



STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

April 18, 2014

Got Signs?

Only 17 days remaining until Election Day, so please be sure to reach out to your community and encourage support for Issue 1.

The **Issue 1 Strong Ohio Communities** yard signs and brochures are ready and waiting for you. Please contact your county coordinator if you don't yet have your campaign materials. If you encounter any problems, please let [Mary Jane Neiman](#) at CCAO know and we will assist.



May primary has 614 local levies up

Levies for child welfare, senior, developmental disabilities and behavioral health services are among the 614 [local requests](#) on the ballot at the May 6 primary election.

Child welfare levies

Three out of the four child services levies set for local ballots May 6 are new money requests and are expected to have an uphill battle to achieve passage. The Public Children Services Association of Ohio (PCSAO) says only fairly small counties are seeking levies this time around. The money goes to support county services for child safety and home permanence and wellbeing. For those counties mounting new levies, it can be very difficult to get another one or a new one passed. If history continues to repeat itself, it's going to be tough for them to make that case to voters.

New levy requests are being sought in:

- Ashtabula County – the Children Services Board is asking for 0.5-mill. The board had tried a levy at the polls in November but failed to gain passage. The county does have an existing levy but they are finding it very hard to function with the single levy so they were hoping to get a second levy passed.
- Morgan County - Job and Family Services seeks a new 0.5-mill levy. Due to the county's limited resources there is very little support from the county general revenue fund. The

Morgan County children services division relies almost exclusively on state and federal funding.

- Vinton County - South Central Ohio JFS has a new 1.5-mill levy on the ballot in Vinton County that would also pay for senior services, according to PCSAO. The joint board also includes Hocking and Ross counties, which each have existing levies. In order to bring a little bit of equity to the consortium, the multi-county JFS, wants to try to get a levy passed in Vinton County.

Ohio is last in nation for the state share of child welfare. According to PCSAO even if the state doubled its investment in child welfare it would still be last. The Association has been trying to make the argument that the state needs to demonstrate a greater financial commitment and therefore put less pressure on local counties, 43 of which do not have a levy at all. Some additional support might be coming from the state. The House passed version of [HB 483](#), the appropriations part of the MBR proposals includes \$10 million of the \$20 million the group requested.

When it comes to a system as complex as child welfare and child welfare financing, flexible funds are incredibly important, and probably even more importantly, they directly influence the federal funds that those agencies can bring into the county. Federal dollars can't be spent without matching them with local funds. PCSAO believes that they have shown very clearly that levy-funded counties can bring in almost three times as much in terms of total revenue that they can spend per child than those counties without local flexible funds.

Senior Services

Four counties have senior services levy requests planned for May, according to the Department of Aging.

- Fulton County - seeks a 1.6-mill renewal to cover services and facilities.
- Greene County - is asking for a 1.4-mill renewal for the Council on Aging.
- Jefferson County - has a 1.2-mill renewal for senior services.
- Vinton County - has a combined senior and children services 1.5-mill issue. This same request was narrowly defeated in last November

The Ohio Department of Aging notes that senior services levies in Ohio generate more than \$150 million in local funding for communities to shape senior services that uniquely meet the needs of the older adults who live there. Levy services, like home delivered meals and transportation services, help our elders maintain their independence and remain vital members of society.

Developmental Disabilities

Eight counties seek levies in May to support local developmental disabilities services. They range from a high of a 4.13-mill renewal for Hamilton County's MRDD programs to a low of 1.6 mills each for Licking County's replacement issue and Putnam County's additional money request for its Brookhill Center, according to the Ohio Association of County Boards Serving People with Developmental Disabilities (OACBD).

Among the renewals are Hancock County's 2.5 mills, Hardin County's 4 mills, and Mercer County's 1.94 mills, the association said. Marion County meanwhile seeks an additional 1.75 mills for its programs and services. Making yet another appearance on the ballot is a 3-mill replacement request from Morrow County which has seen levy attempts fail for several years, including its most recent 2.95-mill request that earned 58% of the vote against passage in November. The OACBD notes that county boards of DD are typically quite successful at the ballot box on election day because taxpayers understand that county board provide a necessary service and are good stewards of their dollars.

Behavioral Health

Four behavioral health authorities will ask for local funding for services, according to the Ohio Association of County Behavioral Health Authorities. The requests seek small millage compared to other social service levies.

Geauga County has a 0.7-mill renewal for alcohol, addiction, and mental health services and Sandusky County seeks, for a sixth time, a 0.8-mill new money request to cover the operating expenses of the mental health and recovery services board. Last time the request failed by less than a percentage point. Requesting 1 mill each are Guernsey County for alcohol, addiction and mental health services as a renewal levy and the Mental Health & Recovery Services Board of Allen, Auglaize and Hardin Counties as a new tax for operating expenses. The latter board had the same request on the November ballot, which lost by about 100 votes. This group of issues comes ahead of what is expected to be a busy November election with at least 10 boards slated to appear on the November general election ballot.

Income tax cut still being debated

Last week the Ohio House passed only the non-controversial parts of Governor John Kasich's MBR. The Administration's plan to cut the personal income tax rate (PIT) by 8.5% over three years would cost an estimated \$2.64 billion. The tax cut and corresponding tax increases included in [HB 472](#) are still being debated in the House Ways and Means Committee.



