



June 9, 2023

Run-Down of Senate Budget Changes

Joree Novotny, Ohio Association of Foodbanks

Amy Riegel, Coalition on Homelessness and Housing in Ohio

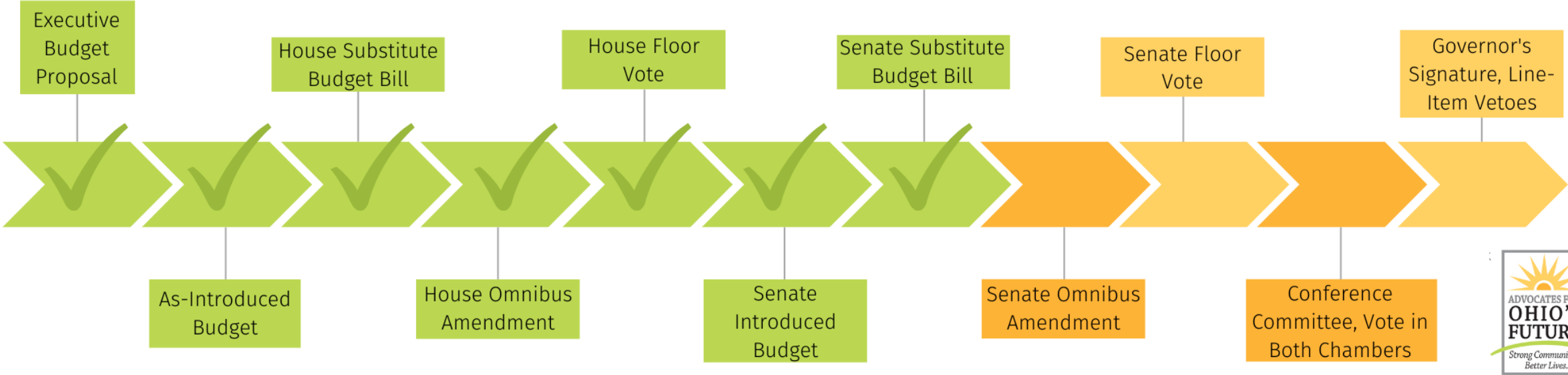
Beth Hess, Groundwork Ohio

Steve Wagner, Universal Health Care Action Network of Ohio

Mary Wachtel, Public Children Services Association of Ohio

Guille Bervejillo, Ph.D., Policy Matters Ohio

Budget Timeline Tracker



100 East Broad Street
Suite 501
Columbus, OH 43215

T 614-221-4336
F 614-221-4338
ohiofoodbanks.org

Why the current Senate Budget would directly increase hunger & food hardship

June 9, 2023 | Advocates for Ohio's Future



Greater Cleveland
Food Bank



Ohio's largest charitable response to hunger, representing
Ohio's 12 Feeding America foodbanks
and 3,600 member
agencies

After months of high inflation + increases to consumer prices + loss of \$126 million per month in SNAP, we anonymously surveyed more than 2,000 foodbank clients from across Ohio.



In the last 2-3 months:



68% had to choose between food and transportation/gas

66% had to choose between food and utilities



55% had to choose between food or medicine/health care

50% had to choose between food and housing





2 IN 3 (65.5%)

households served by foodbanks have adults in their household that **cut the size of meals or skipped meals** because there wasn't enough money for food in the last 12 months, including more than

1 IN 3 (36.6%)

that did so **almost every month over the last year**

More than **8 IN 10**

foodbank clients sought help
with emergency food because
of higher food costs



54% reported
feeling down,
depressed, or
hopeless
since
March

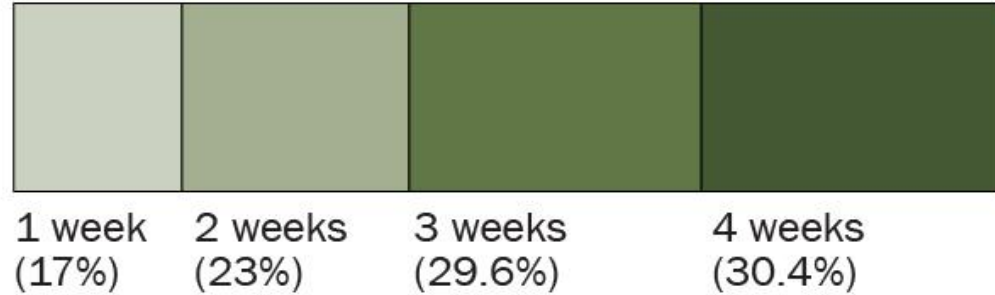




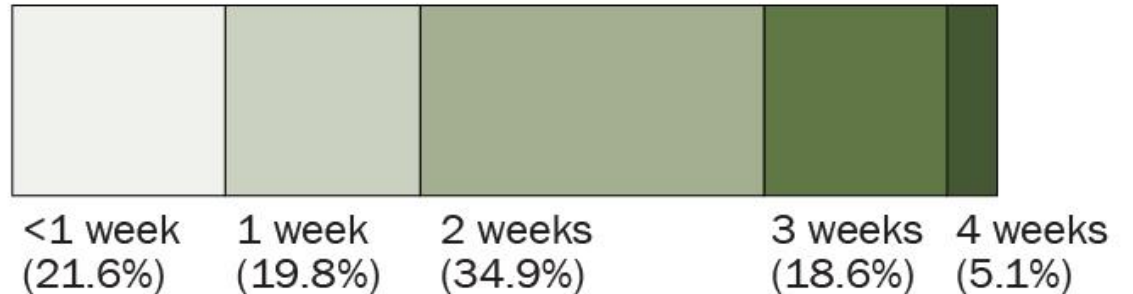
→ **40.7%** participate in SNAP



With pandemic-era SNAP benefits, **3 in 10** SNAP participants said their benefits lasted the full month



Since the end of pandemic-era SNAP benefits, **just 5% of** SNAP participants said their benefits lasted the full month





37% said they will rely on us more often in the next 2 months; just 5% said they would rely on us less often

The Senate Finance Committee's proposed budget does not align with the reality that a growing number of Ohioans are facing.

Instead of investing in access to food and other basic needs to support and stabilize kids, parents and caregivers, workers, jobseekers, disabled Ohioans, and older adults, the Senate budget:

Eliminates \$15 million in additional funding to support the Ohio Food Program and Agricultural Clearance Program that was included by the House in its budget.

