OPINION NO. 2011-015

Syllabus:

2011-015

(L) "Outbound emergency notification messaging system" means a system which performs an outbound emergency notification message to wireline telephone end users, utilizing information obtained from a database that holds end user records supplied by a wireline telephone company and serves the [public safety answering point] of a 9-1-1 system established under [R.C. 4931.40-.70].

Rule 4901:1-8-01.

June 2011
1. Article II, § 20 of the Ohio Constitution prohibits a mid-term increase in the amount of the premium to be paid by a county sheriff for group health care insurance coverage under R.C. 305.171 when the increase is caused by direct legislative action that changes the formula for calculating the sheriff’s rate of contribution.

2. Pursuant to R.C. 325.17, a county sheriff may increase his non-bargaining unit employees’ compensation by paying from the sheriff’s budget a greater portion of these employees’ health care insurance premiums, thereby enabling such employees to continue to pay a lower premium amount for health care insurance coverage following a change in health care insurance terms negotiated by a board of county commissioners under R.C. 305.171.

To: Donald R. Burns, Jr., Carroll County Prosecuting Attorney, Carrollton, Ohio

By: Michael DeWine, Ohio Attorney General, May 13, 2011

You have requested a formal opinion concerning these issues: (1) whether a change in the amount of premium to be paid by a county sheriff for group health care insurance coverage under R.C. 305.171 may be applied to the sheriff mid-term; and (2) whether the amount of premium that a sheriff’s non-bargaining unit employee pays for such health care coverage may remain at the rate paid by bargaining unit employees of his office for such coverage, even though other county employees must pay a higher premium amount.

Background

In your letter requesting a formal opinion, you have explained that the Carroll County Board of Commissioners provides major medical insurance for all full-time county employees and elected officials. Participants in the major medical insurance plan are required to contribute toward the cost of the insurance premium. Because of an increase in the cost of coverage, the board of county commissioners increased the contribution rate for participants in the major medical insurance plan without increasing the amount of coverage. The county sheriff’s bargaining unit employees, however, were exempted from the increase in the contribution rate pursuant to the terms of a collective bargaining contract.

You have further explained that, effective January 1, 2010, most elected officials and county employees who were enrolled in the major medical insurance plan paid the premium at the increased rate. But, because the sheriff and non-bargaining unit employees of the sheriff customarily have been treated in a similar manner as bargaining unit employees with respect to the contribution rate for group

1 In your letter, you remark that “even with the increase in the employee’s contribution as well as the county’s contribution increase, the deductible has increased and the policy coverage has declined.”
health care insurance, the deputy auditor in charge of payroll did not apply the increased contribution rate to the sheriff and two non-bargaining unit employees. After the sheriff became aware that the increased contribution rate had not been applied to him, the sheriff repaid the difference to the auditor, which has been held in trust pending a final resolution of the matter.

Mid-term Change in the Amount of Premium Paid by a County Sheriff for Health Care Insurance Procured Under R.C. 305.171

Article II, § 20 of the Ohio Constitution provides: “The general assembly, in cases not provided for in this constitution, shall fix the term of office and the compensation of all officers; but no change therein shall affect the salary of any officer during his existing term, unless the office be abolished.” “This constitutional provision thus ‘prohibits any change, whether an increase or decrease, in an officer’s salary during his term.’” 1993 Op. Att’y Gen. No. 93-045, at 2-223 (quoting 1992 Op. Att’y Gen. No. 92-031, at 2-120). *Accord State ex rel. Mikus v. Roberts*, 15 Ohio St. 2d 253, 239 N.E.2d 660 (1968) (syllabus, paragraph 5) (“[a] public officer takes his office *cum onere*, and so long as he retains it he undertakes to perform its duties for the compensation fixed, whether such duties be increased or diminished during his term of office”).


