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# STATEHOUSE REPORT

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**August 24, 2017**

## **UPDATE: MCO revenue replacement**

CCAO was notified this week that leadership in the Senate has requested a two week hold on the MCO revenue replacement amendment override vote.

During the next couple weeks CCAO, representatives from the transit authorities and members of the legislature will meet with the administration to see if an alternative solution can be reached for replacing the foregone county and transit authority MCO sales tax revenue.



[Gongwer News](#) reported on Tuesday that Senate President Larry Obhof (R-Medina) said the Senate could consider the override at another date, likely Sept. 6, if a compromise isn't reached.

"I don't know for sure where we're going to end up on that," he told reporters after the session. "I'm not sure what kind of compromise, if any, is possible. I've asked the governor's office to work together with us and the counties to reach a solution."

While this is a new development, we value this opportunity to explore with state leaders additional ways to provide their local partners with a revenue replacement that will address the loss of sales tax dollars which support important community services.

**Please redouble your advocacy efforts on this important issue. Senate members need to continue to hear from their county leaders while these conversations are happening.**

### **ACTION ITEMS:**

- **Call your member(s) of the senate and talk to them about this new development.**

- **Reiterate how important it is for your county to see a replacement for this lost revenue.**
- **Emphasize that this is NOT a tax increase. The amendment will provide counties with less revenue than they currently receive from the sales tax.**
- **Touch base with your local press and ask them to do a story on this new development.**

## Senate concurs on six budget overrides

Although the Medicaid MCO revenue replacement amendment remains part of a larger discussion, the Senate did join the House on six other veto overrides. The items addressed on Tuesday focus on healthcare and allowing the legislature to have more control over this area. Because both the Senate and the House have passed these overrides, the measures will remain as part of the law. The legislature has until the end of this General Assembly to take up additional items if they choose.



- **Item 3** – Limits the amount of money the Controlling Board can appropriate to half of one percent of the General Revenue Fund.
- **Item 23** – Prohibits the Medicaid program from covering a new or optional eligibility group that the program does not currently cover unless state statutes either require the group to be covered or expressly permit the group to be covered.
- **Item 26** – Requires that the Medicaid rates for certain neonatal and newborn services equal 75 percent of the Medicare rates for the services. Requires the Medicaid rates for other services selected by the Ohio Department of Medicaid Director be reduced to avoid an increase in Medicaid expenditures.
- **Item 27** – Makes changes in the formula used to determine Medicaid rates for nursing facility services.
- **Item 31** – Behavioral health services were supposed to be integrated into the managed care system by January 1, 2018. This provision requires the Department of Medicaid to delay implementation of the behavioral health redesign into managed care until July 1, 2018.
- **Item 34** – Restricts the Controlling Board from releasing funds if Congress amends federal law regarding Medicaid that reduces the percentage paid by the federal government.

## 54 Counties have chosen to participate in the T-CAP program



48 counties have applied for participation in the DRC T-CAP program with 6 counties receiving extensions to fully complete their application and MOU. The total amount of funding DRC will provide to these counties totals around \$40.6 million for the biennium.

Here is the [list](#) of all of the counties who submitted a T-CAP MOU and the funding being provided to each county for FY18/19. DRC is currently reviewing the MOUs.

Counties who submitted MOUs can expect an official notification letter indicating their MOU has been accepted. Shortly thereafter the grant agreement document which requires the County Commissioners signature will be provided. Once DRC receives the signed grant agreement, the first quarterly grant award will be provided.

Please contact John Leutz for questions 614-221-5627.

## Senate will focus on reducing regulations this fall

As fall approaches, Senate President Larry Obhof (R-Medina) says he would like to work on legislation designed to make life easier for businesses by removing or simplifying old laws instead of creating new ones.

"We'll focus on getting government red tape and regulation out of the way and hopefully continue to build our economy and build off the improvements we've made the last few years," he said.

He went on to say he'd like his members to look for examples of failing regulation and work to fix them, whether by eliminating language or streamlining it. Other priorities for the President include economic development, the opioid crisis and workforce development.

The Senate has an "if needed" session scheduled for September 6<sup>th</sup> and will return to their regular session schedule on September 20<sup>th</sup>.



