



Chairman Dolan, Ranking member Sykes and members of the committee. Thank you for the opportunity to testify today. My name is Nick Bates, and I am a Deacon in the Evangelical Lutheran Church in America (ELCA) and serve as the director of an ecumenical ministry called the Hunger Network in Ohio (HNO). We are a faith-based network working to end hunger by addressing the root causes of poverty.

As a faith leader, let me begin with a short story. When my son was in kindergarten, he came home and told me about a difficult day. His day began with another classmate taking my son's Cheez-Its. The teacher properly handled the situation in the moment, but my son was upset that his friend took his snack without asking. Now, my son attends latchkey at his school, which includes breakfast for the morning latchkey kids and anyone else who shows up. My son realized that his friend normally made it to breakfast but didn't that day. He told me that he doesn't think his friend has enough food in his house. In fact, too many kids in Ohio go from school lunch until school breakfast without enough to eat. As a 5 year old, my son saw the face of hunger in his friend – a face that is too common around the state of Ohio.

As a person of faith, I believe it doesn't need to be this way. We can solve big problems as a state through smart public investments and collaboration.

This budget offers us an opportunity to solve problems.

The Governor and the House provided a strong foundation for this budget with investments into wrap around services for students and investments into foster care services. I believe, the Senate can strengthen this budget with a few improvements.

The Senate should invest in the Ohio Housing Trust Fund. To address infant mortality, child stability, and overall economic health in our communities we must invest in safe, decent, and affordable housing.

In Ohio, we have seen a [25% increase in child homelessness over the past 5 years](#), but state investment has not gone up. I have volunteered with faith groups throughout the state on service projects to build housing with Habitat and serving meals at shelters. These volunteer opportunities are reliant on the state investing the dollars. For every \$1 Ohio puts into the Ohio Housing Trust Fund, it leverages \$8 dollars in private or federal dollars. We ask that you increase investments into the Trust Fund so that all of our neighbors can have a home.

The Senate should invest to end hunger in our communities. [1 in 5 kids – more than a half a million - in Ohio experienced hunger in 2017.](#) When a child is hungry, they will struggle to learn in school and a lack of nutrition in senior citizens increases healthcare costs and the quality of life. [Ohio ranks 40th in the nation for hunger and rates of hunger](#)

[remain above pre-recession era levels.](#) To address this growing reality, we ask the Ohio Senate to invest in our food bank network and other anti-hunger initiatives.

We encourage this committee to build an economy that works for all. Ohio needs to invest in fundamentals of a strong economy – great public schools, reliable infrastructure and healthy communities. We can make the investments with better tax policy.

Limiting the Pass-Through-Entity (PTE) tax deduction is a smart move for Ohio. There is no reason why a lawyer or consultant making \$250,000 a year pays less in state income taxes than a teacher or a police officer. Kansas eliminated a similar expenditure two years ago, because it just wasn't working for their economy and was pulling resources away from their schools.

A \$100,000 cap and eliminating the 3% rate proposed by the House is a smart compromise approach. This new version of the tax expenditure will save hundreds of millions of dollars and allow most tax filers who claim this credit to continue to claim it. Other strategies of limiting this deduction will likely allow creative accountants to help their clients in ways nobody intends.

The revenue saved from improving the PTE deduction should not be spent on yet another income tax cut. A 6.6% rate reduction will cost Ohio hundreds of millions of dollars that could be better invested into our schools, food banks, and housing services. [A household making \\$30,000 a year will only receive about \\$3.67](#) a month in reduced state taxes. A household making \$56,000 – the state median household income – will receive less than \$9 a month. While a person making \$500,000 will receive \$127 a month. Most people I talk to would rather see us hire back schoolteachers that were lost in the early 2010s and to use these dollars to solve some of Ohio's most pressing problems.

[After 14 years of this 'tax cut' strategy, we are trailing the nation in many categories](#) – hunger, infant mortality, overdose death, wages, and much more. With a loss of \$6 billion a year in revenue, it is time that we try investing into smart and effective strategies that will solve problems.

In conclusion, budgets are moral documents that set our roadmap for the next two years. We need to establish a road map that reduces hunger and increases housing stability. Tax cuts have led Ohio in the wrong direction since 2005, and it is time to get Ohio back on track.

Thank you and I will answer any questions.