# Cleveland Browns stadium, Ohio schools: 7 things to watch for in Gov. Mike DeWine's budget

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COLUMBUS, Ohio – Gov. Mike DeWine is set to unveil his new state budget plan Monday, kicking off months of negotiations on what state taxing and spending will look like for the next two years.

DeWine and other state officials have warned that state finances will be much "tighter" than they have been in the past few years, when the state was awash in money thanks to billions in federal COVID-19 relief funding and better-than-expected tax revenues.

"I don't think there's going be huge surprises in there," the governor told reporters last month when asked about his budget plan.

At the same time, though, next Monday's budget rollout will be DeWine's last as governor. As the 78-year-old Republican prepares to retire from public life in 2027 after nearly five decades in elected office, this year's budget will be a prime opportunity for DeWine to burnish his legacy.

In addition to appropriating tens of billions of dollars to run state government, state budget plans usually include a wide variety of new initiatives and policy reforms. For example, the state's last budget bill, passed in 2023, included language to dramatically expand Ohio's school voucher program, slash business and income taxes, and strip away most of the State Board of Education's power.

DeWine and his office have been characteristically tight-lipped about exactly what will be in this year's budget proposal, which will be significantly modified by state lawmakers in the coming months before they send it back to the governor to sign by July 1.

However, DeWine and other state officials have offered some indications about what he will include in his budget plan. State lawmakers have also discussed what they might subsequently toss in.

Here's more on what to watch for as the state enters budget season.

## **Browns stadium funding**

The Cleveland Browns have been priming the pump for months to get state aid for a domed stadium in Brook Park near Cleveland Hopkins International Airport.

Will DeWine's proposed budget deliver \$600 million in support Jimmy and Dee Haslam are pursuing from the state? And if he doesn't, will state lawmakers add it themselves?

The Browns have been seeking the money not through direct state subsidies – an idea that state lawmakers have spoken out against – but rather by using tax revenue generated from the new stadium and the proposed \$1 billion mixed-use development surrounding it. A former state senator from Northeast Ohio last year told The Statehouse News Bureau that the Browns had asked for the state to issue bonds.

Some experts have questioned whether the stadium and surrounding development can generate revenue fast enough to pay off the bonds.

Under the Browns' proposal, team owners Jimmy and Dee Haslam would cover half of the stadium's anticipated cost of \$2.4 billion, and state and local governments would split the remaining \$1.2 billion. Local government funding is anything but assured so far, as county officials have vowed not to approve any public money that helps move the Browns from their current lakefront home in downtown Cleveland.

There have also been calls to provide state money to help renovate Paycor Stadium, home to the Cincinnati Bengals, though it remains to be seen whether DeWine's budget proposal will offer any such funding.

#### K-12 education

The most-talked-about education funding issue is the future of the Fair School Funding Plan. When it was conceived, the plan was designed to inject \$2 billion into funding Ohio schools, phased in over six years.

The phase-in plan began in 2022. In the fiscal year that ended June 30, 2020, funding to school districts – which does not include money to charter schools or private school vouchers –was almost \$6.9 billion, said Howard Fleeter, an economist who specializes in public finance and consults with the Ohio Education Policy Institute, which researches tax policy for school districts and statewide education

organizations. That was down slightly because of lower state revenue during the pandemic.

DeWine and state lawmakers funded the phasing-in for the first four years of the bipartisan plan, which school districts say is necessary because Ohio's education system is over reliant on property taxes and unfair because it created rich and poor districts.

The question is whether the final two years will get funded, as its original legislative backers envisioned. Former state Reps. Bob Cupp and John Patterson, the lawmakers who designed the plan, are no longer in the legislature.

DeWine hasn't said whether he will incorporate the last two years of the funding plan, which a bipartisan group began working on in 2017, into his budget proposal. However, Ohio House Speaker Matt Huffman, a Lima Republican, said earlier this month that maintaining the funding for the plan is unsustainable and that it was a fantasy for lawmakers four years ago to bind future legislatures to it.

