



STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

May 5, 2017

BUDGET WATCH

Legislators in the House passed their version of the SFY2018/2019 state operating budget (HB 49) on Tuesday. In this edition of the Statehouse Report you will see how they addressed CCAOs top priorities. While some of the challenges counties face were addressed, there is still a lot of work to do as the bill moves over to the Senate.

Complete and permanent replacement of Medicaid MCO sales tax revenue



Because of the complexity of this issue, a solution was not able to be included in the House's version of the budget. For now, the original plan included in the Executive budget remains intact. As you may recall, that proposal creates a Medicaid Local Sales Tax Transition Fund, out of which, counties and transit authorities will be allocated a one-time payment of \$207 million in SFY 2018 with \$49 million used to cover forgone revenue for the last three months of 2017 and \$158 million to provide transitional funding for the balance of SFY 2018 and succeeding years in the case of certain counties.

CCAO is still optimistic given the demonstrated interest and willingness lawmakers have shown on this serious issue. House leaders have said that there is still time for the matter to be addressed, and they have acknowledged that this complex issue is something that they want to help solve.

ACTION ITEM: The budget now moves to the Senate. If you have not already, call your senator(s) today and ask them to continue moving towards complete and permanent replacement of these dollars. Every member of the Ohio Senate must hear from their counties about what the loss of this revenue will mean. Leave no stone unturned!

- ✓ Stress the critical importance of this issue.
- ✓ Explain what budget cuts you anticipate having to impose if the lost revenue is not fully and permanently replaced.
- ✓ Mention the two options CCAO is exploring to provide fiscal stability for the state's county partners.
- ✓ Ask your senator(s) to continue moving towards complete and permanent replacement of these dollars for counties and transit authorities.

LEAVE NO STONE



If you have questions on the Medicaid MCO sales tax please contact CCAO Staffers Brad Cole or Kate Neithammer at 614-221-5627.

Partnership between Ohio & counties to fund indigent defense

An increase of \$7.1 million in SFY18 and \$7.9 million in SFY19 was provided in the new version of HB 49, which is about half of what CCAO requested. According to the State Public Defender's office, the amount allocated in the House should provide for a reimbursement rate of 45% or slightly less for the biennium.

ACTION ITEM: This issue gained momentum in the House, but now we need to build on that as the budget bill moves to the Senate. Please reach out to your senator(s) and urge them to match the additional funding provided by the House, so that counties will be at a 50/50 partnership with the state in providing indigent defense services. (add call to action megaphone)

If you have questions please contact CCAO Staffer John Leutz at 614-221-5627.

Growing pressures from the opiate epidemic

House members provided an additional state investment of roughly \$170 million towards the opiate epidemic and several of CCAO's priorities were included.

Opiate addiction has placed the child protection system in crisis as more and more children need to be placed in foster care. Lawmakers in the House acknowledged this crisis and increased Ohio's investment in child protection by an additional \$15 million per year. This is the first significant increase in this area in over a decade, and we are grateful for all the hard work House leaders did to make this happen. The House also earmarked \$10 million of TANF for kinship care, which will help families who have taken in the children of relatives battling addiction.

County jails are the other pressure point being affected by opiates. CCAO, along with the behavioral health community and the Buckeye State Sheriff's Association, recommended three initiatives to help ease the burden on our jails, and two received funding.

- ✓ \$15 million per year to establish a state-wide behavioral health triage program that will support 6 regional centers based around the state hospital's catchment areas for individuals experiencing a mental health crisis and 9 regional centers for individuals who are in immediate need of withdrawal management.
- ✓ \$12 million per year allocated to the ADAMH Boards to assist them in providing direct treatment and counseling services in county jails, which will create a continuity of care for inmates suffering from mental illness or addiction.

The third initiative, which asked the state for \$4 million to reimburse counties for the psychotropic drugs prescribed in county jails was not funded.

Another piece of the House's opiate plan included giving each Board of County Commissioners/County Council \$25,000 to bring together members of the community to work on prevention activities.

If you see your State Reps, please thank them for all of their hard work in this area! If you'd like to know more please contact John Leutz or Kate Neithammer at 614-221-5627.

Partnership between Ohio and counties to replace voting equipment

The House added a \$1 million capital appropriation to reimburse counties up to 50% of the cost of voting machines. The bill also places a cap on the amount of reimbursement, not to exceed \$250,000. Furthermore, the bill includes a statement of intent whereby the General Assembly provides that it intends to appropriate additional funding to counties for voting equipment and associated services; this funding would be for purchases, lease agreements, and reimbursements to counties by FY 19 in the manner outlined above.



CCAO has talked with the sponsor of the amendment, Representative Steve Arndt, who is a former an Ottawa County Commissioner. Representative Arndt explained his vision to provide language in the budget bill that would seed a state/county partnership upon which the partnership could grow. He also explained that the proposed \$250,000 cap was only intended to apply to the initial \$1 million included in this budget bill and not serve as a restriction on future funds. He sought to set a foundation of a 50/50 funding partnership that would be further built upon.

