STATEHOUSE REPORT

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OBM releases monthly fiscal report for June

The Ohio Office of Budget and Management (OBM) released its monthly fiscal report for June, the final month of State Fiscal Year 2026. State tax receipts for June were above estimate by $306.5 million (11.3%) and for the fiscal year receipts are above estimate by $1.77 billion (6.1%).

Of the $1.77 billion overage, income tax receipts were $1.1 billion (11.1%) over-estimate, Sales tax receipts were $426 million (2.9%) above estimate and commercial activity tax (CAT) receipts were $180 million (8.4%) above estimate. Without an economic downturn, most of the increased sales and CAT receipts should continue into FY 27. This is because the FY 27 estimates were built on the FY 26 estimates, since the FY 26 base was so much higher it is likely most of these gains will carry over into the next fiscal year.

On the income tax side, OBM has stated that most of this was related to realized capital gains, which will not recur in the future. However, about 45% ($490 million) of the overage was in categories not related to capital gains, and is more likely to recur in future years

Through HB 479 which passed last month, the state spent $1.215 billion of the $1.8 billion overage. The state will end the year with an additional $536 million in the year-end balance. This $1.215 billion was spent on the following items:

- $350 million for an enhanced Homestead exemption for Tax Year 2026 to be realized in Calendar Year 2027
- $320 million for an expanded sales tax holiday in 2027
- $310 million transfer to the Health and Human Services Fund, to backfill a court required settlement
- $200 million to pay cash for a portion of the capital budget bill
- $35 million deposit to the Budget Stabilization Fund (the rainy day fund)

All things being equal, without any economic contraction (and adding in a slight lowering of OBM assumed tax growth FY 27) the state should receive significantly more in tax receipts than currently anticipated for FY 27, in addition to the $536 million carry-over assumption.

State Controlling Board approves $1 million for Vinton County Children Services

This week, the state Controlling Board approved a request from the Ohio Department of Children and Youth (DCY) for $1 million in supplemental children services funds to Vinton County for a child welfare case involving 16 children.

The Controlling Board facilitates necessary adjustments to budgetary authority for state agencies as outlined in appropriations acts throughout the biennium, without requiring involvement by the entire legislature. The Board consists of seven members: The Director of the Office of Budget and Management or his or her designee, the Chairs or Vice-Chairs of the Senate and House Finance committees, and a majority member and minority member from both the Senate and the House designated by the Speaker of the House and Senate President.

The request from DCY stated that, in a single day, South Central Ohio Job and Family Services, of which Vinton County is a part, took custody of 16 children, a 55% increase in the agency's overall census and more than a doubling of the number of children in temporary custody. Placement costs alone are projected at $150-$250 per child per day, creating an estimated annual fiscal impact of more than $850,000 for the county.

The $1 million will be sent to South Central Ohio Job and Family Services in coordination with the Vinton County Family and Children First Council to administer resources in Vinton County for this specific case including placement costs for the children and court costs related to the children’s cases.

During the hearing, the legislative members of the Controlling Board questioned the overall state funding of the child welfare system and how improvements might be made in future operating budgets or legislation.

Members with questions should contact Rachel Reedy at rreedy@ccao.org.

CCAO Legislative Platform Survey is open

The CCAO Policy Team requests your input on items for inclusion in the Association’s legislative platform for the upcoming 137th General Assembly. The platform guides CCAO's advocacy.

Please identify policy issues, legislative proposals, or emerging challenges that you believe should be added to or more prominently addressed in the platform.

Before responding, you may wish to review the current CCAO Legislative Platform which is available here.

Please note the current platform has not been updated to account for any legislative changes that have occurred during this General Assembly (since January 2025). If there are current platform positions you would like for the Association to consider changing, please note those in the survey.

The survey provides three slots to list issues and proposed solutions you feel are important to your county and counties in general. If you have more than three issues to suggest, simply submit your responses and complete the survey again.

Take the legislative platform survey here.

The survey will remain open through Monday, August 3, 2026.

If you have questions regarding the survey, please contact policy@ccao.org.

Legislative Activity

Introduction of Bills

The following bill(s) that may be of interest to counties were introduced this week:

- House Bill 977 (Representative Bernie Willis): To exempt sales of aircraft to nonresidents from sales tax.