



134th General Assembly Budget Highlights HB 110 - FY2022-23 Operating Budget

Putting Students First

Ohio's new two-year state budget puts students first. This historic legislation reforms public school funding and empowers more parents in the education of their children than ever before. Included in the budget is the Fair School Funding Plan, which is the result of more than three years of work by educators and policymakers. This collaboration yielded a comprehensive funding formula that is based on the costs of providing a quality education. It is rational, predictable and sustainable.

Cutting Taxes

The bill includes a 3 percent across the board personal income tax cut. The bill also reduces the number of tax brackets from five to four, and eliminates the income tax for anyone making less than \$25,000 per year. Overall, these and other tax changes in the budget reduce taxes approximately \$2 billion over the biennium. This is the result of good fiscal management, protecting tax dollars and prioritizing state spending.

Keeping and Creating Jobs

The plan includes important reforms to help make Ohio more competitive with other states so Ohio can keep the jobs it has and attract new jobs, new investment and new opportunity. It also provides \$155 million to help industries recover from the COVID-19 pandemic.

Standing With Our Veterans, Law Enforcement and First Responders

We are proud to stand in support of those who have protected our freedoms and served our communities: Ohio's veterans, law enforcement and first responders. This budget includes funding for training and equipment, as well as support for veterans organizations.

Expanding Broadband & Opportunity

Broadband is the infrastructure of today and our future – connecting people with economic and educational opportunities and more. The historic commitment to broadband included in the new state budget will expand opportunity in neighborhoods and communities across Ohio.

K-12 Education

House Bill 110 is the result of an historic collaboration between educators and policymakers. The budget includes the Fair School Funding Plan, which is rational, predictable and stable. This is one of several K-12 highlights contained in House Bill 110. Ohio's new budget supports schools, empowers parents and – most importantly – puts students first.

- **Fair School Funding Plan** – The legislation is the result of more than three years of work by educators and policymakers, whose focus has been to craft a funding plan that supports a quality education for all Ohio children, regardless of where they live or their circumstances. The Fair School Funding Plan will make a difference in the lives of Ohio's students.
- **Direct Funding of Charters and Vouchers** – Vouchers and charter school funding will now be directly funded by the state – NOT by the much-maligned deduct method that has been in place for years and which has been the source of extensive criticism from educators.
- **School Choice** – The budget bill makes several changes to Ohio's school choice options. This includes permitting the establishment of a new start-up charter school in any school district, rather than only a "challenged" school district, a poorly performing district or a district in the original pilot project area (Lucas County) and changes to EdChoice voucher eligibility.
- **School Bus Purchases** – Provides \$50 million to help schools with school bus purchases.
- **College Credit Plus** – Requires, for the College Credit Plus Program, the Department of Education and Higher Education to jointly develop a permission slip regarding the potential for mature subject matter in courses. The budget also provides \$3 million each year for home school students in the program.
- **Abstinence Education** – Earmarks \$1 million each year for abstinence education to Ohio Adolescent Health Centers to support risk avoidance education initiatives.
- **After School Enrichment** – The bill creates the Afterschool Child Enrichment (ACE) Educational Savings Account program to provide eligible students, upon the request of their parents or guardians, with an educational savings account containing \$500 for FY 2022 or FY 2023. The bill qualifies a student for an account if the student is at least six years old and under 18, the student's family income is at or below 300 percent of the federal poverty level, and the student is enrolled in a public or non-public school or is being homeschooled. The funds can be used for a variety of enrichment programs and activities.

Higher Education

From cutting-edge research and innovation to teaching the skills needed for the jobs of today and the future, post-secondary education has a tremendous impact on Ohio's economy and its economic future. Ohio's new state budget reflects these priorities.

