



# STATEHOUSE REPORT

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July 14, 2017

## Medicaid MCO sales tax: where we stand

Next week's Senate session dates scheduled to address the veto overrides passed by the House have been cancelled. We're hearing they may now reconvene at the end of August.



**That gives us more time to continue to talk to members of the Senate and let them know how important this issue is!**

The message is simple. Call your senator(s) and ask them to:

1. Assure that they will vote yes to override the MCO sales tax revenue replacement veto (#33)
2. Tell Senator Dolan and Senate leadership they are voting yes
3. Urge leadership to schedule a floor vote

[Senate Contact List](#)

**Additional materials to help you:**

[Key Talking Points](#)

[Q & A Reasons for supporting override of Governor's veto](#)

## State budget bill highlights

Governor Kasich signed the 2018-2019 state operating budget (Am Sub HB49) on June 30<sup>th</sup>, just minutes before the midnight deadline. As you know, this year's budget process was one for the ages, and CCAO staff is working to compile a comprehensive overview of all the items that will affect counties. In the interim, we've put together a short document that highlights some things that may interest you. CCAO's top priorities are listed below.

***Additional budget items that may interest you can be found [here](#).***

### **PLATFORM PRIORITIES:**

- **Replace revenue lost from the elimination of the Medicaid managed care organization (MCO) sales tax** – An amendment to HB 49 was accepted by both the House and the Senate that aimed at addressing counties and transit authorities' lost

revenue. It put a process in place to seek federal approval for resetting the franchise fee included in the Executive budget proposal to include revenue for locals, however the Governor vetoed the proposal. The House voted to override the veto last week, and we are now waiting to see if the Senate will do the same. With the Governor's veto still intact, HB 49 does not provide a replacement mechanism for local revenue losses once this sales tax ends. The Medicaid Local Sales Tax Transition Fund, meant to help counties and transit authorities transition away from this revenue stream, remains in the bill. On or before October 15, 2017 each county and transit authority that had a sales tax in effect as of January 1, 2017 must establish, by resolution, a county and transit authority Medicaid Sales Tax Transition Fund to receive distributions from the state. The payments will be received in 2 allotments - 50% of each county's total [transitional aid](#) amount on or before November 1, 2017 and 50% on or after January 1, 2018.

- **Growing pressures from the opiate epidemic on child protection and jails**

1. Child protection – CCAO advocated for an additional state investment of \$30 M per year for child protection. HB 49 provides an additional state GRF investment of \$15 M per year to children services agencies. \$100,000 will go to each county, with the remainder of the new investment being allocated based on the state child protection allocation formula.  
Section 307.110
2. County Jails – CCAO recommended \$12 M per year for ADAMH Boards to provide treatment in the jails, \$15 M per year for statewide mental health and addiction stabilization centers and \$4 M per year to reimburse county jails for psychotropic drug costs. HB 49 provides \$7 million per year to ADAMH Boards to provide treatment, \$1.5 million for mental health crisis stabilization centers and \$2.5 M per year to reimburse county jails for psychotropic drug costs.  
Section 5119.19, 337.110, 337.50

- **Partnership between Ohio and counties to replace voting equipment – CCAO** recognized that the replacement and funding of this equipment would need to be done over several years. We sought language that would provide some seed money and define how the partnership will be funded going forward, so counties could begin to plan accordingly. Coming out of conference committee, HB 49 provided a \$1 M capital appropriation to be used to reimburse counties that have entered into agreements for new voting equipment on or after January 1, 2014. This reimbursement would be for up to 50%, but not more than \$250,000, and the \$250,000 cap applied only to this specific appropriation. Unfortunately, the Governor vetoed this provision so there is no language in HB 49 that speaks to a state/county partnership on voting equipment. The veto expressed concerns that the capital dollars could not be used to reimburse counties that have already purchased equipment.

- **Partnership between Ohio and counties to fund indigent defense – CCAO** advocated for language that guaranteed 50% reimbursement for noncapital cases and 100% reimbursement for capital cases, however the indigent defense provisions were removed in conference committee. As it stands, HB 49 maintains the current 50% reimbursement for all cases subject to

Indigent defense reimbursement rates:	
SFY16	48%
SFY17	45% (projected)
Executive Budget	
SFY 18/19	40%
House/Senate Budget (enacted version)	
SFY18/19	44-45%
Could be less depending on the fees set for capital cases. <b>See breaking news below.</b>	

proportional reduction if the available appropriation is insufficient to cover 50% of the counties' costs. Based upon the level of funding, a 44-45% reimbursement rate is anticipated over the biennium. Further impacting the counties' indigent defense budgets will be the recent action of the Capital Case Attorney Fee Council (CCAFC). Legislation passed last year gives the CCAFC, comprised of five sitting judges of the courts of appeals, the unilateral power to establish the rate counties must pay for lawyers who represent defendants in capital (death penalty) cases. The Council has determined that the hourly rate effective September 25, 2017, will be \$125.00 per hour. Since most counties are currently paying in the \$60/\$75 per hour range, counties should anticipate their costs for indigent counsel in capital cases nearly doubling.