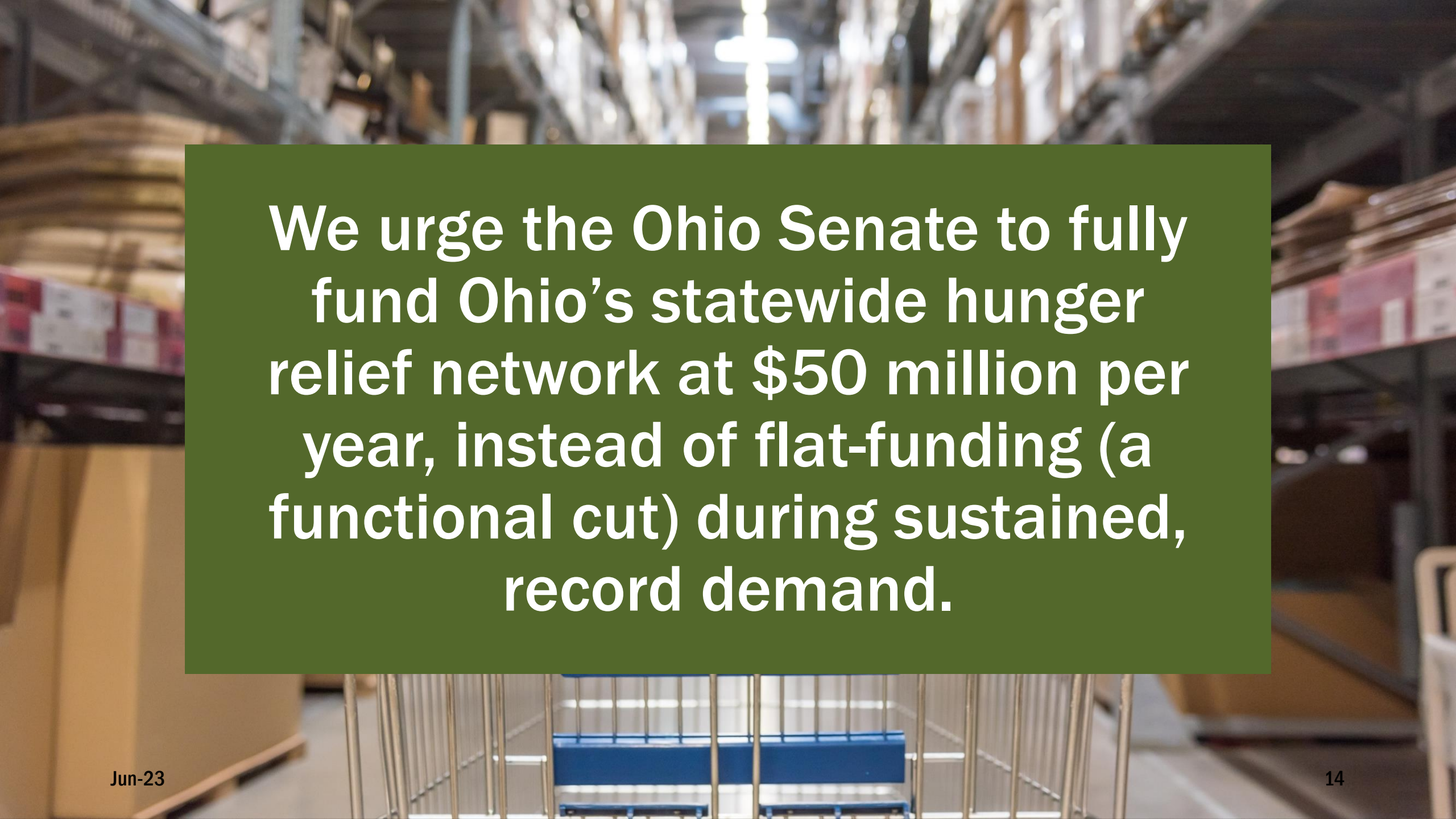


Eliminates funding to offset the cost of reduced-price school meals for Ohio's K-12 students that was included by the House in its budget.




Proposes a long list of harmful changes and cuts to SNAP that would severely reduce, limit, and weaken eligibility for and access to federal food assistance.






We urge the Ohio Senate to fully fund Ohio's statewide hunger relief network at \$50 million per year, instead of flat-funding (a functional cut) during sustained, record demand.



We urge the Ohio Senate to remove all the SNAP provisions in this budget – they are harmful, misinformed, costly, burdensome, and unnecessary. Ohioans need and deserve access to every federal food assistance dollar available.

A photograph of a shopping cart in a warehouse aisle. The cart is in the foreground, and the aisle is filled with tall stacks of cardboard boxes. A green rectangular box is overlaid on the center of the image, containing white text. The background is slightly blurred, showing the depth of the warehouse.

**We urge the Ohio Senate to
reinsert funding to offset the cost
of reduced-price meals for
students in low-income families.**

Join us in
our call
to action.

[https://ohiofoodbanks.org/
funding-request/#action](https://ohiofoodbanks.org/funding-request/#action)





