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Federal budget cuts could cost Ohio billions

President Donald Trump promised to put “America First,” but his federal budget plan leaves many behind.

The pain will be felt deeply in the Buckeye State, according to a new report from Policy Matters Ohio. Federal government funding accounts for more than one-third of Ohio’s total operating budget – that’s over \$25 billion a year.

“The federal and state governments have long partnered to protect the public and ensure well-being,” said report author, Policy Matters Senior Project Manager Wendy Patton. “If Congress follows the proposals of the president’s budget, this partnership will be destabilized, which threatens funds for programs Ohio needs to provide basic living standards for its residents.”

The budget’s details won’t be known until later this month, but the president’s initial proposal called for massive cuts to many programs administered in partnership with states — including environmental protections, public education, health and human services and infrastructure. President Trump also supported legislation that recently passed in House of Representatives which repeals the Affordable Care Act and restructures Medicaid — dealing another potential costly blow to Ohio. The threats are compounded by the Budget Control Act of 2011, which already subjects many federal programs to automatic cuts under a process known as “sequestration.”

Many Ohio programs rely heavily on federal funding and some almost completely depend on it. For example, 82 percent of funding for the “Opportunities for Ohioans with Disabilities” department comes from the federal government. The federal government provides the Ohio Department of Aging with 76 percent of its revenue. The Ohio Department of Job and Family Services, which administers programs from unemployment benefits to food stamps to foster care, gets 70 percent of its budget from federal dollars. The federal government pays two-thirds of the cost of Medicaid, the state’s largest single insurer which covers a quarter of Ohioans.

“These are not extravagant programs,” Patton said. “We’re talking about cutting funding to protect drinking water, provide basic medical care, and care for the elderly and disabled. Federal budget cuts through the sequester or the Congressional budget process will hurt Ohio and Ohioans.”

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