



HB 487

Cuts and corrections

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The new Mid-Biennium Review (HB 487) contains the budget corrections that typically come at this point in the policy process. But it also has so many disparate elements that it may be broken up into separate bills. The heart that will remain – corrections and adjustments – will yield a net \$95 million cut across agencies. Yet there is no budget shortfall. What will the money be used for?

There is a lot of language in HB 487, but no defined plan for use of the 1 percent budget cut all agencies were asked to offer up. In the context of Ohio's \$112 billion biennial budget, a cut of this size – \$95 million is not quite a tenth of 1 percent – is relatively small. But to the 14,000 Ohio families waiting for services from the Department of Developmental Disabilities, it is enormous. According to the Ohio Association of County Boards, if we spent just \$8 million, we could secure federal matching funds to expand services and reduce the wait. Just \$6.2 million could stop the cut pending in the coming fiscal year to alcohol and drug treatment services, funding treatment for an estimated 3,800 Ohioans. According to the Public Children's Services Association of Ohio, Ohio provides the nation's lowest level of support for local child welfare; \$20 million could make life safer and more secure for struggling Ohio children.

Policy Matters' analysis of the bill found that good timing and favorable terms generated savings in debt service. This was the largest contributor to the reductions across line items. It reduced lease rental payments in agencies and saved millions of dollars for the Ohio School Facilities Commission and for the Public Works Commission. Reductions in federal lines also contributed to reductions. This occurred, for example, in a line item within Developmental Disabilities used to correct a payment glitch of earlier years, and in a line item within the Rehabilitation Services Commission attributable to a federal hiring freeze. However, red ink spreads in smaller amounts across programs even within agencies that come out in the black.

Ohio families depend on public services in the most critical areas of life: care and education of children, career preparation for young adults, assistance for the elderly, public transit to get to work, health standards that prevent injury and disease. Ohio let public services erode over this past decade, and slashed the current state budget. The damage of these cuts is just now being felt.

Key findings

- \$123 in cuts and \$28 million in investments leave a net budget cut of \$95 million.
- Savings in debt service and federal lines drive most of the downsizing, but cuts hit GRF programs large and small.
- Casino revenues and changes in liquor control drive new investment.