

May 29, 2025

The Honorable Jerry Cirino
Ohio Senate Finance Committee
1 Capitol Square
Columbus, OH 43215

RE: Sub. House Bill 96 (make state operating appropriations for FY 2026-27)

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the committee, thank you for the opportunity to provide interested party testimony on Sub. House Bill 96, the state's biennial operating budget. The Ohio Business Roundtable is a statewide association that brings together business leaders from across the state, including some of Ohio's largest employers. We currently have over 125 members, collectively employing over 600,000 Ohioans and generating revenue of more than \$2.5 trillion, contributing significantly to Ohio's economy.

Ohio is experiencing significant economic growth, marked by major investments that are reshaping the state's future. Through the leadership of JobsOhio, we have secured transformative projects—including the LG/Honda battery plant, Ford's EV plant expansion, and a wave of data centers. Additionally, key sectors like aerospace, defense, and energy manufacturing are also growing rapidly, driven by innovators such as GE Aerospace, Joby Aviation, Anduril, and Ultium Cells.

These successes, fueled by Ohio's pro-business policies and strategic investments, have positioned our state as a national leader in economic development. But this momentum brings new challenges. To sustain this growth and remain competitive, Ohio must proactively address critical needs in housing, child care, workforce development. With this in mind, we are pleased to share our perspectives on Sub. House Bill 96, as well as offer ourselves as a resource to the members of the Committee.

Housing & Infrastructure for a Growing Workforce

A growing workforce requires accessible housing, yet some parts of Ohio are facing a housing shortage that makes it difficult for workers—particularly middle-class families striving for homeownership—to live near their jobs. We support a comprehensive “all-of-the-above” approach to housing that includes the Low-Income Housing Tax Credit, Welcome Home Ohio Program (**DEVCD32**), Single-Family Housing Development Tax Credit, and Housing Accelerator Grants (**DEVCD63**).

We strongly support the inclusion of Senate Bill 184 (Sen. Reynolds), which modifies DEVCD63 by allowing local governments within a 20-mile radius of projects exceeding \$700 million in investment or 700 new jobs to apply for grants to address immediate (lower-scale) housing-related infrastructure projects (**SC1957**). We also support inclusion of Senate Bill 192, also sponsored by Sen. Reynolds, which establishes a low-interest loan program for larger-scale infrastructure projects in rural areas (**SC1957**). Together, these proposals offer both immediate and long-term solutions to Ohio's housing crisis and are essential to meeting the needs of a growing workforce.

However, OBRT is concerned about the proposed elimination of the requirement that counties allocate a portion of property recordation fees to the Ohio Housing Trust Fund (**DEVCD57**). This fund is a critical tool for addressing quality, affordable housing needs across all regions—urban, suburban, or rural. Undermining its funding jeopardizes Ohio's ability to remain competitive with peer states. Moreover, devolving this responsibility to counties risks creating 88 layers of bureaucracy that could reduce efficiency and diminish return on investment (**SC1326**).

In addition to these housing initiatives, it is equally important to ensure that Ohio's communities are prepared to support the broader economic growth that we are seeing in parts of the state. As the committee works to ensure a balanced budget, it is essential that site-readiness and infrastructure preparation remain top priorities, enabling Ohio to fully capitalize on its economic potential and stay prepared for the mega-projects of tomorrow.

Child Care: Supporting Ohio Families

We appreciate the House's inclusion of the Child Care Cred Program (**KIDCD52**)—based on Senate Bill 32 and House Bill 2—which proposes a shared-cost model: 40% employee, 40% employer, and 20% state. We also support continued investments in the Child Care Choice Voucher Program (**KIDCD17**) and Publicly Funded Child Care (**KIDCD21**), both of which expand access to affordable, high-quality child care.

Too many Ohio families face barriers to workforce participation due to child care costs or availability. Fully funding these programs can help thousands of skilled Ohioans return to work, while strengthening families and the broader economy.

Workforce & Education: Preparing Ohioans for High-Tech Jobs

We support continued investment in the TechCred program (**DEVCD24**), which plays a vital role in upskilling workers in high-demand tech fields, including AI and advanced manufacturing.

