THE BUCKEYE INSTITUTE

2019 Piglet Book

Finding and Eliminating Government Waste

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Introduction

Ohio taxpayers deserve a prudent, fiscally responsible government that respects the sacrifices made for their hard-earned tax dollars. Hard work and private enterprise—not government spending—will drive the economy of a free society. The more taxpayer money that governments tax and spend, the less that remains for families, employers, private investment, and philanthropic charity. Accordingly, policymakers must be careful to craft sustainable, balanced budgets that provide constituents with core government services and a sound infrastructure, but remain free of crony capitalism and wasteful, ineffective pet projects. Budgets laden with unnecessary and expensive public programs and services infringe upon the prerogatives of the free citizen. Budgets that expand the size and scope of government spending year after year risk levying ever-higher taxes to pay for ever-rising expenses. Budgets that lack discipline and restraint today threaten the solvency of Ohio tomorrow.

The Buckeye Institute's biennial *Piglet Book* highlights for Ohio policymakers some of the state's undisciplined, counter-productive, and wasteful spending programs. Because new spending typically establishes higher budget baselines, reducing government spending becomes more difficult from year-to-year and budget-to-budget.[1] The *Piglet Book* identifies ways that Ohio can reduce state spending, save taxpayers more of their hard-earned money, and still accomplish the core functions of proper government.

Several fundamental principles should guide policymakers as they work toward reasonable, sustainable levels of government spending. Applying the following policy principles to the budget proposal submitted by Governor Mike DeWine's Administration could save Ohio at least **$2.5 billion**.

- *Constrain government spending growth rates*. Policymakers should reasonably constrain government spending growth to the population growth and inflation rates. Increases greater than those rates should be viewed skeptically. Accordingly, most estimated Fiscal Year (FY) 2019 expenditures should rise by less than three percent. Medicaid spending rates may rise slightly faster due to faster health care inflation, but those increases should be offset by reductions or slower growth rates elsewhere.

- *Eliminate corporate welfare*. The government should not engage in crony capitalism in the private sector by redistributing taxpayer dollars to industries and companies that the government thinks should succeed. Crony capitalism does not drive economic growth.[2]

- *Eliminate government philanthropy and government advocacy*. Philanthropy should be voluntary, not compelled. Philanthropists and charities are better positioned than governments to direct money to programs and causes worth supporting. Research has

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[1] Daniel Mitchell, "***Supplement to the Impact of Government Spending on Growth***," The Heritage Foundation, March 15, 2005.

[2] Greg R. Lawson, ***2017 Piglet Book***, The Buckeye Institute, March 29, 2017.

shown that government philanthropy crowds out private giving, harming the very charities and programs it seeks to help.[3]

- *Eliminate burdensome occupational licensing regimes.* Occupational licensing should only be used to ensure the public's health and safety. Generally speaking, citizens should not have to ask for the state's permission to earn a living.

- *Eliminate earmarks*. History advises that state budgets tend to add funding for individual, parochial projects as they wind through the legislative process. Such projects should not be added.

The *Piglet Book* focuses on Ohio's biennial budget, but policymakers must examine *all* state spending initiatives, including the capital budget, inasmuch as taxpayers provide every dollar that the state spends. Ohioans do not care under which budget, which line item, or which accounting device the state spends their money, it is still *their* money—an economic and political reality that policymakers in Columbus should always keep in mind.

[3] Walter O. Simmons, and Rosemarie Emanuele. "**Does Government Spending Crowd Out Donations of Time and Money?**" *Public Finance Review* Volume 32, Issue 5 (September 1, 2004) p.498–511.

The Governor's Budget Proposal and Controlling Spending Growth

In Governor Mike DeWine's Fiscal Year (FY) 2020-2021 Blue Book[4] the new administration identifies a number of difficult and recurring problems for the state to address, including poverty's effects on students, Ohio's opioid crisis, and the algae blooms in Lake Erie. Managing and working to solve these problems will require extensive state and taxpayer resources. Unless the administration finds ways to curb or eliminate government spending and waste elsewhere in the state's budget, the laudable problem-solving proposed by the governor may be underfunded and ineffective, or may increase government spending and taxpayer burdens so as to ultimately hinder economic growth, job creation, and Ohio's long-term prosperity.

