preparation of the report required by this section.

Effective Date: 08-12-1998; 2008 HB562 06-24-2008

Establishing a uniform chart of accounts for everyone may be easier said than done. Robert Winkle, Chief Deputy Auditor of State pointed out some of the challenges to this task. He indicated in his testimony that no two counties or cities are alike. Demographics such as location, topography and population may add to the mix. Different types and sizes of the various local governments are required to use different accounting methods in preparing

annual reports. The Auditor of State's office has identified 34 different types of public offices that currently file financial statements with that office.

Conforming existing data systems maintained by local governments or creating new ones can be costly. It may involve hiring consultants or adding experienced staff. The grants suggested in one of the bills would provide an inadequate amount to fund the activities envisioned.

We believe as do others that have testified that the voters and taxpayers should have more easy access to public records- but at what cost to other vital services.

I would be happy to answer any questions you may have.