



# 2021 PIGLET BOOK

## Spending Principles & Priorities in a Pandemic Recovery

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**THE BUCKEYE INSTITUTE**

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# INTRODUCTION

The COVID-19 pandemic has created new challenges and new opportunities for Ohio policymakers drafting the state's biennial operating budget. Balancing the public's health and safety against the economic needs of struggling small businesses while maintaining a sustainable long-term budget that does not hinder growth will be no small feat. This edition of The Buckeye Institute's *Piglet Book* recommends how to accomplish this difficult task by adhering to fundamental economic principles, re-prioritizing spending, curbing spending growth rates, and trimming government waste. These strategies are especially critical to this biennial budget process as policymakers resist the temptation to turn one-time pandemic-recovery spending into ongoing, unsustainable spending obligations, even as federal relief funds pour in from Washington and make the state ledger harder to read. If followed, our recommendations could cut Governor Mike DeWine's proposed budget by **more than \$600 million**.<sup>1</sup> Here's how:

- *Prioritize government spending.* Especially during the pandemic recovery, state spending should focus on maintaining core government services and enhancing public health and safety.
- *Maintain a sustainable budget.* With federal financial aid flowing from Washington, state policymakers must resist the temptation to create long-term programs with one-time federal funding.
- *Peg public spending growth rates to inflation.* Where legally permissible, non-COVID related spending growth should be tied to inflation and population growth rates.
- *Eliminate corporate welfare.* The government should not pick economic winners and losers by redistributing taxpayer dollars to its favorite companies.
- *End government philanthropy and advocacy.* Governments are poor philanthropists. Philanthropists and charities—not politicians or bureaucrats—should direct voluntary contributions to support worthy programs and causes.

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<sup>1</sup> **State of Ohio Executive Budget Fiscal Years 2022-2023**, Office of Budget and Management, February 1, 2021.

- *Eliminate earmarks.* Government funding through grants and direct aid should only flow through a transparent, competitive process in which all eligible entities may compete. Earmarks subvert that process and erode the public's faith in government.
- *Empower families.* Take a student-first approach to K-12 funding through education savings accounts that will close academic gaps and help families pay for individualized educational resources. And help families in rural communities participate in the 21<sup>st</sup> century economy by expanding broadband access through public-private partnerships.

# HOW TO SPEND IN A PANDEMIC RECOVERY

Governor DeWine deserves credit for proposing a budget that protects taxpayers, makes strategic use of one-time spending on public infrastructure, and helps small businesses struggling to survive the economic fallout of the pandemic. The proposal for Fiscal Years (FY) 2022 and 2023 estimates spending more than \$171 billion through the biennial operating budget and the budgets for the Department of Transportation and the Bureau of Workers' Compensation.<sup>2</sup> Nearly \$75 billion of that proposed total derives from general revenue (GRF)—a significant increase over FY 2020 and 2021 in both total spending (+\$13.7 billion) and GRF (+\$7.4 billion).<sup>3</sup> Approximately half of the governor's proposed GRF increase stems from the state picking up a larger share of Medicaid costs in FY23 as the temporary federal Medicaid resources made available during the COVID-19 pandemic wind down.<sup>4</sup> As with other recent Ohio budgets, more than two-thirds of state-only spending will pay for K-12 education (32 percent), Medicaid (24.6 percent), and criminal justice (10.8 percent).<sup>5</sup>

Unfortunately, the governor's budget proposal also recommends spending on less urgent priorities and unnecessary, special-interest programs. Line items for parochial earmarks, state-sponsored marketing campaigns, corporate welfare, and government philanthropy should all be curtailed, redirected, or eliminated. Savings gleaned from taking these steps can then be used to pay for pro-growth tax reform and short-term relief to help businesses most affected by the pandemic, which will help keep people working and help those looking for jobs find employment.