The governor's proposed budget would increase government spending by more than $150.4 billion over the biennium.[5] Of that increase, the total General Revenue Fund (GRF) appropriations would be $69 billion and state-only GRF appropriations would $48.8 billion.[6] The total FY20 proposed appropriations will rise 4.7 percent over the estimated expenditures for FY19, with FY21 appropriations projected to rise another 2.4 percent. According to such projections, Ohio will spend more than seven percent overall in FY21 than in the current fiscal year—a significantly higher government spending growth rate than the one recommended in The Buckeye Institute's *Sustaining Economic Growth* report.[7]

Unfortunately, the governor's budget proposal relies heavily on overly optimistic revenue growth projections to pay for such significant increases in proposed spending, and leaves no room for returning tax dollars to Ohio businesses and families to spur private sector investment, growth, and job creation. The Office of Budget and Management and analysts at the Legislative Service Commission already disagree significantly on economic growth rates and the amount of projected tax revenue that Ohio can expect to collect.[8] The inherent guesswork associated with such projections emphasizes the need for policymakers to act prudently as they craft the FY20-21 budget.

To help foster such prudence, The Buckeye Institute's 2019 *Piglet Book* highlights wasteful projects, programs, and government spending that balloon the state budget and will either harm economic growth or syphon valuable state funds from the problems that the DeWine Administration wants to solve. State programs and spending projects must be frequently re-evaluated to ensure that they in fact remain necessary, efficient, and effective. And although it is reasonable for agency and program budgets to rise with prices and a growing population, calls for increased funding should be viewed skeptically as policymakers resist rubber-stamping agency requests for more money.

As a general rule of thumb, tying government spending growth rates to inflation and population growth would help check spending rates and overall expenditures. Indeed, if most state agency

[4] **State of Ohio Executive Budget: Fiscal Years 2020-2021**, Office of Budget and Management, March 15, 2019.
[5] *Ibid*.
[6] *Ibid*.
[7] Rea S. Hederman Jr., Andrew J. Kidd, Ph.D., Tyler Shankel, and James Woodward, Ph.D., ***Sustaining Economic Growth: Tax and Budget Principles for Ohio***, The Buckeye Institute, February 21, 2019.
[8] Randy Ludlow, **Legislature's Budget Adviser: Cut DeWine Sending Increase by 25 Percent**, *The Columbus Dispatch*, March 19, 2019.

budget increases were capped at 4.5 percent total growth over the next two years, Ohio could save more than $2.2 billion.[9] Some programs and agencies, such as Medicaid, the Department of Aging, and the Department of Mental Health and Addiction Services may require larger growth caps of 2.98 and 3.11 percent growth over the next two fiscal years.[10] But higher growth rates and expenses in those service areas can be offset with spending reductions in others. Ohio has fewer students enrolling in its K-12 education system, for example, with the ten-year trend for student enrollment declining an average of .71 percent annually.[11] State education funding should be reduced accordingly—with appropriate growth rates of 1.4 percent in FY20 and 1.53 percent in FY21—rather than rise perpetually regardless of fundamental changes in the served population.[12]

To fit within more sustainable spending growth rates, systemic reforms to major programs will be needed. The three largest areas requiring such reforms will be Medicaid, K-12 education, and criminal justice. The Buckeye Institute has called for Medicaid work requirements, changing how school systems are funded, and myriad changes to Ohio's sentencing laws to reduce Ohio's high incarceration rate. Rather than detail such sweeping (but necessary) reforms to major government programs, the *Piglet Book* suggests state-funded programs and services that are not core government-service providers, and that are ripe for spending cuts or elimination.

