

### Tax & Budget

## ERODED SERVICES IN THE STATE BUDGET

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Many Ohio communities have weak economies. Poverty in the state is high, higher than before the recession. Between 184,000 and 198,000 Ohioans live in extreme poverty, defined as living on less than \$2 a day. Yet over time Ohio policymakers reduced investment in some important human services and never restored them to meet pressing needs. This report looks at state funding for several programs that serve hundreds of thousands of Ohioans, but leave many struggling people and families behind.

- Ohio completely eliminated Disability Financial Assistance to very poor people awaiting approval for Social Security Disability Insurance, even though wait times have risen to more than a year and a half on average, the amount the state paid was paltry (\$159 for two people), and the federal government pays the state back after approval.
- The number of children and adults helped by Ohio Works First, the state's cash assistance program, has plummeted, even though poverty is higher now than before the recession. This program provides less than \$4,890 per year for a family of two.
- Ohio funds less than a third of public child care aid with state dollars, and restricts eligibility to 130 percent of poverty: only one state has a lower income eligibility.
- Home visiting programs for pregnant women and mothers can reduce infant mortality - a serious concern in Ohio, with high infant mortality rates - but less than 5 percent of Ohio's eligible families benefitted from this service in 2016. Governor DeWine has wisely vowed to triple home visits, a nice first step.
- State aid to county human service agencies like the Child Support Enforcement Agencies has dropped, even as state cuts have stretched local resources thin.
- As more grandparents, aunts and uncles have taken in children whose parents struggle with addiction, funding for the Kinship Care Incentive program has been eroded by inflation.

State dollars invested through the General Revenue Fund (GRF) has declined, adjusted for inflation, over the past 10 years. Increased tax revenues from economic recovery were used for income tax cuts, tax breaks for special interests and to increase the state rainy day fund. Restoring state funding for services cut deeply in the recession is a harder job now because revenue sources have been cut and unappropriated funds stashed away for future use.

Lawmakers have an opportunity to do better for Ohio families in the upcoming budget. Governor DeWine's campaign platform included raising income eligibility in the public child care program to help more working families and increasing the number of pregnant women or mothers helped through home visiting. This is a good place to start, but many more eroded services should be restored.