HBAH

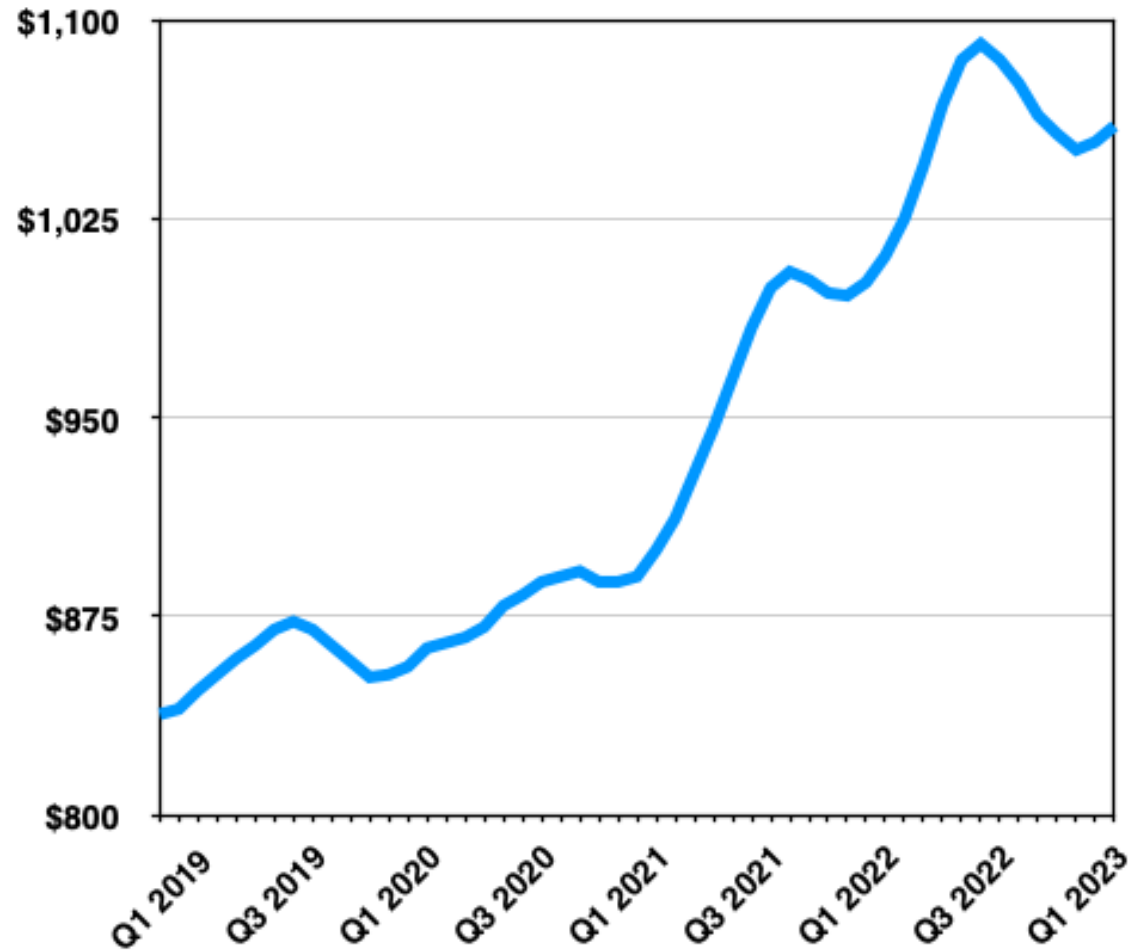
Cuts Funding for Healthy Beginnings at Home from \$16 million to \$3 million (pg. 103)

- Removes the House's proposed \$500 million state housing tax credit program (pg. 728-729)
- Replaces the Ohio Housing Finance Agency with the Governor's Office of Housing Transformation under ODOD; transfers authority to issue housing bonds to the State Treasurer; requires approval from the Tax Credit Authority to finance multifamily housing (pg. 151)
- Removes the House's property tax valuation proposal, which would implement a uniform way of accounting for affordable housing developments' operating income and expenses to assess local property taxes (pg. 747)
- Expands the ban on "twinning" state historic rehabilitation tax credits beyond Low Income Housing Tax Credits to any other federally subsidized residential rental property (pg. 729)
- Prohibits investment in rental housing in Ohio's Opportunity Zones, Community Reinvestment Areas (CRAs), and Tax Increment Financing (TIF) plans (pg. 740-741)

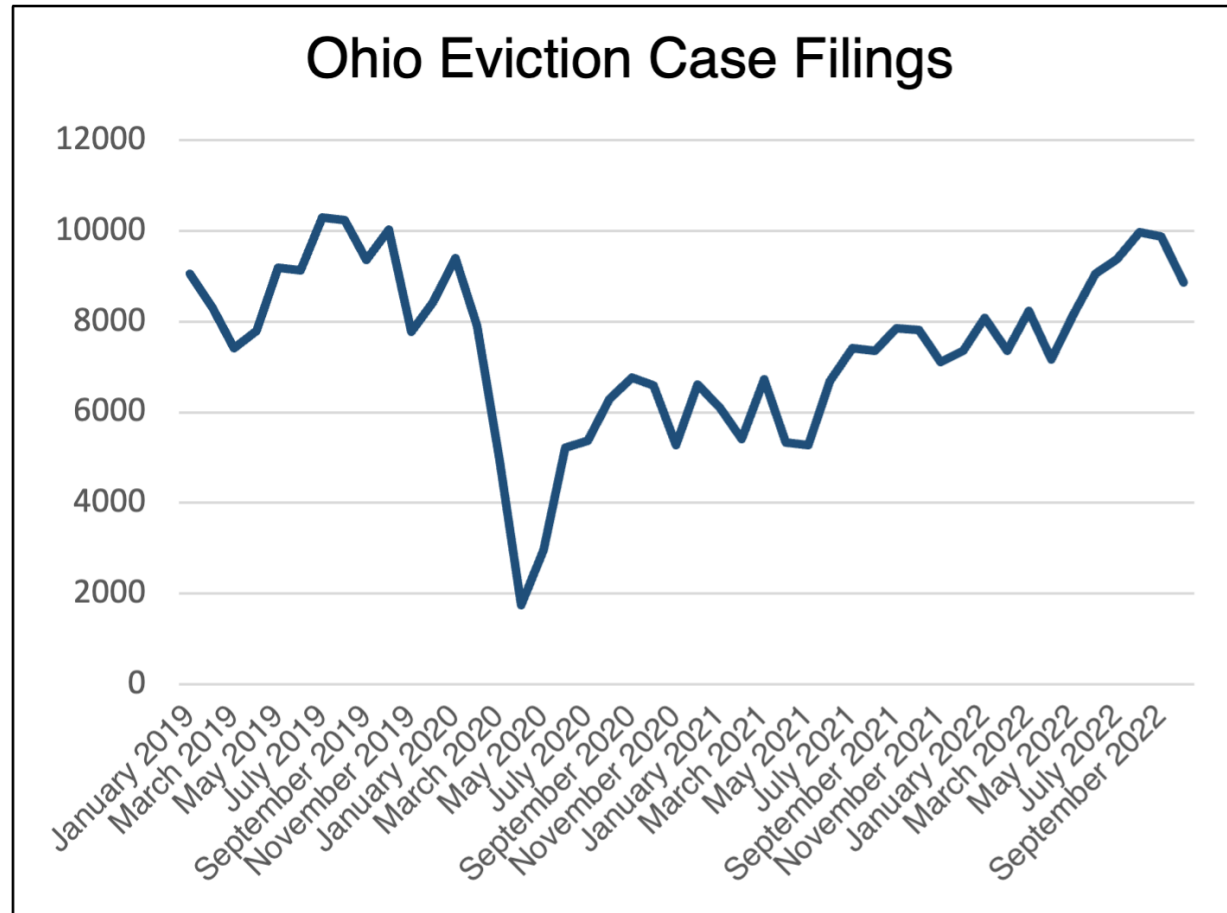
- Authorizes the State Auditor to audit the construction and rehabilitation costs of any project that has received federal subsidies or tax credits to construct or renovate rental housing (pg. 63)
- Requires OHFA to prepare an annual list of all federally subsidized residential rental property and annually certify it to the State Auditor, Board of Tax Appeals, and the Tax Commissioner, who in turn certifies it to all county auditors (pg. 460)
- Abolishes the Manufactured Homes Advisory Council, which advises the Commerce Director in regulating manufactured housing (pg. 129)
- Removes the Governor's Landlord Credit Score Cost Assistance program to help landlords report the payment of rents to credit monitoring services to help tenants improve their credit scores (pg. 460)
- Prohibits municipalities from charging fees or using state funds to maintain a registry of rental properties (pg. 775)

