

OFBF Policy Podcast - The State Budget and Agriculture.mp3

Ty Higgins [00:00:06] From the "Better late than never category," Ohio has a new state budget. From the Ohio Farm Bureau studios in Columbus, I'm Ty Higgins. As media outlets across the state cover this new two year, \$69 billion budget, you'll be hearing a lot about a 4% state income tax cut, 21 being the new age to buy tobacco and vaping products and a new presidential primary date of St. Patrick's Day of 2020.

Ty Higgins [00:00:31] But what's in this budget for agriculture? Joining me from Ohio Farm Bureau is our directors of state policy Tony Seegers and Jenna Beadle and OFBF Policy Counsel Leah Curtis.

Ty Higgins [00:00:40] First of all Jenna, let's start with you. I mentioned that there was a little bit of a delay in this budget. Why?

Jenna Beadle [00:00:44] So we can't really speculate but there was some concern between the chambers on three major provisions -- one being a tax issue, some Medicaid stuff and education requirements. So those were the three big issues that were reported on that gave the chamber some heartburn. They spent a couple extra days figuring that out. Normally the budget has to be signed by June 30. They passed an interim budget extending that to 17 days.

Ty Higgins [00:01:16] And we got there and we have a budget now, Tony, and one of the big things for agriculture and one of the big things that you know we have talked about for a long time in Ohio is water quality and Farm Bureau has pushed since 2015 for some type of funding in order to to get to point B quicker than we otherwise would and that's where H2 Ohio comes in. Tell me about that part of the budget.

Tony Seegers [00:01:37] Yeah. So H2Ohio is a great program that Governor DeWine has really started out the gate with on something that Farm Bureau and our ag allies and conservation folks had started several years ago to want to do a bond measure to help fund water quality measures in the state. And so I think H2Ohio's kind of built on that. So it uses state funds in the budget, it's appropriated money for helping agriculture, community water projects, nature water projects and by those they're specifically defined in the budget to talk about these areas that will help reduce nutrients.

Ty Higgins [00:02:15] And it's really important for agriculture to have those funds readily available but also to know where they're gonna be going.

Tony Seegers [00:02:21] Absolutely we worked with the legislature and the governor's office, put some guardrails to make sure that money is directed towards the projects that need to be funded.

Ty Higgins [00:02:29] Tax breaks also a part of this, Ms Beadle and talked about small business as part of the budget. Boy, farming fits into that category pretty heavily. Talk about what that means for our industry and those budget breaks.

Jenna Beadle [00:02:40] One of the tax issues that was being worked on through this budget and it was a priority for Ohio Farm Bureau was the business income deduction, and currently that means that the first \$250,000 of personal income for small businesses is exempt from taxes. And the legislature wanted to lower that threshold to \$100,000 of income. And then there's a flat tax rate that goes into effect after that threshold is met and

they wanted to eliminate that as well. Combined the reduction, the changes to the business income deduction would have increased taxes on small businesses by \$1 billion. So that would have been significant. We would have had members that were impacted by that. So we engaged our grassroots membership and had a couple Action Alert campaigns for people to send e-mails and calls to their legislators. The business community as a whole did that as well. And we were able to reverse those changes and the bid was restored to current law with the exclusion of lawyers and lobbyists cannot receive the business income deduction, so I will not be filing that this year.

Ty Higgins [00:03:41] Well sorry about that. Tony and Leah I want you to tackle this one as kind of a joint deal here because we're talking about the rights of nature and this all stemmed from what happened back in February in Toledo with the Lake Erie Bill of Rights, and Tony now there's verbiage in this budget that addresses that type of ballot initiative and those types of efforts.

Tony Seegers [00:04:02] Yeah. So lately in the far extremist part of the environmental movement, there's been a movement to say that nature and ecosystems have the right to sue in court just like you or I would which is absolutely ridiculous. But because this is starting to pick up steam, the courts have really been pretty good at stemming this flow of this idea. This was put into the budget bill. Ohio Farm Bureau is supportive of this idea. It really reiterates current law, but it is something that we want to see very supportive of going into the budget because it just makes common sense. You can't sue on behalf of nature or have nature sue and that is basically the basis for the code changes up in Toledo.