- Felony 5 offenders** - HB 49 proposed a new program, Targeting Community Alternatives to Prison (T-CAP), which required all counties to house offenders convicted of a non-violent, non-sex related, non-mandatory Felony 5 in the county jail rather than send these offenders to prison. This provision was altered in the Senate and remained through the conference committee. Beginning in July 2018 the ten largest counties will be required to participate in the program while the remaining counties may voluntarily participate. The program is a Community Corrections Act grant funded program with DRC awarding grants to the county common pleas courts participating. The counties will be reimbursed from the T-CAP grant funds awarded to the county for their average daily jail cost for any felony 5 offender the common pleas court sentences to serve time in the county jail. A memorandum of understanding is required to be entered into by the commissioners, sheriff and common pleas court that outlines how the T-CAP grant funds will be utilized and establishes the average daily jail cost that will be reimbursed to the county. The ten largest counties are: Franklin, Cuyahoga, Hamilton, Summit, Montgomery, Lucas, Butler, Stark, Lorain, and Mahoning Section 2929.34, 5120.116, 5149.36, 5149.38.

**SAVE THE DATE FOR CCAO BUDGET BRIEFING & VOTING EQUIPMENT EXPO**

August 14

CCAO Voting Equipment Expo  
 9 AM to 4 PM  
 Camp Perry Lodging and Conference Center  
 1000 Lawrence Road-Bldg. 600, Port Clinton

August 28

CCAO Budget Briefing & Voting Equipment Expo  
 8 AM to 4:30 PM  
 Warren County Administration Building  
 406 Justice Drive, Lebanon

August 29

CCAO Budget Briefing & Voting Equipment Expo  
 8 AM to 4:30 PM  
 Shisler Conference Center  
 1680 Madison Ave, Wooster

September 12

CCAO Budget Briefing & Voting Equipment Expo  
 8 AM to 4:30 PM  
 Olde Dutch Restaurant  
 12791 OH-664, Logan

September 18

CCAO Budget Briefing  
 8 AM to 4:30 PM  
 Wood County Administration Building  
 One Courthouse Square, Bowling Green

September 21

CCAO Budget Briefing  
 8 AM to 4:30 PM  
 CCAO Offices  
 209 E. State Street, Columbus

**To RSVP click on the date and email [Mandi Fuerst](#), CCAO Administrative Assistant**

## BREAKING NEWS

### Hourly Rate for indigent counsel set for capital cases

Legislation passed last year gives the Capital Case Attorney Fee Council (CCAFC), comprised of five sitting judges of the courts of appeals, the unilateral power to establish the rate counties must pay for lawyers who represent defendants in capital (death penalty) cases. The Council has determined that the hourly rate will be \$125.00 per hour. Since most counties are currently paying in the \$60/\$75 per hour range, counties should anticipate their costs for indigent counsel in capital cases nearly doubling.

The State Public Defender, who is required to notify the counties of the CCAFC's action, did so by [letter](#) this week. Note that the new rate takes effect on September 25, 2017. Capital cases will be reimbursed at the same rate as other cases, projected to be 44 to 45% for the next biennium, and subject to "proportional reduction," as all other cases, based upon the finite amount of funding appropriated for reimbursement.

CCAO's best estimate suggests that this action by the CCAFC will increase the cost system-wide for counties by \$1.15 million for the biennium. This action comes on the heels of a state budget which took more than \$6.5 million per year previously dedicated revenue for reimbursement by cutting the percentage of the Indigent Defense Support Fund permanently from 88% to 83% and ended up appropriating about \$1.3 million less for reimbursement for this biennium from the last biennium.

If you have questions, please contact John Leutz at [jleutz@ccao.org](mailto:jleutz@ccao.org) or 614-220-7994

### National Association of Counties Conference



NACO's 82<sup>nd</sup> [Annual Conference and Exposition](#) is being hosted right here in Franklin County! It runs from July 21<sup>st</sup> through the 24<sup>th</sup> and we hope to see an excellent Ohio turnout. Check out this [video](#) for a taste of what they have in store.