"Part of the whole Cupp-Patterson thing is they're not spending the money according to the Cupp-Patterson plan," Huffman said. "There's no requirement that they spend it according to plan and many of them are not."

#### **School vouchers**

It's also unclear whether DeWine will seek to increase money for taxpayer-funded scholarships for private school students, a controversial topic in Ohio.

In the last two-year budget, Republican lawmakers made every Ohio family eligible for voucher money, though wealthier families only get a portion of what poorer families receive. The full voucher amount is \$6,167 for grades K-8 and \$8,407 for grades 9-12 per child each year.

The eligibility expansion caused state spending on vouchers to explode from \$595 million in the 2022-2023 school year to \$970.7 million last school year. Costs are expected to continue to climb toward \$1 billion.

#### **Taxes**

In the past few state budgets, Ohio Republicans have significantly reduced state taxes – including slashing and streamlining the state's income tax, as well as scaling back the commercial activity tax.

Now, some GOP lawmakers are seeking more tax changes – including a Senate proposal to move the state's income tax system as it exists now (two tax brackets, with a maximum tax rate of 3.5%) to a flat, single-bracket income tax rate of 2.75%.

Some Republican legislators have called for the state income tax to be eliminated completely, though both DeWine and Senate President Rob McColley expressed hesitation to do that, at least in the near future.

Property tax relief has also become a big issue around Capitol Square, thanks to a jump in taxable home values in many areas of Ohio (and the nation).

Ohio lawmakers have so far been unable to agree on how to address homeowners' concerns about their rising property tax bills, though a variety of proposals have come forward.

Other tax changes recently put forward include raising the state's tax on recreational marijuana from 10% to 15%.

When tax proposals have moved forward in the past, it's usually been by amending them into the state budget. However, DeWine hasn't publicly signaled whether his initial budget plan will include any such language.

## Addiction treatment/recovery

The opioid epidemic hit Ohio hard. In 2016, more Ohioans died from heroin and synthetic opioid overdoses than anywhere else in the country, according to data from the National Institute of Health.

And Ohio has had some of the highest fatal overdose rates in the nation since then.

DeWine was Ohio's attorney general in 2016, and he launched a program called Recovery Ohio. It began as a plan to expand addiction treatment, give more money to police, and establish specialty drug courts.

Over the last three budget cycles, Recovery Ohio grew in both funding and scope. It now includes an advisory council for his administration and a workplace program to help employees get treatment and reintegrate them once they've recovered.

Expect the governor and state lawmakers to end up preserving, if not increasing, state funding to Recovery Ohio in their final budget agreement.

#### Mental health

In his 2022 state of the state address, DeWine called for "Ohio to lead the world in behavioral health research, community care and workforce development."

But getting there – especially when it comes to community care facilities –hasn't been easy.

More than 90% percent of patients in Ohio's regional psychiatric hospitals are there because of a court order – leaving many lower income Ohioans outside of the criminal justice system without beds.

Federal COVID dollars helped the state place patients in private facilities during the pandemic, but those dollars – like the rest of Ohio's recovery funding – are gone.

In May, DeWine cut the ribbon for the new Central Ohio Behavioral Healthcare in Columbus. A seventh state hospital is planned near Dayton.

The governor told reporters in December that he plans to do more for people in crisis, calling it a priority for the upcoming budget.

#### Child care

The business community and early childhood advocates will be watching for child care proposals.

A new public poll found Ohio voters in both political parties, as well as independents, overwhelmingly want more public support for child care, such as expanding publicly funded daycare and offering state-level tax child care credits.

The child-care access issue has become a workforce concern. That poll, produced for Groundwork Ohio, showed the lack of affordable, high-quality child care keeps many people out of the workforce, or limits the hours they can work. Some of Ohio's most powerful business lobbies -- the Ohio Chamber of Commerce and Ohio Business Roundtable -- have been beating the drum for legislative solutions to child care problems, saying they are critical to attracting workers to the state.

DeWine, during remarks made at a child care summit Thursday in Dayton, said to expect child care spending proposals in his budget proposal, though he didn't share many specifics.