



Testimony of Dean Fadel
Board President, Ohio Association of County Boards of DD
Senate Finance Committee
Sub. House Bill 49 – State Biennium Budget
June 14, 2017

Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell, and members of the Senate Finance Committee, my name is Dean Fadel, and I appear before you today on behalf of the Ohio Association of County Boards of Developmental Disabilities (OACB). I appreciate the opportunity to speak to you regarding the Senate's changes to House Bill 49 that could affect county boards of DD and the people, families, and communities they serve.

I have served as a member of the Franklin County Board of DD since 2007, and I currently serve as president of OACB's board of trustees. I also come before you today as the sibling of a person who is served by the Franklin County board. My brother Jeffery has Down Syndrome, and he has relied on county board services since childhood. Established 50 years ago, county boards of developmental disabilities are unique among Ohio's public human services agencies in that we are responsible for supporting people in every stage of their lives. No other agencies have this lifetime requirement. Because of this, county boards must ensure they are always maximizing available funds and using local resources in the most efficient and effective ways possible. With this in mind, we ask the Senate's support for the following provisions.

Support: Restoring Funding Cuts to TDD Waiver Administration Line Item

OACB strongly supports the dollars the Senate has restored to DODD in its version of the budget. In doing so, however, the Senate also cut an important line item for county boards—the county board case management line item that funds transitions developmental disabilities (TDD) waiver administration. The TDD waiver has been an attractive option for people with significant medical needs who want to live at home. With concerns over cost and administration, however, it was decided to gradually phase the TDD waiver out. During the last state budget, the boards made an agreement with DODD to transition people off the TDD waiver and onto the Individual Options (IO) waiver. A nursing benefit was added to the waiver for these people, meaning that the county boards would be paying for this expense instead of DODD. We did not know the exact cost of this plan at the time but estimated that it could grow into the tens of millions of dollars serving just 3,000 people. Despite that concern, we agreed to this change so long as DODD assisted in funding the additional work needed to support the complex case management needs for this population. As such, the last budget allocated \$2.5 million for this expense. The Senate has now proposed a massive 40% cut in FY19 to this line item. We cannot sustain serving this population under the proposed funding, so we ask that the Senate restore these cuts that amount to \$12,500 in FY18 and \$1 million in FY19. We are hopeful that this committee can use some of the new dollars it has allotted for DODD to fill this gap. Otherwise, the county boards will need to renegotiate this agreement and shift the cost back to the state.

Support: Amending Provider Compliance Language

In its version of the budget, the House included an amendment that would give county boards of DD enhanced oversight of providers of home- and community-based services (HCBS). This amendment was intended to address county board concerns about oversight and the lack of detail around the policy for addressing health and safety issues in HCBS settings. As the primary payers for these services, the county boards believe they should have some ability to ensure these services are meeting minimum health, safety, and quality standards. More importantly, the local taxpayers who support our levies expect accountability. Boards are generally supportive of the motivation behind the amendment. That being said, most of the major DD stakeholders agree there are issues with the House language. While the Senate removed this provision in its substitute bill, this is still an important issue that needs to be discussed. Since the House amendment was added in April, stakeholders have been meeting to find a resolution to this issue. As a result, we ask that you support an amendment that would create a workgroup to analyze these issues in more detail and continue this conversation after the budget process.

Support: Amendment To Clarify Real Estate Tax Exemption For Developmental Disability Housing

Non-profit housing entities work with county boards of DD to provide low-cost housing for people with developmental disabilities. The Ohio Department of Taxation has determined that such homes are exempt from property taxation, and this exemption is critical to their mission and continued financial sustainability. Recently, however, the Ohio Board of Tax Appeals overruled the Ohio tax commissioner's determination in a case in Montgomery County. The board of appeals ruled in this way because the law as it is written does not explicitly state that these homes are tax-exempt. This has dire implications for disability housing across Ohio. Rough estimates from Franklin County alone show that if these homes were required to pay property taxes, then rent would increase about \$100 per person, per month. This increase would be devastating to people with developmental disabilities who already need assistance to afford community living. We ask for the Senate's support of an amendment that will keep the long-standing status quo and clarify that these homes are and should remain tax-exempt. This amendment is unlikely to create new costs for state or local governments as we are not aware of any properties that are currently paying the tax. We ask for your support to ensure people can continue to live in the community and avoid institutionalization due to rising rents.

Conclusion

With tax revenues projected to be lower than originally anticipated, we understand the Ohio General Assembly has difficult decisions to make in this budget. The fact remains, however, that people with developmental disabilities and their families are facing a time of great uncertainty and upheaval as Ohio's DD system undergoes transformation, and we must ensure that necessary services for people with developmental disabilities are maintained well into the future.

Thank you for your time and attention on these matters. We hope we can count on your continued support of the county boards of DD, and we look forward to continuing to work together to address these concerns. I am happy to answer any questions you may have at this time.