

# KEEP, CUT, CHANGE

RECOMMENDATIONS FOR OHIO'S 2023  
BUDGET CONFERENCE COMMITTEE  
JUNE 22, 2023

## **Expanding EdChoice: Keep Senate Version**

Expanding the EdChoice scholarship program is the right move. Governor Mike DeWine proposed extending EdChoice eligibility to families at or below 400 percent of the poverty level. The House extends eligibility to 450 percent of the poverty line. The Senate improves upon both proposals by making all families eligible for assistance and families at or below 450 percent of the poverty line eligible for a full scholarship.

## **Pro-Growth Tax Reform: Keep Senate Version**

The Senate budget includes the most pro-growth tax policies. It builds upon the House proposal to collapse the bottom two tax brackets into a single 2.75 percent bracket and goes further by collapsing the top two brackets into a single 3.5 percent bracket. The Senate version also reforms Ohio's **commercial activities tax** (CAT) by raising the initial tax liability threshold from \$1 million to \$3 million in fiscal year 2024 and to \$6 million in 2025. As The Buckeye Institute has shown, reducing the CAT can **improve** Ohio's economy.

## **Funding Equity for Public Charter Schools: Keep Senate Version**

Public charter schools do not receive equitable funding. The governor's budget includes an additional \$500 per student for capital expenses. The House and Senate retain that extra funding, and the Senate adds two critical improvements: a \$400 per student increase for brick-and-mortar charter schools; and a provision allowing innovative charter schools that don't use management companies to access high-quality charter school funds.

## **Third Grade Reading Guarantee: Keep Senate Version**

The House budget removes the **Third Grade Reading Guarantee** program, but the Senate corrects that mistake. **Research** has proven the importance of the program and shown that students who stay in third grade until their reading level improves earn much higher test scores in language arts and math in grades 4-7.

## **Reform Education Bureaucracy: Keep Senate Version**

The Senate version includes provisions from Senate Bill 1 that will **create** a more responsive education bureaucracy. Without these reforms Ohio risks leaving employers without skilled employees and many young people without the knowledge they need to earn a living.

## **Constrain Future Spending: Keep Senate Version**

The Senate budget improves Ohio's weak statutory appropriation limit by expanding the spending covered by the limit and lowers the cap on future spending. The Buckeye Institute has long **supported** this critical policy for protecting taxpayers from runaway public spending.

### **Social Media Regulation: Keep House Version**

Child safety should be the top concern of any online privacy legislation. Defining “social media” is difficult and risky unintended consequences abound, so the subject warrants serious public debate. Any action taken during the budget process should avoid picking winners and losers.

### **Occupational Licensing Reform: Keep Senate Version**

The Senate budget reduces the education hours required for prospective barbers and cosmetologists to receive their licenses. The reductions will not risk public health or safety and The Buckeye Institute has long **supported** this smart, competitive move.

### **Higher Education Reform: Keep Senate Version**

The Senate version includes higher education system reforms, many derived from Senate Bill 83, which affirm Ohio’s commitment to free and open intellectual inquiry, curtail **questionable** mandatory trainings, require robust post-tenure reviews, prohibit faculty strikes that disrupt education, and ensure that course syllabi are transparent and publicly available.

### **New Ride-Sharing Tax: Cut**

The proposed budget imposes a new tax on ride-sharing companies. Revenues would be used for an array of poorly defined “economic development purposes” and would undermine the current policy of local preemption designed to prevent a patchwork of regulations across the state. Skeptical that the tax is necessary, The Buckeye Institute recommends removing it from the budget for further study and debate.

### **Protect Utility Consumers: Keep House Version**

The House budget prohibits electric utilities from subsidizing electric vehicle (EV) charging stations by raising rates on all their customers. The Senate rightly retains this provision. As The Buckeye Institute has **shown**, such subsidies increase costs for all electric ratepayers while redistributing wealth from lower- and middle-class residents to affluent EV purchasers.