Regarding the period in which the prohibition against changes in compensation applies under Ohio Const. art. II, § 20, the Ohio Supreme Court has held: “The words, ‘during his existing term,’ as used in Section 20 of Article II of the Constitution of Ohio, which inhibits a change of ‘salary of any officer during his existing term,’ apply strictly to the term to which the officer is appointed or elected and not to the period constituting the statutory term of the office.” *State ex rel. Glander v. Ferguson*, 148 Ohio St. 581, 76 N.E.2d 373 (1947) (syllabus, paragraph 1). “Thus, the prohibition in art. II, § 20 against in-term changes in compensation applies only to the term of office an officer is serving when a change in compensation occurs. Once an officer begins a new term of office, the officer is subject to any change in compensation that became effective during his previous term.” 2004 Op. Att’y Gen. No. 2004-004, at 2-38.

The Ohio Supreme Court has used differing approaches to determine whether a change in an officer’s salary or compensation, or a component thereof, is
prohibited by Ohio Const. art. II, § 20. See, e.g., *Schultz v. Garrett*, 6 Ohio St. 3d 132, 135, 451 N.E.2d 794 (1983) (finding that Ohio Const. art. II, § 20 prohibits an in-term salary increase to officers when such a change results from “direct legislative action on the section(s) of the Revised Code which are the basis of the officers’ salaries”); *State ex rel. Parsons v. Ferguson*, 46 Ohio St. 2d 389, 348 N.E.2d 692 (1976) (finding that a health insurance premium paid by a county for a county officer is part of a county officer’s compensation for purposes of Ohio Const. art. II, § 20 and, therefore, a county that had not previously provided such benefits to a county officer may not do so mid-term); *State ex rel. Artmayer v. Bd. of Trustees*, 43 Ohio St. 2d 62, 330 N.E.2d 684 (1975) (examining whether there was a change in the amount of public dollars expended on behalf of an officer to determine whether there was a change in compensation that was prohibited under Ohio Const. art. II, § 20). See also 2005 Op. Att’y Gen. No. 2005-046, at 2-497 (discussing *Artmayer, Parsons*, and *Schultz*).


> [T]he test for determining whether a prohibited in-term change in compensation has occurred is whether there has been a change in the number of public dollars expended on behalf of a public officer during the officer’s term, with the exception that, in those situations in which a public officer’s compensation or a component thereof was fixed at the commencement of the officer’s term pursuant to a formula, a change in compensation that occurs as a result of a non-legislative change in one of the external factors used in that formula is not prohibited by Ohio Const. art. II, § 20. (Footnotes omitted.)

*Accord* 2005 Op. Att’y Gen. No. 2005-031, at 2-323 to 2-324 (“in those situations in which an officer’s compensation, or a component thereof, is determined according to a formula fixed prior to the commencement of the officer’s term, Ohio Const. art. II, § 20 does not prohibit an in-term change in the officer’s compensation in accordance with the formula, so long as such change is not due to direct legislative action that changes the formula” (emphasis added)).

A resolution of a board of county commissioners setting forth a county’s

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2 In *Schultz v. Garrett*, 6 Ohio St. 3d 132, 135, 451 N.E.2d 794 (1983), the Ohio Supreme Court set forth one of the tests for determining whether a change in an officer’s compensation is prohibited by Ohio Const. art. II, § 20, as follows:

When a statute setting forth the formula for the compensation of an officer is effective before the commencement of the officer’s term, any salary increase which results from a change in one of the factors used by the statute to calculate the compensation is payable to the officer. Such increase is not in conflict with Section 20, Article II of the Constitution when paid to the officer while in term.
health care insurance options under R.C. 305.171 is "the reference point for determining whether a mid-term change in an officer's health care benefits has occurred, and whether such change is prohibited by Ohio Const. art. II, § 20." 2005 Op. Att'y Gen. No. 2005-031, at 2-326. In this instance, in November 2009, after the sheriff's current term began, the board of county commissioners took direct legislative action that, effective January 2010, decreased the amount of coverage provided and changed the formula for calculating the sheriff's rate of contribution by decreasing the percentage of the premium paid by the county on behalf of the sheriff for group health care insurance coverage under R.C. 305.171. Such direct legislative action by the board of county commissioners results in a change in the number of public dollars expended on behalf of the sheriff during his term and constitutes an in-term decrease in the sheriff's compensation, which is prohibited under Ohio Const. art. II, § 20.