Alongside our partners at Ohio Excels, we urge this Committee to consider restoring the following provisions:

1. **Kindergarten Readiness Assessment (KIDCD50):** A foundational tool designed to help educators and families understand where students need additional support and sets a baseline for measuring progress throughout the K-12 system.
2. **Educator Demand Data Reporting (EDUCD49):** This data is critical for the General Assembly and educators to address Ohio's teacher shortage using concrete, actionable insights.
3. **Career Awareness and Exploration Funds (EDUCD20):** A proven initiative giving students meaningful exposure to career pathways.
4. **Refine Industry-Recognized Credential Criteria (EDUCD37):** Require the Department of Education and Workforce (DEW) to develop clearer, less complex criteria for the credential point-value system.

We also support the inclusion of provisions surrounding:

1. **Middle School Course and Career Plans (SC0530):** Require career planning for all students before completing middle school.
2. **Education and Workforce Data Insight Board (SC0531):** Establish the Education & Workforce Data Insight Board to align data systems with policy goals and improve decision-making.

We are committed to strengthening K-12 literacy and math achievement, expanding career-connected learning, broadening school choice, and making post-secondary education more accessible, and upskilling workers for technology-driven careers.

Regarding higher education, we commend the Governor's proposal to maintain OCOG funding (**BORCD51**), the Choose Ohio First Scholarship (**BORCD11**), the Governor's Merit Scholarship (**BORCD43**), and student-outcome based SSI funding (**BORCD31**). We also support the House's proposed increases in SSI funding—2% in FY26 and 4% in FY27. A strong economy depends on a skilled workforce, and to keep Ohio competitive amongst its peers, this funding increase is crucial.

However, we are concerned with the new set-asides within SSI:

- **BORCD111** reserves 5% for universities with more than 25% Pell-eligible students.
- **BORCD112** reserves another 5% for institutions offering 90-hour accelerated degrees.

While well-intentioned, these provisions divert funding from performance-based metrics and create incentives misaligned with student outcomes. OBRT supports the feasibility study on accelerated degrees initiated in Senate Bill 1 (136th GA) but urges that no funding changes be made until that study is complete (**SC0353**). We strongly advocate preserving a

performance-based SSI model that rewards institutions based on student achievement—an approach that aligns with the workforce expectations of our member companies.

Tax Increases and Burdens on Businesses

Our organization opposes the proposed increase in the Next Generation 911 fee (DASCD29) from 40 cents to 60 cents. This change imposes an unnecessary cost on employers, many of whom already contribute significantly to emergency communications infrastructure. According to the Auditor of State's December 2024 audit and testimony from the Department of Administrative Services, the current fee is sufficient to maintain fund solvency through 2032 (**SC0655**).

We also oppose INSCD6, which mandates that pharmacy benefit managers (PBMs) reimburse pharmacies based on “actual acquisition costs” plus a minimum dispensing fee set by the Department of Insurance. This measure amounts to a multi-billion-dollar tax hike on prescription drugs and disrupts market-based pricing, with costs ultimately borne by employers, plans, and taxpayers (**SC0291**).

Additionally, OBRT opposes provisions requiring ODJFS to seek a federal waiver to prohibit the use of SNAP for sugar-sweetened beverages. These restrictions would impose significant compliance burdens on retailers and sends a negative signal to Ohio's food and agriculture sector—our state's top industry (**SC0995**). We continue to support free market solutions that show Ohio is open for business.

Finally, OBRT opposes any proposal to eliminate longstanding tax exemptions and economic development incentives, including the Commercial Activity Tax (CAT) exemptions for Qualified Distribution Centers (QDCs), Job Creation Tax Credit, and other business-related sales and use exemptions. Trust and certainty are fundamental to economic development. Companies considering Ohio for expansion or relocation must have confidence that the commitments made today will be honored tomorrow. Reversing course would not only weaken our competitive standing among peer states but will also prompt businesses to reevaluate their operations and future investments in Ohio.

The Time is Now

Ohio is at a pivotal moment. While our economy is gaining strength, long-term success depends on smart policy decisions that support sustainable growth. Census data from the Department of Development illustrates decades of population stagnation and slow GDP growth, reflected in the loss of Congressional representation in every census for 60 years. Recent gains show what is possible—but only if we remain proactive.

We encourage the General Assembly to take bold steps to secure Ohio's place as a national economic leader by investing in housing, workforce, education, and innovation.

Thank you for your time and consideration.

Sincerely,

Nick Rhodes

Director of Policy & Special Projects

Ohio Business Roundtable