[9] Rea S. Hederman Jr., Andrew J. Kidd, Ph.D., Tyler Shankel, and James Woodward, Ph.D., ***Sustaining Economic Growth: Tax and Budget Principles for Ohio***, The Buckeye Institute, February 21, 2019.
[10] *Ibid.*
[11] *Ibid.*
[12] *Ibid.*

Eliminate Corporate Welfare

Governments should not engage in crony capitalism by supporting one private company over another—it is ethically inappropriate and economically harmful.[13] Private investment rewards successful and efficient firms that deliver valued goods and services at prices that consumers can afford. Government investment, by contrast, rewards inefficient firms and industries with effective lobbyists that curry political favor and reap the unfair advantage of corporate welfare—taxpayer dollars that offset market-driven losses.

The corporate welfare programs listed below should be eliminated, not because the underlying product, service, or programs are not worthwhile, but because they represent inappropriate uses of state and taxpayer resources. In each case, for-profit and non-profit entities, rather than the state, should leverage their own resources to accomplish the desired objectives of the program.

Eliminating corporate welfare, preferential treatment for special interests, and funding advertising campaigns that should be paid for by the private sector could save Ohio at least $260 million. The following list of Ohio's corporate welfare programs is not comprehensive, but eliminating these examples alone would provide the state with more than a quarter billion dollars in savings.

Ohio Proud – $200,000

Agriculture is one of Ohio's leading economic sectors. Expanding markets for Ohio agricultural products through state-funded advertising and marketing campaigns may affect Ohio's economy at-large, but using state general revenue funds to market products for certain private businesses is not a fair or wise use of taxpayer dollars. The Ohio Farm Bureau, the voluntary association that protects Ohio's farming community, collects voluntary dues that already cover many such marketing services without taxpayer expense.

Ohio Grape Industries – $3.1 million

Ohio has developed a program that conducts marketing on behalf of the state's wine grape growers. The marketing campaign is underwritten by a five cents per gallon excise tax on wine sold in Ohio. Wine producers should contract with private marketing firms and pay for their own advertising initiatives, rather than expect taxpayers to foot the bill. With the Ohio wine industry generating revenues of more than $1 billion[14] per year, taxpayers should not be subsidizing its marketing campaigns with artificially higher wine prices.

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[13] Tom DeHaven and Chris Edwards, Cato Institute, Testimony Before the U.S. House Budget Committee, **Corporate Welfare Spending vs. the Entrepreneurial Economy**, June 1, 2012.
[14] Carly Flynn Morgan, **Wine is a $1.3 Billion Industry in Ohio**, WKYC.com, October 10, 2017.

TourismOhio – $20 million

TourismOhio is a marketing program for Ohio's tourism industry funded by the state sales tax. Tourism is a $44 billion per year industry that can afford its own marketing paid for by the businesses it benefits.[15]

Third Frontier – $223.7 million

The Third Frontier program gives grants to universities and businesses to spur technical innovation. Venture capital firms, not the government, should identify innovative lines of research. But the current budget proposal would use the Third Frontier program to redistribute up to $223.7 million to private research and development firms over the next two years using proceeds from taxable and non-taxable general obligation bonds. Responsible debt-use to fund key infrastructure projects may make sense under certain circumstances, but using debt that is ultimately backed by tax revenue in order for the state to play venture capitalist is not an appropriate use of public resources. Because this program is financed with bond sales, many of which have already taken place, nothing can be done about *existing* debt, but eliminating this program will prevent future tax resources from being funneled in this direction.

Innovation Ohio – $10 million

Under this program, the Development Services Agency (DSA) lends money to businesses in targeted industry sectors for a variety of purposes, including research and development, and the commercialization of research products. Although many of the program's purposes are worthwhile for the private sector, it smacks of crony capitalism when government helps pick market "winners and losers" by choosing which entities have access to preferential agency loans.

Technology Programs and Grants – $3.7 million

The DSA will administer technology programs and grants in FY20 and FY21, bestowing taxpayer funds on business incubators and small- and mid-sized manufacturers. Only a small percentage of Ohio's manufacturing will receive grants and access to the state's general revenues, once again artificially influencing market behavior and putting the government's proverbial thumb on the free market scale.

Small Business and Export Assistance – $6.1 million

Facilitating overseas market access for Ohio manufacturers is commendable, but state tax dollars should not subsidize any specific business or give it an unfair competitive advantage.

