



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

September 1, 2017

MCO revenue replacement

Wednesday's discussion on the MCO revenue replacement issue and possible alternate solutions was positive; however, specific details on how to address the matter are still to be addressed.



The meeting was led by Senator Matt Dolan (R-Chagrin Falls), along with Senator Scott Oeslager (R-North Canton) and Representative Ryan Smith (R-Bidwell). Attendees included representatives from the Administration, the County Commissioners Association of Ohio and the Transit Authorities. Attending with CCAO staff were Shelby County Commissioner Julie Ehemann, Morrow County Commissioner Tom Whiston and Wayne County Commissioner Ron Amstutz.

There was a recognition by everyone that the \$207 million annual revenue stream that counties and transits have lost is a problem that needs to be addressed. And, there is a willingness to explore options. This was progress since the Administration had been reluctant to explore options other than their original one-time allocation of transition money (distributed in two payments to counties and transits), and their other proposal of raising the severance tax to assist locals, which probably would not garner the necessary legislative support to pass.

The Administration along with CCAO put ideas on the table on how revenue could be found or generated, and we're going to take the next few days to continue to look at those options.

The group identified four questions that need to be answered for the next meeting:

- What is the target dollar amount to help counties and transits with this \$207 million annual revenue stream loss?
- How long would that revenue replacement last?
- How would it be distributed?
- Where are the funds coming from?

“When you’re trying to figure out how to solve it, you have to figure out where you’re getting the money,” Representative Ryan Smith said to a *Columbus Dispatch* reporter.

Participants in the meeting this week said there were positive discussions, but no hard decisions were made.

“I hope we create a path toward agreement, but we’re not there yet,” said Senator Matt Dolan, who led the meeting. “At the end of the day, everyone is going to have to evaluate the risk factor and recognize that something is better than nothing.”

Lawmakers, including Senator Dolan, crafted a budget provision asking the federal government’s permission to charge a higher franchise fee on Medicaid services, raising money to reimburse counties for five years. Kasich vetoed the measure, but the House voted to override his veto.

Senate President Larry Obhof, (R-Medina), said to the reporter that the Senate held off on an override vote to allow time for the administration, commissioners and lawmakers to work out an agreement.

“We’ll see if there’s anything we can come up with,” he said. “If there isn’t, then we’ll decide what to do with the potential override.”

Senator Obhof said he is not a fan of the franchise-fee proposal in the budget and likely won’t vote for the override. But if a significant majority of the caucus wants an override vote, he said, he would allow it.

Senate Republicans, he said, do not share the administration’s concern that asking to increase the waiver would jeopardize the franchise fee the state already was given.

“I would like to see some significant progress and proof that both sides are actually trying to work toward a common solution,” he said before this week’s meeting. “I wouldn’t feel particularly comfortable if I was the counties or the governor rolling the dice on this.”

There are plans for this workgroup to get back together early next week to help fill in the details on those questions listed above.



ACTION ITEM: Continue to reach out to your Senator(s) about the need for a solution to this lost revenue. We must keep this issue at the forefront as negotiations continue.

Infrastructure funding continues to be explored

Various stakeholders got together this week to continue to explore possible options for additional infrastructure funding for roads and bridges as well as water and sewer operations. Different strategies were discussed, and the most important key among all of them is being able to explain why more funds are needed and what is not being addressed with current resources and authority.

According to the County Engineers Association of Ohio (CEAO), approximately 5,400 county bridges are rated as structurally deficient or functionally obsolete. 1,200 bridges have reduced load limits, and 79 bridges are closed.

Ohio's infrastructure has a huge impact on economic development and quality of life. The adequacy of infrastructure funding for our highway transportation system and our local utility infrastructure needs to be revised.

Historically, Ohio has met its transportation needs with motor vehicle fuel (gas) taxes and motor vehicle license fees. Ohio counties rely on an equal share of gas taxes to each county as well as a formula for distribution of motor vehicle license taxes to provide stable funding for county highway improvements. While the combination of gas taxes and license fees has worked well for Ohio's counties and the state, inflationary increases in the cost of construction has effectively reduced the buying power of user fee dollars to make necessary improvements to county roads and bridges.



The state last adjusted the motor vehicle fuel tax in 2005 (2 cents in each of 2003, 2004 and 2005), and last adjusted the state motor vehicle license fee for the benefit of local governments in 1980.

