Ohio lawmakers give schools more leeway on reserves, add wide variety of policy changes in budget plan

By Jeremy Pelzer and Jake Zuckerman Cleveland.com

COLUMBUS, Ohio—Ohio lawmakers' latest version of their new two-year state budget plan would allow school districts to hold onto slightly more money year-to-year before having to reduce local property taxes and retreats on proposed funding cuts to public libraries.

Those changes were among dozens of final alterations made by the Ohio House Finance Committee on Tuesday before the panel voted to approve the enormous, \$200 billion-plus budget plan. It is expected to reach the House floor for a final vote in the chamber on Wednesday.

Other budget changes made by the Finance Committee would, if passed, boost pay raises for a range of public officials (but not state lawmakers), raise Bureau of Motor Vehicles fees, ban public benefits for use on certain sugary drinks, legalize online fireworks sales, overhaul how state campaign finance complaints are handled, require age verification for pornographic websites, no longer make county coroners an elected position, and change Medicaid policies regarding doulas and mental-health services that promote gender transition.

The House Finance Committee didn't make any additional changes to key portions of the budget, including significant revisions to how the state funds K-12 education, authorizing \$600 million in state-backed bonds to help pay for a new suburban Cleveland Browns stadium, several other anti-transgender measures (including making official state policy to recognize only two sexes), and offering more money for students to attend private schools.

School districts/property taxes

One of the main changes to the budget relaxes slightly a GOP-authored proposal to automatically lower property taxes for homeowners whose school districts keep more than 25% of their operating costs in savings.

Under the latest version of the budget, that threshold would be raised to 30%.

House Finance Committee Chair Brian Stewart, a Pickaway County Republican, told reporters that, even with the higher threshold, hundreds of school districts carry more than 30% of their operating costs year to year. If this rule had already been in effect, Stewart said, it would have meant a cumulative \$4.2 billion property tax decrease for Ohio homeowners.

A home in Westlake City Schools worth \$350,000, for instance, would have seen a reduction of up to \$1,256 when the carryover limit was 25%, according to a cleveland.com analysis. Now, with the 30% limit, it would be up to \$1,068 tax decrease for that house.

School districts warn that a tax discount would force them to spend down savings and ultimately force them to return to the voters for levies.

Library funding

Ohio House Republicans are still seeking to revamp the way public libraries get state funding – giving them a set amount of money every budget cycle instead of a percentage of state tax revenue.

But after the move sparked a major backlash – including from librarians, many of whom descended upon the Statehouse on Tuesday for their annual lobbying day – the Finance Committee bumped up library funding by \$5 million per year over what they currently get from the state.

However, the budget – if passed as now written -- would still give libraries less than would have been provided under the original budget plan unveiled by Gov. Mike DeWine in February.

Public official pay raises

The newly revised budget bill would increase pay raises for a range of public officials, including Ohio Supreme Court justices, other state and municipal court judges, as well as county and township officials.

They would each get 5% per year through 2029, then get annual cost-of-living increases of up to 3% indefinitely beyond that.

Elected officials are already scheduled to get a 1.75% per year raise through 2028.

The move comes after lawmakers unsuccessfully launched a last-minute attempt at the end of the last legislative session in December to approve similar pay raises for the same groups of public officials, as well as lawmakers themselves.

But that proposal died in the Senate – then-Senate President Matt Huffman, a Lima Republican who's now House speaker, suggested at the time that the pay-raise plan would have benefitted too many different elected officials for his caucus' liking.

The pay-raise plan added to the budget bill on Tuesday would not apply to state lawmakers.

BMV fees

The House budget increases vehicle registration and renewal fees by \$5 starting in the new year. For noncommercial vehicles, fees rise to \$16 from \$11. For non-apportioned commercial vehicles, they rise from \$30 to \$35.

House Republicans previously yanked the fee increase from the budget, only to reinstate them Tuesday after a state public safety official warned of a "looming funding crisis" for Ohio State Highway Patrol, which keeps the whole increase.

All the money raised from the fee increase would go to the Ohio State Highway Patrol. Stewart said the highway patrol has been looking for a more stable funding source, rather than relying on a variety of ways to fund it in past budgets.

No SNAP money for sugary drinks

The House budget directs the head of the Department of Job and Family Services to ask the U.S. Department of Agriculture for permission to exclude "sugar-sweetened" drinks from coverage via the Supplemental Nutrition Assistance Program, sometimes known as food stamps.

That would apply to any nonalcoholic beverage made with carbonated water that's flavored, contains a food additive (including synthetic dies, brominated vegetable oil, chemical emulsifiers, chemical additives), and is sweetened with sugar or artificial sweeteners.

It does not, however, include drinks that contain milk, milk products, soy, rice, or other milk substitutes, or that contain greater than 50% vegetable or fruit juice by volume, or that contain less than five grams of added sugar.

"I don't think we should have a policy in this state where we're essentially subsidizing diabetes in children," Stewart said.