If you have questions please contact John Leutz or Cheryl Subler at 614-221-5627.

Felony 5 offenders

HB 49 proposes a new program, Targeting Community Alternatives to Prison (T-CAP) which would require counties to house offenders convicted of a non-violent, non-sex related, non-mandatory Felony 5 in the county jail rather than send these offenders to prison.

Language was added in the House version of the bill to require that T-CAP grant funds must be used to reimburse the county jails for per diem cost for housing an F-5 felon who is sentenced to confinement in the county jail. The reimbursement to counties is greatly appreciated. However, this program would result in a major paradigm shift transferring the responsibility for felony offenders from the state to the counties, and we ask that this program remain optional rather than become mandatory on all counties beginning in July 2018.

MARCS radio subsidy

The House added language continuing the current user fee subsidy to the local governments/emergency responders on the States's MARCS system. There was no provision for continuing this subsidy in the governor's budget as introduced. The House provided \$1 million per year. The current biennium subsidy is \$2 million per year and provides a credit of \$10.00 per month against the \$20.00 per month user fee charged. This suggests that the House's level of funding would provide a subsidy of \$5.00 per month and reduce the user fee paid by ocal governments to \$15.00 per month.

Questions on F5 and MARCS can be directed to John Leutz at 614-221-5627.

This week's revenue report

Income tax revenues lagged expectations by more than \$100 million in April. Preliminary reports from the Office of Budget and Management (OBM) show a \$106 million shortfall in the personal income tax, 7.8 percent lower than expected. Sales taxes missed projections by \$47.6 million or 4.9 percent, with about \$44.5 million less than expected in the non-auto sales tax and \$3 million less for the auto sales tax. Total tax collections were behind by \$159.1 million, 7.8 percent less than expected. For the fiscal year so far, tax collections are \$773.7 million or 4.2 percent below estimates, and \$65 million below what was collected by this point in the previous fiscal year.

Despite another month of gloomy revenue numbers, these shortfalls are in line with the assumptions that drove the recent decision to cut revenue expectations for the upcoming biennium, according to Budget Director Tim Keen.

Keen said in Wednesday's Senate Finance Committee that April's income tax figures are actually a bit better than OBM was expecting, while non-auto sales tax collections were a bit worse. He noted a general trend over the past year-plus of seeing one bad month of sales tax collections in every quarter, but said he was hesitant to forecast April's performance as the continuation of that pattern.

Keen went on to address proposals and cuts that were incorporated in the House's budget that passed on Tuesday. The committee was very interested in the \$632 million in cuts that the House made to the 2 year budget, asking Keen if he agreed with their numbers.

"I note and understand exactly all the numbers the House used to get to 632. The math is correct," Keen said. "The administration doesn't necessarily agree with the policy decisions that the House made to arrive at that \$632 million."

Keen went on to say that he believes FY17 will end in balance if the state stays within a "reasonable approximation" of the latest revenue outlook.

Questions on this story can be directed to Brad Cole at 614-221-5627.

Bills Introduced



SB 141

PAULDING COUNTY COURTS ([HITE, C.](#))

To create the Paulding County Municipal Court in Paulding on January 1, 2019, to establish one full-time judgeship in that court, to provide for the nomination of the judge by petition only, to abolish the Paulding County County Court on that date, to designate the Paulding County Clerk of Courts as the clerk of the Paulding County Municipal Court, and to provide for the election for the Paulding County Municipal Court of one full-time judge in 2018.

SB 142

FIREARMS ([JORDAN, K.](#))

To allow a concealed handgun licensee to carry concealed all firearms other than dangerous ordnance or firearms that state or federal law prohibits the person from possessing and to provide that a person 21 years of age or older and not prohibited by federal law from possessing or receiving a firearm does not need a concealed handgun license in order to carry or have a concealed firearm and is subject to the same laws regarding concealed firearm carrying as a concealed handgun licensee.

HB 192

VETERAN COMMISSIONS ([MILLER, A.](#), [ANIELSKI, M.](#))

To permit county veterans service commissions to elect to add two members to the commission, one who is a veteran who served in Operation Enduring Freedom or Operation Iraqi Freedom, or subsequently in those theaters of operation, and one who is a military spouse.

HB 195

WHEELCHAIR TRANSPORTS ([INGRAM, C.](#), [SEITZ, B.](#))

To modify the provisions concerning the transport of persons who require the use of a wheelchair or other mobility aid in nonemergency circumstances.

HR 85

E-CHECK ([YOUNG, R.](#))

To respectfully urge Congress and President Donald Trump to amend the Federal Clean Air Act to eliminate the requirement to implement the E-Check Program and direct the Administrator of USEPA to begin new rule-making procedures under the Administrative Procedures Act to repeal and replace the 2015 National Ambient Air Quality Standards; to respectfully urge Congress and President Donald Trump to pass legislation to achieve improvements in air quality more efficiently while allowing companies to innovate and help the economy grow; to urge the Administrator of USEPA to alleviate burdensome requirements of the E-Check Program and the Clean Air Act if Congress and the President fail to act; and to encourage OEPA to explore alternatives to E-Check in Ohio.

