



STATEHOUSE REPORT

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News coverage continues on impact of Medicaid MCO sales tax revenue loss on counties, President Faber highlights concerns in letter to counties

State and local coverage regarding the impact of eliminating Medicaid Managed Care Organization (MCO) sales tax continues as counties examine the effect of this projected change in state tax policy on local budgets. Another example of this coverage appeared in the August 17 edition of the Cleveland Plain Dealer regarding how the Medicaid MCO sales tax is collected, why the federal government is seeking changes, and the impact of this anticipated change on Cuyahoga county and the Greater Cleveland Regional Transit Authority.

http://www.cleveland.com/metro/index.ssf/2016/08/county_cuts_bus_cuts_and_medic.html

The Plain Dealer article quotes County Executive Armond Budish as stating that Cuyahoga would lose approximately \$20 million per year in sales tax revenue when the Medicaid MCO sales tax is no longer collected beginning in the second half of 2017. RTA executives shared with the Plain Dealer that the transit authority share of sales tax revenue losses would be \$18 million in 2018, enough to require service cuts of up to 10 percent.

A [letter](#) from Senate President Keith Faber (R-Celina) to county commissioners prompted discussion about the impact of the expected changes to the sales tax law among the Highland county commissioners at a meeting of the board this past week, as reported in the Times Gazette <http://timesgazette.com/news/9768/county-to-take-hit-after-mco-change>

Highland County Commissioner Shane Wilkin summarized the letter, saying that the county will no longer be able to impose sales taxes on Medicaid MCO's. The article indicated that the loss of revenue to Highland county from eliminating the sales tax on Medicaid MCO's would be about \$800,000 per year, approximately 12.4 percent of Highland county's sales tax collections in calendar year 2015. Commissioner Wilkin was quoted as saying, "That's a pretty big hit."

Commissioner Wilkin added that he had previously spoken to State Representative Cliff Rosenberger (R-Clarksville), the speaker of the Ohio House, who told him that there may be ways to temporarily fill that gap. He added, however, that those methods "would not be lasting."

In his letter Senator Faber said, “The financial ramifications both to state and county revenues are significant. Estimated state revenue losses range between \$500 and \$600 million per fiscal year, while our 88 counties and transit authorities face a revenue loss between \$175 and \$200 million year.” His letter adds, “No solution has been offered yet but leaders at the state level are well aware of the looming impacts on the state, counties and other jurisdictions. At this point most seem open to finding a workable solution to mitigate the financial impact on local communities. Additionally, as the state’s local government funding (LGF) allocation is connected to state tax receipts – there is also a corresponding negative implication to Ohio’s political subdivisions who receive LGF support.”

For additional information on this topic, please contact CCAO staffers Brad Cole or Kate Neithammer at bcole@ccao.org or kneithammer@ccao.org

New child protective services data

The Public Children Services Association of Ohio (PCSAO) released new data on child protective services. 74 county PCSAs responded to a recent study which uncovered a 19 percent increase in children in custody since 2010. Meanwhile, state funding for family and children services has declined 17 percent in the same time period. The study also revealed that:

- 50% of children taken into custody in 2015 had parental drug use
- 70% of those children under the age of 1 had parents who used opiates (including heroin)
- \$45 million/year is being spent on placement costs for children with parents addicted to opiates

CCAO has heard from many members that they are seeing even higher numbers of children coming into their custody and that the need for foster care placements is outpacing current resources. If your county has a child protective story that you would like to share please contact CCAO staffer [Kate Neithammer](#) at 614-220-7996.

Legislation proposed to eliminate uncontested primary candidates from ballot

[SB 347](#), designed to eliminate unnecessary primary and special elections, was introduced this week. Sen. Frank LaRose (R-Copley Twp.) said his bill would change state law to require boards of election to hold primary elections based on the number of candidates certified for the ballot

LaRose praised county boards of elections for their effort to stretch every taxpayer dollar as far as it will go to ensure efficient, fair elections, but noted that forcing them to hold uncontested primary elections is a clear waste of time and taxpayer resources. LaRose contends that the bill would remove the unnecessary cost burden placed on local communities and improve efficiency in the administration of our elections.



Sen. LaRose

Under current law, election boards are required to hold primary elections when two or more people file to run for an office, even if just one candidate remains on the ballot after the death, withdrawal or disqualification of the other candidates. The bill will also allow the secretary of state to declare the sole remaining candidate as a party's nominee for Congress when there is a withdrawal or death more than 90 days before a general election. When a party's nominee for Congress withdraws from the race or dies more than 90 days before the general election under current law, boards of election are required to hold a special primary election to fill the vacancy.

Secretary of State Jon Husted indicated his support for the bill and his interest in working with the legislature to accomplish this change. Secretary Mr. Husted, in a letter sent to legislative leaders asking for a change in the law, noted that the cost of these superfluous elections for a Congressional primary can cost over \$500,000.

Bills Introduced



[SB 347](#) ■ **PRIMARY ELECTIONS** ([LaRose, F.](#)) To expand the circumstances under which a board of elections or the secretary of state is not required to hold a primary election. Am. 3513.02, 3513.30, 3513.301, and 3513.312

[HB 590](#) ■ **FIREARMS** ([Becker, J.](#)) To provide that a concealed handgun licensee who carries a handgun concealed on or in property on which carrying a concealed handgun is prohibited is subject to removal but is not guilty of a violation of the prohibition unless the licensee fails to leave the premises upon request, that a licensee who fails to leave upon request or returns with a firearm within thirty days is guilty of disorderly conduct, and that a private property owner who chooses to prohibit firearms on the property is not immune from liability if a related injury occurs. Am. 2917.11, 2923.12, 2923.121, 2923.122, 2923.123, and 2923.126

Hearing Schedule



Monday, August 22

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

Thursday, August 25

[Unemployment Compensation Reform Joint Committee](#), (Chr. [Peterson, B.](#), 466-8156), Rm. 313, 1:00 pm