



President Jerry R. McBride Clermont Co. CPC Judge	Vice-President Scott C. Coleman Logan County Engineer	Secretary/Treasurer Jill Thompson Athens County Auditor
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June 6, 2017

To: Members of the Ohio Senate Finance Committee
From: Name – Title
Re: Substitute HB 49 – State Biennial Budget

Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell and members of the Finance Committee, my name is Jill Thompson. You probably know me as the Athens County Auditor, but I am also past-President of the County Auditors' Association of Ohio, and serve as President of the Ohio GFOA, but I am here today representing the Ohio Council of County Officials where I serve as Secretary/Treasurer and chair the MCO Sales Tax Loss Committee.

Thank you for allowing me the opportunity to testify today regarding what I consider the most critical issue contained in Sub House Bill 49.

Ohio needs a plan that provides equal treatment to local governments and transit authorities by providing a complete and permanent replacement for the revenue lost due to Medicaid managed care organization sales tax.

This is not a plea from one county official, from one county officials' association, but rather a plea from us; the grassroots of Ohio. **In 2016, the MCO sales tax generated \$209 million, or 8.2 percent of all county and transit authority sales tax collections.**

You should know the stats by now and may even be tired of hearing them, but our message is important, our message is unified and the impact is real, not just for local governments, but also for state government.

Counties exist because the legislature made them so. County elected officials have jobs because the statute directs us to perform our duties on behalf of the state. Our faces, the faces of county officials are the faces of government to our citizens. We are the people they turn to when they have questions, concerns or need guidance and direction. We are the first hands on deck and respond quickly and promptly to our local citizens.

Those counties most heavily impacted are primarily located in southeast Ohio. This region will certainly face the most significant impact if the revenue is not restored. The one-time solution will not be enough. When the Auditor of State released the County Financial Health Indicators, it was easy to correlate that the counties that have the most significant impact from the sales tax losses were also the counties that had an indicator for their condition of capital assets. Counties have already had to make due with less. I'm asking that you not needlessly add to that burden. I'm asking that you work towards solutions that strengthen our county governments so that we can better serve Ohio and the citizens in our counties, communities and neighborhoods.

My request is specific. On behalf of the Ohio Council of County Officials, all the county elected officials in the state of Ohio, I ask that you increase the Managed Care Organization franchise

fee included in the current budget proposal to generate the additional revenue not just for the state, but also for counties and local transit authorities.

In 2016, the Athens County sales tax revenue generated from the Medicaid Health Insuring Corporations was \$823,374 or 9.81% of the total sales tax collection. **Athens County, for the first time in memory saw percentage declines from 2015 to 2016, in our sales tax collections for six months in a row beginning in August 2016 and continuing through January 2017.** Six months of declines from one year to the next. Permissive sales tax revenue represents over 50% of the county general fund. This is the revenue that provides services on behalf of the state like criminal justice, public safety and child protection.

I love my job. The people that I work with and for are exceptional. It is an honor and a privilege to serve the people of Athens County and to work with the good people at this level that are putting their reputations on the line every day to make Ohio a better place to live and work. We are called to serve and not be served. We must work together; it takes both state and local government working together to be successful in making a difference for the lives of Ohioans.

Again, thank you for allowing me to speak today. I would be happy to answer any questions that you may have.