

Fiscal Conservatism Is Dead in Ohio

Policymakers and their defenders on the Right can put whatever lipstick they want on this pig, but the FY 2022–2023 budget is unequivocally a pig. At \$74.7 billion, the FY 2022–2023 two-year budget is 9.7 percent bigger than any two-year budget in Ohio history at a time of stagnant population growth and, until Joe Biden became president six months ago, relatively low inflation.

Nothing in the fiscal conservative pantheon can justify budget after budget of increased spending far in excess of population growth and inflation. Ohioans would expect this level of spending from the

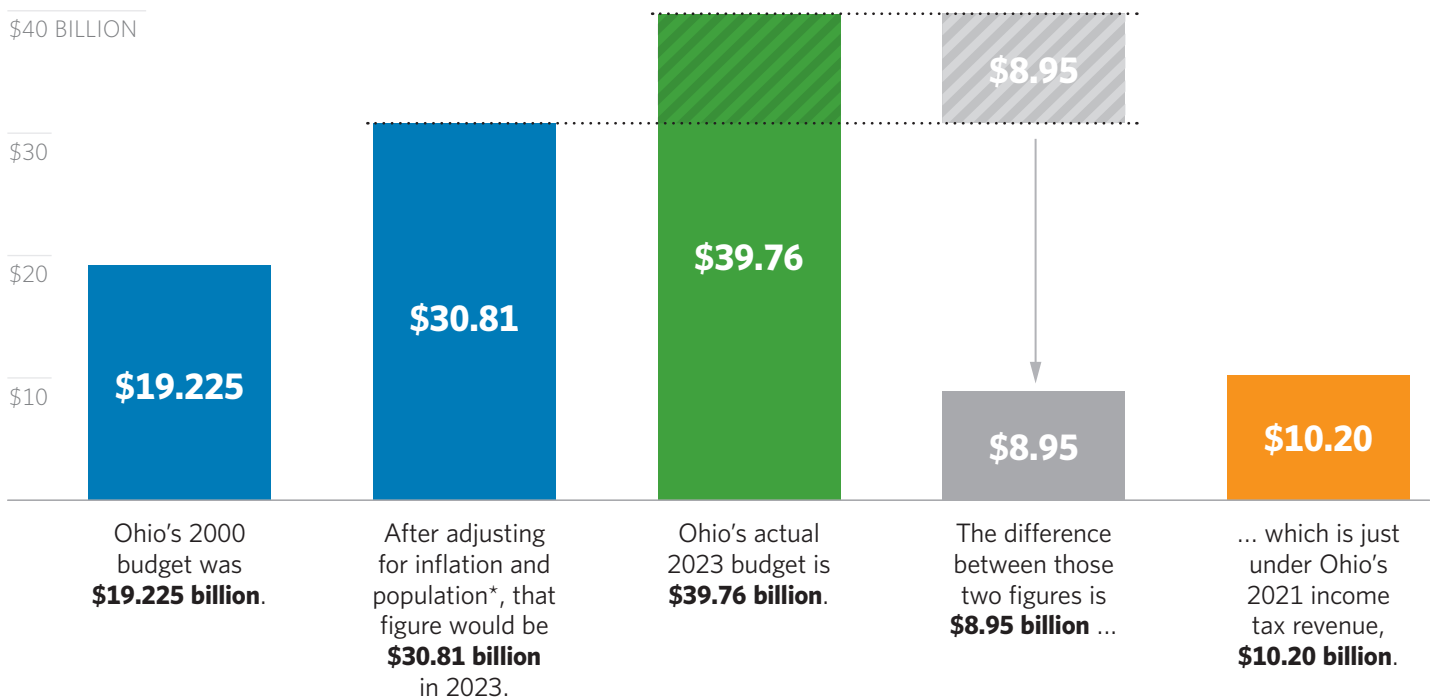
Left, but responsibility for Ohio’s profligate spending rests entirely on the shoulders of Republican governors, Republican Houses, and Republican Senates — with the latter two being largely supermajorities throughout this spending spree.

