

Ohio House Behavioral Health and Recovery Supports Committee
Sub HB 523 - Proponent Testimony
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Chairwoman Carruthers, Vice-Chair Pavliga, and the members of the Behavioral Health and Recovery Supports Committee, thank you for allowing me to speak regarding H.B. 523 introduced by Representative D.J. Swearingen. I am the Executive Director of the Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky and Wyandot Counties. It is important to know that my organization experienced a unique development last year when we added Ottawa County to our existing three-county district Board. According to the information that we have, this was an exclusive development in Ohio, something that didn't happen before. Ottawa County was previously in a joint district that included Erie County. The county commissioners in both counties approved a resolution to dissolve the two-county joint district board. Erie County decided to establish their own single county board, while Ottawa County decided to join our existing three-county joint district. When we went through this process, our organization and the county commissioners in five counties (Erie, Ottawa, Seneca, Sandusky, and Wyandot) struggled to complete the merger process since Ohio law lacked information on how to create a new Board. Ohio Revised Code 340 includes information on how county commissioners can remove a county from a joint district board, but it doesn't include specific information on how to create a new board or how to merge with an already existing board. H.B. 523 does that. The specifications needed to create a new board are very important to local county commissioners and shall be added to the Ohio law.

The second area of H.B. 523 that I would like to discuss pertains to local levies. Under the current Ohio law, a multi-county joint board district can place a levy on the ballot either as a county-specific levy by the county commissioners; or it can be placed by the multi-county joint board as a district levy. The previous Erie/Ottawa Board had collected two district levies passed by the voters in both Erie and Ottawa Counties. Since the dissolution of their board, the two levies will be collected by the new boards until their expiration time. However, after that, the two existing levies will not be able to be renewed or replaced. The two boards will have to ask the voters in Erie and Ottawa counties for a new levy, which is listed on the ballot as "an additional tax." The purpose of the levies does not change from the initial intent. The voters approved these levies for the benefit of mental health and addiction services for their community. The only thing that is changing is the Board district overseeing the local behavioral health services.

We are hoping that the two new boards will be able to renew their levies as the intent and millage remains unchanged, instead of having to ask the voters for an additional tax. These two communities could lose a significant amount of funds due to an administrative change in the Board who oversees a particular community. I strongly recommend that this language added by Representative Swearingen be approved. The outcomes of running a new levy in these two counties could have a major negative effect on current mental health and addiction services if the new levies will not pass.

The third area of H.B. 523 that I would like to discuss pertains to contracting. Currently, Ohio Revised Code Section 340.036 (D) states that "*if a party to a contract entered into under this section proposes not to renew the contract or proposes substantial changes in contract terms, the*

other party shall be given written notice at least one hundred twenty days before the expiration date of the contract.” Here are the issues with the current language:

1. A majority of the boards contract for services based on a state fiscal year period because boards rely heavily on state allocations. There are still boards in Ohio that don't have a local levy which makes them even more dependent on state and federal funding. As you very well know, the state budget is not approved 120 days ahead of June 30, which would be March 1. Boards don't know their final allocations 120 days prior to the expiration of their contracts. Therefore, significant changes to existing contracts could take place if state allocations are being reduced; if the board cannot renew a grant; or if the board doesn't pass a local levy. Very often, which is a simple reality of our budget, we are made aware of the allocated funding amount after the funding period has already started. It doesn't make sense, but this is the reality of working with public allocations or grants. Just two weeks ago, Ohio Department of Mental Health and Addiction Services released the Fiscal Year 2023 allocations for our Boards. The release from the state department provided that our Board will receive approximately \$180,000 less than the current year. This is a significant change for our organization and our Fiscal Year 2023 contracts. We will have contracts with significant changes due to funding; however, we didn't have this information from the state department 120 days prior to June 30th. Therefore, if we award less funding to providers, which we will, we could be challenged as being in violation of the Ohio law because we didn't provide adequate notice to the providers. This provision in the law is not practical.

2. The existing language pertains to both local behavioral health providers and boards. In ten years working for the board, I never received a 120-day written notice of significant changes to the next year's contract from a behavioral health provider. However, we often received notifications, sometimes in the middle of the year, that a provider cannot continue a service due to lack of personnel, or that the provider is closing an office due to a reduced number of clients. What are the boards supposed to do? The current law is not practical in today's business environment.

3. The State of Ohio should not mandate such language in a contract between two parties. The decision on contract termination language or contract renewal language should be at the discretion of the two parties entering into the contract. I would like to specify that the current language also pertains to local levy funds or local donations. Why would the State of Ohio tell a board what language they should have in a contract when they utilize local levy funds or local donations? Boards are designed to be community focused, represent community values and focus on community needs and priorities. The State of Ohio should not dictate local boards how to create their contracts or with whom, especially when it comes to funds collected at the local level.

Thank you for allowing me to speak in front of you today.