Ohio’s Grace Commission hears of state agency efficiencies

Ohio Auditor of State Dave Yost testified this week before the Grace Commission, the panel charged with reviewing state expenditures, about his office’s performance audit section and the savings that have been identified through the state agency performance audits which have been conducted. Mr. Yost told commission members his office has conducted state agency performance audits for the Departments of transportation, education, natural resources, rehabilitation and corrections, job and family services; the Ohio Housing Finance Agency; and the Ohio Environmental Protection Agencies. Those audits have identified nearly $96 million in potential savings along with a return on investment of $33 for every dollar spent. Current audits are underway at the Department of Health, the Bureau of Workers’ Compensation, and again at the Department of Transportation. The Auditor’s office performance team has also conducted performance audits of local governments and school districts. The Auditor noted that those audits have identified $114 million in potential savings.
Yost urged the state to more deeply explore how best to root out duplication of services among state agencies and suggested that the commission study what services are being duplicated across state agencies and identify where savings could be achieved by sharing services amongst the entities.

Commission member Alex Fischer asked what the success rate is for agencies embracing the recommendations Mr. Yost's office makes in those audits. The auditor replied that he's not aware of any situation in which the audits' recommendations were blatantly ignored. "The good news is we don't have any of these audits that have sat around collecting dust," he said. "In the worst instance, at least half the work has been done."

Rep. Kirk Schuring questioned how the office focuses on long term efficiency goals during the audits. When asked about whether there is an ideal ratio between administrative costs and services rendered, Mr. Yost replied it depends on the nature of the agency in question. "I don't know there's a one size fits all metric we can apply for all governments," Mr. Yost said.

The Department of Administrative Services also testified before the committee regarding its Lean Ohio program. Since 2011 the program has resulted in a 67% reduction in process steps and a 68% shorter process time among government agencies; elimination of 96% of backlogs; the identification of nearly 950,000 labor hours that are now being redirected to new or additional work; and recommendations that could result in potential savings of $156 million since 2011.

The Lean Ohio team consists of eight people tasked with streamlining processes for 450,000 state employees. Its training program has already trained 700 state employees in various levels of the program and is striving to embed lean thinking at all levels of state government.

**Multi-System Youth Task Force tackles continuum of care**

This week’s multi-system youth committee meeting highlighted how difficult it is for families to navigate the many providers that their children need.

Dr. Rick Shepler and Dr. Patrick Kanary, from the Begun Center for Violence Prevention Research and Education, shared a continuum of care model and stressed the importance of giving kids a combination of treatment and social activities. For a lot of these kids, the social activities are lacking because of funding and behavioral issues.

Jane Whyde, executive director of the Franklin County Family and Children First Council (FCFC), shared the role FCFCs play in helping to support parents who have to deal with multiple systems. She described one mother who was juggling appointments and care plans for 20 different providers. Whyde went on to explain that the main goal of the local FCFC is to engage all the support systems in the community to develop one plan, which is a collaboration and is unique to that individual, so parents don’t have to feel so overwhelmed. The conversation ended once again on funding, when Vice Chair LaTourette said that even her county seemed to do a great job offering services with the funding it had. Whyde responded that different counties are able to fund services at different rates, because of access to shared
services or private funding, adding that the level of poverty in a county can affect how rich the levy system might be and what that money might be used for.

If you would like to know more, please contact CCAO Policy Analyst Kate Neithammer at 614-220-7996 or kneithammer@ccao.org.

House Medicinal Marijuana Task Force gains insight on other states’ regulatory efforts

Members of a House panel examining medical marijuana heard Thursday about the problems and successes of other states’ legalized systems. Ted Bibart, a legislative analyst at Benesch Law, gave members of the House Medicinal Marijuana Task Force a detailed analysis of some of the questions they’ve been asking over the past few meetings noting that much of the work to address the issues that have been posed has been resolved by other states. Patient access, dispensary regulation and employer-employee relationships were among the major issues that have been raised by the committee, Mr. Bibart said, and Ohio should use the experience of other states as an example. In terms of patient access, Bibart outlined how two different states define what patients can qualify for medical marijuana. In Arizona, he said, there’s a specific list of conditions for which a doctor can allow a patient to use marijuana. In Nevada, the physicians are given more freedom to prescribe it. Both situations can be well-regulated according to Bibart, who indicated that when reviewing the actual statutory language what would be viewed as more lax or open to giving the physician autonomy doesn’t lead to there being a flood of more patients. Both states require patients and prescribers to maintain an ongoing relationship in order to improve regulation and combat abuse.

Former Attorney General Betty Montgomery said it was important to make sure patients are actually getting the marijuana on medical advice. Montgomery stress the need to confirm a medical relationship between the person and the doctor. The physician-patient relationship and the broader autonomy have proven to be better than legislators deciding what conditions would qualify for the prescription of medical marijuana. Addressing questions of regulations, Mr. Bibart indicated that the states that have seen more success seem to be ones where the licensing fees are relatively low but the regulations are tough.

