



STATEHOUSE REPORT

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Budget Alert !!

The House will make major decisions next week regarding what its version of the state budget (HB 49) will look like. County government priorities hang in the balance.

It is critically important that members of the Ohio House hear from you now. We strongly urge you to personally talk to your House members to ensure that they know your position on the key budget issues that affect counties.

A substitute bill that includes their changes is tentatively scheduled to be presented to the full House Finance Committee on Monday April 24th. This substitute bill will be considered by the Finance Committee during the week of the 24th, followed by a final omnibus amendment made to the bill before it is reported from the Committee. The House vote on HB 49, the biennial State Budget Bill, is expected before May 5th.



AMENDMENTS ADDRESSING CCAO'S FOUR MAIN BUDGET PRIORITIES

Medicaid MCO Sales Tax – There have been multiple proposals submitted for consideration that are designed to address local revenue losses from the elimination of this tax. **CCAO asks that you convey our position that the state must completely and permanently replace the revenue lost from the elimination of the sales tax on Medicaid Managed Care Organizations.**

Indigent Defense – Reps Steve Arndt and Michael O'Brien (both former county commissioners) have submitted an amendment (HC0492X1) – supported by 60 cosponsors - that would:

- Require the state to provide 50% reimbursement to counties for indigent defense expenses as well as change the statute to mandate that the state shall reimburse at the specified percentage rather than through proportional reduction.

- Reimburse counties 100% of their costs for capital cases.
- Appropriate the necessary additional funding - \$14.1 million in FY 2018 and \$15.8 million in FY 2019

Voting Equipment – Rep. Arndt and Rep. John Patterson, along with several other supporters, submitted an amendment (HC1187X3) that would:

- Provide \$7 million to partially reimburse counties that have obtained new voting equipment since Jan 1, 2014. Reimbursement will be for 85% of their acquisition costs and is to be paid to county general fund.
- Provide a statement of intent that the General Assembly plans to provide additional funding to counties for voting machines and associated services and equipment for purchases, leases, or reimbursements by FY 19.

Opiate Epidemic –

- **Support to county jails:** Rep. Scott Ryan has submitted an amendment that establishes and funds a behavioral health triage program that establishes 6 mental health crisis centers and 9 acute substance use disorder stabilization centers to provide withdrawal management and provide direct client services to jail inmates (HC0487X2).

Rep. Doug Green has submitted an amendment which provides reimbursement to the counties for the cost of psychotropic drugs dispensed to inmates of county jails (HC1481).

- **Additional funding for child protective services:** Multiple legislators have submitted amendments to that would increase the state’s investment in child protection at varying levels of funding.

OTHER IMPORTANT AMENDMENTS:

Local Government Funds – Rep. Mike Duffey submitted a proposal to remove the governor’s plan to re-distribute these funds. This amendment (HC0482) is supported by CCAO, the Ohio Municipal League and the Ohio Township Association.

DRC’s Felony 5 Proposal – Rep. Rob McColley, the chair of the House Finance Subcommittee reviewing corrections issues, has provided us with his amendment to modify the Felony 5 proposal. **The amendment (HC1191X4) does not eliminate the mandate that all counties must participate in the program beginning in July 2019. Please ask that the amendment include the elimination of the mandate.**

MARCS Radio System Subsidy - Several House members, including Rep. Kirk Schuring, have indicated their interest in offering an amendment to continue the current funding which subsidizes \$10 of the \$20 monthly per unit user fee that must be paid by political subdivisions who are a part of the MARCS radio system.

If you have questions on any of the amendments listed above, please call the CCAO policy team at 614-221-5627.

State leaders make grim budget announcement

In a Thursday news conference, where he was joined by Speaker of the House Cliff Rosenberger and Senate President Larry Obhof, Gov. John Kasich announced that the proposed FY18-19 budget (HB49) will be cut by \$400 million/year in response to the state's slow economic growth and weak revenues through this year's tax filing season.