[15] **About TourismOhio**, Ohio.org (Last visited March 29, 2019).

State Trade and Export Promotion – $2 million

This redundant program targets businesses that want to expand to export markets and tries to increase the value of products already being traded. Private businesses can and should do this for themselves. Government agencies only know how to increase the value of goods by giving some companies an unfair advantage over others. In this case, the Federal matching dollars that Ohio receives encourage unnecessary and unfair spending by the state.

Eliminate Government Philanthropy and Government Advocacy

Philanthropy should be free and voluntary, not compelled and paid for with state-collected tax revenues. Private donors and public-minded philanthropists should support the artistic and cultural endeavors that people want and that provide such tremendous social benefits. Governments must get out of the coerced philanthropy business.

Academic research confirms that government-funded philanthropy crowds out private philanthropy,[16] reducing private donations and creating the perceived need for even more government spending on cultural products that the public may not voluntarily support or value.[17] The government-backed crowd out produces perpetual public spending growth and increases the government's influence in what were and should be private areas. Even more troubling are the government-funded public advocacy groups that use state dollars to replace private donations, transforming such groups from public advocates to government advocates.

The list of government-sponsored philanthropy and public advocacy groups below is not exhaustive, but provides examples of state programs that should be eliminated, which would save $36 million taxpayer dollars.

Ohio Arts Council – $33 million

The Ohio Arts Council redistributes income and sales tax revenue to artists and galleries that the government selects, making the state an arbiter of artistic taste and culture. Ohioans can choose for themselves which artists and galleries to patronize without the government's heavy-handed guidance.

Ohioana Library Association – $240,000

The Ohioana Library Association is a useful, non-profit organization that collects and promotes literary works by Ohio authors. The General Revenue Fund money that it receives subsidizes the organization's rent at the State Library of Ohio in Columbus and "leverages" private donations. There are more than 250 public libraries in the state that could house the association without requiring a state subsidy.[18] Despite its commendable mission, the association does not provide a core government service requiring taxpayer subsidies, and so it should rely on private funding and philanthropy.

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[16] Walter O. Simmons, and Rosemarie Emanuele. "**Does Government Spending Crowd Out Donations of Time and Money?**" *Public Finance Review* Volume 32, Issue 5 (September 1, 2004) p.498–511.

[17] David B. Muhlhausen and Patrick D. Tyrrell, ***The 2013 Index of Dependence on Government***, The Heritage Foundation, November 21, 2013.

[18] **Ohio Public Libraries**, Publiclibraries.com, (Last visited March 22, 2019).

County Agriculture Subsidies – $759,000

The Ohio Department of Agriculture uses income and sales tax revenue to subsidize county fairs, crowding out local governments and private organizations, such as 4-H, that could fill this role. County fairs are important cultural and local community events, but they are not a state issue that warrants state funding.

Ohio History Connection – $2 million

Ohio has a rich and diverse history that we should all be proud to discover and learn. However, the nearly $2 million that the National Afro-American Museum and the Hayes Presidential Center will receive through taxpayer subsidies should be secured through private philanthropic dollars and not rely on or require state-collected funds.

Eliminate Burdensome Occupational Licensing Regimes

Occupational licensing requirements force too many Ohioans to ask the state for permission to work and earn a living in their chosen professions. Not only do onerous licensing requirements prevent people from earning taxable wages—costing the state income tax revenues—the licensing boards themselves require state funds to operate and oversee industries and professions that do not present significant risks to public health or safety.

The Buckeye Institute recommends eliminating needless and burdensome occupational licensing in Ohio. Thanks to our efforts, Governor John Kasich signed Senate Bill 255 giving the General Assembly greater oversight of Ohio's occupational licenses.[19] The General Assembly should use that enhanced oversight to eliminate some and reduce the burdens imposed by other occupational licensing boards. Policy advocates from both sides of the political spectrum agree that state licensing regimes should only be required for professions that may involve demonstrable risk to individuals and the public's health and safety.[20]

Ohio can eliminate at least two licensing boards that currently cost the state more than $2 million per year to run. Other boards could be eliminated or scaled-back over time.

