



Senator Peggy Lehner
6th Ohio Senate District

GUEST COLUMN

July 21, 2011

Contact: Elizabeth Walling
(614) 466-4538

REFORMING OHIO: STATE BUDGET IN REVIEW

BY STATE SENATOR PEGGY LEHNER

Columbus – As we began the 129th General Assembly, my colleagues and I knew that we were facing the daunting task of closing a multi-billion dollar budget shortfall, while at the same time trying to set Ohio toward a path of economic recovery. With that said, I am pleased to report that we produced a balanced, two-year plan that cut spending, eliminated an \$8 billion shortfall, and reduced taxes for the people of Ohio.

Unlike two years ago, Governor Kasich did not have the ability of postponing economic reform through the use of one-time money from the federal government. Aware of this, Senate Republicans entered the budget process with three goals in mind: recovery, relief, and reform.

We have begun relieving Ohioans from burdensome taxes that prohibit financial security. We started by restoring the final stage of a 21-percent income tax cut worth more than \$800 million to Ohio's families. New tax credits involving job creation and economic development were also included to bolster our business communities, and homeowners will be receiving \$1.7 billion in annual Property Tax relief during the next biennium.

The bill also introduces InvestOhio, a program that allows 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 maintained for a minimum of two years. In addition, JobsOhio, a new public-private effort geared toward growing our economy and workforce, is also moving ahead. Nearly half of all working Ohioans are employed through small businesses and we must do everything possible to make that employment steady and secure.

On the education front, we have ensured that every school district receives at least their current level of basic state aid (excluding federal stimulus funding) during the biennium, while incentivizing those schools that are deemed ‘Excellent’ or ‘Excellent with Distinction’ by the Ohio Department of Education. ODE will also be developing a new teacher evaluation system with the intention of rewarding and retaining our finest educators. New quality and operational controls have also been introduced for our community schools, including more stringent criteria for opening or closing a facility. I strongly believe that reforms like these make Ohio more competitive inside the classroom, while also providing our children with greater opportunities in the future.

Finally, we have made Medicaid more efficient. The program accounts for about thirty-cents of every dollar spent by the state, however it lacks coordination. Recent changes will improve care, allow more seniors to live at home instead of in nursing homes, and reduce costly emergency room visits. We are also increasing our assistance for community-based alternatives to nursing homes, such as the PASSPORT program. By way of this budget, an additional 12,890 Ohioans to receive Medicaid home- and community-based services instead of being admitted to an institution.

The reforms contained in the budget are not only bold and innovative, but also necessary in making Ohio’s future a prosperous one. Though much work remains, we have taken positive steps forward and I look forward to building on these efforts with my colleagues in the Ohio Senate.