

FY 2016-17 Budget Proposal Overview



Based on the version of the Ohio Budget passed by the House on April 22, 2015.

Drafted 4/27/15

Since 2005, Ohio has cut the income tax repeatedly hoping for jobs - it just hasn't worked. We've lost jobs, seen paychecks shrink, and have billions of dollars less for our communities. The House budget focuses on income tax cuts that will benefit the wealthy instead of investments that will benefit all of us.

Policy Proposal:

What it means:

- Removes nearly every major component of Governor's tax shifting proposal.	- The Governor's biggest proposals were rejected by the House. The total net loss is now \$1 billion (compared to \$500 million).
- Reduces income tax cut from \$4.6 billion (23%) to \$1.2b (6.3%).	- This proposal continues to benefit the wealthy, leaving less to invest in our communities.
- Removes Governor's proposed sales tax rate increase and base expansion.	- Negates a major component of the Governor's proposed tax shift.
- Removes proposed increases to Commercial Activity Tax, tobacco, and severance taxes.	- These three major revenue increases proposed by the Governor were nixed by the House.
- Increases k-12 school funding by \$134 million over the Governor's budget to guarantee no district loses funding.	- No districts are cut (compared to half in Governor's proposal), but many districts still receive less than before the recession.
- Maintains Governor's increase for childcare subsidy from 200% to 300% of poverty.	- Increases funding by \$14 million.
- Incorporates 'Medicaid Expansion' funding into regular Medicaid budget.	- Continues Medicaid option for 500,000 Ohioans. Premiums and work requirements included.
- Increases library and public safety funding.	- \$20 million for each, but local government funding still has not been replenished.
- Institutes tuition cap of 2% or \$200 at Ohio's colleges. Increases OCOG by \$10 million.	- Since 2005, tuition is up 25% for Ohio students. OCOG remains below pre-recession levels.
- Removes Governor's increase of \$1 million a year for public transit. Funding remains flat at \$7.3 million.	- Dept. of Transportation study recommends \$96 million investment in public transit.
- Increases GRF spending for Developmental Disabilities by \$53 million over current budget; \$12 million less than the Governor's proposal.	- One of few notable investments in this budget. Removed contentious language that would have closed residential facilities.

* This overview contains many, but not nearly all, of the major policy and funding changes proposed. Go to www.oneohionow.org/action for updated information.