

# KEEP, CUT, CHANGE

RECOMMENDATIONS FOR OHIO'S 2025  
BUDGET CONFERENCE COMMITTEE  
JUNE 17, 2025

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

The Senate continues recent budget trends embracing pro-growth tax reforms and moving toward a flat 2.75 percent income tax rate. The Buckeye Institute has **long supported** such policies that will keep Ohio competitive and more productive.

## **Property Tax & Levy Reforms: Keep Senate Version**

Recent property tax spikes have culminated in a citizen-initiated constitutional amendment to abolish property taxes. The Senate's budget echoes House bills designed to make local levies more transparent, eliminate some levies, prevent tax increases without citizen votes, and authorize county budget commissions to reduce non-essential property tax rates. These essential provisions should kickstart more **comprehensive reforms**.

## **Creating New Taxing Authorities for Townships: Cut from Senate Version**

The Senate version misguidedly allows new "community districts" to levy new fees for limited-home rule townships. The Senate adds yet another local taxing authority instead of simplifying Ohio's byzantine local government structure that is already one of the worst in the country.

## **Medicaid Accountability Provisions: Keep House Version**

The House version includes program integrity and cost-control provisions that the Senate removed but should be restored. The House version:

- Eliminates mandatory hospital presumptive Medicaid eligibility for most individuals, with appropriate exceptions for pregnant women and children;
- Better utilizes third-party data sources to quarterly monitor Medicaid eligibility for all recipients;
- Mandates annual financial audits of Medicaid managed care organizations (MCO);
- Directs the Department of Medicaid to direct former Group VIII recipients to private insurance subsidies and charity programs if federal matching funds eliminate their Group VIII eligibility;
- Requires information sharing between the Department of Medicaid and the Joint Medicaid Oversight Committee to ensure accurate payments to MCOs and better oversight of Medicaid.

## **Medicaid Group VIII Eligibility Redetermination: Keep Senate Version**

The Senate version requires Group VIII redeterminations every six months instead of yearly, which will help maintain program integrity and control costs.

## **Medicaid State Directed Payments: Keep Senate Version**

The Senate version wisely will terminate or refuse to establish a state-directed payment program if the federal government limits federal funds for such programs.

### **Medicaid Waiver for Soon-to-be Released Inmates: Keep House Version**

The House version includes a Medicaid waiver proposal to help soon-to-be-released inmates rejoin society by bridging a gap in post-release medical treatment before Group VIII eligibility. The Senate removed this provision, but it should be restored.

### **Pharmacy Benefit Management Regulation: Keep Governor's Proposal**

Regulating pharmacy benefit managers (PBM) is too complex to include in a budget. The governor did not propose any new PBM provisions, and none should be added to the budget.

### **School Funding: Keep Governor's Proposal**

The governor's proposal eliminates guarantees in the school funding formula. Both chambers mistakenly retain the guarantees, which will ultimately increase state funds for school districts with declining enrollment. Formula funding guarantees will keep districts from adjusting to demographic changes.

### **Include Disadvantaged Aid for Scholarship Recipients: Change**

Income-disadvantaged students attending public district or charter schools are eligible for **Disadvantaged Pupil Impact Aid** (DPIA), but voucher program recipients are not. The budget should **correct** this inequitable error that penalizes some of Ohio's most financially needy students.

### **Funding Equity for Public Charter Schools: Keep Governor's Proposal**

The governor's proposal maintained more equitable funding for public charter schools because they do not receive local property tax revenues or Facilities Commission funds. The governor's proposal added another \$500 per pupil allocation for capital costs, which the House retained but the Senate reduced.

### **Disposition of Underused School Facilities: Keep Governor's Proposal**

Some public school districts skirt statutory requirements to sell underused buildings to STEM and charter schools. The governor's proposed includes a robust reporting requirement that will strengthen compliance, which the House removed, and the Senate modified. The governor proposed the best version.

### **Education and Workforce Data Insights Board: Keep Senate Version**

The Senate creates an Education and Workforce Data Insights Board within the Department of Education and Workforce to collect data useful for improving Ohio's workforce in a rapidly changing economy.

### **State Share of Instruction Tied to Employment Metrics: Keep Governor's Proposal**

The governor's proposal **wisely ties** some of the state's share of instruction to workforce outcomes, rather than relying on graduation rates.



### **Online Platform Managers in Higher Ed: Keep Senate Version**

The Senate version presents less risk to **innovative** online platform managers (OPM) than the governor's proposal, which went too far in restricting OPMs use on college campuses.

### **Cleveland Browns Stadium Funding: Cut or Keep Senate Version**

Overwhelming **academic evidence** shows that Ohio taxpayers should not fund the Cleveland Browns' stadium. Of the three public-funding plans for this stadium, the **Senate version** protects taxpayers the most in part by using long-term unclaimed funds that will otherwise revert to the state treasury. Taxpayers should use the Division of Unclaimed Funds online **search tool** to check for any money they may be owed.