Earlier this year the state took action, which last was done in 1987, to grant counties an additional \$5 permissive local motor vehicle license fee authority. This additional grant of authority took effect June 30, 2017, however, the earliest any resolution enacting the tax may be adopted would be between the effective date of the bill and July 1, 2018 to begin collection in calendar year 2019. The reason for the timing is existing law requires any resolution enacting the tax to be "certified to the registrar of motor vehicles not later than the first day of July of the year preceding that in which such registration year begins."

The procedure for adopting the permissive motor vehicle license fee entails the adoption of a resolution of the board of county commissioners following two public notices and two public hearings on the question of the county MVL fee. The county MVL fee is subject to a potential referendum on the question of enacting the fee under the same statutory requirements as other county resolutions subject to the referendum law.

The new county MVL authority is not contingent upon any particular county having previously enacted any of the three existing motor vehicle license taxes. All of the revenue raised under the new county MVL authority is distributed to the county and may be used for any of the purposes specified in the law.

It should be stressed that the additional permissive county MVL authority is a helpful option for counties wishing to supplement existing resources dedicated to county highway infrastructure, but is only one component to a more comprehensive solution of addressing the need for revisions to the overall funding mechanisms for highway infrastructure. Inflation in the cost of road repair and the decline in gas tax receipts due to alternative fuel and hybrid vehicles are just two of the many reasons why a wide ranging and comprehensive solution to highway infrastructure must be undertaken.

For additional information regarding highway infrastructure issues please contact either Brad Cole or Cheryl Subler of the CCAO staff at bcole@ccao.org or csubler@ccao.org respectively.

New opioid rules go into effect

New guidelines for prescribing opioids for acute pain went into effect Aug. 31, according to the State Board of Pharmacy. This comes on the heels of a new [report](#) from Ohio Department of Health that shows the number of overdose deaths in Ohio continued to climb in 2016, rising to 4,050 from 3,050 in 2015 – mostly due to the influx of drugs like fentanyl and carfentanil.

The new limits for prescriptions (excluding opioids for treatment of chronic pain) limit prescriptions for adults to no more than seven days, prescriptions for minors to no more than five days, with exceptions only if a specific reason is provided on the patient's medical record.

The dosage for acute pain cannot exceed an average of 30 morphine-equivalent doses per day. The rules don't apply to opioids for cancer, palliative care, end-of-life or hospice care, or medication-assisted treatment for addiction.

Another set of similar rules, which requires prescribers to indicate the diagnosis code when writing an opioid prescription, is set to take effect toward the end of the year.



Chief Justice Addresses Ohio Judges



Chief Justice O'Connor

Ohio Supreme Court Chief Justice Maureen O'Connor gave her annual [State of the Judiciary address](#) at the annual meeting of the Ohio Judicial Conference this week. The Chief highlighted her concerns regarding fines, fees and the need for bail reform. She said the failure of courts to levy appropriate financial sanctions raises concerns about due process and equal protection. She also said the system as currently constituted undermines public confidence in the judiciary.

"The courts must never be considered an ATM for local government funding," she said.

The Chief also lent her support for a review of judicial caseloads to better paint a picture of how the system operates in Ohio. The study would not be conducted with the intent to shrink the judiciary, but rather to gather hard data that could be presented to the public to demonstrate how much work judges do both inside and outside of the courtroom.

Since 2007, caseloads in Ohio have fallen by 2% each year. However, while caseloads have decreased in recent years, judges are working harder than ever before because they wear many hats. Increasingly, judges are forced to spend more time dealing with administrative matters, working with fellow government officials and the public according to O'Connor. The Chief attributed a part of this workload increase to the opioid crisis which the judiciary must continue to play a major role in combatting.

In light of the recent attack on an Ohio common pleas court judge O'Connor urged judges across Ohio to take steps to make sure they and their families are safe and reminded them that the high court can conduct security audits of their courthouses. "This incident reminds us of the very real potential of violence that each of us could face simply for carrying out our duties as members of the judiciary," the Chief noted.

BCMh workgroup

During the budget process, questions about the sustainability of the Bureau for Children with Medical Handicaps (BCMh) were raised. The Administration put forward a proposal that would have moved the program from the Department of Health to the Department of Medicaid, eventually eliminating the need for county resources to support the program. That plan was removed from the budget due to a strong outcry from advocates but concerns about this important program remain.