Online fireworks sales

New budget language would allow Ohioans to place orders for fireworks online. Customers would still have to pick up their purchases at the fireworks store, though retailers would be given permission to set up a tent or other temporary structure for curbside delivery.

Fireworks sellers would have to verify that buyers are at least 18 years old and are the same person associated with the credit or debit card used to place the order, among other things.

The measure explicitly states that fireworks can't be delivered to customers, though fireworks sellers would be allowed to submit proposals to the state fire marshal for "alternative" purchase and delivery systems for most consumer-grade fireworks.

Medicaid and doula services

At the behest of DeWine, Ohio Medicaid since 2023 has provided coverage for doulas, who support mothers giving birth. The expansion was intended to cut into Ohio's infant mortality rates, which are among the worst in the nation.

The House budget now limits that coverage to the six counties with the highest rates of infant mortality, meaning women in Ohio's other 82 counties would be forced to go out of pocket for such care.

Campaign-finance regulators reborn. Sort of.

The House budget already sought to entirely defund the Ohio Election Commission, an agency tasked with making sure candidates for public office submit campaign finance reports accurately, completely, and in timely fashion.

New language added Tuesday would get rid of the commission entirely. Instead, anyone with a complaint against a state-level or multi-county candidate, political party, or campaign fund would have to file it with the Ohio secretary of state's office; more local complaints would be filed with the appropriate county board of elections.

Complaints sent to the secretary of state's office would be heard by an attorney who works for the office. If the secretary of state is the subject of the complaint or involved with it, the state attorney general would be asked to appoint an independent attorney to hear the case.

Porn age verification

The newest budget draft folds in an idea that has percolated over the past few years around Capitol Square: requiring adults to submit government-issued photo

identification in order to access any materials or performances that are "obscene or harmful to juveniles on the internet."

The policy designates the attorney general as its enforcer, who can file civil lawsuits against any publisher accused of violating the law but only after notifying them in writing and giving them a "cure" period.

Lawmakers in other states have passed similar laws (some with criminal penalties for violations), which prompted porn purveyors to take their sites offline in those states. The U.S. Supreme Court is considering the constitutionality of the overarching idea and is expected to rule on it this term.

Anti-deepfake porn

The House budget creates a new felony-level offense for the creation and dissemination of "deepfake" porn without the underlying subject's consent. The term refers to the creation of digitally manipulated or altered media that captures the likeness of a real person.

It also establishes felony-level penalties for those who use such material to harass, extort, threaten or damage the reputation or emotional well being of another.

The penalties increase in severity if the victims are children or the perpetrator is a serial offender.

\$10 million to study pot

The House budget would call for the creation of a new nonprofit and a \$10 million cash infusion there "for the development and implementation of cannabis and related drug misuse prevention, education, and public awareness initiatives driven by data, evaluation, and research."

State cannabis regulators would contract with a nonprofit (which would also need 10% of its funding to come from private contributions) to provide evidence-based information on cannabis health effects regarding youth, pregnant women, drivers, and workers.

County coroners

Under the new budget plan, county coroners would be appointed by their respective county commissioners, rather than elected by voters as they are now.

Stewart said many Ohio counties have coroner vacancies, as it's hard to find people who are both willing to serve as a county coroner and want to run a political campaign to win and keep the job.

"I don't think there's a Democrat and a Republican way to sign a death certificate," Stewart said.

Execution drugs

Lawmakers removed a budget provision that would have required state prison officials to seek federal help with obtaining long-sought lethal-injection drugs.

Ohio hasn't executed anyone since 2018, as the state – like other states – has struggled to find lethal-injection drugs from U.S. and European pharmaceutical companies, which have cut off sales on moral and legal grounds.

However, when President Donald Trump was sworn back into office in January, he issued an executive order "restoring" the federal death penalty (which was halted by the Biden administration in 2021) and empowering the U.S. attorney general to "ensure that each state has a sufficient supply of drugs needed to carry out lethal injection.

Stewart said while he wanted to include the language, it was erased because it made some House Republicans "uncomfortable."

Social issues

House Republicans, who already added a number of anti-transgender measures in their initial round of budget changes earlier this month, inserted a couple more provisions on Tuesday.

One would ban Medicaid funding to mental-health services that "promote or affirm social gender transition" to "the extent permitted by federal law."

Another would prohibit menstrual products from being placed in the men's restroom of any public building in the state.

Amtrak expansion steps

The new budget plan would have Ohio rejoin the Midwest Interstate Passenger Rail Compact, under which several Midwestern states work together to promote and coordinate passenger rail development in the region.

The measure, which would also earmark \$50,000 in state money to pay costs associated with rejoining the compact, comes as Gov. Mike DeWine's administration is studying whether to expand Amtrak routes and service in Ohio.

Lawmakers initially moved to put the measure in the state's new two-year transportation budget, but they removed it before passing that bill.