- **State Share of Instruction** – State Share of Instruction, the largest single line item for higher education, supports Ohio's 61 public colleges and universities. The budget increases this by approximately \$19 million in each of the next two years.
- **Ohio College Opportunity Grant** – This is Ohio's largest need-based financial aid program for higher education students. The budget provides nearly \$220 million over the biennium for this initiative.
- **Commercial Truck Driver Training** – The bill establishes the Commercial Truck Driver Student Aid Program to provide a combination of a grant and loans to eligible students enrolled in a certified commercial driver's license program. The budget provides \$5 million over the biennium for this initiative. Nationally, the current driver shortage is over 60,000.
- **STEMM Education** – The budget makes a major investment in the Choose Ohio First program, which provides scholarships to students pursuing STEMM or STEMM education degrees. The budget includes \$53 million over the biennium for the program.
- **Restricting Fee Increases** – The bill restricts fee increases on room and board as well as fees that offset the cost of providing textbooks to students.
- **Workforce Training** – Provides need-based financial aid to students who are enrolled in a state supported community college, state community college, technical college, or an Ohio Technical Center in a program that may be completed in less than one year and for which a certificate or industry-recognized credential is awarded in an in-demand job.
- **Second Chance Grants** – Provides \$3 million for the Second Chance Grant Program, which will be distributed by the Chancellor to qualifying institutions of higher education and Ohio Technical Centers. The goal is to incentivize students to return to school and complete their degrees.
- **Graduate School Incentive** – Grants in-state tuition residency status to an out-of-state student attending a graduate program if that student completed a bachelor's degree program at an Ohio institution of higher education and immediately enrolls.
- **Virtual Trustee Meetings** – Permits the board of trustees of a state institution of higher education to adopt a policy allowing the trustees to attend a board meeting via means of electronic communication.

- **Nursing Bachelor’s Degree Programs** – Requires the chancellor to approve any nursing bachelor’s degree program proposed by a community, state community, and technical college (community college), if those programs meet certain requirements under continuing law and the standards and procedures for academic program approval under continuing law.
- **Campus Safety** – The budget provides \$1.2 million to support the development of training and implementation of best practices to prevent and respond to sexual violence and protecting students and staff who are victims of sexual violence.
- **Ohio National Guard** – Expands eligibility to participate in the Ohio National Guard Scholarship Program to support educational opportunities to those in the National Guard.
- **Supporting Campus Programs** – The budget supports a wide variety of campus-specific initiatives, including:
 - **Rural University Program** – \$800,000 for the Rural University Program, which is a collaboration of Bowling Green State University, Kent State University, Miami University and Ohio University that provides communities with economic development, public administration and public health services.
 - **Wright-Patterson and Higher Ed** – Provides more than \$3 million to strengthen educational linkages between Wright-Patterson Air Force Base and Ohio’s institutions of higher education, as well as to support workforce development in the aerospace industry.
 - **NEOMED Dental School** – Provides \$1 million in FY 23 to NEOMED Dental School, upon submission of their dental school plan, approval of the Chancellor of Higher Education, and Controlling Board approval.

Keeping and Creating Jobs

Ohio’s state budget is a jobs bill, supporting workforce development as well as programs to help Ohio retain jobs and bring new opportunities to the state.

- **“Mega Projects” Program** – The bill includes a major new initiative to help increase Ohio’s competitiveness in trying to attract large economic development proposals to Ohio. A “mega project” is one with a payroll of more than 300 percent of federal poverty that will have either more than \$1 billion in capital investment or more than \$75 million in annual payroll. They would be eligible for the existing Job Creation Tax Credit.
- **Rural Industrial Park Loan Program** – Two years ago, the House reinstated funding for this important program to support rural job creation efforts. This program has a strong track record and is producing results. This year, the budget is expanding the program by providing additional funding for this initiative, for a total of \$30 million and expanding eligibility for loans.