Rent is Still Rising

Ohio 2-Bedroom Rent
(source: Apartment List Rent Estimates)



Evictions are Rising



Source: Ohio Supreme Court

Questions?

Amy Riegel

Executive Director

amyriegel@cohhio.org

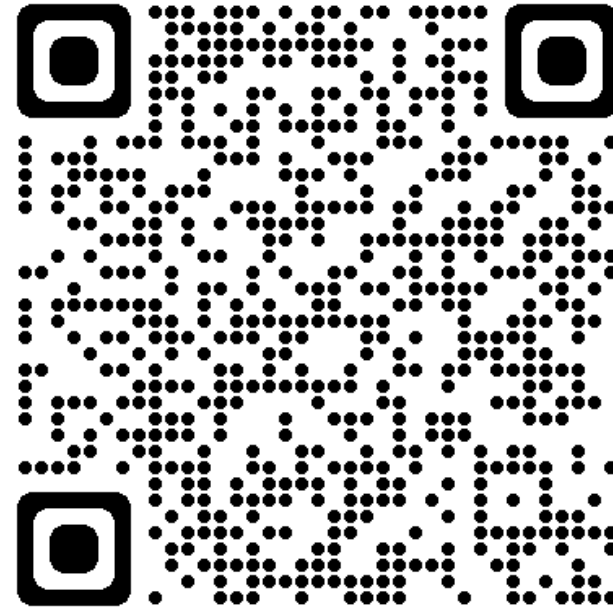
Gina Wilt

Advocacy Director

ginawilt@cohhio.org

SENATE BUDGET FAILS OHIO KIDS

"Kids can't vote, but they are forced to rely on those who can. Sadly, the Senate has failed Ohio's children, reversing course on years of hard work." – Shannon Jones

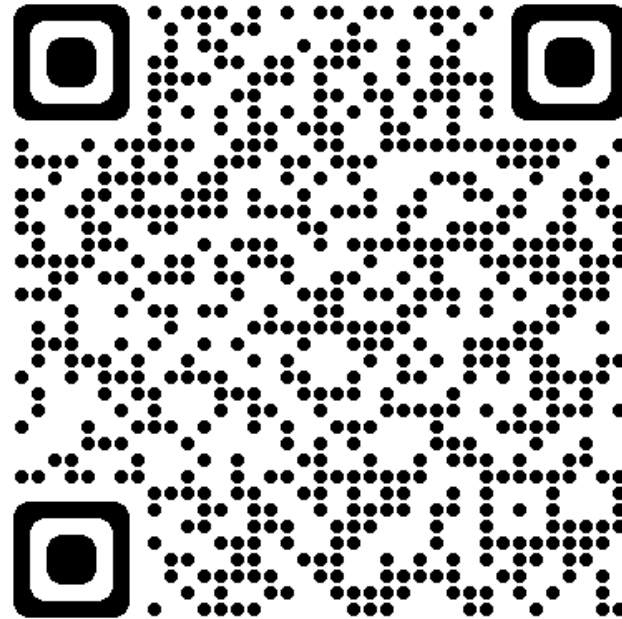


<https://www.groundworkohio.org/post/senate-budget-fails-ohio-kids>





TAKE ACTION NOW



<https://www.groundworkohio.org/actnow>



Devastating Cuts and Policy Changes to Early Learning

- Expands SUTQ exemption from Dec 2022 to centers serving less than 50% capacity PFCC
- Prohibits SUTQ rating system from even considering highly trained staff as part of its requirements or its tiered rating system
- Only extends PFCC eligibility to 145% FPL (an effective \$202 million cut over the biennium)
- Cut the quality support fund by \$14 million over the biennium
- Cut child care licensing funds (\$1.7 million)
- Cut to Early Intervention funding (\$1 million)
- Cut the House's created Child Care Infrastructure grant in half (\$15 million over the biennium) and reduced qualification to only include Appalachian communities
- Did not restore the \$150 million ARPA child care scholarships proposed by the Governor
- Further cut Governor's proposal for increased investments in Early Childhood Mental Health Consultants and Consultation Services

What Remains in Early Learning Investments?

- Governor's proposed public preschool expansion (though the quality of programming may be impacted by proposed SUTQ proposed provisions)
- Department of Children and Youth (though program funding has been decreased by nearly \$167 million from Governor's proposal)
- Lead abatement activities (Senate provided additional \$1 million per FY)
- Imagination Library

Devastating Cuts and Policy Changes to Maternal & Young Child Health

- Cut to Early Intervention funding (\$1 million)
- Further cut Governor's proposal for increased investments in Early Childhood Mental Health Consultants and Consultation Services
- Eliminated Governor's proposed Infant Health Grants which were eliminated. (\$1.587 million)
- Reduced Infant Vitality grants by \$1 million each year.
- Failed to restore House cuts to the Governor's proposed increase to Help Me Grow Home Visiting—a near \$20 million cut over the biennium equating to a 15% cut in the line.
- Reduced funding for Healthy Beginnings at Home from the Governor's proposal of \$17 million to \$3.5 million over the biennium, a nearly 80% cut to the line.
- Eliminated the Governor's proposal to extend Medicaid coverage to pregnant women and children under age 19 with incomes up to 300% of FPL

Devastating Cuts and Policy Changes to Maternal & Young Child Health Cont.

- Eliminated the Governor's proposal to extend Medicaid coverage to children adopted through private agencies with special health care needs
- Eliminated the House's proposal to implement multi-year continuous Medicaid coverage for eligible babies, age 0-3
- Eliminated the House added provision supporting a pathway for Medicaid reimbursement of Doula services for Medicaid eligible pregnant women.
- Eliminated TANF earmarks in FY25 that support children and families—for example, the Senate cuts eliminate:
 - The Ohio Commission on Fatherhood earmark in FY25 completely and reduces the FY24 earmark by half (to \$2.5 million).
 - The Ohio Children's Trust Fund in FY25 completely..
 - The Children's Hunger Alliance in FY25 completely.

