

Proposed transitional aid to counties and transit authorities in response to the termination of sales tax on Medicaid Health Insuring Corporations (MHICs)

To provide assistance to help counties and transit authorities manage through the loss of this sales tax, the executive budget contains a transitional support payment proposal. It consists of two components; a calculated replacement payment intended to cover the last quarter of CY 2017, and a formula based payment intended to distribute transitional support above amounts we have determined would be reasonable for counties and transit authorities to absorb based on their reliance on the managed care sales tax and on their local sales tax capacity. The calculation of both types of aid is explained in detail in an accompanying document.

The transitional formula aid amount is computed as if it is provided over the upcoming years, reflecting the portion of MHIC sales tax revenue the jurisdiction is not able to reasonably absorb in each year. However, the state payment will actually be made a lump sum in the second half of October, 2017. The executive budget requires that each county or transit authority set up a special fund to receive the state payment. The county or transit authority's governing body must pass a resolution to transfer the money to any fund that receives sales tax money. The money can be transferred at any time, either all at once or over a period of years to facilitate a smooth transition.

Note that a jurisdiction whose MHIC reliance percentage is below its assigned annual incremental absorption rate does not receive formula aid, although it will still receive the one quarter calculated replacement payment. In contrast, jurisdictions with a large difference between their MHIC reliance and their annual absorption rate may receive aid equal to several years' worth of their annual MHIC sales tax revenue, as shown in the column that computes the ratio of transitional aid to average annual MHIC sales tax revenue.

