



PRESS STATEMENT

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Ohio Senate budget would deepen disinvestment

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Instead of improving a deeply flawed budget bill passed by the Ohio House of Representatives, the Ohio Senate is moving toward approval today of a bill that deepens disinvestment in Ohio's people and communities.

The Senate would force the Medicaid director to seek approval from the federal government to impose premiums on even the poorest of non-disabled adults covered by Medicaid, which is the largest single insurer in Ohio, covering more than a quarter of Ohioans. It would impose new strict work requirements that fail to allow time for a job search. And it would leave out people who cannot work because they have to care for a disabled spouse.

Research has shown that premiums will drive people out of the program, that most Medicaid recipients are already working or seeking work, and that work requirements are ineffective in moving people to self-sufficiency.

The Senate budget would take away health benefits for potentially hundreds of thousands of Ohioans by ending Medicaid expansion enrollment starting in July 2018. Between imposition of premiums, harsh work requirements and the freeze on enrollment, the entire Medicaid expansion program would be in jeopardy. Medicaid expansion is responsible for about 700,000 Ohioans having health care and is essential to fighting the drug crisis ravaging families and communities across the state.

Neither the House nor the Senate budget provides a permanent replacement for \$200 million in annual local revenue that counties and transit agencies will lose as the state narrows the sales tax base, hurting local entities that levy a piggyback sales tax. The Senate would add another blow to local public services with a new round of cuts to cities by diverting municipal distribution of Local Government Fund revenue to state activities to combat the drug epidemic.

There is an obvious source of revenue for this and other important needs: The \$1 billion annual tax break on business income. Kansas legislators of both parties recently united to repeal a similar tax break there. The Ohio General Assembly should do the same. Modest steps proposed by the Kasich administration to limit some other tax breaks, such as one for big distribution centers, also were rejected in both houses.

Fewer school districts lose funding under the Senate bill than the House bill, but the Senate plan still leaves support to schools trailing inflation. Support for higher education remains

weak, and modest increases for the grant program for low-income college students still fall far short of 2008-2009 levels. Basic services continue to be shortchanged.

The conference committee will soon meet to hammer out a final budget. It should reconsider these poor choices.

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
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