What Remains in Maternal & Young Child Health Investments?

- Department of Children and Youth (though program funding has been decreased by nearly \$167 million from Governor's proposal)
- Lead abatement activities (Senate provided additional \$1 million per FY)
- An elimination of sales tax on critical infant supplies
- Benefit Bridge Employer Pilot Program
- Paid parental leave for state employees (2 weeks paid at 100% and 6 weeks paid at 70%)



Steve Wagner
Executive Director
Universal Health Care Action
Network of Ohio

Am Sub HB33 Children Services Provisions (a partial list)

JUNE 2023

PCSAO
PUBLIC CHILDREN SERVICES
association of ohio



PCSAO PRIORITIES FOR SENATE OMNIBUS

Restore KID Line Item 830506 to House-Passed funding

Placement Crisis (amendment drafted)

Remove policy language re: expungement of substantiated dispositions of child abuse and neglect and work with stakeholders to develop an appropriate expungement policy

SUMMARY

KID LINE ITEM 830506

**KID LINE ITEM
830506
Restore
funding to at
least House-
passed Levels**

SFY2022 (ODJFS 600523)	SFY2023 (ODJFS 600523)	Introduced SFY2024	Introduced SFY2025	House Passed SFY 2024	House Passed SFY2025	Senate Finance Sub Bill SFY2024	Senate Finance Sub Bill SFY2025
\$188.9M	\$217.7M	\$280.2M	\$291.6M	\$252.2M	\$266.6M	\$230M	\$230M

Earmarks remain, with “up to” language:

State Child Protection Allocation (SCPA)	\$145M	\$155M
MSY	\$ 25M	\$ 25M
Best Practice Incentives	\$ 5M	\$ 7.5M
OhioKAN	\$ 8.5M	\$ 8.5M
TOTAL EARMARKS	\$183.54M	\$196.04M
BALANCE AFTER EARMARKS	\$46.5M	\$34M

BUT, to spend full amount of earmarks, other important programs will have to be deeply cut

KID LINE ITEM 830506—Non-Earmarked Programs

UPDATED BASED ON SENATE FINANCE AM SUB	SFY 24	SFY 25	Millions
Foster Care Recruitment	5	5	
Best Practice Incentives	5	7.5	
Kinnect to Family	3.2	3.5	
Chafee Match	3.2	3.2	
START	5.4	6	
Kinship Support Program	30	30	
Kinship Guardianship Assistance Program (KGAP)	2.5	2.5	
Ombudsman	1	1	
Triple P	4	4	
Regional Hubs	3.5	3.5	
Prevention Services	5	5	
Tiered Foster Care	8	8	
Road to Success	7	7	
Bridges	8	8	
OCWTP			
UPP			
Family Finding Expansion			
Youth Navigator			

OHIO START IS CURRENTLY IN 54 COUNTIES WITH PLANS TO EXPAND

FULLY FUND OHIO
START

Ohio START	Total Budget needed SFY2024	Total Budget needed SFY2025
Combined total amount	\$11.9M	\$12.6M
OMHAS Continuum of Care Line Item 336421	\$ 6.5M	\$ 6.5M
KID Line Item 830506	\$ 5.4M	\$ 6.1M

ADDRESS OHIO'S TREATMENT AND PLACEMENT CRISIS

WE ARE JOINING WITH 7 OTHER ORGANIZATIONS TO CALL FOR ACTION

"It is the intent of the State of Ohio that no child shall have to sleep at a local government agency or wait in a hospital with no access to treatment due to lack of appropriate placements. The Ohio Family and Children First Cabinet agencies will work with key stakeholders, including the Public Children Services Association of Ohio (PCSAO), the Ohio Children's Hospital Association (OCHA), the Ohio Council of Behavioral Health and Family Services Providers (The Ohio Council), the Ohio Children's Alliance (OCA), the Ohio Job and Family Services Directors' Association (OJFSDA), the Ohio Association of County Boards of DD (OACB), the Ohio Association of County Behavioral Health Authorities (OACHBA), and the County Commissioners Association of Ohio (CCAO) to develop treatment and placement solutions for children with developmental and/or intellectual challenges and high acuity behaviors. These solutions will be shared with the General Assembly by October 30, 2023 for immediate action."

PCSAO AGREES THAT OHIO SHOULD ESTABLISH AN EXPUNGEMENT POLICY

ODJFS fix is not enough

This proposed language is not good policy; it is not aligned with other states' expungement policies

Our amendment removes the proposed language and replaces with language requiring ODJFS to establish a stakeholder process to determine Ohio's expungement policy by March 1, 2024.

EXPUNGEMENT

QUESTIONS?



