



Legislative Bulletin

July 7, 2017

We hope all of our members enjoyed a relaxing Fourth of July weekend with their friends and family! Last week, before the long weekend, the General Assembly passed Sub. HB 49, the budget bill, and sent it to Governor Kasich for his signature. After vetoing 47 provisions within the bill, the governor signed the legislation into law late Friday night. A list of vetoed provisions can be found [HERE](#). The Statehouse has not seen the last of the budget, however. On Thursday morning, the House of Representatives held a special session where they overrode 11 vetoed items. The list of those items the House overrode can be found [HERE](#). The Senate must now decide whether or not to concur on these overrides, and as of right now, the Senate has not set a session date to entertain the actions taken by the Ohio House.

GOVERNOR VETOES MUNICIPAL WATER AMENDMENT IN BUDGET

One of Gov. Kasich's vetoes removed the language that would have designated municipalities that sold water and sewer infrastructure usage to surrounding communities at whatever price they deemed fair as "predatory annexations", triggering the withholding of 20% of their Local Government Funding.

The League strongly opposed this language when inserted to the budget by the Ohio House and asked for the item to be removed by the Governor through his veto authority. As written, the language would have applied solely to Columbus; however, in addition to prohibiting Columbus from exercising their rights of Home Rule, it would have set a dangerous precedent for all other municipalities.

We are grateful the Administration recognized this and vetoed the amendment.

GOVERNOR'S VETO OF MEDICAID EXPANSION FREEZE SURVIVES HOUSE HOLDS VETO OVERRIDE VOTES

On Thursday morning, the Ohio House of Representatives held a special session where they overrode 11 of the governor's vetoed items. The House voted 87-10 to override Gov. Kasich's veto of the Legislature's Medicaid managed care organization (MCO) sales tax replacement plan. Counties and transit authorities rely substantially on the revenue from the MCO sales tax, and legislators expressed during floor speeches that while the governor's plan to replace the MCO tax would result in a loss of revenue, the plan the Legislature passed would instead ask the federal government to allow Ohio to adjust rates over a six-year period to help local governments and transit authorities wean themselves off of that revenue. Their vote put the Legislature's plan back into the bill.

Most of the other veto overrides dealt with Medicaid as well. One veto override gave the Legislature the authority to control who is eligible for Medicaid. Another granted the Joint Medicaid Oversight Committee the authority to oversee any Medicaid rate increases. Two veto overrides will increase rates for neonatal and newborn services, as well as rates for nursing facilities, while two more overrides delay both moving Medicaid long-term care services into managed care, and adding behavioral health services into managed care. One veto override will grant the Legislature, not the Controlling Board, more authority over spending funding for state Medicaid should the federal government's matching rate change, and another will require the administration to seek another waiver for the Healthy Ohio Medicaid program. This waiver will mandate that certain enrollees must pay into a modified health savings account.

Other veto overrides dealt with issues other than Medicaid. One override will transfer appointment authority from the governor to the Legislature for members of the Ohio Oil and Gas Leasing Commission. The other will limit the amount of money the Controlling Board can appropriate to the Legislature's limit of half of a percent of the General Revenue Fund, which totals to roughly \$165 million.

One issue that was not voted on Thursday morning but which is technically still in play is the issue of the governor's Medicaid expansion freeze - a hotly-contested issue. Speaker Rosenberger (R-Clarksville) explained that the House is giving the federal government the summer to see how Congress's repeal-and-replacement of the Affordable Care Act progresses. He said the House could very well take up the issue for a vote in the fall. All veto items the House did not override they have marked as "pending", giving them the ability to act on the vetoes any time over the rest of the General Assembly.

The House's veto overrides now head to the Senate, which has not yet set a date to vote these issues. The Senate has the rest of the 132nd General Assembly (which will end in 2018) to vote to override the governor's vetoes, but will not be allowed to vote on items the House has not already overridden. Senate President Obhof has indicated these issues could be taken up during the summer, or could be considered when the Legislature comes back into session in the fall. With the announcement of this opened schedule to address items like the Medicaid freeze, the timing may lend itself to legislative attention being given to the matter during the infamous Lame Duck session. We will be sure to keep our members informed of the Legislature's movements on these issues throughout the coming months.

BUDGET BILL FUNDS LEADERSHIP INSTITUTE FOR STATE AND LOCAL OFFICIALS

On Wednesday, the Ohio State University's John Glenn College of Public Affairs celebrated the launch of the State of Ohio Leadership Institute (SOTI). The project, created by the Ohio State University and the University of Cincinnati, was designed to help new lawmakers at both the state and local level. The budget allocated \$5 million to ensure its creation.

House Speaker Rosenberger (R-Clarksville), who was a key supporter of the provision, cited examples of local officials unaware of state money available to local governments to fund local projects, or who were unsure how to apply for state and federal grants. Speaker Rosenberger, along with Speaker Pro Tem Schuring (R-Canton) said they'd asked for input with local officials in order to ensure the program was designed to provide what they'd need from the institution.

The program will not be available immediately, as the college will be designing the program and hiring new faculty to work alongside existing faculty, while continue to listen to input from local officials and legislators. The school also intends to use endowment money, along with philanthropic and corporate funds, to supplement the state's funding.

We encourage our members to see if the institute, once fully developed and deployed, will help them fulfill their obligations as both as public servants and as members of Ohio's local communities.

LEAGUE STAFF CHANGES

It is with a debt of gratitude and wishes for success that we and our members say goodbye to Josh Brown as he leaves the League's legislative team to take a new opportunity as Legal Counsel and Director of Legislative Policy for an expanding advocacy group in Columbus. Josh has served as Director of Communications for the past two years and legislative advocate for the previous five years prior.

Josh came to the League from the Ohio House of Representatives, where he served as a Legislative Aide. He also proudly served in the US Army, US Senate and political organizations around the state. Josh brought to the League a vibrant appreciation for municipalities' need to preserve local control, as well as a solid understanding of issues related to labor law. During his seven years with the League, Josh has not only represented our members at the Ohio Statehouse, but he has also spent a good deal of time on the road, speaking to regional groups about issues being discussed in the legislature impactful to Ohio cities and villages.

We wish Josh great success in his new endeavors and appreciate the service he has shown to Ohio local governments.

With Mr. Brown's departure, we are happy to announce that Ashley Brewster has accepted the offer to serve as OML Director of Communications. Ashley has been with the League for almost a year and holds a bachelor's degree in Journalism and Public Relations from Grace College. Prior to joining the League, Ms. Brewster served as a Senior Legislative Aide in both the Ohio House of Representative and the Ohio Senate. With Ashley's strong communications skills and deep knowledge of the Ohio Legislature, we are excited about the new chapter of the League as we continue to transition into a more effective and solutions-oriented resource for Ohio's cities and villages.

Best of luck, Josh, and welcome to your new role, Ashley!

LEGISLATIVE PACE CHANGES FOR SUMMER RECESS

While Sub. HB 49, the two-year state operating budget, continues through the process of enactment in light of the Legislature's response to the Governor's vetoes last week, we want to alert our members that the Ohio General Assembly will be leaving Columbus soon and with their departure, the frequency of our legislative bulletins and alerts will too slow to a more reasonable pace. As such, when the legislature takes their summer recess and is out of session, our legislative bulletins will slow to every other week, or on an as needed basis, if special alerts warrant.

We hope everyone has a great summer.