



Capitol Monitor

The **ONE SOURCE** for **HUMAN SERVICE** and **NONPROFIT** news in Ohio's Capitol

News Clips

Experts fear rising cost of Medicaid in Ohio

Unless things change, Ohio's health insurance program for low-income families and the elderly will devour most of the state's budget in 2025.

The Plain Dealer – 10/17/02

Justice promises school-funding fix

Justice Andrew Douglas said yesterday that he expects the Ohio Supreme Court to rule on the long-stalled school-funding case before he leaves the bench Dec. 31 for a new job.

The Columbus Dispatch – 10/17/02

State aid difficult to get

Ohio is hard on its unemployed and low-income families.

Akron Beacon Journal – 10/17/02

Look at the STATE we're In

The Akron Beacon Journal's four reports — quality of life, economy, education and government — that combine to tell one story: Ohio is in a decline.

Akron Beacon Journal – 10/02

Bringing diversity to nonprofit boards

Project Blueprint, a program to promote diversity on Mahoning Valley nonprofit boards and committees, is seeking people from underrepresented segments of the population to train for membership on those boards.

The Vindicator – 10/16/02



CBPP: 'States did not spend way into current fiscal crisis'

Any time Ohio's current budget problems are debated, inevitably someone will characterize them either as a "spending" problem or as a "revenue" problem.

The Washington-based Center on Budget and Policy Priorities (CBPP) came down firmly on the "revenue problem" side this past week. During a conference call briefing on "The Dismal State of State Government Finances," Deputy Director Iris Lav commented that, "states did not spend their way into the current fiscal crisis." The center's report "Did States Overspend During the 1990s?" – while not Ohio specific – offers the following insights into this argument:

"State spending growth during the 1990s was consistent with – and slightly below – historical trends. State own-source spending (that is, spending from taxes, fees and other state revenue sources) as a share of personal income increased less in the 1990s than it did in any of the last five decades since 1949." Specifically, CBPP calculations show that "between 1989 and 1999... spending as a share of personal income increased 0.4 percentage points, from 8.0% to 8.4%.

"Most of the increase in nominal expenditures was due to the natural growth in state government spending that must occur in response to population increases, inflationary increases in costs, and changes in the need for expenditures that result from a growing economy. When adjusted for inflation, changes in population and the size of the economy, state spending grew only modestly during this period."

Examples of these kinds of increases in the education arena include the response to reduce class sizes, to provide additional training for teachers, and to more equitably fund schools.

"Part of the change in state spending during the 1990s reflected a shift in responsibilities to the state level." This shift occurred both from the federal level to the state (devolution) and from the local level to the state with education being one of the prime examples.

"The two areas of state budgets that contributed most to increase spending were primary and secondary education and health care." State spending on education was fueled by a number of factors including increases in

Hannah News Service, Inc.

21 West Broad Street, Suite 1050

Columbus, Ohio 43215

Phone - 614.228.3113

Fax - 614.228.5897

www.CapitolMonitor.com

the number of students; a decline in the dropout rate; higher costs associated with teaching including salaries and benefits of teachers; and an increase in the number of special education students – “often highly expensive to serve, requiring individualized instruction and additional staff.” Another factor very familiar to Ohio but affecting other states as well were court-ordered education finance reforms.

Health care increases – especially in Medicaid – resulted from a number of factors, including health care cost inflation, increases in the enrollment of elderly and disabled individuals, and “expansions for low-income children and pregnant women and financing the Disproportionate Share Hospitals.”

The conclusion? “Far from an explosion in spending, the 1990s was a time when state and local policymakers kept pace with the nation’s expanding population and economy while making some limited and targeted new investments in public services.”

Happenings **Week of October 14, 2002**

✓ Ohio consumers will receive approximately \$30 million in restitution from a landmark settlement by the Department of Commerce and the Attorney General with Household Finance in connection with alleged unfair and **deceptive lending practices** in the subprime mortgage market.

