

## Gov. Kasich Signs Budget Bill HB49 In Late-Night Ceremony, Issues Line-Item Vetoes

July 5, 2017

Ohio's budget watchers were up late on the night of June 30 as Gov. John Kasich signed into law his fourth and final budget as governor. Term-limited in 2018 and unable to run for another term, Kasich began signing the state's budget bill, Am. Sub. HB49, only minutes before midnight, just before the state's new fiscal year began on July 1. Against the backdrop of the state's lagging revenues and flanked by members of his staff and cabinet, the state's biennial \$125 billion spending plan went in to effect. Before signing the bill, the governor issued 47 vetoes under his constitutional line-item veto authority. It remains to be seen whether the state's Senate and House override any of the vetoes. Among the most prolific vetoes issued were:

**Medicaid Freeze for the Expansion Population** Perhaps the most controversial and the one singled out most often for a potential legislative override was the governor's decision to line-item veto a provision that would have placed a freeze on new enrollments in the state's Medicaid expansion program, effectively prohibiting Ohioans ages 19-64 and an income 138 percent of the federal poverty level from gaining access to Medicaid under the Affordable Care Act (ACA). **Medicaid Rates for Nursing**

**Facilities** Also vetoed from the budget were high-profile provisions affecting nursing homes. For nursing homes, the budget passed by the General Assembly would have increased funding nursing facilities, increases that were estimated by the administration at nearly \$100 million over the budget's duration, effectively continuing nursing facility spending at current levels.

**Medicaid Payment for Hospital Service** The governor vetoed a provision that would have required Ohio Medicaid to continue paying hospitals the same rate as what was in effect as of January 1, 2017. Here, the General Assembly assumed revenue savings that were \$1.1 billion in rate cuts without giving the administration the ability to implement changes that would lead to the estimated revenue projection. This veto then presumably will allow the Ohio Department of Medicaid to be able to implement rate cuts to the tune of \$1.1 billion to Ohio's hospitals. **General Assembly**

**Review of Cabinet Departments** Closely mirroring language from SB79 (Jordan), the governor vetoed provisions in the budget added by the Senate that would have required every cabinet agency to undergo a review by the General Assembly every biennium in order to be reauthorized and funded. A complete list of all 47 of the veto messages may be found [here](#). It remains to be seen whether the legislature will come back to override any of these various vetoes, but legislative leaders in both chambers have discussed the possibly in the days leading up to the governor signing the bill. In order to override one of these vetoes, the House, as the originating chamber of the HB49, would need three-fifths of its members to vote to override the veto. After which, the vetoed provisions would be sent to the Senate, where three-fifths would also need to vote to override. The Ohio House is scheduled for a possible veto override session on July 6 and the Senate is scheduled for July 12, as they continue to whip override votes. Look for additional updates as this process continues to unfold.

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