## Ballot Board has approved language for Issues 1 & 2

The Ohio Ballot Board unanimously adopted the ballot language for both issues on the November ballot after proponents and opponents of Issue 2 held talks and agreed to how voters will see the Drug Price Relief Act on the ballot.

Issue 2 is an initiative petition that, if passed by voters, would create a law prohibiting the State of Ohio from entering into an agreement to purchase prescription drugs or agree to pay for them unless the net cost is the same or less than the lowest price paid for the same drug by the U.S. Department of Veterans Affairs. A [summary of Issue 2](#) as well as the [ballot language](#) are available on the [Secretary of State's web site](#).

Issue 1 is a proposed constitutional amendment put forth by initiative petition that would expand the rights of crime victims and their families in the criminal and juvenile justice systems. It is entitled the Ohio Crime Victims Bill of Rights and is sometimes commonly referred to as Marsy's Law for Ohio. A [summary of Issue 1](#) and the [ballot language](#) also are on the [Secretary's web site](#).

## Statehouse, Etc.



**July Bottom Line: Minus \$2 Million.** The first month of the state's new fiscal year (FY18) had its general revenue fund (GRF) tax revenues fall short of estimate by only \$2.2 million. A comparison of FY18 GRF tax revenues to FY17 GRF tax revenues for the month of July showed that the state GRF received \$69.2 million more in tax receipts in July FY18 than it received over the same portion of FY17. Auto and non-auto sales tax revenues were a combined \$28.3 million under estimate, and the cigarette tax was \$7.6 million below estimate for July. However, these revenue shortfalls were offset by personal income (+\$29.2 million) and commercial activity tax (+\$9.7 million) receipts which were both over estimate. The overage in the income tax relative to estimate is a hopeful reversal from the pattern of income tax collections throughout FY17 when the income tax was \$654 million (-7.9%) below estimate. However, the underage in the sales tax is a concern after the non-auto sales tax finished FY17 \$187 million (-2.0%) below estimate. Other taxes were generally in line with estimated amounts.

**Rep. Margaret Conditt** (R-Liberty Twp.) announced Thursday that she will resign from the House Sept. 8 in order to spend more time with her family. "I will always treasure my six years in the Ohio House of Representatives," the three-term lawmaker said. "Serving the people of Butler County will forever be one of the greatest honors I will ever experience. After much prayer and careful thought, I have decided it is best for me to resign from the House in order to spend more time with my family, and I am at peace with this decision."

## Bills Introduced



### HB 323

#### **GARBAGE FEES** (PATTERSON, J.)

To authorize all municipal corporations that charge a garbage collection fee to certify unpaid amounts to the county auditor, who must enter the fees on the property tax list to be collected in the same manner as real property taxes.

### HB 327

#### **IMPORTUNING** (SCHAFFER, T., SMITH, K.)

To amend the penalties for the offense of importuning.

## Hearing Schedule



### **WEDNESDAY, SEPTEMBER 6**

#### Senate Session

(Chr. [Obhof, L.](#), [\(614\) 466-4900](#)), Senate Chamber, 1:30 pm

- If needed

### **TUESDAY, SEPTEMBER 12**

#### House Session

(Chr. [Rosenberger, C.](#), [\(614\) 466-3357](#)), House Chamber, 11:00 am

- If needed

### **WEDNESDAY, SEPTEMBER 13**

#### House Session

(Chr. [Rosenberger, C.](#), [\(614\) 466-3357](#)), House Chamber, 1:30 pm

### **TUESDAY, SEPTEMBER 19**

#### House Session

(Chr. [Rosenberger, C.](#), [\(614\) 466-3357](#)), House Chamber, 11:00 am

### **WEDNESDAY, SEPTEMBER 20**

#### House Session

(Chr. [Rosenberger, C.](#), [\(614\) 466-3357](#)), House Chamber, 1:30 pm

#### Senate Session

(Chr. [Obhof, L.](#), [\(614\) 466-4900](#)), Senate Chamber, 1:30 pm

### **WEDNESDAY, SEPTEMBER 27**

#### Senate Session

(Chr. [Obhof, L.](#), [\(614\) 466-4900](#)), Senate Chamber, 1:30 pm