✓ The Ohio Early Warning Network detected an emerging trend in the **abuse of fentanyl patches**, a highly potent, mood-altering drug prescribed to reduce pain but when eaten produces a “heroin-like high.” Another study conducted by the Bureau of Criminal Identification and Investigation (BCII) confirms the growing abuse of methamphetamine throughout Ohio.

✓ **Foodbanks and egg producers** announced a cooperative “food stamp awareness initiative” that will include food stamp eligibility requirements and contact information on egg cartons distributed through the Ohio Agricultural Surplus Production Alliance – a network that directs surplus agricultural products to the state’s foodbanks.

October 21, 2002

✓ After dismissal of a challenge by the Pharmaceutical Research and Manufacturers of America (PhRMA) in the Franklin County Board of Elections and approval of the petition language by the Attorney General, members of the **Coalition for Affordable Prescription Drugs** are expected to begin circulating petitions seeking an “initiated law” that they say will lower prescription drug costs by 50 percent.

✓ Democratic gubernatorial candidate Tim Hagan turned down the offer from **Issue 1** backers to pump their funds into his campaign saying they had a message that needed airing.

✓ Policy Matters Ohio released a report showing that Ohio businesses are paying a far smaller share of the costs of state and local government today than they did 25 years ago. The **corporate franchise tax fell** from 16 percent of the General Revenue Fund to 4.6 percent.

✓ The Ohio Retirement Study Council heard gloomy news from the Ohio State Highway Patrol Retirement System and the Ohio Policy and Fire Pension Fund that their **health care benefits funds** are dwindling in light of declining investments and higher health costs. The OP&F health care fund faces depletion by 2009 if no changes are made while the OSHP health fund is fiscally sound until 2011.

✓ The Auditor of State released several **audits** this week: Hancock County Mental Retardation/Developmental Disabilities Board was found “well-managed;” and audits of the mental health boards in Stark and Cuyahoga counties turned up overbilling by an agency (Stark) and 248 recommendations to reduce costs (Cuyahoga).

✓ The nation’s largest disability rights group, **ADAPT**, announced that Ohio is among the “ten worst states” for people who wish to receive long-term care in their own homes rather than in nursing homes.

✓ **Long-term care** was also the focus of much of the discussion in the House Select Committee on Medicaid Reform as witnesses offered their suggestions for reforming Medicaid and solving the funding crisis.

Capitol Monitor - 2



Actions

This Week in the Capitol

With November 5 coming ever closer, activity is shifting to the election front in the communities and away from Columbus. There are no hearings scheduled for this week.

Legislative Actions

House

There were no human service related bills introduced this week.

Senate

There were no human service related bills introduced this week.

Administrative Actions

Public Hearings

Rehabilitation Services Commission

General Administrative Changes

Hearing: Thursday, Nov. 7 at 10 a.m. at RSC's Crosswoods office, 400 E. Campus View Blvd., Columbus in the Cincinnati/Dayton/Toledo Conference Rooms. (The site is accessible and interpreter and/or guide services will be provided if requested at least five days before the hearing.)

* Amend 3304-1-01-04; 3304-1-08; 3304-1-10; 3304-1-12-14

Changes proposed include renaming the RSC administrator "executive director;" adding electronic notification via its website for commission meetings and via e-mail for public hearings; adding chairs of local consumer advisory councils to the notification list for public hearing notices; and adding the Academy for Certification of Vision Rehabilitation and Education Professionals as an additional accrediting body only for vendors offering mobility and orientation or rehabilitation training.

Bills Recently Effective

HB17 (WILLAMOWSKI) To prohibit a person under 21 years of age from being under the influence of beer or intoxicating liquor in a public or private place. Effective 10/11/02

HB407 (BEUHRER) To require certain driver education courses to include thirty minutes of instruction relating to anatomical gifts and anatomical gift procedures. Effective 10/11/02

HB442 (SCHURING) To prohibit, in specified circumstances, the discharge or a firearm within 1,000 feet of any school building or of the boundaries of any school premises. Effective 10/11/02

Judicial Actions

Ohio Supreme Court Opinions

State ex rel. Consumer News Serv., Inc. v. Worthington City Bd. of Edn.