Spending during a pandemic recovery should be considered, prudent, and sustainable. Policymakers should focus public financial resources on maintaining core government services, securing public health, and ensuring an efficient and effective vaccination campaign. Prioritizing strategic spending is key. And despite the temptation to over-extend one-time emergency funding, officials must craft

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<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> Mary Beth Musumeci, *Key Questions About the New Increase in Federal Medicaid Matching Funds for COVID-19*, Kaiser Family Foundation, May 4, 2020.

<sup>5</sup> *State of Ohio Executive Budget Fiscal Years 2022-2023*, Office of Budget and Management, February 1, 2021.

sustainable long-term budgets with reasonable, fixed growth rates that will not jeopardize Ohio's future prosperity.

### **Prioritize Strategic Spending**

During the pandemic, policymakers should prioritize government spending to provide core government services and enhance public health and safety. Such priorities would include procuring and distributing COVID-19 vaccines, and maintaining sound public infrastructures. Spending on programs and projects that go beyond these immediate priorities should be eliminated or delayed.

*Promoting Ohio:* Until the pandemic subsides, Ohio does not need a \$50 million marketing campaign to attract people from California and New York. Opening businesses and promoting safe, healthy environments, while maintaining an affordable, high standard of living will attract those looking to escape high-tax states. Promoting Ohio campaign funding can be redirected to enhance public health and safety programs.

*H2Ohio:* With so many businesses struggling to survive the pandemic, Ohio should reduce—but not eliminate—the \$250 million proposed for H2Ohio.<sup>6</sup> Governor DeWine rightly seeks to ensure clean water in Lake Erie and protect against toxic algae blooms, but in difficult times like these Ohio families have sacrificed and postponed even worthwhile objectives—their government should, too. As critical as H2Ohio may be, the initiative should be scaled-back temporarily. A prudent course would spend roughly half the proposed amount now, retaining a long-term commitment to protecting Lake Erie, and then repurpose the remaining dollars for more immediate public health and infrastructure needs until COVID-19 is behind us.

### **Maintain a Sustainable Budget**

Following two basic principles will help Ohio maintain a sustainable budget: resisting the temptation to use one-time funding sources to create ongoing programs; and aligning spending growth rates with inflation and population growth to better track the true cost of public services.

Maintaining a long-term sustainable budget requires policymakers to forego extravagant spending during prosperous economic cycles. Extravagant public spending—even when governments can afford it—establishes higher budget baselines and creates the unrealistic expectation that government largesse will

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<sup>6</sup> *Ibid.*

continue indefinitely. Those higher baselines and expectations inevitably lead to painful spending cuts and economically harmful tax increases. The temptation to overspend under the new budget will be even greater as Columbus anticipates significant financial aid from Washington for managing COVID-19. The state can anticipate receiving more than \$5.60 billion in federal assistance, with local governments receiving another \$5.4 billion.<sup>7</sup> It is imperative that Ohio not use these additional federal funds to create new ongoing programs that will require state funds after the one-time federal aid dissipates. Instead, federal COVID-19 relief should be strategically deployed to facilitate vaccination and help those most affected by the pandemic.

To prevent an artificial increase in baseline spending and a dangerous expansion of unsustainable budget obligations, it will be important to clearly account for the federal pandemic-relief and to keep those funds separate from GRF and other existing budget items. Such a clear, separate accounting will help the public delineate and understand the temporary, one-time nature of the pandemic-related spending.

A long-term sustainable budget also requires state spending growth to more accurately reflect the true cost increases of providing government services. As we explained in *Sustaining Economic Growth: Tax and Budget Principles for Ohio*, budget increases should align closely with inflation and population growth rates.<sup>8</sup> The Congressional Budget Office's most recent 10-year economic forecast projects inflation (as defined in the Consumer Price Index) of 1.9 percent in 2021 and 2.2 percent in 2022.<sup>9</sup> Ohio's population growth remains negligible, so actual inflation may prove far below Ohio's statutory appropriation limit that allows for 3.5 percent growth in GRF spending each fiscal year.<sup>10</sup>

Unfortunately, some state spending rates cannot be changed—at least not yet. Ohio, for example, must meet certain “maintenance of effort” requirements under Medicaid, which will last for the duration of the pandemic. These pre-existing

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<sup>7</sup> **Chairwoman Maloney Announces Markup of Coronavirus Relief Measures**, U.S. House Committee on Oversight and Reform press release, February 9, 2021.