HB 197

EMT REIMBURSEMENTS ([PATTON, T.](#))

To provide for insurance reimbursement for EMT services in nonemergency situations.

Hearing Schedule



MONDAY, MAY 8

Joint Committee on Agency Rule Review

(Chr. [Duffey, M.](#), [\(614\) 644-6030](#)), Rm. 121, 1:30 pm

TUESDAY, MAY 9

Senate Finance: General Government & Agency Review Sub.

(Chr. [Jordan, K.](#), [\(614\) 466-8086](#)), Grant Hearing Rm., 9:00 am

Invited budget testimony from Ohio Inspector General, Ohio Elections Commission, Treasurer of State and public testimony Public Testimony

House Rules & Reference

(Chr. [Rosenberger, C.](#), [\(614\) 466-3506](#)), Rm. 119, 9:45 am

House State & Local Government

(Chr. [Anielski, M.](#), [\(614\) 644-6041](#)), Rm. 116, 12:00 pm

HB 121

PIPE MATERIALS ([EDWARDS, J.](#))

To require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. --3rd Hearing-Opponent

HB 122

ECONOMIC DEVELOPMENT (HAMBLEY, S., ROGERS, J.)

To establish a Regional Economic Development Alliance Study Committee to study the benefits and challenges involved in creating regional economic development alliances. --3rd Hearing-All testimony-Possible vote

HB 139

PUBLIC DISCLOSURE (PERALES, R., KELLER, C.)

To eliminate the public disclosure exemption for any permanently retained record 100 years after the date of its creation. --2nd Hearing-All testimony

WEDNESDAY, MAY 10

Senate Ways & Means

(Chr. [Eklund, J.](#), (614) 644-7718), South Hearing Rm., 9:00 am

SB 36

AGRICULTURAL LAND (HITE, C.)

To require that the computation of the capitalization rate for the purposes of determining CAUV of agricultural land be computed using a method that excludes appreciation and equity buildup and to stipulate that CAUV land used for a conservation practice or enrolled in a federal land retirement or conservation program for at least three years must be valued at the lowest of the values assigned on the basis of soil type. --6th Hearing-All testimony-Possible amendments & vote

Senate Finance: Health & Medicaid Sub.

(Chr. [Hackett, B.](#), (614) 466-3780), North Hearing Rm., 10:00 am

Panel discussions on Managed Long Term Services and Supports; Behavioral Health Redesign; Opioids

House Insurance

(Chr. [Brinkman, T.](#), (614) 644-6886), Rm. 115, 10:00 am

HB 27

BWC BUDGET (BRINKMAN, T.)

To make changes to the Workers' Compensation Law, to make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of the Bureau's programs. --6th Hearing-Possible amendments, substitute & vote

Senate Rules & Reference

(Chr. [Obhof, L.](#), (614) 466-7505), Majority Conf. Rm., 11:00 am

House Agriculture & Rural Development

(Chr. [Hill, B.](#), (614) 644-6014), Rm. 018, 11:00 am

HB 62

WATER QUALITY ([PATTERSON, J.](#), [SHEEHY, M.](#))

To require the Director of Agriculture to adopt rules establishing the Ohio Water Quality Improvement Program, to exempt land enrolled in the Program from taxation, and to reimburse local taxing units for revenue lost due to that exemption. --1st Hearing-Sponsor

HB 175

LIVESTOCK OWNERSHIP ([BRINKMAN, T.](#))

To allow an owner of residential property to keep, harbor, breed, or maintain small livestock on the property, and to prohibit zoning authorities from regulating certain agricultural activities conducted on residential property for noncommercial purposes. --1st Hearing-Sponsor

Senate Session

(Chr. [Obhof, L.](#), (614) 466-4900), Senate Chamber, 1:30 pm

House Session

(Chr. [Rosenberger, C.](#), (614) 466-3357), House Chamber, 1:30 pm

Senate Finance: Primary & Secondary Education Sub.

(Chr. [Hite, C.](#), (614) 466-8150), Finance Hearing Rm., 2:30 pm or after session

Informal budget hearing

House Armed Services, Veterans Affairs & Homeland Security

(Chr. [Johnson, T.](#), (614) 466-2124), Rm. 116, 4:00 pm or after session

HB 158

MILITARY TRANSFERS ([PERALES, R.](#), [CRAIG, H.](#))

To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits. --1st Hearing-Sponsor

THURSDAY, MAY 11

Senate Finance: Health & Medicaid Sub.

(Chr. [Hackett, B.](#), (614) 466-3780), South Hearing Rm., 10:00 am

Invited testimony from Department of Medicaid

Public testimony on mental health, developmental disabilities, Medicaid and board consolidation.