

## Legislators, interest groups offer ideas for spending \$404 million from Medicaid savings

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By **Darrel Rowland and Catherine Candisky**

Like lemmings responding to nature's call, Ohio lawmakers and interest groups have an instinctive drive whenever they see a pile of uncommitted money: Use it or lose it.

The proposals already are stacking up over what to do with an estimated \$404 million that will be saved from expanding Medicaid in Ohio.

Springfield Republican Chris Widener and other GOP leaders of the Senate want it for a 4 percent cut in the state income tax, on top of the reductions approved in June that eventually will total 10 percent. But House Speaker William G. Batchelder says it should be used for veterans or fighting Ohio's burgeoning heroin problem.

Rep. John Patrick Carney, D-Clintonville, says the cash should go for such things as workforce development to help Ohioans get oil and gas jobs, or coming up with ways to keep young college graduates in Ohio and help them pay their debt. Advocates for local government say the money should restore funding cuts of recent years.

And, about 15 House Republicans have proposed paying down Ohio's debt to the federal government for loans to the state unemployment fund that is costing millions in interest payments for Ohio businesses and taxpayers.

And now comes a new proposal to direct at least a portion of the money into Ohio's primary and secondary schools.

"If the governor and the legislature want to ease the tax burden on working families in Ohio, they could do so by providing more state aid to local school districts rather than initiating an across-the-board tax cut that would disproportionately favor those at the top of the income ladder," said Becky Higgins, president of the Ohio Education Association, the state's largest teachers union.

At a news conference yesterday, educators and Innovation Ohio, a liberal research group, urged lawmakers to consider an array of options "to bring the greatest good to the greatest number of Ohioans."

"We're not saying that every dime of this \$404 million should be spent on schools, even though schools have a real need," said Innovation Ohio spokesman Dale Butland. "Certainly, local governments need help, too, especially when it comes to safety and other vital services, and there are lots of other needs in our state."

Gov. John Kasich's administration projects that Ohio will save \$404 million over the next two years as thousands of poor adults gain health coverage beginning on Jan. 1 and health-care costs are shifted to the federal government, which agreed to pay 100 percent of the tab for three years, and the state collects additional sales taxes for health services.

"I think it's real tough for us, in tough economic times, to talk about expanding state spending. Now if there are some targeted things — I think the speaker thinks we need to spend a little more money on veterans — that's something we can have a discussion on," Senate President Keith Faber, R-Celina, said yesterday.

And while the Senate would back Batchelder's concerns about veterans, Faber said, "Frankly, I would be surprised if their caucus wants to be spenders, but, maybe they do."

Policy Matters Ohio, a left-leaning nonpartisan research group, has criticized the tax-cut proposal as making little impact on most Ohioans' wallets. Its analysis found that the top 5 percent of Ohio earners — those making more than \$151,000 a year — would get 42 percent of the tax cut since they pay the most income taxes. The 80 percent of Ohioans earning \$54,000 or less would see an average annual tax cut of \$28 or less.

*Dispatch Reporter Joe Vardon contributed to this story.*

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