

**Meeting with State Senator Balderson - 2016
Fairfield County Commissioners' Office
November 28, 2016**

Meeting with State Senator Troy Balderson

The Commissioners met at 1:00 p.m. to discuss the Medicaid Managed Care Organization Sales Tax. Commissioner Levacy called the meeting to order with the following Commissioners present: Steve Davis, Dave Levacy, and Mike Kiger. Also present were Carri Brown, Rachel Elsea, Branden Meyer, Rick Szabrak, Suzanne Dulaney, and State Senator Troy Balderson.

Mr. Levacy thanked Mr. Balderson for attending and asked if there was any information from the State Senate on the MCO Sales Tax.

Senator Balderson stated that they needed to utilize all of their resources and possibly do a step down measure. He understands how large the issue is and the impact it will be on counties, but he has not been privy to any specific discussions.

Mr. Davis stated that he understood that Medicaid managed care is being hit by sales tax and private managed cares is not.

Senator Balderson replied that was correct.

Mr. Davis stated that in terms of scale and magnitude, \$1.5 million is real. He understands that Fairfield County's sales tax is lower than all surrounding counties and that they'll probably get kicked for that.

Ms. Dulaney stated that over 50 counties are maxed on their sales tax options.

Mr. Levacy stated he understood there were a few approaches including expanding taxes on all managed care, increase the broad reach of sales tax (i.e. services), as well as other options. Mr. Levacy sees shortcomings on internet sales. If a company has a presence in Ohio, tax is automatically collected, if they don't it's not. There are a lot of holes that can be plugged.

Mr. Davis stated that the Commissioners are not trying to get out of anything, but they are asking him, as their Senator, to help find a revenue neutral solution. They are not trying to put him in an awkward situation or make an extra cent. The Commissioners are building a new jail, after it was delayed for over for 25 years - failing inspections for the last several years. They knew they'd take some heat on building the facility. The Commissioners take a measure of pride in solving the problem. When the MCO sales tax disappears and they lose \$1.5 million a year and they struggle to pay the jail debt - they will be accused of building a jail they can't afford.

Ms. Dulaney stated that what is being discussed is something much bigger than the LGF losses. Many counties do not have many options. On average a counties budget is 60% for public safety with not much wiggle room left. What concerns CCAO is that the solution will not be full or ongoing in nature. The ideas presented by the Commissioners help the state and counties in the long run.

Senator Balderson asked Ms. Dulaney if CCAO has met with the administration.

She replied that they had but had not received any specific action ideas other than they would take it into account and knew the impact would be big.

Mr. Davis stated that Fairfield County is concerned that those counties who have not maxed out in their tax rate situation and have exercised some fiscal restraint will be penalized for not having maxed out on sales tax rates.

Ms. Brown stated that the county has done everything it can to control costs while keeping tax rates low, including self-insuring after facing a 16% health insurance increase. The \$1.5 million loss is equal to 22 deputies at the Sheriff's Office.

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Mr. Davis stated that the county would ride without the \$1.5 million for a few years, but if they do not take action immediately, the impact will be worse.

Ms. Dulaney stated that the one saving grace in the recent downturn is the growth in sales tax.

Fairfield County is up roughly 3%.

Mr. Davis stated that what Fairfield County has seen historically is that they don't see things go as low when they go bad or things go as high when things go better. In 2008/2009 they did not see the drop-off in sales tax that other counties did.

Mr. Levacy stated another concern he has is the number of state programs that would need to be cut if the revenue is lost on the state side.

Mr. Davis stated that they were not trying to put Senator Balderson on the spot and did not expect any answers today, but they did want to make sure he was aware of their concerns and the need to look at all possible solutions.

Ms. Dulaney stated that CCAO just wants to keep an open line of communication as things go along.

Senator Balderson stated that the House and Senate were extremely different and asked what they were hearing from the House leadership.

Ms. Dulaney stated that they were still waiting on the administration.

Ms. Dulaney mentioned the other issues that CCAO are working on including working on the opiate epidemic with the Sheriff's throughout the state.

Mr. Davis stated that 58% of inmates in Fairfield County were in as a direct result of heroin.

Another issue that CCAO is focusing on is the cost of election equipment (something similar to the poll books model would be appreciated). In the lame duck session they would like continued help with indigent expense as the reimbursement has not been what it was estimated.

Ms. Szabrak added that SB 235 takes the power of making tax exemptions away from local governments and that is a concern. He understands the state wants a simple way, but the local governments know what is best at their levels. The local levels have procedures in place to keep employers accountable.

Ms. Brown asked Senator Balderson not to hesitate to contact the Commission with any questions.

Mr. Davis thanked Senator Balderson for meeting with them and stated he looked forward to partnership to find a solution.

Adjournment

With no further business, on the motion of Mike Kiger and a second of Steve Davis the Board of Commissioners voted to adjourn 1:45 p.m.

Roll call vote of the motion resulted as follows:

Voting aye thereon: Mike Kiger, Steve Davis, and Dave Levacy

The next regular meeting for the Board of Commissioners is scheduled for Tuesday, November 29, 2016 at 10:00 a.m. with review session at 9:00 a.m. on the same day.

Motion by:

Seconded by:

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that the November 28, 2016 minutes were approved by the following vote:

YEAS:

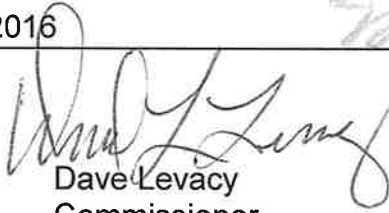
NAYS: None

ABSTENTIONS: None

*Approved on November 29, 2016



Steven A. Davis
Commissioner



Dave Levacy
Commissioner



Mike Kiger
Commissioner



Rachel Elsea, Clerk