

Ohio House Passes State Budget Amid Lagging Revenues; Next Move In Senate

May 8, 2017

The Ohio House of Representatives voted 58-36 to approve Substitute House Bill 49, the state of Ohio's biennial budget, on May 2. The move comes as state administration and legislative leaders have pledged to cut nearly \$800 million from the state's budget over the two years of the biennium. Next stop for the budget is the Ohio Senate. The House's claims of cutting nearly \$632 million from the budget were undisputed from Office of Budget and Management (OBM) Director Tim Keen, who testified on May 3 before a Senate panel. Keen said he understands the numbers the House used to get to \$632 million, the math is correct. However, the administration doesn't necessarily agree with the policy decisions that the House made to arrive at that \$632 million, he noted. The budget vote comes as the OBM released the news that the State of Ohio's revenues continue to lag, extending the state's poor revenue performance for yet another month. According to the OBM, estimates for April were \$159.1 million lower, or 7.8 percent, than expected. As a result, the state will be dealing with shortfalls of nearly \$780 million for the year. The House made a flurry of changes before passing the bill and moving it to the Senate. Among the changes were:

- An increase of nearly \$170 million to fight Ohio's opioid epidemic, an effort the House prioritized. The dollars are spread over various agencies and include \$80 million toward treatment, \$50 million toward supporting children, \$19.4 million toward mental health, \$12.2 million toward prevention, and \$9 million toward workforce
- A simplification of the Ohio Tax Code by reducing the number of tax brackets from nine to seven, while removing the majority of tax provisions the administration had introduced
- Changes to Ohio's Current Agricultural Use Value (CAUV) formula with the effect of lowering farmland valuation
- Expanding the options that are available to local communities through the Targeted Community Alternatives to Prison (TCAP) program, which provides prison alternatives to low-level offenders
- An increase of nearly \$80 million for Ohio's schools through the school funding formula

[Click here for the full list of changes.](#) The bill will now move to the Senate, where it will be debated and further amended in the coming weeks.

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