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GUEST COLUMN

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INVESTING IN TOMORROW: OHIO'S BIENNIUM BUDGET IN REVIEW

By State Senator Tom Patton

COLUMBUS – After more than three months of debate and consideration I am happy to report that members of the Ohio Senate helped in producing a balanced, two-year budget that will reduce spending and eliminate an \$8 billion shortfall without raising taxes.

Through the introduction of various reform measures and over \$5 billion in proposed spending reductions, hard-working Ohioans across the state will soon be able to keep more of what they earn. Ohio families will experience a 4-percent cut to their income tax, as we have restored the final phase of a 21-percent reduction that was passed in 2005. The next biennium will also see homeowners benefitting from \$1.7 billion in annual property tax relief, and small business owners and farmers will soon be free of the burdensome “Death Tax” that has been plaguing entrepreneurship in our state for over 40 years.

The new InvestOhio proposal will assist in sparking job growth throughout our state. The plan allows for people making investments in small businesses (of up to \$10 million in a business with less than \$50 million in assets or \$10 million in annual sales) to receive a tax credit of 10 percent, as long as the investment is kept for at least two years. In addition, JobsOhio, an innovative public-private effort to grow jobs and spur economic development, will also be moving forward. The role of small businesses in Ohio is indelible and we must continue making our state a land of vision and opportunity.

In terms of education, every school district is guaranteed to receive at least their current level of basic state aid (excluding federal stimulus funding) over the next two years, while we start

incentivizing schools that display excellence in the classroom. The Ohio Department of Education has been tasked with developing a new teacher evaluation system geared toward rewarding and retaining our best and brightest educators. It is by investing in students rather than bureaucracy that we will become more competitive in the classroom.

Finally, in order for Ohio to prosper in coming years, we must do a better job in coordinating the Medicaid program and providing its recipients with efficient care. Currently, the program accounts for more than 30-percent of the state operating budget and is greatly fragmented. Proposals we have made will improve care, allow more seniors to live at home rather than in nursing homes, and reduce costly emergency room visits. In addition, we increased spending on community-based alternatives to nursing homes, including the PASSPORT program, by more than \$143 million over the biennium. All told, it will now be possible for an additional 12,890 Ohioans to receive Medicaid home- and community-based services instead of being admitted to an institution.

True reform is seldom easy, and many of these proposals are quite bold. However, I firmly believe that they are needed in order to ensure economic survival in these challenging times. These changes are significant and important, but much work lays ahead.

I look forward to continuing to work with my senate colleagues in leading Ohio's charge toward a more prosperous future.