Auctioneer Licenses – $812,000

Auctioneers do not pose a threat to public health or safety. They are not a danger to themselves or others. Why a silver-tongued auctioneer should require the state's permission to acknowledge bidders' paddles is far from clear, but it cannot be to ensure the safety and health of others. According to EstateSales.org, 23 states, including Michigan, have no statewide licensure requirement for auctioneers (though some may have local requirements) and it is time for Ohio to join them.[21]

Motor Vehicle Repair Board – $1.2 million

The Motor Vehicle Repair Board performs functions that the private sector already performs admirably. The investigates an average of 200 complaints per year and maintains a registry of approximately 2,000 collision repair facilities, auto glass businesses, airbag repair and replacement, window tint installation, and mobile auto repair businesses.[22] Consumers have adequate access to information on the quality of facilities from various sources, including the Better Business Bureau to Angie's List, which make this state board redundant and unnecessary.

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[19] **Ohio Governor Signs The Buckeye Institute-Championed Best-in-the-Nation Occupational Licensing reform Policy**, The Buckeye Institute Press Release, January 4, 2019.

[20] See, e.g., Salim Furth, ***Costly Mistakes: How Bad Policies Raise the Cost of Living***, The Heritage Foundation, November 23, 2015; Morris M. Kleiner, ***Reforming Occupational Licensing Policies***, The Hamilton Project, March 2015; The White House, ***Occupational Licensing: A Framework for Policymakers***, July 2015.

[21] EstateSales.org, **Auction License Laws by State** (Last visited March 21, 2019).

[22] **State of Ohio Executive Budget: Fiscal Years 2020-2021**, Office of Budget and Management, March 15, 2019.

Eliminate Earmarks

Although the Governor's Blue Book does not currently contain earmarks, history advises that the budget will add funding for individual, parochial projects as it winds its way through the legislative process. Such projects should not be added to the budget. As The Buckeye Institute's report on the capital budget explains, a taxpayer in Glenford should not be subsidizing construction of a local municipal park in Columbus or vice versa.[23]

Additionally, there should not be earmarks that define specific programs to be used by a state agency. Although the General Assembly can and should oversee state agencies, it should not be overly prescriptive in specifying the exact programs an agency uses to meet their statutory obligations. Often such earmarks simply provide business to a particular vendor, and they should be avoided.

[23] Greg R. Lawson, ***Principles Spending: Using Ohio's Capital Budget to Benefit Ohioans***, The Buckeye Institute, February 5, 2018.

Conclusion

Limiting Ohio's government spending growth rate and eliminating wasteful spending during the next biennium could save Ohioans **more than $2.5 billion**. Those saved dollars could be used to further reduce the tax burden on hard-working taxpayers or be invested in core government services such as public safety or infrastructure. Government budgets should rise no faster than necessary to keep pace with inflation and population growth rates. Faster spending growth in some sectors should be offset by slower spending growth in other sectors. Policymakers should scour state budget proposals to find projects, services, and programs that are duplicative, outdated, overly burdensome, parochial, already performed by the private sector, or do not serve a core government function—and eliminate them. Simply eliminating corporate giveaways and government-funded philanthropy projects, for example, could save Ohio more than $260 million.

There are other ways for Ohio to save taxpayer money, including: closing some tax loopholes (at least $1.8 billion);[24] reining-in Ohio's capital budget as The Buckeye Institute's "Top Ten List" suggests (at least $18 million);[25] and engaging in major programmatic overhauls to Medicaid, K-12 public education, and criminal justice. But the *Piglet Book* identifies some of the most egregiously wasteful programs and services that can and should be eliminated or pared back immediately to make Ohio more fiscally responsible.

Governor DeWine and the General Assembly should revisit their spending plan for Fiscal Years 2020 and 2021 and adjust or cap spending growth rates, focus spending on core government functions, and cut out the remaining pork. Doing so will save Ohio taxpayers money, make government more efficient and effective, and keep the state on solid financial ground to better weather the next economic storm. Failure to do so risks broken campaign promises, perpetuating unsustainable budgets, and all-but guaranteeing a fiscally unstable future.