Jurisdiction	Calculated CY 2017 4th quarter replacement aid amount	"Formula" aid amount	Total Transitional Aid Amount	Ratio of Total Transitional Aid to average annual MHIC sales tax revenue	Average annual MHIC sales tax revenue (a)	MHIC reliance percentage (County's MHIC sales tax as % of county's total sales tax)	County's per capita sales tax base as % state average (b)	Assigned annual incremental absorption rate (lesser of 4%, or 4% multiplied by entity's per capita tax base as % of state avg)
Adams	\$172,834	\$2,165,628	\$2,338,462	3.38	\$691,336	16.51%	56.9%	2.28%
Allen	\$236,153	\$263,365	\$499,518	0.53	\$944,611	5.55%	105.4%	4.00%
Ashland	\$98,458	\$149,207	\$247,665	0.63	\$393,831	5.02%	78.1%	3.12%
Ashtabula	\$281,165	\$1,672,540	\$1,953,705	1.74	\$1,124,661	10.47%	66.0%	2.64%
Athens	\$205,844	\$1,155,626	\$1,361,470	1.65	\$823,374	9.81%	65.2%	2.61%
Auglaize	\$93,071	\$71,808	\$164,879	0.44	\$372,282	4.22%	85.3%	3.41%
Belmont	\$249,614	\$264,081	\$513,695	0.51	\$998,456	5.44%	114.5%	4.00%
Brown	\$190,993	\$2,417,699	\$2,608,692	3.41	\$763,973	14.09%	48.3%	1.93%
Butler	\$759,609	\$1,371,611	\$2,131,220	0.70	\$3,038,436	7.20%	98.8%	3.95%
Carroll	\$55,612	\$166,584	\$222,196	1.00	\$222,446	6.93%	72.2%	2.89%
Champaign	\$113,583	\$582,749	\$696,332	1.53	\$454,331	8.21%	58.8%	2.35%
Clark	\$798,957	\$5,273,057	\$6,072,014	1.90	\$3,195,827	12.64%	74.2%	2.97%
Clermont	\$465,882	\$919,273	\$1,385,155	0.74	\$1,863,529	6.95%	88.1%	3.52%
Clinton	\$139,318	\$509,183	\$648,501	1.16	\$557,270	9.61%	86.9%	3.48%
Columbiana	\$530,667	\$4,381,345	\$4,912,012	2.31	\$2,122,669	12.77%	62.4%	2.50%
Coshocton	\$153,365	\$942,017	\$1,095,382	1.79	\$613,459	10.59%	65.2%	2.61%
Crawford	\$174,937	\$1,572,715	\$1,747,652	2.50	\$699,749	11.93%	54.8%	2.19%
Cuyahoga	\$6,325,522	\$18,715,670	\$25,041,192	0.99	\$25,302,086	9.52%	104.7%	4.00%
Darke	\$127,088	\$267,664	\$394,752	0.78	\$508,350	5.84%	71.8%	2.87%
Defiance	\$73,925	\$68,947	\$142,872	0.48	\$295,699	5.11%	98.0%	3.92%
Delaware	\$223,143	\$0	\$223,143	0.25	\$892,573	1.68%	167.6%	4.00%
Erie	\$152,337	\$0	\$152,337	0.25	\$609,346	3.87%	136.7%	4.00%
Fairfield	\$326,891	\$541,700	\$868,591	0.66	\$1,307,564	6.32%	92.4%	3.70%
Fayette	\$148,482	\$243,860	\$392,342	0.66	\$593,928	6.79%	130.5%	4.00%
Franklin	\$5,174,242	\$8,927,521	\$14,101,763	0.68	\$20,696,969	7.03%	131.1%	4.00%
Fulton	\$122,163	\$246,211	\$368,374	0.75	\$488,652	6.32%	78.8%	3.15%
Gallia	\$146,482	\$804,294	\$950,776	1.62	\$585,929	11.72%	79.5%	3.18%
Geauga	\$104,067	\$0	\$104,067	0.25	\$416,266	2.92%	103.2%	4.00%
Greene	\$345,435	\$336,339	\$681,774	0.49	\$1,381,738	5.29%	106.7%	4.00%
Guernsey	\$180,437	\$370,029	\$550,466	0.76	\$721,749	7.89%	97.7%	3.91%
Hamilton	\$3,506,137	\$6,105,688	\$9,611,825	0.69	\$14,024,548	7.08%	127.8%	4.00%
Hancock	\$116,906	\$0	\$116,906	0.25	\$467,622	3.22%	130.9%	4.00%
Hardin	\$97,697	\$564,856	\$662,553	1.70	\$390,788	8.92%	57.8%	2.31%
Harrison	\$60,658	\$61,971	\$122,629	0.51	\$242,632	5.37%	125.1%	4.00%
Henry	\$57,905	\$158,971	\$216,876	0.94	\$231,619	5.73%	62.7%	2.51%
Highland	\$203,618	\$1,599,031	\$1,802,649	2.21	\$814,470	12.23%	62.3%	2.49%
Hocking	\$124,398	\$858,053	\$982,451	1.97	\$497,590	12.08%	68.7%	2.75%
Holmes	\$35,327	\$0	\$35,327	0.25	\$141,307	1.93%	117.9%	4.00%
Huron	\$181,417	\$600,344	\$781,761	1.08	\$725,668	7.32%	71.6%	2.86%
Jackson	\$184,936	\$1,443,807	\$1,628,743	2.20	\$739,743	13.23%	67.8%	2.71%
Jefferson	\$324,211	\$1,393,647	\$1,717,858	1.32	\$1,296,844	9.85%	79.1%	3.16%
Knox	\$121,554	\$351,238	\$472,792	0.97	\$486,217	6.97%	74.2%	2.97%
Lake	\$417,800	\$223,163	\$640,963	0.38	\$1,671,199	4.62%	104.6%	4.00%
Lawrence	\$350,558	\$4,106,690	\$4,457,248	3.18	\$1,402,233	15.52%	56.8%	2.27%
Licking	\$502,722	\$823,175	\$1,325,897	0.66	\$2,010,889	5.98%	88.3%	3.53%
Logan	\$154,156	\$250,597	\$404,753	0.66	\$616,622	6.28%	93.2%	3.73%
Lorain	\$591,437	\$1,833,646	\$2,425,083	1.03	\$2,365,747	8.11%	82.7%	3.31%
Lucas	\$2,713,996	\$9,344,604	\$12,058,600	1.11	\$10,855,984	10.38%	98.6%	3.94%
Madison	\$125,275	\$409,624	\$534,899	1.07	\$501,099	7.76%	76.4%	3.06%
Mahoning	\$1,105,731	\$4,129,861	\$5,235,592	1.18	\$4,422,924	10.21%	90.8%	3.63%
Marion	\$303,788	\$1,384,522	\$1,688,310	1.39	\$1,215,150	9.93%	77.0%	3.08%
Medina	\$240,830	\$0	\$240,830	0.25	\$963,321	3.83%	97.7%	3.91%
Meigs	\$141,817	\$3,362,368	\$3,504,185	6.18	\$567,269	21.19%	41.2%	1.65%
Mercer	\$68,543	\$2,168	\$70,711	0.26	\$274,171	3.49%	86.4%	3.46%
Miami	\$212,504	\$213,557	\$426,061	0.50	\$850,015	4.85%	90.7%	3.63%
Monroe (c)	\$57,171	\$104,850	\$162,021	0.71	\$228,684	7.05%	95.6%	3.82%
Montgomery	\$2,040,103	\$7,158,617	\$9,198,720	1.13	\$8,160,413	10.10%	94.6%	3.78%
Morgan	\$69,764	\$1,095,711	\$1,165,475	4.18	\$279,055	16.00%	45.2%	1.81%
Morrow	\$119,337	\$1,378,402	\$1,497,739	3.14	\$477,346	12.28%	45.5%	1.82%
Muskingum	\$427,450	\$1,152,840	\$1,580,290	0.92	\$1,709,800	8.73%	96.4%	3.86%

