



Chairman Cirino, Vice-Chair Chavez, Ranking Member Hicks-Hudson, and members of the Ohio Senate Finance Committee:

My name is Donovan O'Neil and I serve as State Director with Americans For Prosperity – Ohio. I appreciate the opportunity to testify as an Interested Party on Substitute House Bill 96. At Americans for Prosperity-Ohio (AFP-OH), we remain committed to building a bolder, better Buckeye state for all Ohioans. The biennial state budget process is a pivotal moment to drive meaningful change that will advance our [Buckeye Blueprint policy agenda](#).

I want to focus my comments on the aspects of this bill that align with our organization's priorities for the 136th General Assembly.

Support for Educational Opportunity:

AFP-OH applauds the Ohio House for its strong support of educational opportunity in this proposal. The inclusion of Education Savings Accounts (ESAs) for families utilizing non-charter, non-public education options, the increase in the homeschool tax credit, and continued funding for EdChoice vouchers are important steps toward ensuring every child in Ohio has access to the education they deserve. Our grassroots communities strongly support EdChoice, as it provides families with greater flexibility and more options for their children's education.

Property Tax Reform and Elimination of Proposed Tax Increases:

We are pleased to see the inclusion of property tax relief for school districts with high cash fund balances and the elimination of proposed tax increases by the Executive on cannabis, gambling, and tobacco. These reforms are crucial to fostering a more favorable economic environment for Ohio families and businesses. We would encourage the Senate to further strengthen the property tax relief provisions to ensure they deliver significant and swift property tax relief to all Ohioans.

Commendable Reduction in Budget Spending:

A significant achievement in this budget is the Ohio House's proposal to reduce all-funds spending by \$4.3 billion compared to the executive request. For the first time in several years, the Ohio House has presented a budget that is lower than the Governor's proposed budget, signaling a shift towards greater fiscal restraint. Historically, the Senate has been the chamber known for its budgetary discipline, and the House's \$4.3 billion reduction demonstrates strong fiscal leadership. This reduction reflects the state's commitment to more responsible spending, while still expanding education funding and providing essential services to Ohioans.

While Ohio still maintains a higher cost-per-capita in state spending compared to economically prosperous states (Ohio: \$7,897; TN: \$6,751; NC: \$5,825; FL: \$5,199; TX: \$4,462), this budget proposal is a positive step in the right direction for reducing spending growth over time.

Key Suggestions for the Senate's Version:

1. **Achieve a Path to a Flat Personal Income Tax:** AFP-OH urges the Senate to prioritize a path to a flat personal income tax in the state budget. Achieving this will continue Ohio's decades-long march toward eliminating the personal income tax, which remains AFP-OH's number one long-term priority. A flat tax will enhance Ohio's competitiveness, attract more investment, and ensure long-term economic prosperity for all Ohioans as demonstrated in our [joint study with The Buckeye Institute released last session](#).
2. **Fund Families, Maximize Flexibility, Expand Supply of Education Opportunity:** We also recommend eliminating the means testing for EdChoice scholarships. This would allow more families access to educational opportunities, regardless of income. In addition, we encourage the Senate to explore extending the disadvantaged pupil impact aide to follow those students who utilize EdChoice. This will provide additional support to students in underserved communities, ensuring that they can access the educational resources they deserve.
3. **Continue Spending Restraint:** AFP-OH strongly supports continued spending restraint. Ohio remains one of the higher-cost states in terms of government spending per capita. We encourage the Senate to maintain its commitment to fiscal responsibility and avoid increasing the size and cost of government. Continued restraint will set Ohio on a path to more efficient government and a more prosperous future.
4. **Scrutinize the Proliferation of Fees:** We have observed a troubling proliferation of new and expanded fees. While many of these may be offset by tax reform in other

areas of the Budget, we urge the Senate to give further scrutiny to this growing trend. Many fees, though seemingly minor, can add up and burden Ohio's families and businesses. A thoughtful examination and potential reduction of these fees will help prevent unnecessary financial strain on Ohioans.

Historically the Ohio Senate has been the chamber to take bold steps to reduce spending, strengthen educational opportunities, and eliminate harmful tax increases. We look forward to working with the Senate to ensure these provisions are strengthened, particularly in areas of property tax relief, tax reform, and fiscal restraint, as we move toward a more prosperous future for Ohioans.

Thank you and I would be happy to answer any questions the members of the Committee may have.