

FY 2016-17 Budget Proposal Overview



Based on the version of the Ohio Budget introduced into the Senate Finance Committee on June 8th.

Drafted 6/10/15

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 Senate Finance Committee expanded tax cuts, and eliminated much of the House proposal.

Policy Proposal:

What it means:

- Maintains House proposed 6.3% income tax cut. Will cost about \$1.2 billion over two years.	- Governor proposed a 23% cut to income tax rates, offset by new revenue. The House and Senate would not accept the tax shift proposed.
- Eliminates all income taxes - up to \$250,000 - for some business owners. Establishes 3% flat tax above that.	- This proposal will cost over \$400 million. Unlikely to create jobs and may lead to tax avoidance.
- Increases cigarette tax by 40 cents a pack. Will generate about \$400 million in new revenue. Only \$8 million invested into to prevention.	- Health experts warn that such a small increase & lack of investment is unlikely to have the public health benefits they desire.
- Senate budget adds \$75 million to the education foundation funding over the House budget, and adds \$65 million for transportation.	- The Senate education budget is \$200 million below the House. Districts will be held harmless compared to 2015 funding levels.
- Cuts 50% of state Housing Trust Fund and re-directs money to local counties.	- Will create extra bureaucracy and drastically undercut state efforts to fight homelessness.
- Incorporates 'Medicaid Expansion' funding into budget. Restores healthcare for pregnant women up to 200% of FPL.	- Continues Medicaid option for 500,000 Ohioans Premiums and work requirements included.
- Eliminates House proposed Local Government Safety Program (\$10 million). Maintain \$10 million increase to Public Library Fund.	-After years of budget cuts, local revenue sharing remains low. PLF will be 1.7% instead of 1.66% of state GRF revenue. LGF remains at 1.66%.
-Senate increases higher ed. state share funding by \$130 million over House and Governor. Adds \$4 million to OCOG funding.	- Senate imposes a tuition freeze over the next two years. OCOG funding remains far below need.
- Senate does not restore Governor's \$1 million increase for public transit.	- Ohio ranks poorly for state investment in public transportation.
- Developmental Disabilities receives \$43 million more than current funding levels.	- Controversial language removed that would close facilities. Governor proposed over \$20 million more of investment into DODD.

* 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.