

Fiscal Note & Local Impact Statement

123rd General Assembly of Ohio

BILL: Sub. S.B. 55 DATE: May 26, 1999
STATUS: As Passed by the Senate SPONSOR: Sen. White
LOCAL IMPACT STATEMENT REQUIRED: No — Permissive
CONTENTS: Changes regarding the authority of boards of county hospital trustees.

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1999	FY 2000	FUTURE YEARS
County Hospital Trustees			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Minimal decrease	Minimal decrease	Minimal decrease

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Under Am. S.B. 55, a county hospital is not required to directly employ an administrator. Instead, section 339.07 of the Revised Code allows for the board of county hospital trustees to enter into a contract for the management of the hospital. This change could save the board of county hospital trustees expenses associated with salary and fringe benefits. Under current law, county hospitals trustees are required to directly hire an administrator.
- Improvements to county hospitals not financed by the proceeds of bonds or other obligations secured by the full faith and credit of the state, the county, or a municipal corporation are not subject to the prevailing wage law under the bill. This may result in savings for county hospitals in these very limited circumstances.



Detailed Fiscal Analysis

County Hospital Administrator

Under current law, the board of county hospital trustees is required to directly employ an administrator to operate the facility. As contained in Amended Senate Bill 55, section 339.07 of the Revised Code will allow the board to enter into a contract for the management of the hospital, under which an administrator will be provided. This change in the Revised Code could potentially lead to minimal savings for county hospitals that will no longer be required to directly hire an administrator. This section of the bill also requires the board of trustees to delineate the job description of an administrator when directly employed by the board.

Prevailing Wage Law Exemption

Under the bill, public improvements for the county hospital are not automatically subject to the prevailing wage law. Under current law, public authorities are generally required to have the Ohio Bureau of Employment Services determine the prevailing wage rates for mechanics and laborers for the class of work called for by the public improvement in the locality where the work is to be performed. In Am. S.B. 55, if the improvement to a county hospital is not paid for by any of the following sources, the prevailing wage law requirement may be exempted. The sources include:

- 1) Funds generated by the levy of a tax by the board of county commissioners, the state, or a municipal corporation; or
- 2) The proceeds of bonds or other obligations which are secured by the full faith and credit of the state, the county, or a municipal corporation, including funds used to repay any amounts borrowed to construct the improvements.

This may provide some savings to county hospitals in these very limited circumstances.

□ *LBO staff: Jeffrey M. Rosa, Budget/Policy Analyst
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