Public records — Mandamus sought to compel Worthington City Board of Education to provide access to requested records in the future without delay in accordance with R.C. 149.43(B)(1) — Writ granted — Request for attorney fees granted.

State ex rel. McCoy v. Dedicated Transport, Inc.

Workers' compensation — Denial of application for temporary total disability compensation by Industrial Commission affirmed — Circumstances under which a claimant who voluntarily abandons his or her former position of employment or is fired under circumstances that amount to a voluntary abandonment of the former position will be eligible to receive temporary total disability compensation pursuant to R.C. 4123.56.

State ex rel. Thomas v. Indus. Comm.

Workers' compensation — Application for permanent total disability compensation denied by Industrial Commission — Court of appeals' grant of writ of mandamus ordering an award of statutory permanent total disability compensation under R.C. 4123.58(C) affirmed — Claimant's right arm loss entailed separate entities of hand and arm entitling him to permanent total disability compensation.



Focus on Not-for-Profits

GAO looks at 'charitable choice' implementation

Even though “charitable choice” provisions have been around since the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was first enacted in 1996, the General Accounting Office (GAO) found that “several factors continue to constrain the ability of small faith-based organizations to contract with the government.” This is according to a report recently published by the GAO, “Charitable Choice: Federal Guidance on Statutory Provisions Could Improve Consistency of Implementation” (GAO-02-887).

Those barriers include “lack of awareness of funding opportunities, limited administrative and financial capacity, inexperience with government contracts, and beliefs about the separation of church and state.” (The report does note that many of these are not unique to faith-based organizations “but are common to small organizations....”)

In addition, “state and local officials differed in their understanding and implementation of certain charitable choice safeguards, such as the prohibition on the use

of federal funds for religious worship or instruction.” As a result, the GAO recommended that the U.S. Department of Health and Human Services (HHS) issue guidance on these questions.

The charitable choice provisions were enacted to increase the involvement of faith-based organizations in the delivery of social services. Besides PRWORA’s Temporary Assistance for Needy Families (TANF) and Welfare-to-Work (WTW) programs, charitable choice provisions also apply to the Substance Abuse Prevention and Treatment and Community Services block grants.

The GAO found that contracts with faith-based organizations accounted for 8% or \$80 million of the \$1 billion in federal and state TANF funds spent by states on contracts with nongovernmental entities in 2001 and 2% or \$16 million of the \$712 million of the WTW competitive grants in FY 1998 and 1999.

Nonprofit sector: Most dedicated workforce in nation

According to a new survey of 1,140 randomly selected nonprofit employees, conducted by the Brookings Institution’s Center for Public Service and published in the Fall 2002 issue of the *Nonprofit Quarterly*, the nonprofit sector possesses the most dedicated workforce in the nation.

“The nonprofit sector has the most motivated workforce – its 11 million employees have a greater sense of mission, a deeper desire to make a difference, and a greater love of their work than any other workforce in America,” explained Paul Light, center director and author of the survey report, “The Content of Their Character: The State of the Nonprofit Workforce.”

Specifically, the study found that:

- 1) Nonprofit employees come to work for the chance to accomplish something worthwhile.
- 2) The nonprofit sector provides the kind of work that talented Americans want.
- 3) The nonprofit workforce is continually improving.
- 4) Nonprofit employees report serious shortages of the resources needed to succeed.
- 5) Nonprofit organizations do recognize high performance, but have difficulty disciplining poor performance.
- 6) The nonprofit sector may be losing the respect of the public it serves.

Capitol Monitor covers human service and nonprofit issues in the administrative, legislative and judicial branches of Ohio state government. It is published via email and on the Internet at least 40 times/year by Hannah News Service, Inc. Editor: Judith Tieman Bird. Duplication or replication in any form, including electronic, is prohibited without prior permission from the publisher. Annual subscriptions cost \$300, plus applicable sales tax. To subscribe, send payment to Hannah News Service, 21 West Broad Street, Suite 1050, Columbus, Ohio 43215 or fax: it to 614.228.5897 or visit the website at www.CapitolMonitor.com. For questions, call 614.228.3113 or email jbird@hannah.com.