



Executive Summary

When Ohioans come together, we can accomplish great things. Together we created a world class system of public universities and built some of the best state parks in the nation. It's time to return to what made us great and use our shared resources to reinvest in Ohio's greatest asset: our people. Years of state budget cuts have left our schools mediocre instead of good, our workforce less educated than the national average, our people among the country's least healthy, and our lakes and rivers polluted. In the 2020-2021 state budget, lawmakers should start investing again in Ohio and Ohioans. Since the recession, lawmakers have prioritized tax cuts and tax breaks; in this report, Policy Matters Ohio illustrates what an investment budget could look like. Here's a sample of our recommendations.

RESTORE REVENUE SHARING: State lawmakers need to rebuild the funding partnership with local governments, including restoring the Local Government Fund, which has been cut by \$370 million a year since 2011, adjusted for inflation.

BOOST STATE SHARE OF FUNDING FOR PUBLIC TRANSIT: Ohio is 37 million rides short of market demand, but could close that gap by investing least \$150 million a year in public transit.

STRENGTHEN OHIO'S EARNED INCOME TAX CREDIT it's so weak that it doesn't help 95 percent of the poorest families at all. It should be refundable, set at 20 percent of the federal credit and have no cap for families earning over \$20,000. The cost would be \$427.5 million a year.

DRAW DOWN FEDERAL FUNDS FOR JOB TRAINING FOR HUNGRY OHIOANS: The SNAP 50-50 program reimburses 50 percent of nonfederal dollars spent on eligible education and training services for SNAP recipients; \$4 million per year in General Revenue Funds will draw down additional federal funds to train the neediest Ohioans for better jobs.

RAISE ELIGIBILITY FOR PUBLIC CHILD CARE AID TO 200 PERCENT OF POVERTY: Governor DeWine has committed to raising the eligibility level for public preschool to 150 percent of poverty. He should have a goal of restoring it to 200 percent of poverty, as it was in 2009.

PROTECT WORKERS FROM WAGE THEFT: Doubling the budget of the Bureau of Wage and Hour Administration to just \$2.2 million a year in the upcoming budget would allow the agency to start restoring staff.

MAINTAIN AND PROTECT THE MEDICAID EXPANSION: Nearly 700,000 Ohioans are insured by the Medicaid expansion. Access to health care without freezes, barriers and harsh requirements is essential to low-wage workers, job seekers, disabled people, caretakers, students and their families.

STEM THE DRUG CRISIS: Ohio lawmakers should build on the local mental health and addiction systems built with federal 21st Century Cures Act funds and one-time funding of the 2018-19 budget – but the funding must be sustainable, and build on successes.



REDUCE INFANT MORTALITY: Ohio's overall infant mortality rate of 7.2 deaths per 1,000 live births is higher than 42 other states'. There is shocking racial disparity: the infant mortality rate for African-American babies is 15.6 per 1,000. Governor DeWine has pledged to triple the number, of eligible pregnant women and infants benefitting from home visiting, a good start, but one that would reach just 12 percent of those eligible.

FUND SCHOOLS BASED ON COST OF EDUCATION: The number of very low-income students grew by 67 percent since 2001, but targeted funding for schools that serve them grew by only 23 percent. Funding should be increased from \$272 per disadvantaged student to \$425 as a bridge measure, if the new formula does not address it. The cost: \$256 million a year.

BOOST NEED-BASED FINANCIAL AID: Ohio is ranked 45th least affordable for college for families of low and modest income; \$106 million would restore financial aid for 114,500 low-income community college and regional campus students and boost the Ohio College Opportunity Grant (OCOG), the state's only need-based grant.

COUNT EVERY OHIOAN IN THE 2020 CENSUS: Ohio could lose federal funding and congressional representation if state residents are undercounted in the 2020 census. State funding of \$2.5 million

for education, outreach and accuracy efforts and \$250,000 to staff a "Complete Count Commission" would ensure a fair, comprehensive and accurate count.

FEED THE HUNGRY: One in seven Ohioans struggles with hunger; one in five children may go to bed hungry. An annual \$30 million allocation will fund a range of proven anti-hunger initiatives, including food banks and summer feeding programs for children.

PREVENT HOMELESSNESS: Homelessness jumped by 53 percent between 2012 and 2017, when 70,123 Ohioans accessed homeless services. A third were children, including nearly 3,000 infants; \$25 million over a two-year period could create the Homeless Families Assistance Program.

BUILD MORE AFFORDABLE HOUSING: The Housing Trust Fund has dwindled and cannot support as many units as are needed. A \$20 million annual allocation would almost double the number of affordable housing projects built and low-income families helped.

FUND SUFFICIENT, SKILLED STAFF FOR THE TAX EXPENDITURE REVIEW COMMITTEE: State lawmakers spend \$9 billion a year through the tax code. The oversight committee should be fully staffed, with funding comparable to that of other joint Committees.

Ohio's long run of tight budgets has meant underinvestment and a weakened state. This has meant worse health, more hunger and lower-quality schools. It's meant too little transit and too much lead poisoning; high-cost college and low-quality housing. Our infant mortality rates are too high, our overdose rates are alarming, and our racial disparities for many outcomes are shameful.

Lawmakers in the 133rd General Assembly have no shortage of needs to address. Restoration of eroded services is even more difficult because revenue sources have been cut so deeply and spending on tax breaks is growing so fast. Ohioans must watch the budget process carefully and hold them accountable for policy choices.