\[ \text{Accord} \] 1993 Op. Att'y Gen. No. 93-045 (syllabus, paragraph 1). Also, in this instance, such direct legislative action by the board of county commissioners results in a mid-term change in one health care insurance

8 R.C. 311.01(A) provides: "A sheriff shall be elected quadrennially in each county. A sheriff shall hold office for a term of four years, beginning on the first Monday of January next after the sheriff's election." Following the general election of November 2008 that resulted in the election of the sheriff, the sheriff's current term of office began on January 5, 2009. Because the decrease in the percentage of the premium paid by the county on behalf of the county sheriff for group health care insurance became effective in January 2010, the action of the board of county commissioners results in an in-term change in the sheriff's compensation.

4 In 1993 Op. Att'y Gen. No. 93-045 (syllabus, paragraph 1), the Attorney General advised: "Where a board of county commissioners decreases the percentage of the premium paid by the county on behalf of county officers and employees for insurance coverage provided under R.C. 305.171, without any change in the amount of coverage thus provided, such a decrease constitutes a change in salary for purposes of Ohio Const. art. II, § 20, and may not be applied to a county officer during the term of the officer who was serving at the time such decrease became effective." See 2004 Op. Att'y Gen. No. 2004-004 (syllabus, paragraph 5) (advising, in part, that "if a county required a mid-term county officer to pay the additional premium from his personal financial resources in order to continue receiving the same amount of coverage, that requirement would constitute an in-term decrease in compensation prohibited by Ohio Const. art. II, § 20"). Cf. 2005 Op. Att'y Gen. No. 2005-031 (syllabus, paragraph 1) (county's mid-term change in expenditure resulting in a county officer's mid-term change in the level of coverage for health care benefits is permissible so long as such change was not due to a mid-term legislative change to the formula for calculating the officer's compensation); 1989 Op. Att'y Gen. No. 89-003 (syllabus, paragraph 2) ("[t]he payment of an increase in the premium cost of a group insurance policy for an elected county officer... does not violate the prohibition of Ohio Const. art. II, § 20, against an in-term increase of compensation of county elected officers, provided that the benefits procured are unchanged, and the total percentage of the entire premium cost paid by the board of county commissioners remains the same"); 1981 Op. Att'y Gen. No. 81-003 (syllabus, paragraph 2) ("[t]he payment of an increase in the premium cost of a group insurance policy for an elected county officer... does not violate the prohibition of Ohio Const. art. II, § 20, against an in-term increase of compensation of county elected officers, provided that the benefits procured are unchanged, and the total percentage of the entire premium cost paid by the board of county commissioners remains the same");
plan to another plan that has different benefits and premiums, which is prohibited under Ohio Const. art. II, § 20. See 2005 Op. Att’y Gen. No. 2005-031 (syllabus, paragraph 4).

Accordingly, the county must refund to the sheriff the difference in insurance premiums that the sheriff personally paid to maintain group health care insurance coverage during his current term of office that presently are held in trust. See 1993 Op. Att’y Gen. No. 93-045 (syllabus, paragraph 2). Moreover, when determining the sheriff’s insurance premium for group health care insurance for the remainder of the sheriff’s current term, the county must use the formula for calculating the sheriff’s rate of contribution that was in effect when the sheriff’s current term of office began on January 5, 2009.