AOF Webinar. Senate Budget Bill tax changes

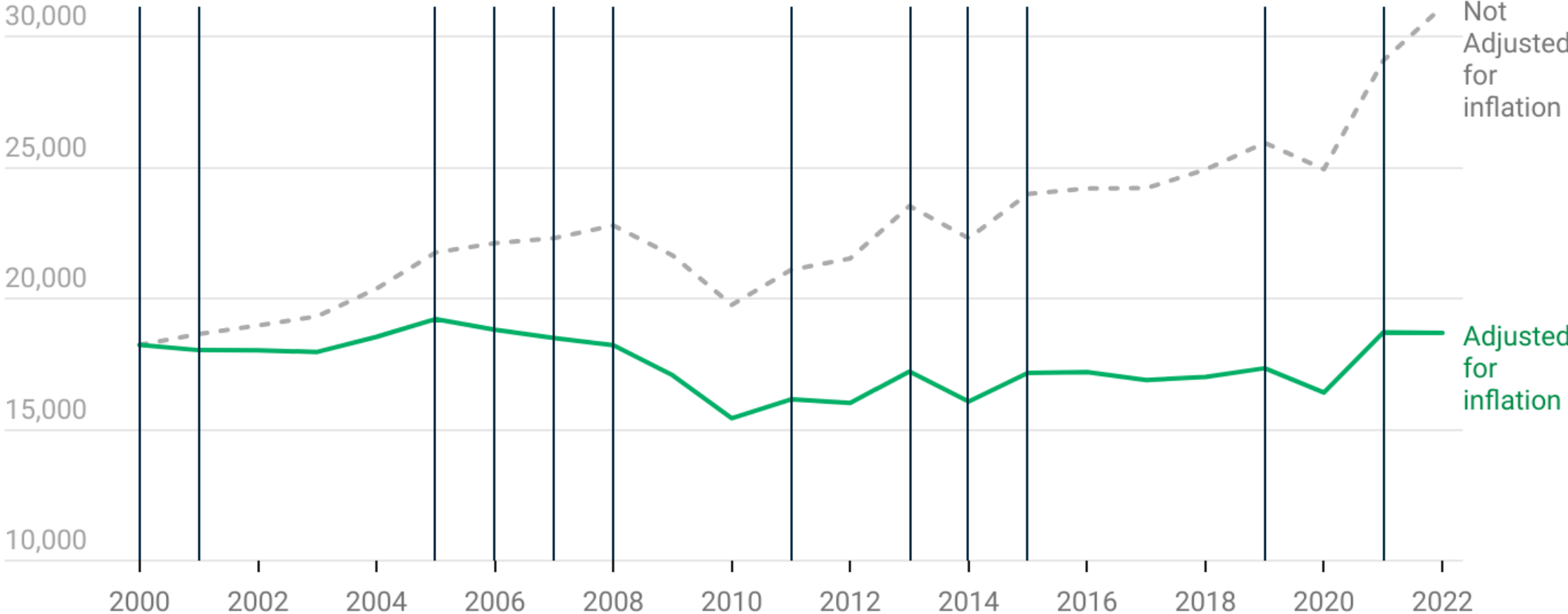
Guille Bervejillo, gbervejillo@policymattersohio.org

June 9th, 2023

- Over two years the number of personal income tax brackets would be reduced to just two.
 - This will leave Ohio with just two rates of 2.75% (income over \$26,050) and 3.5% (income over \$92,150).
- Suspends indexing of income tax brackets and exemptions for inflation. Starting in FY 25, this revenue is used to reduce the taxation rate on first \$26,050 of income, slowly doing away with the income tax cliff.
- Over two years, a 25% reduction in Commercial Activity Tax (CAT) rates and minimums
- Expanded Sales Tax Holiday would replace the existing back-to-school sales tax holiday only in years when there is more than \$50M in excess GRF.
 - The amendment places \$1.0B into the Sales Tax Holiday fund. During the holiday, tangible goods under \$500, with some exemptions would be exempt from all state and local sales taxes. Counties, local governments, the LGF and PLF will be reimbursed for any lost revenue.
- [GOOD THING] Increases the sports gaming receipts tax rate, from 10% to 20%, beginning July 1, 2023

Tax cuts and state revenue

Cuts in top tax rates depicted by vertical bars. Total state-only revenues (in millions)



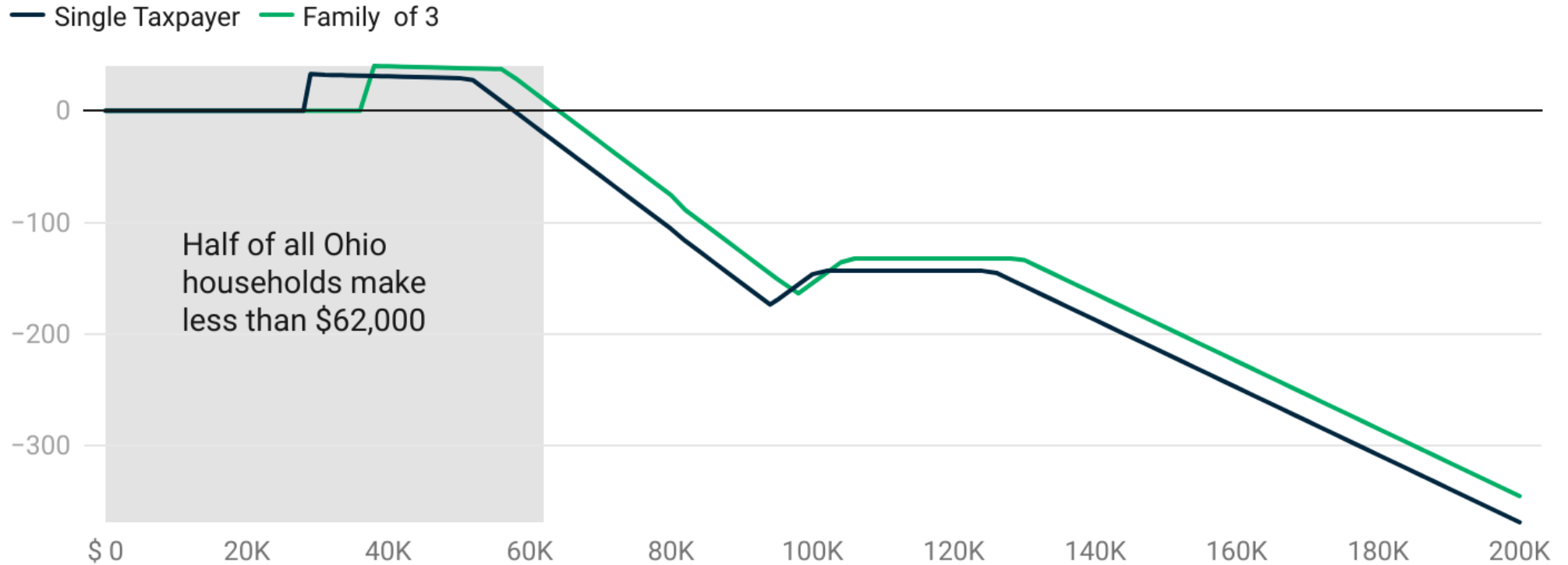
Inflation adjustment using 2000 dollars.