[24] **The Buckeye Institute Identifies $1.8 Billion in Tax Loopholes that Should be Closed**, The Buckeye Institute press release, April 10, 2018.
[25] **More than $18 Million Spent on The Buckeye Institute's Top Ten List of Worst Capital Budget Requests**, The Buckeye Institute press release, March 5, 2018.

Fiscal Year 2020-2021 Recommended Funding Levels and Projected Savings

Agency	Total Blue Book Appropriation (All Funds)	Suggested Total Appropriation (All Funds)	Savings Over Bluebook Appropriations (All Funds)
Accountancy Board of Ohio*	$3,578,104	$3,578,104	$0
Adjutant General's Department	$111,919,669	$108,228,400	$3,691,269
Air Quality Development Authority	$2,466,385	$2,209,407	$256,978
Architects Board and Ohio Board of Landscape Architect Examiners	$1,284,905	$1,259,715	$25,190
Athletic Commission*	$662,991	$662,991	$0
Attorney General	$775,539,733	$733,270,466	$42,269,267
Auditor of State	$182,875,996	$173,912,574	$8,963,422
Board of Deposit	$3,752,000	$3,752,000	$0
Board of Nursing	$23,167,257	$22,399,924	$767,333
Board of Tax Appeals*	$3,703,245	$3,703,245	$0
Broadcast Educational Media Commission*	$18,781,856	$18,781,856	$0
Bureau of Workers' Compensation	$644,628,855	$628,587,413	$16,041,442
Capitol Square Review and Advisory Board	$20,463,283	$18,436,432	$2,026,851
Casino Control Commission*	$27,353,756	$27,353,756	$0
Chemical Dependency Professionals Board	$1,315,379	$1,172,073	$143,306
Civil Rights Commission	$19,196,323	$17,629,112	$1,567,211
Commission on Hispanic/Latino Affairs*	$978,051	$978,051	$0
Commission on Minority Health	$5,630,821	$5,463,311	$167,510
Commission on Service and Volunteerism*	$19,994,531	$19,994,531	$0
Commissioners of the Sinking Fund*	$2,638,623,500	$2,638,623,500	$0

Controlling Board*	$15,000,000	$15,000,000	$0
Cosmetology and Barber Board	$11,142,692	$11,056,976	$85,716
Counselor, Social Worker, and Marriage and Family Therapist Board	$3,594,386	$3,359,851	$234,535
Court of Claims	$8,208,544	$7,586,972	$621,572
Department of Education***	$23,472,521,974	$23,146,677,747	$325,844,227
Department of Medicaid**	$50,895,096,998	$50,579,769,625	$315,327,373
Department of Administrative Services*	$1,685,195,172	$1,685,195,172	$0
Department of Aging**	$197,061,499	$191,367,178	$5,694,321
Department of Agriculture	$258,234,342	$219,813,744	$38,420,598
Department of Commerce	$477,557,217	$458,376,134	$19,181,083
Department of Developmental Disabilities**	$6,710,251,343	$6,115,750,487	$594,500,856
Department of Health	$1,363,213,406	$1,292,795,411	$70,417,995
Department of Higher Education	$5,556,723,830	$5,473,832,871	$82,890,959
Department of Insurance	$85,606,100	$78,135,781	$7,470,319
Department of Job and Family Services	$7,393,971,353	$7,153,209,349	$240,762,004
Department of Mental Health and Addiction Services**	$1,719,127,714	$1,650,726,599	$68,401,115
Department of Natural Resources	$910,301,403	$773,507,798	$136,793,605
Department of Public Safety*	$1,581,568,071	$1,581,568,071	$0
Department of Rehabilitation and Correction	$3,889,732,410	$3,838,684,584	$51,047,826
Department of Taxation *	$4,659,993,823	$4,659,993,823	$0
Department of Transportation*	$7,440,535,282	$7,440,535,282	$0