<sup>8</sup> Rea S. Hederman Jr., Andrew J. Kidd, PhD., Tyler Shankel, and James Woodward, PhD., *Sustaining Economic Growth: Tax and Budget Principles for Ohio*, The Buckeye Institute, February 21, 2019.

<sup>9</sup> **An Overview of the Economic Outlook: 2021-2031**, Congressional Budget Office press release, February 1, 2021.

<sup>10</sup> By statute, the governor must include a Statutory Appropriation Limitation that cannot be exceeded when all General Revenue Fund spending is added together in each fiscal year of operating budget. See, Legislative Service Commission, *A Guidebook for Ohio Legislators*, Chapter 8: The Ohio Budget Process, 15<sup>th</sup> Edition 2017-2018.



requirements will delay eligibility redeterminations and make it harder to cut costs and slow spending growth. Many expect similar “maintenance of effort” requirements to accompany federal education dollars as well, locking-in current education spending levels.<sup>11</sup> But any state spending growth that is not subject to such federal requirements should be pegged to a sustainable inflation rate.<sup>12</sup>

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<sup>11</sup> **Frequently Asked Questions on the Maintenance of Effort Requirements Applicable to CARES Act Programs**, U.S. Department of Education, May, 2020.

<sup>12</sup> For the present budget, this is more challenging to determine exact savings due to the large amounts of federal COVID-19 relief funds allocated throughout various agencies budgets.

# HOW TO REDUCE GOVERNMENT SPENDING

In addition to spending more strategically and taking prudent steps to maintain a sustainable long-term budget, Ohio can also save hundreds of millions of dollars by reducing government spending. Policymakers can make four key moves to curb excessive expenditures: eliminate corporate welfare; end government philanthropy; eliminate earmarks; and eliminate or reduce occupational licensing burdens.

## Eliminate Corporate Welfare

Using public, taxpayer funds to support one private company over another has harmful economic consequences, and we once again urge policymakers to eliminate this kind of overt corporate welfare.<sup>13</sup> Private sector investment rewards businesses that deliver desirable goods and services at prices consumers will pay. Public sector “investment,” however, typically fails to do this. Instead, government “investments” reward businesses with the more effective lobbyists, ultimately using public money to create an unfair competitive advantage in the market at the taxpayers’ expense. Such special interest funding must stop. Eliminating the corporate welfare programs below could save Ohio **nearly \$200 million**.

### *Wine Industry – \$3.1 million*

Ohio conducts marketing on behalf of the state’s wine grape growers, underwritten by a five cents per gallon excise tax on wine. A wine industry that generates revenues of approximately \$1.3 billion per year should pay for its own advertising initiatives, without asking the state to charge consumers an extra nickel.<sup>14</sup>

### *Ohio Proud & Ohio Proud Marketing – \$269,000*

Agriculture is one of Ohio’s leading economic sectors. Expanding markets for Ohio agricultural products through taxpayer-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

<sup>13</sup> All amounts presented in the following section come from the Governor’s Executive Budget proposal. See, **State of Ohio Executive Budget Fiscal Years 2022-2023**, Office of Budget and Management, February 1, 2021.

<sup>14</sup> Shelly Detwiler, **Wine is Big Business in Ohio**, *Ohio’s Country Journal*, June 4, 2018.

Ohio's farming community, collects voluntary dues that already cover many such marketing services without taxpayer expense.

