



SENATE FACTS

The FY20-21 State Budget:

Investing in Ohio and Protecting Taxpayers

House Bill 166, the state's two-year operating budget, is the most significant bill that the legislature considers. The FY1 20-21 budget **responsibly invests \$69.8 billion GRF in essential services and funds the priorities of Ohioans, while at the same time delivering significant tax relief**, underlying our belief that tax dollars represent your hard-earned money first, not the government's. The Senate version of the budget passed with a rare, unanimous vote, and the final budget agreement with the House and Governor was approved by a strong bipartisan vote as well. Below are highlights of significant provisions of the state budget.

PROVIDING TAX RELIEF TO WORKING OHIOANS AND JOB CREATORS

- The budget **cuts incomes taxes by nearly \$700 million**, providing relief to working Ohioans while keeping the state's economy health and growing.
- Helping Ohio's lower-income families, the budget **eliminates the bottom two tax brackets** so Ohioans making \$21,750 or less will pay zero state income taxes. The Senate's last two budgets have reduced the overall number of brackets from nine to five.
- Implements a **4% across the board income tax cut** for the remaining five tax brackets.
- The Senate **protected the small business tax deduction** exempting the first \$250,000 of revenue, allowing the vast majority of small business job creators to continue to reinvest in the growth of their businesses.

INVESTING IN OHIO'S GROWTH

- Regulatory reforms at the national level are fueling economic growth, and the Senate fought for the same **regulatory reform in Ohio and elimination of unnecessary red tape** by requiring state agencies to repeal two old regulations for each new regulation created.
- The budget invests in Ohio workers and businesses by encouraging investments in Opportunity Zones to help **revitalize and provide job opportunities in economically-distressed communities**.

SUPPORTING AND PROTECTING OHIO'S CHILDREN AND FAMILIES IN NEED

- The budget **strongly supports family and children services** by providing \$186 million in FY20 (a 141% increase over FY19) for children and families in need, often due to the opiate crisis. At least \$125 million per year will go to counties for public children services agencies while additional state support is provided for multi-system youth and kinship care to enable children to be cared for by family members.
- **Improves public safety** by creating the Ohio Narcotics Intelligence Center as part of the Recovery Ohio initiative to better coordinate intelligence and analytics for drug trafficking investigations.
- Provides \$1M over the biennium to the Ohio Internet Crimes Task Force to support law enforcement efforts to **protect children from internet predators**.
- **Additional funding was provided for evidence-based home visiting programs for at-risk expectant and new mothers** as part of the state's effort to reduce infant mortality and improve parenting skills.
- The budget also **increased funding for Ohio's food banks, home lead abatement efforts, as well as Boys and Girls Clubs and United Way family stability programs**.
- To better support Ohio's veterans and their families, funding was **increased for various veterans' organizations**, including innovative programs focused on groundbreaking research for brain trauma and other mental health concerns.

STRENGTHENING INVESTMENTS IN EDUCATION AND WORKFORCE DEVELOPMENT

- **Allocates \$675 million for a new student wellness and success initiative** for schools to partner with local entities to ensure students in need receive mental health, counseling, wraparound supports, mentoring and other services.
- **Provides an additional \$1.2B for K-12 education** over FY19. Schools will receive at least the same amount of state foundation aid that they received last school year with an additional \$38M for districts with enrollment growth.¹
- Invests **\$100 million for local schools to renovate and construct school buildings** so all students have the opportunity to learn in a safe building conducive to learning.
- Making **higher education more affordable, the budget caps tuition increases** to no more than 2% per year at state universities and no more than \$5 per credit hour at state community colleges and technical schools. Each state university must start a tuition guarantee to provide students and families with stable, predictable tuition to make higher education more affordable.
- The budget **increased state aid for state universities and community colleges** and required that funds be used for need-based aid, counseling, support services and workforce preparation services.
- **Financial assistance for low-income college students was also increased** by providing an additional \$47 million for the Ohio College Opportunity Grant (OCOG).
- Creates **more opportunities for students to earn industry-recognized credentials** to improve their skills and employability.
- Improves funding for Appalachian Assistance, Adult Basic and Literacy Education and a new TechCred program to **help Ohioans obtain the training and skills they need to succeed** in the modern workplace.

INVESTING IN OHIO'S LOCAL COMMUNITIES

- **Funding was increased to the Local Government Fund** to help with critical local services.
- Addressing a pressing need in Ohio's criminal justice system, the budget **increased state support for indigent defense by \$97.8M** over the biennium to assist local communities in providing counsel for defendants who cannot afford an attorney.
- Additional support was included to help **offset local governments' costs** for MARCS communications and financial burdens created by extreme capital cases (i.e. Pike county).
- The budget also **increased state support for Ohio's nationally-recognized libraries**, recognizing the important role they play in our communities not only in education but also for job readiness and employment. In fact, Ohio provides more state operating revenue for its libraries than any other state in the nation.

PROTECTING THE HEALTH OF OHIO'S NATURAL RESOURCES

- The budget puts a greater emphasis on **ensuring the health and viability of Ohio's lakes and rivers by creating the new H2Ohio Fund** (\$172M) as part of a comprehensive effort to address the challenges faced by Lake Erie and Ohio's other vital waterways.
- **Increases support for local soil and water conservations districts** by providing 1:1 matching funds with local dollars for the first time in 12 years.
- Invests in Ohio's state parks with **additional funding for various state park improvements** to expand capacity, upgrade utilities and improve safety.
- Targeted investments were also made for **dam safety and floodplain management**.

Additional Resources:

- Strong Support for Ohio's Budget: A Summary of What Ohioans are Saying
- Budget Fact Sheets from the Office of the Governor
- LSC Budget In Brief

¹ The \$1.2B includes Ohio Department of Education budget and funding for the State Schools for the Blind and Deaf, Broadcast Educational Media Commission, debt service for general obligation bonds for school facilities and Ohio Facilities Construction Commission operating expenses, and property tax rollbacks.