### **Medicaid and SNAP Program: Keep Senate Version**

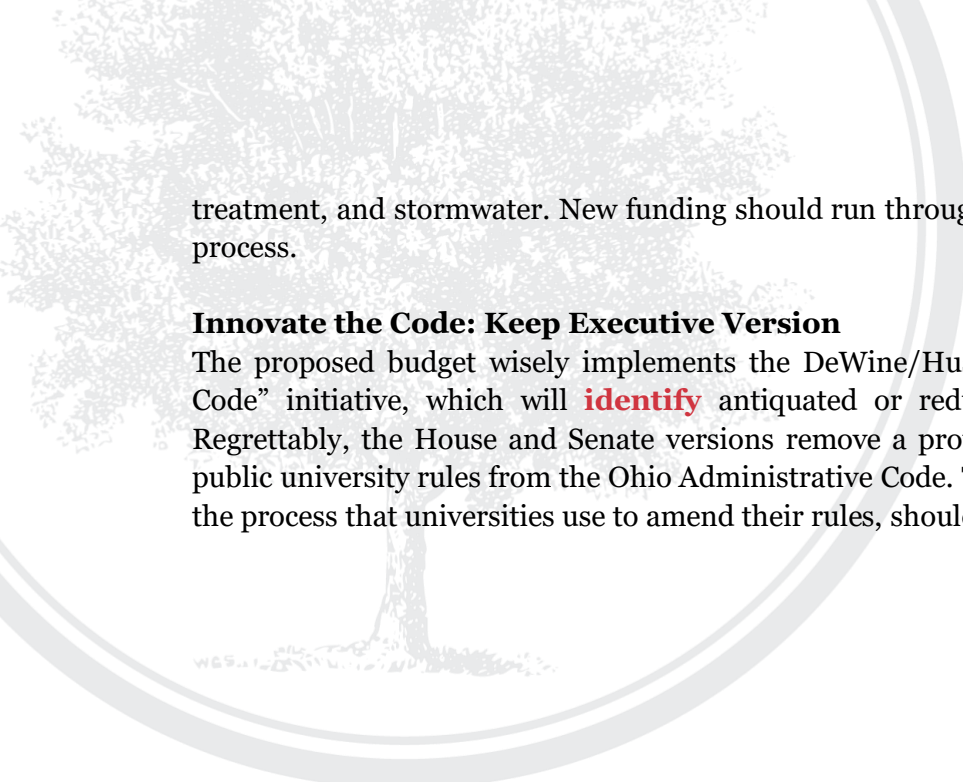
During the pandemic, the federal government revoked work requirements for many public assistance programs like SNAP, incentivizing workers to leave the labor force. The Senate budget restores work and training requirements for able-bodied recipients, tightens reporting for Medicaid, and enhances fraud protections in SNAP.

### **Expanded T-CAP: Keep Senate Version**

The Senate version includes additional funds for the successful Targeted Community Alternatives to Prison (T-CAP) program. The extra funding will allow four more counties to join a program that keeps low-level, nonviolent offenders from unnecessary jail time in overcrowded prisons.

### **Corporate Welfare and One-Time Community Projects: Cut**

Legislators should eliminate \$1 billion in proposed new spending on the All-Ohio Future Fund and local projects. Economic development requires broad-based, pro-growth policies, not corporate welfare. And although public infrastructure is a core government responsibility, Ohio’s **Public Works Commission** funds roads, bridges, water supply, wastewater, solid waste



treatment, and stormwater. New funding should run through the commission's well-established process.

**Innovate the Code: Keep Executive Version**

The proposed budget wisely implements the DeWine/Husted Administration's "Innovate the Code" initiative, which will **identify** antiquated or redundant rules overdue for removal. Regrettably, the House and Senate versions remove a provision that would eliminate internal public university rules from the Ohio Administrative Code. This provision, which will streamline the process that universities use to amend their rules, should remain in the budget.