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Noble	\$42,042	\$226,333	\$268,375	1.60	\$168,168	8.42%	58.0%	2.32%
Ottawa	\$111,936	\$114,246	\$226,182	0.51	\$447,742	5.37%	106.2%	4.00%
Paulding	\$54,527	\$596,834	\$651,361	2.99	\$218,106	10.87%	42.3%	1.69%
Perry	\$167,933	\$2,846,271	\$3,014,204	4.49	\$671,732	16.53%	43.7%	1.75%
Pickaway	\$240,906	\$1,786,211	\$2,027,117	2.10	\$963,623	11.51%	61.8%	2.47%
Pike	\$187,160	\$1,843,839	\$2,030,999	2.71	\$748,638	15.55%	65.8%	2.63%
Portage	\$409,179	\$759,180	\$1,168,359	0.71	\$1,636,714	6.29%	84.3%	3.37%
Preble	\$136,179	\$914,563	\$1,050,742	1.93	\$544,716	9.65%	56.0%	2.24%
Putnam	\$48,063	\$78,431	\$126,494	0.66	\$192,253	4.48%	66.3%	2.65%
Richland	\$349,932	\$605,247	\$955,179	0.68	\$1,399,728	6.43%	91.2%	3.65%
Ross	\$388,038	\$1,515,613	\$1,903,651	1.23	\$1,552,153	9.88%	84.3%	3.37%
Sandusky	\$183,109	\$375,379	\$558,488	0.76	\$732,434	6.49%	80.4%	3.22%
Scioto	\$502,614	\$5,829,266	\$6,331,880	3.15	\$2,010,455	16.32%	60.2%	2.41%
Seneca	\$173,253	\$731,298	\$904,551	1.31	\$693,013	8.02%	65.1%	2.60%
Shelby	\$112,832	\$88,510	\$201,342	0.45	\$451,328	4.49%	90.2%	3.61%
Stark	\$525,717	\$946,136	\$1,471,853	0.70	\$2,102,869	7.25%	99.8%	3.99%
Summit	\$824,713	\$1,484,489	\$2,309,202	0.70	\$3,298,852	7.27%	108.2%	4.00%
Trumbull	\$678,209	\$3,280,669	\$3,958,878	1.46	\$2,712,835	10.39%	77.5%	3.10%
Tuscarawas	\$167,132	\$186,609	\$353,741	0.53	\$668,527	5.15%	92.7%	3.71%
Union	\$111,287	\$0	\$111,287	0.25	\$445,148	3.35%	136.8%	4.00%
Van Wert	\$73,037	\$227,891	\$300,928	1.03	\$292,146	6.59%	66.9%	2.68%
Vinton	\$86,359	\$2,716,951	\$2,803,310	8.12	\$345,435	24.58%	36.7%	1.47%
Warren	\$317,939	\$0	\$317,939	0.25	\$1,271,756	3.38%	119.2%	4.00%
Washington	\$206,842	\$315,154	\$521,996	0.63	\$827,368	6.14%	95.1%	3.80%
Wayne	\$198,166	\$387,703	\$585,869	0.74	\$792,665	6.85%	87.4%	3.50%
Williams	\$107,526	\$389,329	\$496,855	1.16	\$430,102	7.34%	67.0%	2.68%
Wood	\$211,598	\$26,312	\$237,910	0.28	\$846,393	4.13%	109.1%	4.00%
Wyandot	\$47,865	\$73,279	\$121,144	0.63	\$191,458	4.92%	75.9%	3.04%
County Total	\$39,492,115	\$132,858,467	\$172,350,582	--	\$157,968,415	--	--	--
Greater Cleveland Regional Transit Authority	\$5,060,417	\$15,007,749	\$20,068,166	0.99	\$20,241,668	9.53%	104.7%	4.00%
Central Ohio Regional Transit Authority	\$2,079,136	\$3,194,731	\$5,273,867	0.63	\$8,316,544	6.49%	131.0%	4.00%
Laketran Transit Authority	\$104,450	\$55,970	\$160,420	0.38	\$417,800	4.62%	104.6%	4.00%
Western Reserve Transit Authority	\$221,861	\$833,938	\$1,055,799	1.19	\$887,442	10.27%	90.7%	3.63%
Greater Dayton Regional Transit Authority	\$1,020,052	\$3,585,401	\$4,605,453	1.13	\$4,080,206	10.11%	94.6%	3.78%
Portage Area Regional Transit Authority	\$82,053	\$152,852	\$234,905	0.72	\$328,210	6.31%	84.3%	3.37%
Stark Area Regional Transit Authority	\$262,859	\$472,730	\$735,589	0.70	\$1,051,435	7.25%	99.8%	3.99%
Metro Regional Transit Authority	\$824,713	\$1,490,928	\$2,315,641	0.70	\$3,298,852	7.30%	108.2%	4.00%
Transit Total	\$9,655,541	\$24,794,299	\$34,449,840	--	\$38,622,157	--	--	--
Grand Total	\$49,147,656	\$157,652,766	\$206,800,422	--	\$196,590,572	--	--	--

(a) Reflects average annual sales tax distributions during CY 2015 & 2016, using the tax rate in effect as of 12/31/2016.

(b) Statewide average per capita sale tax base is \$14,352. This is an annual average of amounts for CY 2015 & 2016.

(c) Due to a very large one-time sales tax revenue spike in CY 2015 due to audit revenue, Monroe County sales tax revenue and capacity figures reflect only CY 2016. If Monroe's CY 2015 sales tax had been included, its MHIC reliance would have been understated and its payments would have been artificially reduced.