*Small Business Assistance – \$600,000*

The state appropriates grants to businesses to purchase “clean air equipment” through the Ohio Air Quality Development Authority. Although the program targets small businesses that may have difficulty purchasing this equipment, private-sector financing options and Environmental Protection Agency grants are already available.<sup>15</sup>

*Promoting Ohio – \$50 million*

This two-year marketing campaign to “tell Ohio's story” to those looking to relocate from high-tax states has laudable intentions, but the funds could be put to better use by making Ohio more attractive to businesses and workers through tax reform and workforce development programs.

*TourismOhio – \$20 million*

TourismOhio is a marketing program for Ohio's tourism industry funded by the state sales tax. As a \$48 billion per year industry, tourism can afford its own marketing paid for by the businesses it benefits.<sup>16</sup>

*Third Frontier – \$120 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 in individual companies. But the current budget proposal would use the Third Frontier program to redistribute up to \$120 million to private research and development firms over the next two years using taxable and non-taxable general obligation bonds. Responsible debt-use to fund key infrastructure projects and some R&D might make sense under certain circumstances, but using debt that is ultimately backed by tax revenue so that the state can play venture capitalist is not an appropriate use of public resources. Unfortunately, this program is financed with some bond sales that have already taken place, so nothing can be done about the existing debt. But eliminating this program will prevent repeating this mistake.

## **End Government Philanthropy & Advocacy**

A free society's voluntary, philanthropic contributions provide significant social benefits, from helping the poor and those in need, to supporting the arts and

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<sup>15</sup> **Specific EPA Grants**, EPA.gov, (Last visited February 26, 2021).

<sup>16</sup> **Tourism Economic Impact**, Ohio.org (Last visited February 19, 2021).

education. Societies thrive on them. But when governments attempt “philanthropy” to support politically preferred causes using money that taxpayers are compelled to give, altruism turns to political advocacy and crowds out the voluntary efforts of the people, leaving them with less money to donate.<sup>17</sup> This crowding out effect then perpetuates more government spending by creating the public perception that not enough is spent on these government-supported causes. Even worse is the similar effort to use taxpayer funds for the government to lobby itself. Such incestuous lobbying pays lobbyists with state funds to seek more state funding. Eliminating government-backed philanthropy and lobbying would save Ohio **\$47 million** taxpayer dollars.<sup>18</sup>

*Ohio Arts Council – \$36.5 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 – \$610,000*

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. Despite its commendable mission, the association does not provide a core government service requiring taxpayer subsidies, so it should rely on private funding and philanthropy.

*County Agricultural Societies – \$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 community events, but they are not a state issue that warrants state taxpayer funding.

<sup>17</sup> 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.

<sup>18</sup> All amounts presented in the following section come from the Governor’s Executive Budget proposal. See, **State of Ohio Executive Budget Fiscal Years 2022-2023**, Office of Budget and Management, February 1, 2021.

*Ohio History Connection – \$4.4 million*

Ohio has a rich and diverse history that we should all be proud to discover and learn. But non-profit organizations like the Cleveland Institute of Arts, the Hayes Presidential Center, and others will receive more than \$4 million in taxpayer subsidies that should be secured through private philanthropic dollars rather than state-collected funds.

*Veteran’s Organizations – \$4.2 million*

Fortunately, Ohio boasts many private philanthropic organizations that help our deserving veterans access the care and benefits they earned by serving the country. But taxpayer-funded programs and the Department of Veterans’ Affairs also provide many of these same services. Private-sector philanthropy for veterans’ care should be private, voluntary, and work with Veterans’ Affairs, not supported with government earmarks that replicate existing government services.

**Eliminate Earmarks**

Spending on special interest earmarks remains a perennial challenge. Earmark spending inflates the state budget with local and parochial projects often to the peculiar benefit of a favored vendor. The practice courts controversy and breeds public suspicion, eroding confidence and faith in good government at every level. Any direct state funding to businesses and organizations should only be made through an open, transparent, and competitive process. Eliminating state earmarks will save Ohio **more than \$150 million**.

*Local Projects – \$20.5 million*

Earmarked local projects in the budget for the Development Services Agency violates the general principle that grants should be awarded through a competitive process, not set aside as line items in the budget.