James Thorburn, a Colorado attorney who came to Columbus to testify, said the licensing fees are very low in his state, introducing more competition and keeping growers and dispensaries from having to pass those costs along to patients. Thorburn noted that just about anybody who is interested in getting into the business can get in which has resulted in about 80% of the companies in the industry being small businesses. James Marty, an accountant from Denver, said it was important to allow individuals who are certified to have medical marijuana to grow small amounts of their own. Colorado allows individuals and their caretakers to grow up to six plants for personal use. Marty suggested that this acts as a brake on the market that entrepreneurs can’t charge too much and local governments can’t tax it so much that it’ll drive people back to the black market. Marty also addressed concerns with banking, as many national banks don’t work with marijuana businesses because it remains illegal under federal law. Many of his clients in the marijuana industry do receive banking, just from smaller banks. About a dozen banks in Colorado are openly providing services to the industry, he said. While the
companies are able to receive banking services, most of the customers prefer the privacy of paying in cash and he believes that it will always be a cash business at the consumer level.

Legislators potentially headed for commissioner seats

Five current legislators won their primary elections for a county commission seat on Tuesday. Representatives Kevin Boyce (D-Columbus), Denise Driehaus (D-Cincinnati) and Stephen Slesnick (D-Canton) each won primary contests and will move on to general election battles. Rep. Terry Booze (R-Norwalk) was unopposed for the GOP nomination for Huron County Commissioner, a post he previously held. Sen. Shannon Jones (R-Springboro) was unopposed in her bid to fill a seat on the Warren County Board of Commissioners and also has no opposition in the general election. She will forego the remaining two years on her term and set the stage for Senate Republicans to appoint her successor in the 7th Senate District.

We look forward to the potential opportunity of having these legislators bring their expertise and state legislative background to count government.

Local levies by and large, successful

A majority of school, library and social service issues on Tuesday's ballot won the support of voters. Levies benefiting senior citizen services made a sweep, with all six issues passing, according to unofficial results. The sole mental health levy in the state was also strongly supported by Butler County voters. A 4.8-mill health and human services levy in Cuyahoga County that encompasses children, senior, and mental health services got the thumbs-up as well. All but one developmental disabilities levy was successful. Marion County's ask for an additional 1.75 mills for five years fell short with just about 41% of the vote in favor, according to the unofficial tally. Libraries also continued to receive wide support from voters on Tuesday. All but two of the 15 issues were approved. The pair of failing levies were the only ones seeking new money in the bunch. Among the losers was Louisville Public Library in Stark County, which was making a second consecutive attempt at a new 0.9-mill levy to expand its operations. A 1.8-mill, 34-year bond issue for the Wright Memorial Public Library in Montgomery County also failed by just a 34-vote margin, according to the unofficial result.

With significantly more issues on the ballot than other entities, school districts asking for levy or bond renewals saw a smaller - although still high - rate of success. Of the 68 issues on the ballot, 52 passed. Five of 40 renewals failed, which is slightly higher than in year's past. Voters were split on issues requesting new money with 11 failing and 12 passing.
Overview of grant money available to counties. This is a reminder to check the overview of grant money available to counties which has been compiled by CCAO to list all of the timely grant opportunities available to counties. Here’s a list of the programs and deadlines:

- **Safety Capital Grant** – deadline March 21
- **Local Government Innovation Council:**
  - Local Government Innovation – deadline March 21
  - The Local Government Efficiency Program – deadline May 15
- **Community-Police Relations** – deadline March 31
- **Abandoned Gas Station Cleanup** – deadline April 1
- **Hazard Mitigation Assistance** – deadline April 29
- **Healthier Buckeye Pilot Program** – deadline May 3
- **Agricultural Society Facilities** – deadline July 1
- **Electronic Pollbook Purchase-State Match** – deadline May 31, 2017

**Bills Introduced**

**SB 296**  
**VOTING HOURS (Seitz, B.)** To specify the conditions under which a court may order that a polling place be kept open for extended hours on the day of an election and to require a person who votes pursuant to such an order to cast a provisional ballot. Am. 3501.17, 3501.28, 3501.32, 3505.18, 3505.181, 3505.182, and 3505.183 and to enact sections 2505.40 and 3501.321

**HB 491**  
**TRADE ZONES (Anielski, M.)** To establish a five-year pilot program whereby taxpayers with facilities in this state with activated foreign trade zone status may claim a nonrefundable commercial activity tax credit equal to the amount redeployed by the taxpayer to job creation or other specified projects. Am. 5751.98 and to enact section 5751.15

**Hearing Schedule**

**Monday, March 21**

*Joint Committee on Agency Rule Review (Committee Record)*, (Chr. Uecker, J., 466-4086), Senate Finance Hearing Rm., 1:30 pm

**Thursday, March 24**

*Joint Medicaid Oversight Committee (Committee Record)*, (Chr. Burke, D., 466-1731), Senate Finance Hearing Rm, 10:00 am

Medicaid Budget Update, Review of Medicaid Cost Drivers & Next Budget Process from Susan Ackerman & Gregory Craig, JMOC