



THE BUCKEYE INSTITUTE

Keep, Cut, Change: The Buckeye Institute's Recommendations for Ohio's 2019 Budget Conference Committee

As the Conference Committee finalizes Ohio's budget, reconciling the House and Senate versions, The Buckeye Institute offers the following policy recommendations.

Cut Taxes for Hardworking Ohioans: Keep Senate Version

The Senate's eight percent across-the-board income tax cut reduces taxes for all Ohioans and keeps Ohio's economy on a pro-growth path. The Senate's version reduces the marginal rate for everyone, simplifies the tax code, and allows Ohioans to keep more of their hard-earned money.

Expand School Choice Options for Ohio Families: Keep Senate Version

The Senate's budget will improve Ohio's stagnant education environment by removing hurdles to available scholarships and helping to ensure that scholarships are available to students entering failing high schools.

Ensure a High School Diploma Means Something: Keep Senate Version

The Buckeye Institute **generally agrees** with the joint proposal offered by Ohio Excels, the Alliance for High Quality Education, and the Fordham Institute included in the Senate budget. The joint proposal reduces some of the testing requirements that have burdened teachers, and offers other career, technical, and apprenticeship pathways for graduation.

Reduce Unsustainable Spending: Cut

At \$140 billion—a nearly eight percent increase over current spending—Ohio's budget is simply unsustainable. Spending increases should be **tied to inflation and population growth** or a roughly 4.5 percent increase at current growth rates.

Support Ohio's Small Business Owners: Keep Senate Version

Raising taxes on small businesses—the lifeblood of Ohio's economy—will not promote economic growth. The Senate budget eases the pain of a tax increase by eliminating the deduction's retroactivity provisions, and thus avoids additional harm to business owners who have already relied on those deductions in making their spending decisions this fiscal year.

Eliminate Tax Loopholes: Keep Parts of Both Versions

The House wisely eliminated the motion picture and NetJets tax loopholes. The Senate smartly eliminated a House addition for sales tax exemption on janitorial supplies. Special interest tax loopholes—that often **fail to yield their promised returns**—are unfair to the millions of Ohioans who must pay more in taxes to fill the financial holes the loopholes create.

Reduce Needless Regulation: Keep Senate Version

The Senate budget rightly requires state agencies to post inventories of regulations under their purview, and it prohibits agencies from imposing new regulations without eliminating existing restrictions. Such a policy will **remove unnecessary regulatory hurdles** that harm businesses.

Improve Health Care Cost Transparency: Keep House Version

The Senate's budget tries to improve health care cost transparency, but the House's version is better. Health care transparency for non-emergency services, when combined with consumer-directed health care options, will help consumers make better-informed decisions.

Making Ohio's Medicaid Program Healthier: Change

The House Finance Committee attempted to improve **Healthy Ohio**, but its effort was removed on the House floor. The Senate's budget says nothing regarding the program. By not including Healthy Ohio in the budget, the General Assembly will miss an opportunity to improve the health of Ohio Medicaid recipients.

Strengthen Accountability for Poor Performing School Districts: Change

The House's **proposals** regarding the Academic Distress Commissions were flawed. The Senate initially worked to improve the current statute, but the improvements were not included in the Senate's final budget. The Conference Committee should adopt the improved policy that the Senate was considering.