*University Earmarks – \$107.7 million*

Ohio universities already receive large general state subsidies in the budget’s “State Share of Instruction” line item. They also already receive significant sums via tuition, fees, and robust networks of private, philanthropic donors. Earmarked subsidies for clinical teaching at several universities, for example, is particularly unnecessary given their other funding sources. Such funding should either be eliminated or redirected to schools that are training students to enter the workforce immediately.

*Safety and Health Center of Excellence – \$30 million*

Establishing a “center of excellence” at the Ohio Center of Occupational Safety and Health with Bureau of Workers’ Compensation (BWC) funding is laudable, but

redundant. The center offers grants to universities for study and training on safety in the workplace, but businesses already have incentives to find ways to reduce workplace injuries, and the BWC already has many other programs focused on reducing injuries and expediting recovery.

### **Eliminate or Reduce Occupational Licensing Burdens**

Occupational licensing requirements too often act as permission slip policies that delay and increase the cost of entering Ohio's workforce. Licensing boards, of course, require funds to operate. Thanks to The Buckeye Institute's efforts in previous general assemblies, Ohio now has a one of the most robust review processes for occupational licensing boards in the nation.<sup>19</sup> This General Assembly should continue the enhanced oversight and eliminate licensing entities that do not actually protect public health and safety. Two Ohio licensing boards that currently cost workers and the state **more than \$2 million** per year to operate could be eliminated, with others retired or scaled-back over time.

#### *Auctioneer Licenses – \$823,000*

Auctioneers do not endanger themselves or the public's health or safety, and why silver-tongued auctioneers should require the state's permission to acknowledge bidders' paddles remains a mystery. According to EstateSales.org, more than 20 states have no statewide licensure requirement for auctioneers (though some may have local requirements).<sup>20</sup> It is well past time for Ohio to relieve this unnecessary burden. Going once, going twice...

#### *Motor Vehicle Repair Board – \$1.3 million*

The Motor Vehicle Repair Board is no longer needed. The board, on average, investigates 200 complaints per year while keeping a registry of approximately 2,000 collision repair facilities, auto glass businesses, airbag repair and replacement, window tint installation, and mobile auto repair businesses.<sup>21</sup> The quality of these businesses was once difficult for the public to ascertain, but that is no longer the case. Private organizations and popular websites like the Better Business Bureau, Angie's List, and Yelp offer the public accessible information on mechanics and garages, making a state-funded board costly and redundant.

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

<sup>20</sup> EstateSales.org, **Auction License Laws by State** (Last visited March 21, 2019).

<sup>21</sup> **State of Ohio Executive Budget Fiscal Years 2022-2023**, Office of Budget and Management, February 1, 2021.

# HOW TO EMPOWER FAMILIES WITH INNOVATIVE SPENDING

Ohio can use the state budget and innovative spending to take two additional steps to help families struggling with some of the “new normal” imposed by COVID-19: take a student-first approach to education funding; and expand access to broadband.

## Take a Student-First Approach to K-12 Spending

K-12 education remains one of the largest line items in Ohio’s biennial budget. Unfortunately, the state continues to fund public school districts rather than the students the schools are asked to teach. Taking a student-first approach to funding education is long overdue. And just as families have taken a harder look at their educational preferences, priorities, and alternatives to the local public school in the wake of the pandemic, so should the state.<sup>22</sup>

Public school districts moved to online and hybrid learning environments to cope with COVID-19 concerns, but as the pandemic persists families continue to confront technical difficulties, equipment failures, and the unexpected need for expensive tutoring. The most vulnerable groups of students, including minorities and those from lower income households, have suffered significant academic setbacks.<sup>23</sup> So now is the perfect time for Ohio to move beyond its one-size-fits-all education system that focuses on school districts before students. The state should implement education savings accounts—or ESAs—to create educational funding flexibility for families to meet the individual needs of their students, many of whom are still studying at home. As The Buckeye Institute recently explained, ESAs can help close some of the opportunity gaps and make the transition to new curricula easier and less expensive for families.<sup>24</sup>

Adequate funding in the current budget can be repurposed to support a meaningful ESA program without harming Ohio’s traditional public schools. The governor’s

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<sup>22</sup> **Public Opinion Tracker**, EdChoice.org (Last visited February 8, 2021).

