

KEEP, CUT, CHANGE

RECOMMENDATIONS FOR OHIO'S 2021
BUDGET CONFERENCE COMMITTEE
JUNE 15, 2021

Expand School Choice Options: Keep Senate Version

Inspired by The Buckeye Institute, the Senate's budget expanded existing school choice options and includes a significant new program—the “Afterschool Child Enrichment Education Savings Account Program,” or ACE. This historic education savings account (ESA) initiative will provide parents with \$500 to spend on desperately-needed educational resources for their children. ACE will help families address unprecedented disruptions and costs incurred during the pandemic. The Conference Committee should keep the Senate's school choice provisions.

End Unconstitutional Local Taxes: Keep Senate Version

Ohio suffers under one of the **worst** local tax systems in the nation. As The Buckeye Institute **argues**, cities exacerbate the problem by levying unconstitutional income taxes on workers who do not live or work within their jurisdiction. The Senate's budget fixes this unconstitutional problem by allowing taxpayers to obtain refunds for work performed outside a city's jurisdiction. The Conference Committee should keep the Senate's solution.

Strengthen Criminal Justice Reforms: Keep Portions of Both Versions

The House wisely expanded Ohio's successful **Targeted Community Alternatives to Prison** (T-CAP) program to all 88 counties. The Senate expanded program eligibility to non-violent fourth-degree felony offenders. Both efforts will help offenders receive needed treatment and rehabilitation, while saving taxpayers money in the long run. The Conference Committee must keep the House's T-CAP expansion and the Senate's eligibility expansion.

Adopt a Sustainable School Funding Plan: Keep Senate Version

The Senate's school funding plan is fair and sustainable. The House version takes steps in the right direction, but it is not fiscally **sustainable**. The Senate version builds on the House's plan to fund school choice programs directly, removing long-standing friction between public school districts and school choice options. The Senate plan also protects school choice options from a future governor's line-item vetoes. The Conference Committee should keep the Senate's school funding plan.

Reduce Ohio's Tax Burden: Keep Senate Version

The Senate's five percent across-the-board income tax cut reduces taxes and keeps Ohio's economy on a pro-growth path. Ohio's **tax receipts** exceed expectations and the rainy day fund remains untouched, so policymakers can reduce the state's tax burden and allow people to keep more of their hard-earned dollars. The Conference Committee should keep the Senate's tax cuts.

Protect Taxpayers While Expanding Broadband: Keep Senate Version

As Ohio uses **federal aid** to expand broadband access to unserved areas, lawmakers must adopt appropriate safeguards to protect taxpayers from expensive and non-transparent **government owned networks**. The Conference Committee should keep the Senate's safeguards.

Do Not Rebid Medicaid Managed Care Contracts: Cut Senate Version

The Senate's proposal would restart the contract bidding process for Ohio's Medicaid system to unfairly favor Ohio-based insurance companies at taxpayer expense. When government regulations reduce **health care competition**, prices rise and the quality of care falls. As the U.S. Department of Health and Human Services **advises**, policymakers should end regulations that block health care choice and competition. The Conference Committee should cut the Senate's proposal and maintain a competitive bidding process for Medicaid.

Restore Tax Expenditure Review Committee: Keep House Version

The **Buckeye-championed** Tax Expenditure Review Committee was asked to review more than **\$9 billion in tax expenditures** littering Ohio's tax code. That review could help make Ohio more economically competitive by closing tax loopholes and reducing the **combined** state and local tax rate. The Senate unwisely eliminated this committee. The Conference Committee should keep the House version.

Restore Oversight of Federally-Funded COVID-19 Spending: Keep House Version

The House's budget creates the Joint Legislative Oversight and Review Committee of Federal COVID Relief Aid to oversee how Ohio spends this massive federal aid, maximize Ohio's post-COVID recovery, and ensure that these one-time funds do not create permanent spending programs. The Senate's budget unwisely eliminates this committee. The Conference Committee should keep the House version.

Reduce Unsustainable Spending: Cut from Both Versions

At more than \$160 billion, Ohio's operating budget—approximately half of overall spending—risks being unsustainable after the tide of federal COVID relief dollars recedes. Ohio's budget is growing faster than its population, putting the state on a fiscally unsustainable course. Lawmakers must **cut unnecessary spending**, peg the budget to **grow proportionately with inflation and population**, and **increase transparency** so that citizens understand the true cost of state government. The Conference Committee should cut unnecessary spending in the House and Senate versions.