Since John Kasich expanded Medicaid, Ohio has become increasingly dependent on federal deficit spending to meet its budget obligation. This outcome renders Ohio little more than a ward of the federal government with little control over a program that crowds out other vital spending needs.

Sadly, fiscal conservatism is dead in Ohio.

Imagine: No Income Taxes in Ohio

Ohio could have eliminated its personal income tax had policymakers restrained spending to inflation plus population growth since 2000. States with no income tax typically have more vibrant economies, which ultimately lead to more tax revenue.

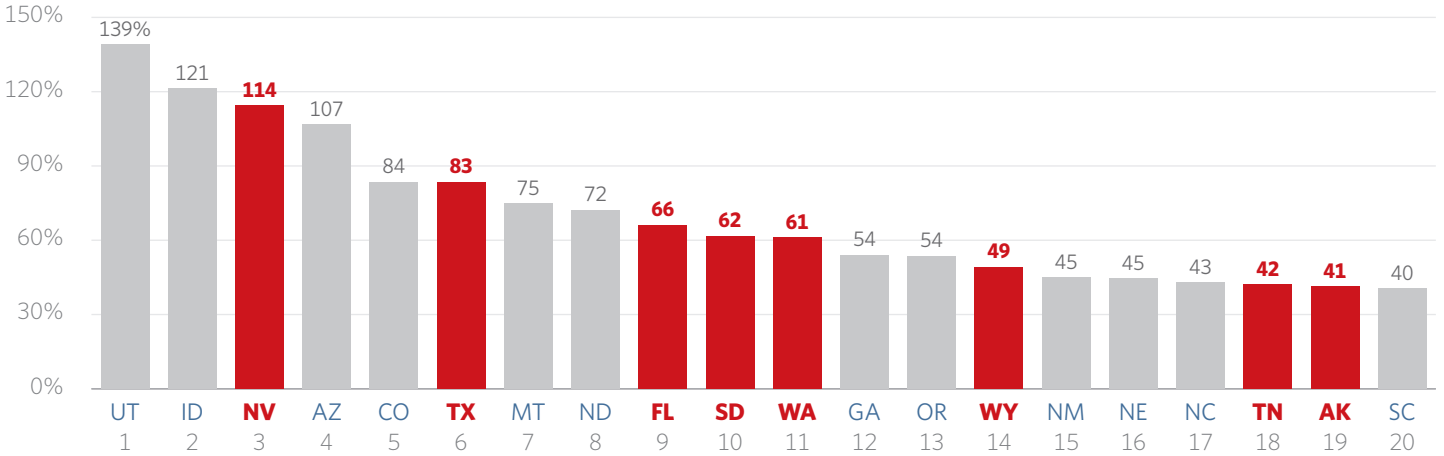


* The cumulative inflation rate for 2000–2023 was 56.33%, and the population growth was 3.93%, for a total of 60.26%. \$19.225 billion multiplied by 1.6026 equals \$30.81 billion.
SOURCE: U.S. Bureau of Labor Statistics, Consumer Price Index.

All Eight States with No Income Tax Are in the Top 20 in Job Growth

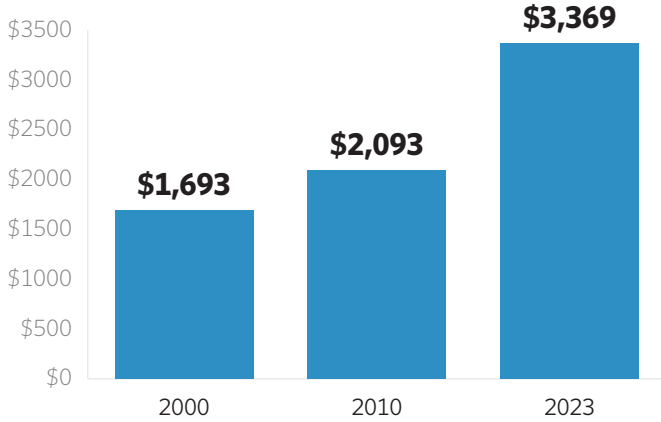
PERCENTAGE CHANGE IN JOBS, 2000-MARCH 2021