Department of Veterans Services	$214,738,368	$187,983,206	$26,755,162
Department of Youth Services	$485,941,320	$475,487,600	$10,453,720
Development Services Agency*****	$2,318,512,257	$2,052,953,753	$265,558,504
Employee Benefits Funds*	$3,856,327,430	$3,856,327,430	$0
Environmental Protection Agency	$440,254,053	$417,705,481	$22,548,572
Environmental Review Appeals Commission	$1,285,000	$1,268,116	$16,884
Facilities Construction Commission	$946,386,852	$940,369,987	$6,016,865
Higher Educational Facility Commission*	$25,000	$25,000	$0
House of Representatives*	$54,801,876	$54,801,876	$0
Joint Committee on Agency Rule Review*	$1,140,000	$1,140,000	$0
Joint Education Oversite Committee*	$755,331	$755,331	$0
Joint Legislative Ethics Committee*	$1,420,000	$1,420,000	$0
Joint Medicaid Oversight Committee*	$890,046	$890,046	$0
Judicial Conference of Ohio	$2,835,655	$2,370,068	$465,587
Judiciary/Supreme Court	$404,382,188	$385,237,419	$19,144,769
Lake Erie Commission*	$1,493,000	$1,493,000	$0
Legislative Service Commission*	$63,242,040	$63,242,040	$0
Liquor Control Commission	$1,779,523	$1,759,746	$19,777
Lottery Commission*	$753,878,506	$753,878,506	$0
Office of Budget and Management*	$56,502,834	$56,502,834	$0
Office of Inspector General	$4,672,462	$4,542,847	$129,615

Office of the Consumers' Counsel*	$11,082,186	$11,082,186	$0
Office of the Governor	$7,121,632	$6,387,272	$734,360
Office of the Public Defender*	$335,407,520	$335,407,520	$0
Ohio Arts Council****	$33,044,301	$0	$33,044,301
Ohio Elections Commission*	$1,269,362	$1,269,362	$0
Ohio Ethics Commission	$5,079,101	$4,789,680	$289,421
Ohio Expositions Commission*	$32,541,563	$32,541,563	$0
Ohio History Connection	$26,946,896	$24,594,447	$2,352,449
Ohio Housing Finance Agency	$25,086,853	$24,617,451	$469,402
Ohio Industrial Commission	$109,469,702	$99,693,632	$9,776,070
Ohio Motor Vehicle Repair Board****	$1,260,337	$0	$1,260,337
Ohio Occupational Therapy, Physical Therapy, and Athletic Trainers Board*	$2,305,442	$2,190,155	$115,287
Ohio School for the Deaf	$28,394,526	$25,558,060	$2,836,466
Ohio State Chiropractic Board*	$1,227,251	$1,227,251	$0
Ohio State School for the Blind	$28,314,169	$25,759,488	$2,554,681
Opportunities for Ohioans with Disabilities Agency	$547,076,000	$485,208,991	$61,867,009
Pension Subsidies*	$67,856,000	$67,856,000	$0
Petroleum Underground Storage Tank Release Compensation Board	$2,879,935	$2,840,896	$39,039
Public Utilities Commission of Ohio*	$119,082,949	$119,082,949	$0
Public Works Commission*	$679,032,214	$679,023,910	$8,304
Secretary of State*	$66,517,173	$66,517,173	$0
Senate*	$32,724,652	$32,724,652	$0

Southern Ohio Agricultural and Community Development Foundation	$595,816	$533,339	$62,477
State Board of Career Colleges and Schools*	$1,080,520	$1,080,520	$0
State Board of Embalmers and Funeral Directors*	$1,982,948	$1,982,948	$0
State Board of Engineers and Surveyors	$2,575,410	$2,560,227	$15,183
State Board of Pharmacy	$34,484,691	$32,806,482	$1,678,209
State Board of Psychology*	$1,362,005	$1,362,005	$0
State Dental Board	$4,125,055	$3,783,152	$341,903
State Employment Relations Board	$8,589,625	$8,415,150	$174,475
State Library Board*	$43,783,560	$43,783,560	$0
State Medical Board	$22,164,642	$21,376,952	$787,690
State Racing Commission*	$61,229,458	$61,229,458	$0
State Revenue Distributions*	$15,565,422,283	$15,565,422,283	$0
State Speech and Hearing Professionals Board*	$1,256,709	$1,256,709	$0
State Vision Professionals Board*	$1,294,896	$1,294,896	$0
Treasurer of State*	$79,429,688	$79,429,688	$0
Veterans Organizations*	$3,846,000	$3,846,000	$0
Veterinary Medical Licensing Board	$928,196	$921,468	$6,728
TOTALS	**$150,449,689,206**	**$147,946,552,075**	**$2,503,137,131**

