# POLICY SOLUTIONS FOR THE PANDEMIC

POLICY MEMO:
ROADMAP TO REOPEN OHIO SAFELY
APRIL 29, 2020

#### The Buckeye Institute's Recommendation

As Ohio looks to reopen, stay open, and recover from the tragic effects of the coronavirus pandemic, several principles should guide policymakers along the "road back to normal." First, Ohio must continue to protect the public's health and should permanently remove several regulatory barriers to health care. Second, the state must jumpstart its dormant economy by avoiding tax increases, suspending onerous corporate taxes, and making it easier for workers to return to work. Finally, Ohio must cut and redirect government spending to balance the state budget without raising taxes. The following roadmap recommends how.

#### **How to Protect Public Health**

State-mandated restrictions and heroic efforts by the public and Ohio's hospitals combined to "flatten the curve" and prevent COVID-19 from overrunning the state's health system. But reliable, safe access to health care remains critical to maintaining the public's health even as the crisis wanes. Removing regulations and making temporary health care reforms permanent will make it easier for health care providers to treat Ohio's patients during this and any future public health emergency.

- **Telehealth**. Make permanent the new regulations that removed or lowered barriers to telemedicine. Before the COVID-19 crisis, state regulations prevented some patients from accessing medical care through telehealth technology. Under Governor Mike DeWine's **emergency order**, more patients can now temporarily use telehealth medical services. Patients with **low-mobility** or who **live far** from their health care provider may benefit most from telehealth services, but all patients, care providers, and hospital systems stand to benefit from the enhanced efficiencies, convenience, and safety offered by advanced telemedicine. The COVID-19 crisis has highlighted these successes and efficiencies, and there is no reason to reconstruct old barriers to the benefits of telehealth once the crisis resolves.
- Nurses. End the state's collaborative supervision requirements that prevent advanced practice registered nurses (APRN) from offering the medical care they have been trained and licensed to provide safely. The Department of Veterans Affairs ended its collaborative restrictions to ensure that military veterans receive safe and adequate care from APRNs, and Ohio should do the same for the public. (See policy memo.)
- **Pharmacists**. Remove regulatory restrictions on pharmacists. Ohio should allow pharmacists to test for COVID-19, and to test for and treat common illnesses in order to relieve burdens on other health care workers and increase access to health care in rural Ohio. (See **policy memo**.)

• **Reciprocity**. Adopt universal license reciprocity for out-of-state medical professionals in order to ensure that Ohio is prepared to handle unexpected surges in COVID-19. (See **policy brief**.)

## **How to Jumpstart a Dormant Economy**

The government-ordered shutdowns and stay-at-home orders have dramatically reduced business revenues across the state and in practically every industry. Virtually no enterprise and few households have been immune to the economic side effects of COVID-19 as **unemployment** climbs and many businesses **may never reopen**. Ohio must avoid missteps that will make it harder for businesses to survive and recover, and for workers to get back to work. Policymakers must find ways to lighten the regulatory and tax burdens that businesses ordinarily shoulder, and make it easier for households to regain their financial footing.

- Taxes. Avoid any tax increases on Ohio workers, consumers, and businesses, and suspend Ohio's commercial activities tax (CAT) for 2020. The CAT taxes business productivity, not profits, hitting businesses that serve a large customer base but turn a small profit especially hard. Paying this year's CAT based on last year's economic performance will jeopardize many firms already under financial distress. The CAT makes every layer of production more expensive for businesses and ultimately consumers. Ohio should suspend this year's CAT payment and allow businesses to retain their limited resources and revenues to survive and recover from the current crisis.
- Alcohol Delivery. Help restaurants and bars regain lost revenues by continuing to allow
  establishments with existing liquor licenses to sell and deliver alcohol on carryout menus
  with no arbitrary limits.
- **Outdoor Seating**. Allow restaurants and bars with outdoor seating to serve guests outdoors soon. **Various factors** limit virus exposure outdoors, so establishments that can serve customers outside and adhere to social distancing guidelines should reopen earlier than restaurants without outdoor seating. **Louisiana** recently adopted this approach. Local jurisdictions should amend regulatory restrictions on restaurant patios to help these businesses recover.
- Reciprocity. Adopt universal license reciprocity to make it easier for licensed professionals to work in Ohio. Occupational licensing restrictions prevent trained, licensed professionals with out-of-state licenses in good standing from working here, reducing employment opportunities in Ohio by more than 67,000 even before the COVID-19 crisis. As the economic crisis ripples through the national labor market, professionals licensed in other states may find themselves displaced and unemployed. Ohio should be ready to let them work here and honor their out-of-state licenses without bureaucratic red tape and administrative expenses or arbitrary waiting periods. Ohio should universally recognize out-of-state licenses for all occupations. (See policy brief.)

