



STATEHOUSE REPORT

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January 13, 2017

Governor Kasich opens up about MCO sales tax solutions



Governor Kasich spoke about the future in a press conference held in Columbus yesterday. Among the issues he discussed was the loss of Ohio's Medicaid managed care sales tax, which is projected to cause an annual \$200 million sales tax loss for counties and local transit authorities and a \$500 million loss for the state.

The Governor's budget, slated to be released at the end of January, will propose a solution to address the state's loss but will not include a permanent solution for the loss that counties and transit authorities face.

When asked about the implications this loss will have for counties the Governor said, "First of all we have to keep this in perspective because you didn't even have that revenue until about seven years ago."

He went on to say, "We're going to have a program that will ween you off this based on your ability to absorb some of this loss." He didn't give any additional details about what the proposal will look like or how long the phase down will be.

He ended his comments on the MCO sales tax issue by voicing frustration about the state of some local budgets, saying "I am always amazed at local governments that run surpluses or give out pay raises when they say they don't have any money. Either you have a budget problem or you don't. Either you have a surplus or you don't."

Budget director Tim Keen offered remarks after the presentation. "We have said all along that the reliance of many counties and transit authorities is too great for them to just lose this money all at once," he said. He went on to say that the proposal will provide some resources to help locals transition away from the revenue that will be lost, but he did not give any specifics about the plan.

CCAO is looking forward to the detailed proposal that will be released at the end of this month. The comments from yesterday's press conference appear to indicate that there will be disparate treatment when it comes to solving the state's loss versus the county/transit authority loss. We

encourage all our members to review your budgets and be prepared to discuss the Governor's comments regarding pay raises and surpluses with your legislators.

You can read an article about yesterday's event in the [Toledo Blade](#). A video of the Governor's speech is available on the [Ohio Channel](#). His comments regarding the MCO sales tax begin at 59:58.

If you have questions on the Medicaid MCO sales tax, please contact CCAO staffers [Brad Cole](#) at 614-220-7981 or [Kate Neithammer](#) at 614-220-7996

CCAO Legislative Priorities 2017-2018

Replace revenue lost from the removal of the Medicaid Managed Care Organization (MCO) sales tax:

In SFY 2019, the county and transit authority portion of the Medicaid MCO tax was predicted to yield \$200 million. As such, the elimination of the Medicaid MCO sales tax creates significant fiscal problems for counties. A solution is needed.

Address mounting pressures on counties caused by the opiate epidemic:

The opiate epidemic poses poignant challenges to counties in two key areas: **1)** In Child protective services (CPS), which has seen an increase in the number of children in custody due to parental addiction; **2)** In Justice and public safety services, which are being strained by the spike in addicted individuals going to county jails, which precipitates further strain through new risks and expenses.

Partner with counties to replace voting equipment and fund indigent defense:

Ohio's voting equipment, mostly purchased in 2005 and 2006, is nearing the end of its lifespan. Following Ohio's procurement of electronic poll books, a combined effort among CCAO, Ohio Association of Elections Officials, Secretary of State's office and Department of Administrative Services (DAS), has developed a proposal for voting equipment replacement.

CCAO aims to secure a minimum state-to-county reimbursement rate of 50 percent for indigent defense, to provide full reimbursement for death penalty cases, and to continue researching system reforms to assist counties in carrying out the state's constitutionally mandated obligation.

Legislative committees for 132nd General Assembly

Speaker Rosenberger (R-Clarksville) announced the list of committees and the legislators who will lead them in the 132nd General Assembly. The new list shows 21 standing committees and includes a new Aging and Long Term Care Committee and a Federalism and Interstate Relations Committee. The Judiciary Committee was split into two to allow them to focus separately on criminal and civil justice issues. Rep. Ryan Smith (R-Bidwell) will continue to lead the Finance Committee with Rep. Scott Ryan (R-Granville Township) serving as Vice chair. Full committee memberships will be unveiled later this month.