■ STATES WITH NO INCOME TAX



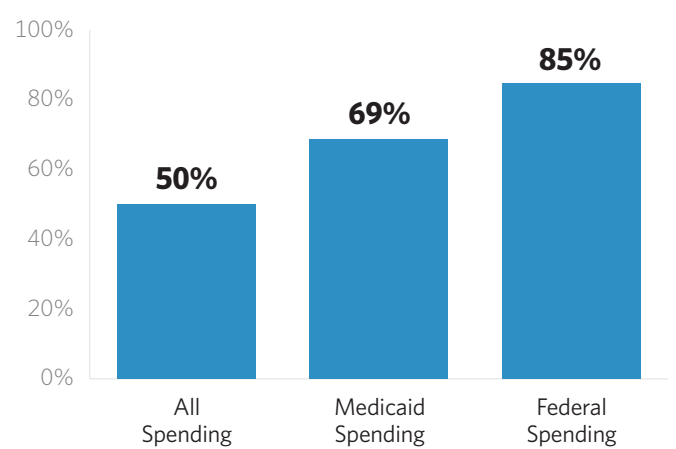
Ohio Per-Capita Spending Nearly Doubles in Just 23 Years

PER-CAPITA SPENDING



Ohio Spending Surges Due to Medicaid, Federal Spending

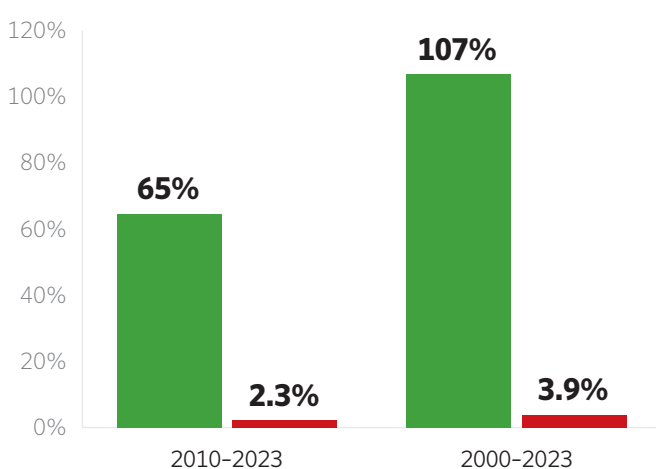
% CHANGE IN SPENDING, FY 2012-FY 2023



Spending Outpaces Population in Ohio

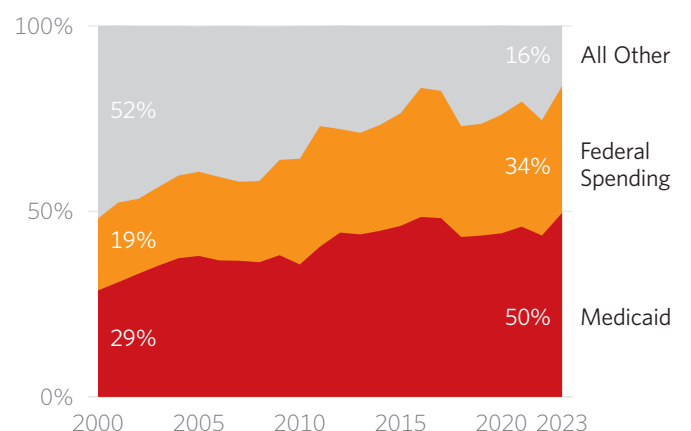
% CHANGE

■ SPENDING ■ POPULATION



Medicaid and Federal Funds Now Account for 84 Percent of Spending in Ohio

SHARE OF TOTAL SPENDING



SOURCES: U.S. Department of Labor, Bureau of Labor Statistics, and Ohio Legislative Service Commission, <https://www.lsc.ohio.gov/documents/reference/current/historicalexpndrevenue/table3.pdf>.