



PRESS RELEASE

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Policy Matters Ohio responds to the House Substitute Budget Bill

Yesterday, Ohio's House of Representatives released its state budget proposal. Policy Matters Ohio Executive Director Hannah Halbert issued the following statement:

The House Substitute Bill released yesterday suggests legislators may have abandoned the flat tax, but not the tax cut strategy that has already drained nearly \$8 billion a year from state revenues. That's \$8 billion a year that could be used to address the issues that cause our state to be among the worst in the nation on many basic quality of life indicators, including infant mortality, child economic security, and opioid deaths. It's \$8 billion we could invest in people, supports and innovations that make life better for more Ohioans.

Ohio doesn't need more broad income-tax cuts. Yet that's exactly what the budget introduced by the House majority would do. It would provide \$222 in tax cuts to nearly everyone making more than \$100,000, but zero to anyone with income under \$28,000, and a few dollars at most to those with income under \$50,000. That permanent tax cut would cost more than \$400 million a year over the long term, according to the Legislative Service Commission.

The House sub bill does retain some of Gov. DeWine's proposals that would benefit Ohioans of all backgrounds and ZIP codes. It includes elements of the executive budget that would expand healthcare coverage, help an estimated 15,000 more children get the child care they need, and ensure an additional 11,525 3- and 4-year-old children have an opportunity to get high-quality early childhood education.

The bill continues and improves the Fair School Funding Plan promise, updating costs and helping attract and retain teachers by increasing starting salaries, and increasing per-pupil support. But it also expands the income-eligible EdChoice voucher program, creating a near universal voucher which will send even more public dollars to private schools — schools that can pursue students for debt, and reject students for how they learn or what they believe. The expansion would subsidize the private education of families who earn well over \$100,000, at the expense of public schools.

The proposal cuts some ill-conceived recommendations, but it does not replace them with available, effective alternatives. The bill removes funding to expand the School Resource Officer program, rather than making those funds flexible so schools can use them for better, more accountable approaches to school safety and student wellness. It eliminates the poorly designed Child Tax Deduction, but fails to provide a lifeline to

Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.

families with a refundable Thriving Families Tax Credit, or a refundable Earned Income Tax Credit.

The House proposal abandons the governor's support of higher education. The proposed funding to state colleges and universities does not keep up with inflation and certainly will not restore the 12% cut since 2006. The proposal also eliminates the governor's proposed College Access grant program and the governor's Merit Scholarship, which could have been valuable, equitable pathways into higher education.

Lawmakers also miss the opportunity to support the workforce that makes many of these programs function. The bill removed the \$150 million that would have helped child care professionals and professionals in other critical occupations afford child care for their own children. If lawmakers don't support child care professionals, child care providers will continue to struggle to recruit and retain staff and Ohio will remain unable to meet the child care needs of our families. A much-deserved increase in home care worker wages is included in the proposal, but not at the \$20 level advocates and workers sought to make the field competitive and move the workforce closer to a living wage.

Ohioans have compromised on adequate public services, supports and institutions for nearly two decades so politicians can deliver on tax breaks. But we have the resources to make Ohio a place where people want to put down roots and raise a family, advance their career, build healthy communities, and live a fulfilling life. Sooner or later, legislators will govern accordingly. But that won't happen without continuous pressure from the people they represent — pressure to raise taxes on the wealthy and corporations and hold them accountable for paying what they truly owe; pressure to use our collective resources to ensure basic human dignity for all; in short, pressure to make Ohio's budget a true people's budget.