## **How to Balance Ohio's Budget**

As tax revenues fall and government spending on unemployment and health care skyrockets, the economic toll of resisting COVID-19 and "flattening the curve" will require Ohio to tighten its fiscal belt. The state constitution requires a balanced budget, and policymakers must—above all—find ways to balance the budget without raising taxes. Ohio will undoubtedly need to dip into some of the \$2.7 billion in the rainy day fund, but even that may not be enough and spending cuts will be necessary. (See **policy memo**.)

- Hiring Freeze. Continue to freeze all non-public health state hiring until the COVID-19 crisis resolves.
- **Cut and Redirect Spending**. Eliminate unnecessary budget commitments, answer Governor DeWine's call for at least 20 percent budget cuts for all nonessential agencies, and redirect other resources to support public health departments. (See **policy memo**.) Specifically, Ohio should:
  - Adopt additional *Piglet Book* recommendations. Savings: \$1.5 billion;
  - o Defer state parks repairs. **Savings: \$1 million**;
  - o Redirect half of H2Ohio spending. **Savings: \$86 million**;
  - Redirect at least \$125 million in new education spending from the current budget to health services. Savings: at least \$125 million; and
  - Close tax loopholes. **Savings: More Than \$100 million**.
- Rainy Day Fund. Use the rainy day fund to meet the public's most pressing needs (see policy memo), and require local governments to use their portions of the local government fund for public health and safety. The state should consider reducing a community's portion of future local government fund disbursements if it does not use the funds as the state requires.

#### **How to Prepare Ohio for Tomorrow**

Ohio's roadmap to reopen and stay open should also include preparing for subsequent waves of COVID-19, rolling lockdowns later this year, and long-term policy solutions that will help ease burdens on families and communities during any future disruptions. Ohio should help families and communities prepare and pay for online distance learning, telehealth, and telework requirements by expanding school choice options and making high-speed broadband available in underserved areas of the state. And the Ohio Supreme Court should reform the state's bail rules to avoid over-crowding jails with non-dangerous defendants awaiting trial during a pandemic.

 Education Savings Accounts. With existing public education funding, Ohio should expand school choice options to include more flexible education savings accounts. These flexible accounts—already open in several states—can help families pay for distance learning equipment and other educational services made necessary by COVID-19. (See policy report.)

- **High-speed Broadband**. Ohio should create a limited grant program to help rollout high-speed broadband service to unserved areas in order to ensure adequate internet access for online distance learning, telehealth, and remote telework. Government entities should not construct their own broadband networks, which have **proven** costly to taxpayers, but should fund a grant program for those communities that have not already received federal assistance through the **CARES Act** or **FCC grants**.
- **Bail Reform**. The Ohio Supreme Court should enact an emergency bail reform rule containing a presumption against cash bail that allows courts only to consider the risk of a defendant's non-appearance if the court seeks to impose cash bail. This rule should also ensure more Ohio courts take advantage of validated risk assessment tools, require courts to make transparent ability to pay determinations, and grant judges ample authority to impose pretrial detention for defendants who pose a threat to the community.

#### Conclusion

The devastating effects of the coronavirus on families, businesses, and local communities are legion. But Ohio must and will recover. The state must reopen and its people return to work, school, and play. Ohio's road back to normal will require solutions for the short-, medium-, and long-run. And those solutions will require ensuring the state's public health, helping businesses get back on their feet, and keeping the state solvent with a balanced budget that does not raise taxes. Temporary regulatory relief should be codified and retained. Some business taxes should be suspended for the year. And workers should find it easier—not harder—to go back to work. The road back to normal will not be easy, but there are some signposts to guide the way.

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