A County Sheriff May Increase His Non-Bargaining Unit Employees’ Compensation By Paying a Greater Portion of These Employees’ Health Care Insurance Premiums Following a Change in Health Care Insurance Terms Negotiated by a Board of County Commissioners

In your second question you ask whether the sheriff may keep his non-bargaining unit employees contributing at the reduced rate for health care insurance coverage when the board of county commissioners has adopted a plan requiring a higher contribution rate for county employees with respect to the health care insurance the board purchases under R.C. 305.171. We first examine the compensation of county employees in general. Under Ohio law, a board of county commissioners


5 In 1993 Op. Att’y Gen. No. 93-045 (syllabus, paragraph 2), the Attorney General advised as follows:

Where a county has, during a county officer’s term, decreased the percentage of the premium it pays on behalf of county officers for insurance coverage provided under R.C. 305.171, without any change in the amount of coverage thus provided, and where the officer has personally paid the premium difference in order to maintain that insurance coverage, the county must pay to such officer a cash sum representing the difference between the percentage of the premium formerly paid by the county and the percentage currently paid by the county. The county must reimburse a county officer for the difference in insurance premiums covering only the remainder of the term the officer was serving at the time the decrease became effective.
has authority to appoint and determine the compensation of certain county employees, see, e.g., R.C. 305.13 (clerk); R.C. 305.15 (engineer); see also R.C. 305.17 (compensation of employees appointed or employed under R.C. 305.13-16), but most county employees are appointed by appointing authorities other than the board of county commissioners. Those appointing authorities set the compensation of the employees they appoint. See R.C. 325.17 (authorizing the county auditor, county treasurer, probate judge, sheriff, clerk of the court of common pleas, county engineer, and county recorder to "employ the necessary . . . employees for their respective offices" and "fix the compensation of those employees").

The authority to fix the compensation of county employees includes the power to grant those employees fringe benefits, subject to any statutory restrictions upon the exercise of that power. 2008 Op. Att’y Gen. No. 2008-012, at 2-137. See Ebert v. Stark County Bd. of Mental Retardation, 63 Ohio St. 2d 31, 33, 406 N.E.2d 1098 (1980); see also 2007 Op. Att’y Gen. No. 2007-012, at 2-103 ("[t]he statutory authority to fix 'compensation' includes the authority to establish both salary and fringe benefits, such as medical insurance, life insurance, and paid leave, in the absence of any statute that constricts such authority, and so long as such benefits are in excess of any minimum levels established by statute"). "[T]here is no precise statutory or common law definition of the term 'fringe benefit' as it relates to public employees," but "a fringe benefit is commonly understood to mean something that is provided at the expense of the employer and is intended to directly benefit the employee so as to induce him to continue his current employment." 1982 Op. Att’y Gen. No. 82-006, at 2-16 to 2-17; see 1977 Op. Att’y Gen. No. 77-090, at 2-304 to 2-305; see also Black's Law Dictionary 178 (9th ed. 2009) (defining "fringe benefit" as "[a] benefit . . . received by an employee from an employer, such as insurance"). "Fringe benefits, such as [payments for group medical and hospital plans for county officers and employees], are valuable perquisites of an office, and are as much a part of the compensations of office as a weekly pay check." State ex rel. Parsons v. Ferguson, 46 Ohio St. 2d 389, 391, 348 N.E.2d 692 (1976); see Madden v. Bower, 20 Ohio St. 2d 135, 254 N.E.2d 357 (1969) (syllabus, paragraph 1). Health care insurance coverage is commonly understood to be a "fringe benefit," and when it is provided as a benefit of employment, it is part of the employees' compensation that may be fixed by county appointing authorities.

R.C. 305.171 grants a board of county commissioners the authority to contract for, purchase, or otherwise procure and pay all or any part of the cost of group health care insurance for county officers and employees and their immediate dependents.\(^6\) Pursuant to R.C. 325.17, a sheriff, as a county appointing authority, has statutory authority to set the compensation, including fringe benefits, of his non-

