



HB96 Testimony

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Prepared for the Ways and Means Committee of the Ohio House of Representatives

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Thank you, Chairman Roemer.

In 2023, the article “The Benefits and Costs of a Child Allowance” by Irwin Garfinkel et al was awarded the honor of “Best Original Article” in the *Journal of Benefit-Cost Analysis* at the Annual Conference of the Society for Benefit-Cost Analysis.

Benefit-Cost Analysis is a key tool for assessing how public policy impacts a state economy. First formalized at the federal level by President Ronald Reagan, benefit-cost analysis has been reaffirmed as a key tool for evaluating regulations and preventing waste by every proceeding federal administration since.

Scioto Analysis has focused over the past six years on demonstrating the value of benefit-cost analysis to evaluating public policy. In 2023, we released a benefit-cost analysis on a hypothetical child tax credit for Ohio based on the well-recognized methodology of the previous national study. Last month, we updated that analysis in a new memo that has received coverage in the *Center Square*, *Dayton Daily News*, and *Ohio Capital Journal* news outlets.

In our analysis, we project the current proposal will generate net economic benefits that outweigh costs by \$740 million over the lifetime of the children whose families receive benefits. This will mostly be realized by \$500 million in higher future wages for these children, making this program an effective long-term economic development program for the state. We also project \$190 million in prevented crime costs due to children growing up in more stable home environments, \$120 million saved in child protection expenditures, and about \$65 million saved in future health care spending. Overall, the benefits we project from the program come out to \$6.64 for every dollar in costs.

We tested our model by running 10,000 simulations of different scenarios for assumptions throughout the model. In these simulations, 90% of results yielded a positive net present value for the state. In high-end simulations, net present value reaches \$2 billion.

I thank you for your time and your service to the people of Ohio.