Chart: Policy Matters Ohio • Source: Legislative Service Commission Historical Revenues, Ohio Department of Taxation • Created with Datawrapper



Impact of Senate Budget Bill income tax changes in 2024

Tax liability shift by annual income and family size



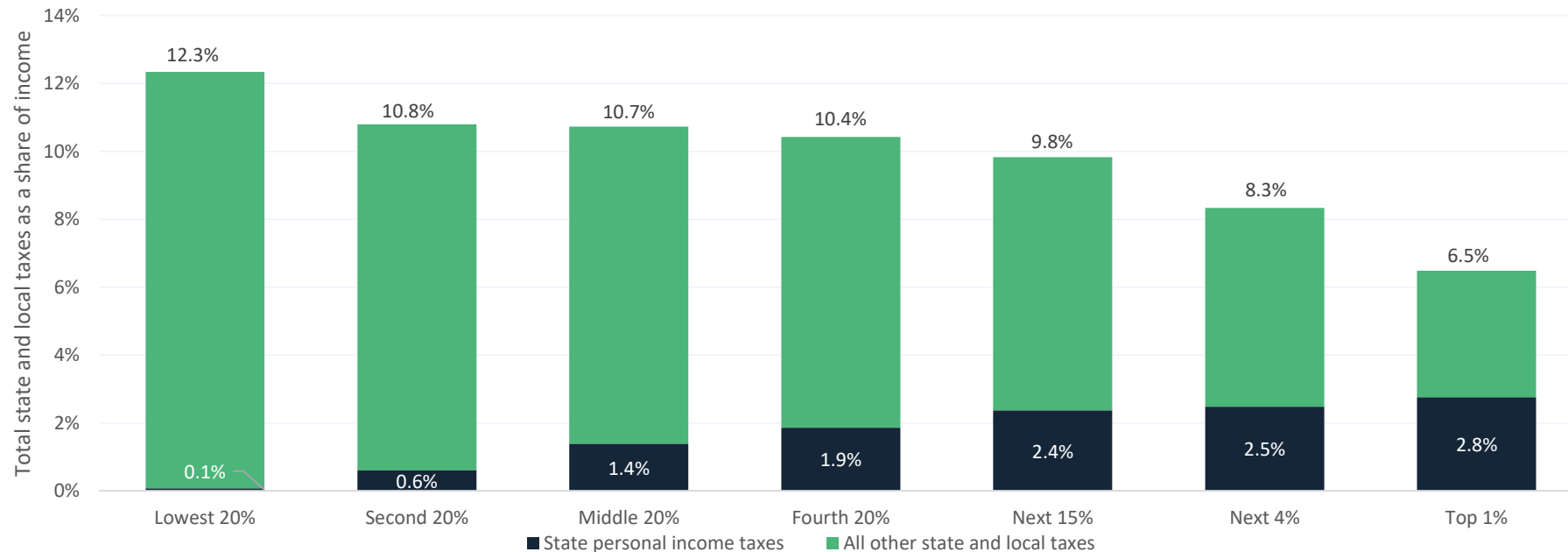
Includes exemptions and EITC, no other tax credits. Assumes a 7% GDP deflator. Does not account for the gradual reduction of the rate of taxation below \$26,050, which will begin in the next biennium. Note: some unmarried childless households might see a larger tax increase as a result of not being eligible for the EITC.

Chart: Policy Matters Ohio • Created with Datawrapper



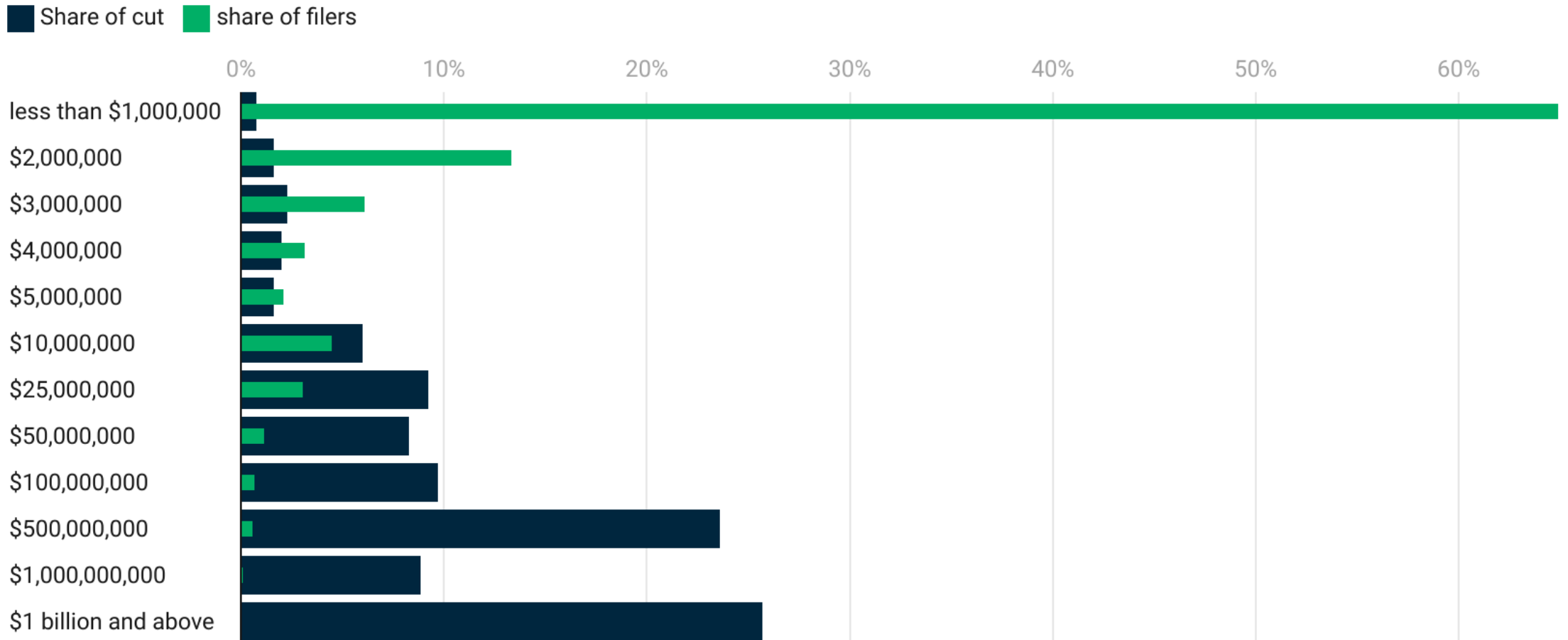
Wealthy Ohioans pay less taxes

State and Local Taxes as a Share of Income



Large Corporations will benefit most from CAT cut

Distribution of CAT receipts and filers, year 2021



Source: Ohio Department of Taxation • Created with Datawrapper



•An expansion of the personal income tax to 7.5% on incomes above \$250,000 and 8.99% on incomes above \$1 million.

•A state-level corporate income tax at a rate of 8.5%, which corporations would pay if it were higher than their existing commercial activity tax.

•Closing the LLC loophole.

•A refundable EITC at a rate of 10% of the federal credit.