<sup>23</sup> Emily Bamfort, **Ohio Kindergarten Readiness, Third Grade Language Arts Scores Drop During Pandemic, State Data Shows**, Cleveland.com, February 3, 2021.

<sup>24</sup> Greg R. Lawson, **Fund Students First: Now is the Right Time for Education Savings Accounts**, The Buckeye Institute, February 18, 2021.

budget proposal, for example, includes more than \$1.1 billion for “student wellness and success”—a line item increase of \$425 million. Shifting that increase into funding for school choice programs, including ESAs and EdChoice income-based scholarships, could help ensure that families get direct access to the educational funds and resources they need without dramatically increasing the state’s education budget.

### **Expand Broadband Access**

Broadband has become all-but essential for 21<sup>st</sup> century life. Schools, businesses, households, and hospitals rely heavily on high-speed internet access. The pandemic has compounded that reliance with expanded use of telehealth, hybrid and online learning, web-based e-commerce, and telework all depending on consumer access to reliable broadband service.<sup>25</sup> Many Ohio communities have multiple broadband providers, but there remain others—particularly in rural areas—that do not. And the economic gap between communities with broadband access and those without will only widen, especially with the advent of 5G service likely to drive future employment and economic growth.<sup>26</sup>

As Ohio deploys broadband as part of the state’s technological infrastructure, policymakers should keep three things in mind. First, given the billions of private investment dollars already at work, Ohio should utilize public-private partnerships in the field rather than pursue government owned broadband networks that can cost unsuspecting taxpayers dearly.<sup>27</sup> Second, the state’s new broadband funding should be spent in areas that are truly unserved. And finally, Ohio should adopt procedural safeguards to protect taxpayers against service providers double-dipping into publicly-funded broadband expansion projects.<sup>28</sup>

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<sup>25</sup> Greg R. Lawson, research fellow, The Buckeye Institute, Testimony before the Ohio House Finance Committee, “**Expanding Broadband is Vital for Ohio’s Future**,” February 17, 2021.

<sup>26</sup> Jeffrey A. Eisenach, Robert Kulick, ***Economic Impact of Mobile Broadband Innovation: Evidence from the Transition to 4G***, American Enterprise Institute, May 2020.

<sup>27</sup> Greg R. Lawson, ***Broadband “GON” Wrong: Remembering Why Government Owned Networks are Bad for Taxpayers***, The Buckeye Institute, February 14, 2018.

<sup>28</sup> Greg R. Lawson, research fellow, The Buckeye Institute, Testimony before the Ohio House Finance Committee, “**Expanding Broadband is Vital for Ohio’s Future**,” February 17, 2021.



## CONCLUSION

Adhering to sound economic policy principles in drafting Ohio's biennial budget will help the General Assembly navigate the unique challenges presented by the COVID-19 pandemic. Straying from those principles and succumbing to the temptation to over-spend one-time federal aid will prove unsustainable and disastrous in the long run.

Re-prioritizing state spending to focus on core government services and ensuring public health safety will be key. Reducing or eliminating wasteful spending on non-essential programs, corporate welfare, and government philanthropy will also help Ohio's economic recovery.

One-time expenditures for pandemic relief should be one-time expenditures and not excuses for incurring long-term obligations and expensive new programs. Disciplined spending now means keeping an eye on the future, and avoiding harmful tax- and spending-increases down the road. This edition of the *Piglet Book* suggests practical ways that Ohio's policymakers can do just that.

