



Testimony on HB 1
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Chairman Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the House Ways and Means Committee;

Thank you for this opportunity to discuss House Bill 1. Ohio's 88 county boards of developmental disabilities (DD) support people with DD and their families from the time individuals are born until the time they pass away. While the specific needs of those served by county boards may fluctuate throughout their lives, their need for support is permanent. As a result, DD boards plan their organizational finances to account for the entire lifetime of their service population, and voters have historically supported DD property tax levy requests with this reality in mind.

It is for this reason that we have grave concerns about House Bill 1. As written, we believe that HB 1 jeopardizes the short- and long-term viability of vital DD services in Ohio due primarily to the reduction of the assessment rates and the operation of the annual assessment rate deflator.

County boards of DD operate fixed rate, voted (outside millage) levies. Funds generated by these levies are used by the State of Ohio to pay more than \$300 million in statutorily-obligated Medicaid match to the federal government. These dollars generate a substantial return on investment for Ohioans, allowing their limited funds to more than double—reducing the overall cost on our state's residents while greatly expanding our ability to support the more than 40,000 people with disabilities and their families who currently receive services through the Medicaid waiver program.

In addition, Medicaid waivers are not the only path to DD services in our system. For the more than 50,000 people who do not receive support via Medicaid waivers, our levies fund 100% of their needs. These services range from supporting infants and toddlers in early intervention and pre-school programs, to school-age children whose local districts are unequipped to handle their educational needs, to adults whose supports are not eligible for Medicaid reimbursement, and many more.

Most county boards would stand to lose funds due to the reduction in the assessment rate from 35% to 31.5% of true value, as they have levies currently collecting between 90% and 100% of their voted millage. As the LSC fiscal note points out, this is the range within which levies will achieve their maximum voted millage as the HB 920 reduction factors adjust for the 10% reduction in the property tax base. Once a levy is at its maximum rate, it will collect less and less each year due to automatic reductions in the assessment rate.

These annual reductions in revenue will mean ever-increasing pressure to request voter authorization of additional millage. Especially given the shift in the tax burden created by the bill's proposed elimination of the 10% rollback, and the fact that all levy funded entities will face the same fiscal pressures, and therefore will also have to continue returning to voters with new requests, we find it unlikely that the majority of voters will support these funding requests moving forward.

For county boards of DD, which again are legally required to support a lifetime of Medicaid waiver commitments, declining local revenue paired with rising waiver costs year-over-year will mean the reduction or elimination of non-mandatory services first, no matter how vital, effective, or efficient. For people with disabilities who require a lifetime of support, this means fewer and fewer of their needs will be met with each passing year. The health, safety, and well-being of people with DD will be put at a significant risk unless new state funding makes up the difference.

If the implications of this proposal weren't alarming enough, its timing could not be worse given the current threats facing families in our system today. Many if not most of you have already learned about the challenges facing people with DD and their families in your districts over the past 18 months. Our system's front-line care workers—known as Direct Support Professionals, or DSPs—are leaving our field at an alarming rate. They are doing so because the state's Medicaid rate does not support a competitive wage for workers in our field, particularly when compared with jobs in the fast food, retail, and other far less-demanding sectors of our economy.

Among all the individuals experiencing this crisis, those with the most significant support needs are suffering the most. By no fault of their own, their support needs require a higher level of staffing than many providers can currently offer. For those individuals whose families are unequipped to serve as a backup, many find themselves in hospital emergency rooms, the state's developmental centers, or worse in search of care and support.

The local property tax cuts proposed by House Bill 1 would have a disastrous impact on Ohio's ability to support the nearly 100,000 people with disabilities who are already experiencing the worst crisis in the history of our system, let alone the thousands more who are waiting in the wings for support in the years to come.

For these reasons, OACB must oppose the changes to the property tax system included in House Bill 1. We are thankful for the sponsor's willingness to talk about these issues and look forward to working with him to improve the bill in future drafts.

Thank you for your attention to this matter, and I am happy to answer any questions you may have.