County Commissioners Association of Ohio

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April 26, 2017

Before the Ohio House Finance Committee
Testimony on Sub. HB 49 – Biennial Budget

Honorable Ron Amstutz, Wayne County Commissioner

Good morning, Chairman Smith, Vice Chair Ryan, Ranking Member Cera and members of the House Finance Committee. I'm Ron Amstutz -- Wayne County Commissioner and I come before you wearing that hat, and on behalf of the County Commissioners Association of Ohio. I appreciate the opportunity to testify today on the substitute bill this committee brought forward yesterday.

On March 30 Shelby County Commissioner Julie Ehemann, currently serving as CCAO's Second Vice President, came before this committee in response to the executive budget recommendation on several matters, including how we address a federal Center for Medicare and Medicaid Services (CMS) directive that Ohio cannot continue the method by which we have been applying state and local sales taxes on the premiums of Medicaid Managed Care Organizations (MCO's.)

It is on that issue that I stand before you again today. We very much appreciate the concerted efforts to respond to our request to develop an alternative path that achieves a stable path forward for both the state and its county partners – efforts that we've noted coming from a range of house members both inside and outside leadership and in both caucuses.

However, we are still looking for an improved provision on this issue.

The goal is not complicated – to find a path forward to keep all parties whole, providing an even-handed approach for both state and county partners – no revenue losses and no tax increases.

But we all know that the simple goal does not come with a simple solution. There are competing pressure points that complicate decisions in crafting a workable policy construct. Some of those include: the degree to which we must comply with federal restrictions – especially credits that help us get to no net tax or assessment increases, advantages and disadvantages continuing the sales tax vs. using an assessment, and the desire to achieve a policy package that is palatable to you and the administration as policy-makers.

In our county, for example our General Fund revenues, dipped like every ones and then began to gradually recover, so that from 2007 through 2015 our total revenue growth across eight full years was a net total of 1 percent. Last year was another recovery year so that our nine-year net growth has been 3.6 percent. And we have the same revenue storm clouds over us thus far in this calendar year that the state -- meaning this committee -- is currently facing.

Our county cannot afford to lose the estimated $800,000 in sales tax revenue that is projected not many months into what was proposed in the administration's budget. Such a loss would put us at below what our revenues were 9 years ago. And we are an average county. A number of the lower wealth counties that are more dependent on their health care sector would be hurt more severely.

That said, we appreciate that you continue to struggle with these competing dynamics and we pledge to continue working with you toward achieving a revision here in the House that takes a strong stance for both the state and counties while also showing strong plausibility in passing federal scrutiny.