

# THE OHIO SENATE

SENATOR KEITH FABER, PRESIDENT



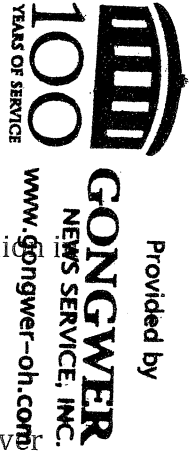
## Ohio Senate Unveils \$1.7 Billion Net Tax Cut in Biennial Budget Bill

*Plan includes nearly \$1 billion dollars in new school funding  
& one of the largest-ever state investments in higher education*

COLUMBUS - The Ohio Senate unveiled its first draft of the state's two-year operating budget today, including substantial new funding for education and more than \$1.7 billion in tax relief for hardworking Ohioans and small business owners.

Among some of the major highlights in the bill, the Senate plan:

- Reduces Ohio's income tax rate by 6.3 percent, saving taxpayers \$1.26 billion over the next two years
- Eliminates the entire state tax burden on small businesses with income up to \$250,000 and creates an innovative, new flat tax for small businesses above that income level
- Removes a proposed \$264 million tax on senior citizens receiving Social Security benefits
- Boosts Ohio's savings account goal, setting aside nearly \$2 billion for emergencies
- Reduces proposed overall Medicaid spending by more than \$1 billion
- Spends less than any previous state budget plan introduced this year to date (\$1.7 billion below the House plan and \$1.1 billion below the Governor's plan)
- Invests more than \$935 million new dollars into students and schools over the next two years (\$351.5 million in FY16 and maintains that additional funding in FY17 and adds \$233 million more)
- Freezes college tuition over the biennium for two- and four-year institutions
- Makes the largest state investment in SSI (state share of instruction) for higher education in eight years
- Restores funding for essential services, such as pregnancy care, breast and cervical cancer screenings for women and provides a significant boost in police training programs



Provided by

“This is a balanced budget that invests in Ohio’s priorities, while still making our tax rate more competitive, saving for emergencies and putting millions of dollars back into the hands of the people who earned it,” said Senate President Keith Faber (R-Celina). “We’re continuing to build on our commitment to fund what matters and return what isn’t essential.”

Senate Finance Committee Chairman Scott Oelslager (R-North Canton) added, “The Senate put a particular emphasis on fiscal responsibility, stability and sustainability, and the plan we’ve developed exceeds those goals. I want to commend Governor Kasich and our colleagues in the House for setting us on a path to this point, and we look forward to working with them toward a consensus in the days ahead.”

The Senate Finance Committee will open hearings on the new budget bill on Tuesday at 10:30 a.m. Live streaming of the committee is available on the Senate’s website or at [OhioChannel.org](http://OhioChannel.org).



## **Budget Highlights**

### ***Providing Tax Relief: Ohioans Keep More***

- A 6.3% across the board income tax cut returns \$1.26 billion to Ohioans.
- As part of the tax relief package, the Senate plan also eliminates taxes on the first \$250,000 of net income for small businesses (or \$125K for individual filers) and establishes a 3% flat tax rate on income above that amount. Small businesses make up roughly 98 percent of all Ohio businesses and employ nearly one-half of the state’s private-sector workforce.
- The Senate plan also eliminates a proposed state tax on Social Security benefits, saving senior citizens \$264 million.

### ***K-12 Education: Continuing our Strong Investment***

- The Senate bill provides predictability and sustainability for the state’s K-12 funding formula, driving additional dollars to low-wealth, low-capacity districts while ensuring more districts are on the funding formula.

- More than \$935 million new dollars will be invested in primary and secondary education over the biennium, increasing the per pupil formula, and special education, career-technical education and K-3 literacy amounts (\$351.5 million in FY16 and maintains that additional funding in FY17 and adds \$233 million more).
- The Senate Plan holds all districts harmless to their FY15 funding amounts and continues the phase-down of the TPPT supplement as proposed by the House.

### ***Higher Education: A New Era of Affordability and Support***

- The Senate makes the largest state investment in SSI (state share of instruction) for higher education in eight years with \$240 million of new funding over the biennium (\$81.9 million in FY16 and maintains that additional funding in FY17 and adds \$76.2 million more), while instituting a two-year freeze on tuition rate increases and requiring Ohio's public universities and colleges to find ways to reduce student costs by five percent.
- The Senate proposal will provide \$100 million for need-based student aid through the Ohio College Opportunity Grant program by the end of the biennium.

### ***Health Care: Fiscal Responsibility with Better Care***

- The Senate plan lowers per member, per month cost and rolls back needless spending in Medicaid, saving more than \$1 billion on Medicaid spending overall and reducing health care costs statewide.
- The Senate plan restores funding for Medicaid coverage of pregnant women up to 200% of the poverty level and restores coverage for breast and cervical cancer screenings for women on Medicaid.

### ***Essential Services: Investing in Priorities***

- Police training programs and increased training hours, in response to recommendations made by the Police-Community Relations Task Force and the Ohio Attorney General
- Revolving loan programs to help businesses affected by lakes in economic distress, such as Buckeye Lake
- Nearly \$13 million for a state-local partnership to provide new digital electronic pollbook technology to support Ohio's voting process
- Local government support fund specifically targeted to townships
- Health care programs, such as Alzheimer's care, Help Me Grow and others designed to decrease Ohio's infant mortality rate

- Ohio School for the Blind and School for the Deaf
- School lunch and other youth programs, such as Big Brothers/Big Sisters, Children's Wish and autism assistance scholarships
- Various arts programs across the state
- Largest investment in nearly a decade for tobacco cessation efforts

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