The governor said tax receipts have been below expectations, and that the budget bill (HB 49) will have to be adjusted accordingly. He also said his plans for an overall net tax cut would likely fall by the wayside. Speaker Rosenberger and Senate President Obhof both said they are prepared to keep the budget balanced as it proceeds through both chambers and finally to conference committee.

Gov. Kasich said a sluggish economic recovery has slowed growth across the country, and that while Ohio has continued to add jobs, the job growth rate has not been as fast as it was a few years ago.

The governor also said he didn't think the additional budget cuts would have a serious effect on the state's ability to fight the drug crisis. Medicaid expansion, he said, has been the most important vehicle in combating that problem, and the main threat to that comes from Washington.

Director of Budget and Management Tim Keen said the state hasn't seen signs that businesses are restructuring to take advantage of recent tax code changes. He also cited the aging citizenry of the state as a possible factor, as higher-paid older workers are replaced with younger, cheaper labor. While tax revenues have been coming in below estimates, the state has continued an ongoing trend of spending less than it anticipated, particularly in the Medicaid program. Director Keen said that underspending has helped the state weather these problems, but that more challenges are ahead on the spending side of the ledger.

Democrats have blamed the slowdown in tax revenue on Republican policies, such as tax cuts, that now leave Ohio faced with a serious budget crisis. Gov. Kasich, however, said the tax cuts were a way of giving state money back to the people. Democrats have also called on the governor to use the state's rainy day fund, which is now at more than \$2 billion, to help ease the pain of cuts, but the governor said the state's rainy day fund won't be used to balance the budget.

As we hear more and more bleak news about Ohio's revenues, the opportunity for counties to see positive outcomes in this budget becomes more of a challenge. Please call your State Reps today and talk to them about why the amendments listed above are so important.

If you have questions, please call the CCAO policy team at 614-221-5627.

House will remove BCMH proposal from state budget



House Republican leaders officially announced Tuesday they intend to remove proposed changes to the Children with Medical Handicaps program from Gov. John Kasich's two-year budget plan and study it in separate legislation. The [proposal](#) would have moved the program from the Ohio Department of Health (ODH) to the Ohio Department of Medicaid, which would have gradually phased out the need for counties to devote financial resources to the program.

During the rollout of the proposal the administration voiced their concerns about the lack of sustainability for the program as it's currently designed, stating that the program consistently runs over budget. During committee hearings, families and advocates voiced concerns about the lower income eligibility level for new enrollees and the uncertainty the move would cause families who utilize the program.

Rep. Romanchuk, the chair of the sub-committee considering the proposal, said the state should be more deliberate in making a move like this, and that the legislature will consider ways to improve and stabilize the program after the budget process is over. "It's a big move, and it just needs to be done in a proper way" he said. For now, the House plans to leave the BCMH program as it is.

If you have questions, please contact CCAO staffer Kate Neithammer at 614-220-7996.

Bills Introduced



SB 130

FRANKLIN COUNTY COURT (TAVARES, C.)

To add two judges to the Domestic Relations Division of the Franklin County Court of Common Pleas to be elected in 2018.

HB 179

IMMIGRATION LAWS (KELLER, C.)

To require state and local authorities to cooperate with the federal government in the enforcement of immigration laws, to prohibit a local government that fails to do so from receiving certain state funds, to provide for the removal of officers of a local government that fails to do so, and to declare an emergency.

HB 180

EQUAL PAY ([CLYDE, K.](#), [HOWSE, S.](#))

To require a contractor or person submitting a bid or other proposal for a state contract or a business entity applying for a grant or other economic incentive from a state agency to obtain an equal pay certificate, to require state agencies and political subdivisions to establish a job evaluation system to identify and eliminate sex-based wage disparities among classes of employees, and to prohibit an employer from retaliating against an employee who discusses the employee's salary or wage rate with another employee.

HB 185

CAMPAIGN CONTRIBUTIONS ([HAMBLEY, S.](#))

To expand the scope of political contributions that qualify for the income tax credit for contributions to political campaigns to candidates for any state, county, municipal, or district office.