



Ohio Administrative Code

Rule 5123-4-05 Ensuring the solvency of a county board of developmental disabilities.

Effective: September 9, 2024

(A) Purpose

This rule establishes standards to ensure a county board of developmental disabilities is able to meet its financial obligations and sets forth processes for measuring financial risk, identifying required actions to be taken, and requesting financial assistance from the department.

(B) Definitions

For the purposes of this rule, the following definitions apply:

- (1) "County board" means a county board of developmental disabilities.
- (2) "Department" means the Ohio department of developmental disabilities.
- (3) "Home and community-based services" has the same meaning as in section 5123.01 of the Revised Code.
- (4) "Scorecard risk assessment" means an objective tool administered by the department that identifies indicators and assigns a score to a county board's level of financial risk based on information from the five-year projection of revenues and expenditures submitted by a county board in accordance with section 5126.053 of the Revised Code. Administration of the scorecard risk assessment results in assignment of a county board to one of four designations based on the final score: "healthy," "watch," "warning," or "emergency."

(C) Measuring and managing financial risk

- (1) Following a county board's submission of the five-year projection of revenues and expenditures in accordance with section 5126.053 of the Revised Code, the department will administer the



scorecard risk assessment and notify the county board of the results in writing.

(2) When, based on results of the scorecard risk assessment, a county board is assigned a designation of "warning" or "emergency," the county board will complete and submit a plan of action to the department within sixty calendar days. The plan of action will:

(a) Be completed in the format prescribed by the department.

(b) Identify methods the county board will employ to improve its financial situation and/or eliminate conditions that led to its financial situation.

(c) Address actions the county board has considered or taken, including but not limited to:

(i) By written request, seeking financial assistance through the county commissioners, including but not limited to, advancement of a new levy, levy renewal, or restoration of a levy that has been rolled back;

(ii) Reducing costs by restricting expenditures, reducing or eliminating programs other than home and community-based services, and consolidating functions or positions with other county boards or a regional council of governments;

(iii) Exploring shared funding opportunities with other local agencies such as school districts, regional transit authorities, or area agencies on aging;

(iv) Seeking third-party consultation; and

(v) Adopting a resolution to request assistance from the department.

(d) Be approved by resolution adopted by the county board.

(3) The department may prescribe additional actions when, based on results of the scorecard risk assessment, a county board is assigned a designation of "warning" or "emergency," which may include submitting a request to the department for assistance in accordance with paragraph (D) of



this rule.

(D) Process for requesting assistance from the department

(1) When, based on results of the scorecard risk assessment, a county board is assigned a designation of "warning" or "emergency," or in any other event that may place a county board in unexpected fiscal strain (e.g., failure of a county board operating levy), a county board may request assistance from the department to enable the county board to meet its obligations to pay the nonfederal share of medicaid expenditures for home and community-based services.

(2) When requesting assistance, a county board will submit to the department:

(a) A description of the actions described in paragraph (C)(2)(b) of this rule the county board has taken and the results of those actions;

(b) A history of levies placed on the ballot in the most recent ten years;

(c) A cash flow analysis for the most recent and upcoming twelve months;

(d) Most recent annual financial statements;

(e) Monthly financial statements for the most recent twelve months;

(f) A detailed explanation of how the fiscal strain is affecting the ability of the county board to provide services and support positive outcomes for individuals with developmental disabilities and what actions the county board will take if the department does not provide assistance; and

(g) A copy of the resolution adopted by the county board requesting assistance from the department.

(E) Department response to request for assistance

(1) The department may seek additional information, data, or reports regarding:



- (a) Cash flow analysis;
 - (b) Source, amount, and use of revenues of the county board for the most recent ten years;
 - (c) Levy experience and strategy;
 - (d) Efficiency and allocation of staff;
 - (e) Involvement of a council of governments;
 - (f) Funding sources for programs operated by the county board;
 - (g) Comparability of salaries and benefits of employees of the county board to other local agencies and to other similar county boards;
 - (h) The county board's most recent strategic plan;
 - (i) Programs operated or funded by the county board; and
 - (j) Any other information determined by the department to be relevant.
- (2) The department may further review the operations and financial situation of the county board by:
- (a) Examining the financial records of the county board;
 - (b) Appointing a public accounting firm to examine the financial statements and other records of the county board; and
 - (c) Appointing a group of peers from other county boards to perform an on-site review of the operations of the county board.
- (3) The department will consult with the office of budget and management and the Ohio department of medicaid in accordance with rule 5160-41-16 of the Administrative Code.



(F) Department decision

(1) The department will decide whether or not to provide assistance based on:

(a) Efficiency of the county board's administration;

(b) Use of medicaid to support services in the county;

(c) The county board's plan to resolve its financial situation;

(d) Reasonableness of costs of the county board in comparison with other agencies; and

(e) Alternatives to assistance such as structural and operational changes to the county board.

(2) The department's decision whether or not to provide assistance will be at its sole discretion.

(3) If the department decides that assistance will be made available to the county board, the department will also decide whether the assistance will be in the form of paying the nonfederal share of medicaid expenditures for home and community-based services, reducing the number of individuals required to be enrolled in a waiver component under section 5126.0512 of the Revised Code, or both. The department will consider:

(a) Amount needed to pay the nonfederal share and impact on other counties;

(b) Number of individuals on the waiting list and progression of the list;

(c) Likelihood of the county board being able to resume paying the nonfederal share after a year; and

(d) Maintenance of home and community-based services waiver assurances.

(4) If the department permits a reduction in the number of individuals required to be enrolled in a waiver component under section 5126.0512 of the Revised Code, no individual may be disenrolled



from a waiver as a result of such reduction.

(5) The department will issue its decision in writing which may include any prerequisites for the county board to receive assistance. Generally, assistance will be made available for a twelve-month period.

(G) Monitoring

(1) Upon the grant of assistance, or as determined by the plan of action submitted by a county board assigned a designation of "warning" or "emergency" based on results of the scorecard risk assessment, the county board will submit to the department on a quarterly basis, or at an interval otherwise determined by the department:

(a) Financial statements;

(b) Updated projection of revenues and expenditures;

(c) Progress on implementing the county board's plan of action to resolve the county board's financial situation; and

(d) Plans and strategy for an operating levy.

(2) The department will monitor the progress of the county board toward eliminating the need for assistance.

(3) Within six months of issuing its decision, the department and county board will confer on the impact of the plan of action on resolving the county board's financial situation and any adjustments needed in the plan of action.