\(^6\) Neither a sheriff nor any other county appointing authority may control the actions of a board of county commissioners with respect to the board's selection of a contract for group health care insurance under R.C. 305.171. See, e.g., State ex rel. Ohio Patrolmen's Benevolent Ass'n v. State Employment Relations Bd., Franklin App. No. 05AP-526, 2006-Ohio-3263, 2006 Ohio App. LEXIS 3184, at ¶35 ("the Delaware County Commissioners are granted the authority by R.C. 305.171 to
bargaining unit employees. Insofar as health care insurance is a fringe benefit of one’s employment with a county sheriff, a county sheriff may provide such benefit to his employees pursuant to his power to fix their compensation. The sheriff may provide such benefit by paying the premiums for that health care insurance, in whole or in part, out of his budget. See 1979 Op. Att’y Gen. No. 79-064, at 2-214 (“[i]t is . . . established that the authority of a public officer . . . to fix the compensation of [his] employees includes the power to pay the costs of health insurance . . . . In light of State ex rel. Parsons v. Ferguson, 46 Ohio St. 2d 389 (1976), wherein it was stated that fringe benefits are as much a part of compensation as a weekly paycheck, a county officer with the authority to fix the compensation of employees must also be accorded the right to authorize the payment of health insurance premiums for such employees”).

In response to your second question, we conclude that a sheriff may increase his non-bargaining unit employees’ compensation by paying out of his budget a greater portion of these employees’ health care insurance premiums. This will enable the employees to continue to pay the lower amount of premium that was in effect before the board of county commissioners negotiated new health care insurance terms under R.C. 305.171. The Attorney General addressed a similar issue in 2004 Op. Att’y Gen. No. 2004-004. In that opinion the Attorney General was asked whether it was permissible for county employees covered by collective bargaining agreements and those not covered by such agreements to pay different premium amounts for the same health care insurance coverage without violating any law, rule, or regulation. Answering that query in the affirmative, the Attorney General explained as follows:

Payment for health care coverage from public funds is a fringe benefit, a part of the compensation paid to an officer or employee. State ex rel. Parsons v. Ferguson, 46 Ohio St. 2d 389, 348 N.E.2d 692 (1976); Madden v. Bower, 20 Ohio St. 2d 135[,] 254 N.E.2d 357 (1969). As recognized by 1995 Op. Att’y Gen. No. 95-027, at 2-138, “R.C. 305.171 authorizes a board of county commissioners to procure and pay all or any part of the cost of group health insurance policies for county officers and employees and their immediate dependents. The county children services board, as the appointing authority of its employees, may provide them with health insurance benefits in excess of those granted by the county.” Thus, an individual county appointing authority may choose to increase its employees’ compensation by paying a greater portion of its employees’ health insurance premiums than the county commissioners have elected to pay for other county personnel. The actions of individual county appointing authorities with the power to fix their employees’ compensation may thus vary the amount of county funds that is used to contract for group health insurance for all county officers and employees”).
pay for certain county employees' health insurance coverage under R.C. 305.171. See 1978 Op. Att'y Gen. No. 78-029, at 2-70 ("the county office holders enumerated in R.C. 325.27 are, under the terms of R.C. 325.17, empowered to authorize [the payment of medical insurance premiums] on behalf of their employees. The payment of such premiums is not conditioned upon the concurrent action of the board of county commissioners granting similar benefits to other county employees").

We have found no requirement in R.C. Chapter 4117 or in R.C. 305.171 that limits the portion of health insurance premiums a county may pay pursuant to a collective bargaining agreement in relation to the amount the county's board of commissioners has determined to pay under R.C. 305.171 on behalf of other county employees. In answer to your second question, therefore, we conclude that a board of county commissioners may charge its employees whose compensation is fixed by a collective bargaining agreement a sum for health care insurance as dictated by the agreement, while charging a different sum to other county employees, so long as the differences in amount have a rational basis. (Footnotes omitted.)


We agree with the analysis and conclusion in 2004 Op. Att'y Gen. No. 2004-004 and find that they also apply to your question. This means that a sheriff may increase his non-bargaining unit employees' compensation by paying a greater portion of their health care insurance premiums, even though other county employees may be charged a different sum for that same health care insurance, as provided by a board of county commissioners under R.C. 305.171. By means of such an increase, the sheriff is able to keep his non-bargaining unit employees contributing at the lower rate for health care insurance coverage even though the board of county commissioners has adopted a plan under R.C. 305.171 requiring a higher rate of contribution by all other county employees.