•A thriving families tax credit of \$700 per child under the age of 18 for households with yearly incomes below \$65,000.

Proactive Revenue Plan Breakdown

Plan element	Amount
Fair taxation on very high incomes	\$2,700,000,000
Corporate income tax	\$1,000,000,000
Elimination of LLC loophole	\$1,000,000,000
Tax support for families	-\$1,100,000,000
Total	\$3,633,700,000

Table: PMO calculations based on Institute on Taxation and Economic Policy estimates for all elements except the corporate income tax which was our estimate based on methodology from the Ohio Legislative Service Commission. • Created with Datawrapper



The Refundable EITC would target those who most need the help

ITEP estimates of the impact of a 10% refundable EITC by household income

	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Richest 1%
Income range	< \$23,000	\$23,000 - \$47,000	\$47,000 - \$75,000	\$75,000 - \$124,000	\$124,000 - \$244,000	\$244,000 - \$617,000	> \$617,000
Avg income in group	\$ 12,000	\$ 34,000	\$ 61,000	\$ 97,000	\$ 159,000	\$ 347,000	\$ 1,534,000
Tax Change as a % of Income (for those with cut)	-1.8%	-1%	-.6%	-.3%	0%	0%	0%
Average Tax Change (for those with cut)	-\$ 220	-\$ 328	-\$ 336	-\$ 258	\$ 0	\$ 0	\$ 0

In this estimate, filers choose from the 30% non-refundable EITC and the 10% refundable EITC to maximize tax cut

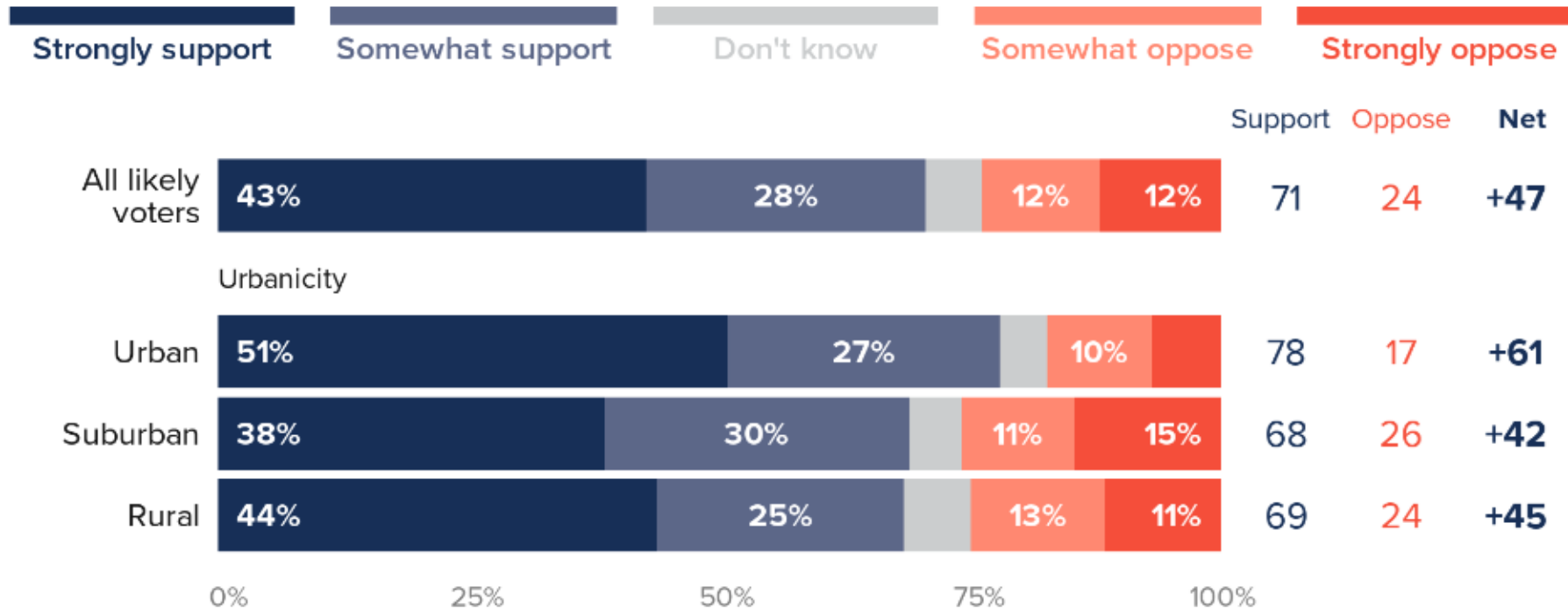
Table: Policy Matters Ohio • Source: Institute on Taxation and Economic Policy • Created with Datawrapper



Polling: Voters in Ohio Support Creating a New Tax Bracket to Increase Tax Rates on the Wealthy

In 2021, state lawmakers passed a budget that eliminated Ohio's top income bracket, reducing the amount of tax paid by high earners making more than \$220,300.

Would you support a new bracket on people making over \$250,000 and another bracket that increases tax rates on people making over \$500,000?



- Voters support creating a new tax bracket for high-earners **by a +47-point margin**
- We find overwhelming support for creating a new tax bracket across urbanicity, with particular strong support among **78 percent of urban voters**

September 23–30, 2022 survey of 1,387 likely voters

DATA FOR PROGRESS



Policy Matters Ohio



Links

Please reach out with any questions and requests.

- <https://www.policymattersohio.org/press-room/2023/03/10/house-bill-1-a-trifecta-of-bad-policy>
- <https://www.policymattersohio.org/press-room/2023/02/23/speakers-1-priority-tax-cut-for-the-rich>
- <https://www.policymattersohio.org/press-room/2023/02/16/24-billionfor-what>
- <https://www.policymattersohio.org/research-policy/quality-ohio/revenue-budget/tax-policy/testimony-on-hb-1-before-the-house-ways-and-means-committee>



Policy Matters Ohio is a nonprofit policy research institute that creates a more vibrant, equitable, sustainable and inclusive Ohio through research, strategic communications, coalition building and policy advocacy.



Follow us on Twitter

@PolicyMattersOH



Like us on Facebook

facebook.com/policymattersohio



Sign Up for our eNews

policymattersohio.org



<http://www.advocatesforohio.org>

Follow us on social media: @Advocates4OH

Sign up for our weekly newsletter [HERE](#)

Kelsey Bergfeld, kbergfeld@communitysolutions.com

Sarah Hudacek, shudacek@communitysolutions.com