Ty Higgins [00:04:45] Leah, what's this mean as far as the farmer level's concerned?

Leah Curtis [00:04:49] So I think as Tony said, from our perspective and from most legal experts perspective, this is a codification of what the existing law is. There's not been a case in the state of Ohio and there's not been a successful case in the United States as a whole where a feature of nature or nature itself has had standing, so this is really just restating, putting what's already known to be law into our code. From the perspective of like how does it work, this doesn't stop another LEBOR type ordinance or charter amendment from being passed. You can't stop things from going on the ballot that easily. But it's one more way that if one of these things does get passed, then the courts will have another thing to look at as to how to guide them in dealing with these issues. And anybody who would get sued under something of that nature would have that in their toolbox to assert as a defense.

Ty Higgins [00:05:46] You and I talked earlier this year about farmers getting into ag districts to protect themselves. Anything different here as far as language in this budget goes?

Leah Curtis [00:05:54] So with this language that doesn't really change. So the ag district does still provide that nuisance defense. However there was other language in the budget that expanded that defense that we talked about. So in the past that nuisance defense was only available if you went and enrolled in an ag district. Now that defense will also be available if you are enrolled in CAUV. Let me be clear the ag district has other benefits and there are other good reasons to be enrolled in it. But the defense itself will also be available if you are in the CAUV program and as long as you remain in the CAUV program. So that's another great part of this budget. It just makes it a little bit easier for those who are on farms and doing the right thing... if they get sued with a frivolous

nuisance lawsuit, they have that defense to try to get that suit dismissed quickly and out of the courts.

Ty Higgins [00:06:43] Talking about what this new Ohio budget means for agriculture. Directors of state policy joining me from Ohio Farm Bureau Tony Seegers and Jenna Beadle and also Policy Counsel Leah Curtis and Jenna, you know when we have our annual meeting at the end of the year we set priority issues and one of those was to make sure that our partners in agriculture were funded appropriately. How did that work out as far as the budget goes?

Jenna Beadle [00:07:05] Ohio Farm Bureau saw a lot of successes and increased funding for what we were telling the legislature who our partners are and who needs to have increases. We saw increases to Extension services and agricultural research and development centers for both Ohio State and Central State Universities, Soil and Water Conservation Districts, Heidelberg, sea grants, all of our water quality partners that are crucial to maintain funding and make sure that our members are getting good information on best practices for water quality and conservation methods, you know they got increase in funding, and then we also saw an overall increase to the Ohio Department of Agriculture's budget which we were heavily advocating for specifically in the meat inspection category. They saw an increase, as did ride safety inspection and Ohio Proud.

Ty Higgins [00:07:51] It's not just about farming and agriculture. There are things in this budget that is important to rural Ohio and and the education aspect. I know that you keep an eye on. Talk about some of those education components of the budget and what it means for rural Ohio.

Jenna Beadle [00:08:04] The budget set new graduation requirements for high school students. There was a concern that came from the business industry as a whole saying you know students are really graduating without the necessary skills to enter the workforce. And so the business community came together and created a group called Ohio Excels an Ohio Farm Bureau is a part of that and we just increased the rigor of the academic standards and our part in it was to make sure that the work experience internship side of the requirements stayed in because that's huge for agriculture. But that was successful. That made it into the budget, and we're excited to see that.

Ty Higgins [00:08:38] Tony, all in all for agriculture. It sounds like this budget works out pretty well.

Tony Seegers [00:08:42] Yeah I would say so. It's been very exciting time to see this new governor come in and really want to address the water quality issues. And we have a great working relationship with him so far and really seeing us get the recognition that we want to do the right thing. And I think that the budget really reflects that.

Ty Higgins [00:09:00] We're going to have all kinds of updates as this budget begins to unfold online at ofbf.org. Tony Seegers and Jenna Beadle, our directors of state policy here at Ohio Farm Bureau. Leah Curtis OFBF policy counsel, thank you all so much for being with us. Thank you.

Ty Higgins [00:09:14] I'm Ty Higgins. We'll see you down the road.