A sheriff's authority to pay an increased portion of his non-bargaining unit employees' health care insurance premiums is, however, subject to certain limitations. First, the authority to determine employees' fringe benefits can be limited by "apposite statutory authority which either ensures a minimum benefit entitlement or otherwise constricts the employer's authority vis a vis a particular fringe benefit." 1981 Op. Att'y Gen. No. 81-052, at 2-202. The framework within which a question concerning the authority of a public employer to provide fringe benefits must be analyzed was explained in that 1981 opinion:

Once the requisite authority to compensate has been established, any statutory provisions pertinent to the provision of the particular fringe benefit in issue by the public employer to its employees must be identified. If the particular fringe benefit is not the subject of any statutory provisions applicable to the public employer or its em-
ployees, the fringe benefit in question is a permissible exercise of the public employer's authority to compensate its employees. On the other hand, if the particular fringe benefit is the subject of any statutory provision applicable to the public employer or its employees, further consideration is required. *If an applicable statute constitutes a minimum statutory entitlement to a particular benefit, the public employer may, pursuant to its power to compensate and in the absence of any statute constricting its action in the particular case, choose to provide such benefit in excess of the minimum statutory entitlement.* If an applicable statute limits the general authority of the public employer to compensate its employees with the particular fringe benefit in question, it must, of course, be viewed as a restriction upon the employer's authority to grant the particular benefit. (Emphasis added.)

1981 Op. Att'y Gen. No. 81-052, at 2-202; accord 1987 Op. Att'y Gen. No. 87-018, at 2-116. Thus, notwithstanding action taken by a board of county commissioners pursuant to R.C. 305.171 to provide group health care insurance for county employees, a county sheriff may provide health care insurance coverage in excess of the minimum statutory entitlement by paying a greater portion of his employees' health care insurance premiums.

Another limitation upon a sheriff's exercise of his authority to determine his employees' compensation, including their fringe benefits, is the requirement that a sheriff's "employees' compensation shall not exceed, in the aggregate, . . . the amount fixed by the board of commissioners for that office." R.C. 325.17. Therefore, "[a]s a practical matter, . . . the sum appropriated to [the sheriff's office] by the county commissioners for the purpose of personal services limits [the sheriff's] power, in the aggregate, to fix the compensation of [his] employees." 2008 Op. Att'y Gen. No. 2008-012, at 2-138 (footnote omitted); see Geauga County Bd. of County Comm'rs v. Geauga County Sheriff, Geauga App. No. 2002-G-2484, 2003-Ohio-7201, 2003 Ohio App. LEXIS 6508, at ¶49. Finally, for a fringe benefit to be properly provided, a sheriff should uniformly grant the fringe benefit to all similarly situated employees. See 1982 Op. Att'y Gen. No. 82-006, at 2-17; see also 1981 Op. Att'y Gen. No. 81-082, at 2-323 ("[a]ny distinction in benefits awarded by the county commissioners must . . . comport with the equal protection guarantees of Ohio Const. art. I, § 2 and the fourteenth amendment of the United States Constitution" (footnote omitted)).

Accordingly, pursuant to R.C. 325.17, a county sheriff may increase his non-bargaining unit employees' compensation by paying from the sheriff's budget a greater portion of these employees' health care insurance premiums, thereby enabling such employees to continue to pay a lower premium amount for health care insurance coverage following a change in health care insurance terms negotiated by a board of county commissioners under R.C. 305.171.

**Conclusions**

In sum, it is my opinion, and you are hereby advised that:
1. Article II, § 20 of the Ohio Constitution prohibits a mid-term increase in the amount of the premium to be paid by a county sheriff for group health care insurance coverage under R.C. 305.171 when the increase is caused by direct legislative action that changes the formula for calculating the sheriff's rate of contribution.

2. Pursuant to R.C. 325.17, a county sheriff may increase his non-bargaining unit employees' compensation by paying from the sheriff's budget a greater portion of these employees' health care insurance premiums, thereby enabling such employees to continue to pay a lower premium amount for health care insurance coverage following a change in health care insurance terms negotiated by a board of county commissioners under R.C. 305.171.