To offset the revenue loss caused by the income tax reduction, the Governor plans to raise the CAT, severance tax on horizontal drilling, and tobacco taxes by a projected \$2.47 billion from fiscal years 2015 through 2017. House Republicans like the governor's plan to bring the top bracket of state's personal income tax rate below 5%, but they are less thrilled with his plan to pay for it. Members of the House Ways & Means Committee will likely continue to try to find ways to cut PIT during the spring break. However, officials have said any major lifting on tax changes are not likely to occur before summer recess.

Speaker Batchelder could not confirm when the House might be able to unveil an alternative tax cut proposal. "I think we can cover a cut at this point, but I do not have a definitive answer on that and obviously that's something you don't want to do wrong," he said. "There's no way to increase taxes. There is, however, the possibility that there are expenditures - there are a lot of ways to get that result taken care of."

One possible alternative to raising taxes that has been under discussion is using the state's growing budget surplus. Tax revenues into the general revenue fund are well ahead of

projections, while agency spending has been down. According to the Legislative Service Commission's recent [monthly report](#), during the first three quarters of SFY 2014, GRF tax revenues exceeded estimates by \$371 million, or 2.6%. State government expenditures are running \$648.0 million, or 2.8%, below FY 2014 estimates. Most of the revenue overage comes from the PIT, which ran \$410.9 million, or 7.5% above year-to-date projections. Agency expenditure underage is comprised mainly of less-than-expected spending in Medicaid.

Medicaid spending came in at \$682.4 million, or 6%, below projections, and Health and Human Services programs underspent by \$58.6 million or 5.7% less than expected. LSC attributes the Medicaid under-spending to several factors, including timing of certain payments, a delay in implementing new initiatives, and lower- than-projected caseloads.

The Office of Budget and Management said previous tax cuts included in last year's budget have created uncertainty about revenues. OBM's [monthly report](#) said the PIT overage was part of a three-month trend and attributed it to lower-than-estimated refunds during tax filing season.

The legislature has already tried to look toward anticipated cost-savings from Medicaid Expansion as a way to offset fund an additional income tax cut ([SB 210](#)). However, OBM Director Tim Keen recently warned legislators that the Medicaid savings are uncertain and should not be used to pay for a tax cut or other spending ideas.

- Medicaid officials have revised the original Medicaid expansion savings estimate of \$404 million down to about \$255 million.
- The downward revision reflects several developments since the original February 2013 projections were made, including the months-long delay in expanding Medicaid and the legislature's omission of certain cost-saving provisions in the executive budget.



Rep. Scherer

Vice chairman of the House Ways & Means Committee, Rep Gary Scherer (R-Circleville), who is one of the Republican Caucus's point persons on tax issues, said he was pleased to see the overage in revenues and underage in spending. "That was a positive trend," he said, acknowledging that some of the budget surplus could be used to offset a PIT reduction. "And that would be awesome," he said about the potential for cutting the PIT without raising other taxes. "There's certainly pushback on tax shifting," he said. "But I personally do share the governor's idea - and I know the speaker does too - of getting the PIT cut. I think a top marginal rate that starts with a four rather than a five is a much better marketing tool as we're trying to bring jobs to Ohio."

House is also making progress on developing a severance tax proposal ([HB 375](#)) that might be able to pass out of the chamber. Rep. Scherer said the Ways & Means Committee might take up another substitute version when it come back from spring break the second week of May. "I think there's some positive movement there," he said. "We don't have everybody on board, but it gets us a lot closer."

Medicaid expansion surpasses 100,000 new enrollments

Ohio Department of Medicaid (ODM) released its latest figures [March caseload report](#), 106,238 Ohioans earning up to 138% of the federal poverty level had enrolled in Medicaid benefits between January and the end of last month. That number is likely to go up as the department continues to process applications submitted through the state and federal systems.

The Office of Health Transformation reported that of the nearly 345,300 Ohioans who applied for Medicaid through the new Ohio Benefits eligibility system from October to the end of March, 65%, or 225,574, have been resolved - not including the those pending in the federal system.

- 180,877 individuals enrolled in the Medicaid, including the newly eligible enrollees.
- 74,639 were deemed eligible for Medicaid, but not as a result of the recent expansion.



The state is also working to process 117,000 applications that were pending in the federal system - including 45,000, or 38%, of which were already in the state system; 39,000, or 33%, which will be automatically processed on April 28; and 33,000, or 28%, which will be transferred to county caseworkers.

ODM expects most initial cases to be processed by May, later the department will conduct an analysis to understand and report enrollment details. Actuaries have estimated that 563,000 Ohioans are now eligible for Medicaid coverage as a result of Medicaid Expansion. The department estimates 366,000 will sign up for coverage by June 2015.

Statehouse Etcetera



Senate adds another Session date. In anticipation of finishing as much as possible before summer recess, the Ohio Senate has added a voting session for the week they return after the primary on Thursday, May 8 at 11 a.m. In addition, the next week, the Senate cancelled the session it had set for Tuesday, May 13, opting to meet on Wednesday, May 14 instead.

Legislation of Interest



HB 522 SEWAGE SYSTEMS (O'Brien, S., Duffey, M.) To require notification to a property owner whose property is served by a household sewage treatment system of the construction of a private sewerage system to which the property will be required to connect, and to authorize such a property owner to elect not to connect to the sewage system under specified conditions. Am. 6112.01 and 6112.03 and to enact section 6112.06.

Upcoming Legislative Committee Calendar



Statehouse schedule – The General Assembly will be on its Spring Break recess and will return the week of April 28th