House committee list and chairs:

Agriculture & Rural Development

Chair: Rep. Brian Hill (R-Zanesville)
Vice chair: Rep. Kyle Koehler (R-Springfield)

Armed Services, Veterans Affairs and Homeland Security

Chair: Rep. Terry Johnson (R-McDermott)
Vice chair: Rep. Laura Lanese (R-Grove City)

Aging and Long Term Care

Chair: Rep. Steven Arndt (R-Port Clinton)
Vice chair: Rep. Dorothy Pelanda (R-Marysville)

Civil Justice

Chair: Rep. Jim Butler (R-Oakwood)
Vice chair: Rep. Jim Hughes (R-Upper Arlington)

Community & Family Advancement

Chair: Rep. Tim Ginter (R-Salem)
Vice chair: Rep. Margy Condit (R-Liberty Township)

Community & Family Advancement Subcommittee

Minority Affairs: Chair to be determined

Criminal Justice

Chair: Rep. Nathan Manning (R-North Ridgeville)
Vice chair: Rep. Jeff Rezabek (R-Clayton)

Economic Development, Commerce & Labor

Chair: Rep. Ron Young (R-Leroy Township)
Vice chair: Rep. Anthony DeVitis (R-Green)

Education & Career Readiness

Chair: Rep. Andrew Brenner (R-Powell)
Vice chair: Rep. Marilyn Slaby (R-Copley)

Energy & Natural Resources

Chair: Rep. Al Landis (R-Dover)
Vice chair: Rep. Christina Hagan (R-Alliance)

Federalism & Interstate Relations

Chair: Rep. Kristina Roegner (R-Hudson)
Vice chair: Rep. Scott Lipps (R-Franklin)

Finance

Chair: Rep. Ryan Smith (R-Bidwell)
Vice chair: Rep. Scott Ryan (R-Granville Township)

Finance subcommittees

Agriculture, Development and Natural Resources (Chair: Rep. Andy Thompson, R-Marietta)

Health and Human Services (Chair: Rep. Mark Romanchuk, R-Mansfield)

Higher Education (Chair: Rep. Rick Perales, R-Beavercreek)

Transportation (Chair: Rep. Rob McColley, R-Napoleon)

Primary and Secondary Education (Chair: Rep. Bob Cupp, R-Lima)

State Government & Agency Review (Chair: Rep. Keith Faber, R-Celina)

Financial Institutions, Housing and Urban Development

Chair: Rep. Jonathan Dever (R-Madeira)
Vice chair: Rep. Robert Sprague (R-Findlay)

Government Accountability & Oversight

Chair: Rep. Bill Blessing (R-Colerain Township)
Vice chair: Rep. Bill Reineke (R-Tiffin)

Health

Chair: Rep. Steve Huffman (R-Tipp City)
Vice chair: Rep. Theresa Gavarone (R-Bowling Green)

Higher Education & Workforce Development

Chair: Rep. Mike Duffey (R-Worthington)
Vice chair: Rep. Niraj Antani (R-Miamisburg)

Insurance

Chair: Rep. Tom Brinkman (R-Mt. Lookout)
Vice chair: Rep. Mike Henne (R-Clayton)

Public Utilities

Chair: Rep. Bill Seitz (R-Cincinnati)

Vice chair: Rep. Rick Carfagna (R-Genoa Township)

Rules & Reference

Chair: Speaker Clifford A. Rosenberger (R-Clarksville)

Vice chair: Rep. Kirk Schuring (R-Canton)

State & Local Government

Chair: Rep. Marlene Anielski (R-Walton Hills)

Vice chair: Rep. Stephen Hambley (R-Brunswick)

Transportation & Public Safety

Chair: Rep. Doug Green (R-Mt. Orab)

Vice chair: Rep. Dave Greenspan (R-Westlake)

Ways & Means

Chair: Rep. Tim Schaffer (R-Lancaster)

Vice chair: Rep. Gary Scherer (R-Circleville)