# APPENDIX

## Programs Recommended for Elimination or Delay Fiscal Years 2022-2023

Agency	Program for Elimination	Savings over Biennium
Department of Aging	National Senior Service Corps	\$445,584
Department of Agriculture	County Agricultural Societies	\$759,346
	Ohio Proud	\$207,830
	Ohio Proud Marketing	\$61,000
	Ohio Grape Industries	\$3,100,000
	Auction Education	\$100,000
	Ohio Proud Marketing	\$61,000
	Auctioneers	\$722,900
	H2Ohio*	\$49,300,000
Air Quality Development Authority	Small Business Assistance	\$600,000
Ohio Arts Council	Abolish Agency	\$36,461,826
Ohio Department of Commerce	Financial Literacy Education	\$300,000
	Cemetery Grant Program	\$260,000
	Video Service	\$875,386
	Ohio Investor Recovery	\$5,000,000
Department of Development	Small Business and Export Assistance	\$7,000,000
	Local Development Projects	\$20,550,000
	Promoting Ohio	\$50,000,000
	State Special Projects	\$2,000,000
	TourismOhio Administration	\$20,000,000

Department of Development Cont'd	Rural Industrial Park Loan	\$10,000,000
	Research and Development Loan Program	\$10,000,000
	Third Frontier Research and Development Projects	\$20,000,000
	Research and Development Taxable Bond Projects	\$100,000,000
Department of Education	School Management Assistance	\$4,675,422
	Educator Preparation	\$12,448,768
Environmental Protection Agency	Environmental Education	\$600,000
	H2Ohio*	\$46,000,000
Ohio Expositions Commission	Junior Fair Subsidy	\$625,650
Department of Higher Education	Sea Grants	\$586,231
	Central State Supplement	\$22,348,619
	Case Western Reserve University School of Medicine	\$3,996,934
	Shawnee State Supplement	\$10,045,750
	The Ohio State University Clinical Teaching	\$18,006,324
	University of Cincinnati Clinical Teaching	\$15,229,956
	University of Toledo Clinical Teaching	\$11,543,560
	Wright State University Clinical Teaching	\$5,608,085
	Ohio University Clinical Teaching	\$5,421,506

Department of Higher Education Cont'd	Northeast Ohio Medical University Clinical Teaching	\$5,576,013
	OCPM Clinical Subsidy	\$950,000
	The Ohio State University College of Veterinary Medicine Supplement	\$9,000,000
Ohio History Connection	National Afro-American Museum	\$902,100
	Hayes Presidential Center	\$1,023,000
	State Historical Grants	\$2,489,610
Lake Erie Commission	H2Ohio*	\$125,000
State Library Board	Ohioana Library Association	\$610,000
	Regional Library Systems	\$960,000
Department of Mental Health and Addiction Services	Problem Gambling Services**	\$3,640,000
Department of Natural Resources	Healthy Lake Erie Program	\$1,800,000
	H2Ohio*	\$25,000,000
State Revenue Distributions	Property Tax Replacement Phase Out - Local Government	\$13,000,000
Southern Ohio Agricultural and Community Development Foundation	Sunset commission one year early	\$98,270
Department of Transportation	Public Transportation - State	\$14,725,556

Veterans Organizations	Eliminate separate subsidies. These organizations should seek direct grant funding through the Department of Veterans' Affairs	\$4,210,848
Bureau of Workers' Compensation	Safety and Health Center of Excellence	\$30,000,000
Motor Vehicle Repair Board	Abolish agency	\$1,272,778
<b>TOTAL SAVINGS</b>		<b>\$610,324,852</b>

\* These savings included a 50 percent reduction in biennial appropriations.

\*\* There are two line items for problem gambling treatment. One is funded with money from the Ohio Lottery and one is from fees and taxpayers dollars from the Casino Control Commission. Buckeye's recommendations is for Ohio to fund problem gambling treatment under one budget line item under the Casino Control Commission.

## 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 eight 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*.

*2021 Piglet Book: Spending Principles & Priorities in a Pandemic Recovery*

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