* Keep same appropriations as Bluebook.
** Adjusted by Medicaid inflation rate of 2.98% in FY20 and 3.11% in FY21.
*** Adjusted for decline enrollment by 1.4% in FY20 and 1.53% in FY21.
**** Eliminate entire program.
***** Eliminate several individual programs as outlined in the *Piglet Book*

Methodology

Appropriation totals on the following charts are taken from individual agency sections contained in the Blue Book. Totals may not add up due to rounding in the Blue Book.

If the recommended Blue Book appropriations across both FY20 and FY21 were below the capped appropriation of approximately 4.5 percent across both fiscal years, then the Blue Book appropriation was retained.

Several major line items including Employee Benefits and Pension Subsidies are accounting devices that reflect the outcome of current collective bargaining agreements. Therefore, the spending cap was not placed on them.

The spending cap was not applied on the line item for State Revenue Distributions. This includes such items as the Local Government Fund and state reimbursements for local tax levies.

The state reimbursements alone account for $1.84 and $1.86 billion of general revenues in FY20 and FY21 respectively. These amounts fluctuate, however, based upon the number of ongoing local property tax renewals and are ultimately not driven by state action other than the policy decision to reimburse local governments for renewal levies.

The worthwhile debate regarding setting aside nearly $2 billion in general revenues every fiscal year to pay for local decisions is beyond the scope of this report.

About the Author

Greg R. Lawson is a research fellow at The Buckeye Institute with expertise on Ohio's budget, local government, state and local taxes, education and education funding, transportation funding, and occupational licensing.

Lawson also serves as Buckeye's liaison to the state government policymakers where he educates policymakers in the legislative and executive branches on free-market solutions to Ohio's challenges. In this role, he is regularly called on to testify before legislative committees on policies that impact Ohio's families and the state's economy.

With nearly 20 years of experience working on seven state budgets, Lawson is a recognized expert on Ohio's budget, and is the co-author of *Principled Spending: Using Ohio's Capital Budget to Benefit Ohioans*. He has a deep knowledge of state and local taxes, and how Ohio funds Medicaid, education, and transportation. He is the author of the *Piglet Book*, The Buckeye Institute's biennial publication outlining areas of government waste, and develops Buckeye's biennial Top 10 Worst Capital Budget Requests list.

A recognized expert in the school choice movement and on occupational licensing, Lawson is the co-author of *Education Savings Accounts: Expanding Education Options for Ohio* and *Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce*. Lawson is also the author on several reports dealing with local government funding and reform, including, *Revenue Sharing Reform: On the Road to Ohio's Recovery* and *Joining Forces: Rethinking Ohio's Government Structure*.

Prior to his position at Buckeye, Lawson served in the Ohio General Assembly as a Legislative Service Commission fellow. He then went on to several government affairs roles focusing on numerous public policy topics, including Medicaid, school choice, transportation funding, and Ohio's Building Code. He also has a background in fundraising, grassroots organizing, and communications and served on the boards of two Columbus-based charter schools.

Lawson is a frequent speaker across the state of Ohio and is regularly quoted in media outlets throughout the state. His writings have appeared in most major Ohio newspapers including *The Cincinnati Enquirer*, *The Plain Dealer*, and *The Columbus Dispatch*, as well as national publications including *Forbes*. He also regularly provides commentary on policy and Ohio's political landscape on Ohio's premier public affairs programs.

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