Because of this concern, Representatives Mark Romanchuk, Sarah LaTourette and Senator Bob Hackett have called together a working group to meet and provide guidance on what changes can be made to ensure the stability of the program. CCAO staff is attending the meetings and got a good overview of the costs associated with the program this week. At the next meeting we will begin to discuss what kinds of efficiencies can be put in place to bolster the program for the future.

If you have questions, please contact [Kate Neithammer](#) at 614-221-5627.

Bills Introduced



SB 183

BUSINESS COURTS (LAROSE, F.)

To create the Joint Committee to Study Ohio Business Courts.

SB 184

WIND SETBACKS (SKINDELL, M.)

To alter the minimum setback requirement for wind farms of five or more megawatts.

Hearing Schedule



TUESDAY, SEPTEMBER 5

Senate Government Oversight & Reform

(Chr. [Coley, B.](#), (614) 466-8072), Finance Hearing Rm., 2:30 pm

HB 31

GOVERNMENT CONTRACTING ([CUPP, R.](#))

To abolish the Government Contracting Advisory Council. --2nd Hearing-Proponent

SB 139

LEGAL MATERIALS ([SKINDELL, M.](#), [EKLUND, J.](#))

To adopt the Uniform Electronic Legal Material Act. --2nd Hearing-Proponent

SB 144

DISABILITIES COUNCIL ([BURKE, D.](#))

To abolish the Opportunities for Ohioans with Disabilities Commission, Consumer Advisory Committee, and Governor's Council on People with Disabilities and to establish a state rehabilitation services council known as the Opportunities for Ohioans with Disabilities Council. --2nd Hearing-Proponent-Possible amendments

SB 163

COUNTY INVESTMENTS ([WILSON, S.](#))

To modify the qualifications regarding notes eligible for investment of county inactive moneys. --2nd Hearing-Proponent

WEDNESDAY, SEPTEMBER 6

Senate Ways & Means

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

SB 147

RURAL JOBS ([HITE, C.](#))

To enact the "Ohio Rural Jobs Act" which authorizes a nonrefundable tax credit for insurance companies that invest in rural business growth funds, which are certified to provide capital to rural and agricultural businesses. --1st Hearing-Sponsor

HB 69

TIF DISTRICTS ([CUPP, R.](#))

To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district. --1st Hearing-Sponsor

Senate Transportation, Commerce & Workforce

(Chr. [LaRose, F.](#), (614) 466-4823), South Hearing Rm., 9:30 am

SR 175

HYPERLOOP ([BACON, K.](#), [KUNZE, S.](#))

To express support for the Hyperloop Transportation Initiative. --1st Hearing-All testimony-Possible vote

HB 10

CROWDFUNDING ([ARNDT, S.](#))

To permit intrastate equity crowdfunding under certain circumstances. --1st Hearing-Sponsor

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. --1st Hearing-Sponsor

Senate Finance

(Chr. [Oelslager, S.](#), (614) 466-0626), Finance Hearing Rm., 10:00 am

HB 54

REVENUE OBLIGATIONS ([BLESSING, L.](#), [GAVARONE, T.](#))

To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those qualifying entities. --1st Hearing-Sponsor

SB 112

INFRASTRUCTURE FUND ([SCHIAVONI, J.](#))

To establish the green infrastructure fund and to make an appropriation. --1st Hearing-Sponsor

SJR 4

WATER SEWER BONDS ([SCHIAVONI, J.](#))

Proposing to enact Section 2t of Article VIII of the Constitution of the State of Ohio to permit the issuance of general obligation bonds to fund sewer and water capital improvements. --1st Hearing-Sponsor

WEDNESDAY, SEPTEMBER 6

Senate Session

(Chr. [Obhof, L.](#), (614) 466-4900), Senate Chamber, 11:00 am

TUESDAY, SEPTEMBER 12

House Session

(Chr. [Rosenberger, C.](#), [\(614\) 466-3357](#)), House Chamber, 11:00 am

- If needed

WEDNESDAY, SEPTEMBER 13

House Session

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

MONDAY, SEPTEMBER 18

Joint Committee on Agency Rule Review

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