- **Supporting Ohio’s Military Facilities** – Provides \$3.6 million to support economic development programs and job creation efforts at Department of Defense facilities in Ohio. This includes working with Department of Defense efficiency initiatives and future base realignment and closure (BRAC) activities, assisting with defense contracting at Ohio companies, and supporting regional training and workforce needs in the defense and aerospace industries.
- **Workforce Development** – The bill creates a 13-member joint legislative committee to study career pathways and workforce training. The committee will be comprised of lawmakers and state education and workforce officials. The committee will develop recommendations on the state’s workforce priorities, initiatives and funding, and will issue a report by November 1, 2022. The panel will review:
 - Current workforce training programs offered by post-secondary institutions and whether they are aligned with local, regional and statewide workforce needs.
 - Current career pathways, how they align with local, regional and state labor market demand data, and whether they prioritize credentials that carry the most value in the labor market.
- **Appalachian Assistance** – \$10 million each fiscal year for the Foundation for Appalachian Ohio. The bill also includes \$4 million each fiscal year for the GRIT Program to establish virtual workforce development centers and place un- and under-employed adults into jobs within 11 counties of the Ohio Valley Regional Development Commission’s service area.
- **Investing in Ohio** – The legislation authorizes an income tax deduction for all or a portion of capital gains received by investors in Ohio-based “venture capital operating companies,” which is designed to support economic development efforts. This will encourage investment in Ohio while incentivizing long-term employment in the state. It has no fiscal effect on this budget, as it does not take effect until 2026.
- **Supporting Ohio Businesses** – The bill expands procurement law to support Ohio jobs and businesses by expanding the type of purchases eligible for an Ohio preference and requiring state agencies to give a preference to American and Ohio products through a competitive bidding process when purchasing personal protective equipment costing less than \$50,000 (currently this process is required for purchases of \$50,000 or more.).
- **Building Demolition and Site Revitalization** – Provides \$150 million to address blighted properties. This program will provide grants for the demolition of commercial and residential buildings and revitalization of surrounding properties.
- **Brownfield Remediation** – Provides \$350 million for brownfield remediation projects. Every county will be eligible for support. A reserve amount is awarded to every county to ensure smaller counties are not left out of the program, with remaining grants allocated on a first come first serve basis.

Standing with Our Veterans, Law Enforcement and First Responders

House Bill 110 invests in several initiatives to fight crime, protect public safety, and support our veterans, law enforcement and first responders.

- **Security Grants** – \$8.5 million for grants to non-profit groups, churches, chartered non-public schools and licensed preschools to improve security.
- **Law Enforcement Training** – \$15 million for a one-year police training pilot program to assist law enforcement agencies with training costs. The legislation would also create a 12-member Law Enforcement Training Funding Study Commission to study possible long-term methods for providing state aid to law enforcement agencies for training peace officers.
- **Body Cameras** – \$10 million for grants to state and local law enforcement agencies to implement or enhance body-worn camera programs.
- **Fire Department Grants** – Nearly \$13 million for grants to support equipment, training and to enhance local emergency communication networks.
- **School Safety Grants** – \$24 million for safety grants for schools, educational service centers, local law enforcement agencies, and schools operated by county boards of developmental disabilities.
- **Sexual Assault Investigation Grants** – Provides \$1 million for grants to conduct investigations on sexual assault kit testing results.
- **Crime Reduction Grants** – Provides \$4 million for grants to local law enforcement agencies for crime reduction initiatives.
- **Anti-Narcotics Initiative** – \$26 million for Recovery Ohio Law Enforcement to support anti-narcotics efforts, including creation of a Narcotics Intelligence Center and funding to support local law enforcement narcotics task forces that focus on cartel trafficking interdiction.
- **Ohio Cyber Reserve** – \$1.5 million to support the Ohio Cyber Reserve, a civilian cyber reserve force that is part of the Ohio organized militia that is trained to educate and protect state government, Ohio’s critical infrastructure and its citizens from cyberattacks.
- **Protecting Children** – \$1 million for the Ohio Attorney General’s Internet Crimes Against Children Task Force.

- **Supporting Veterans Organizations** – The budget provides nearly \$5 million to support several veterans organizations. The bill also includes e-bingo legislation.
- **EEG Combined Transcranial Magnetic Stimulation Program** – In the previous state budget, a pilot program was established to make transcranial magnetic stimulation available for veterans with substance use disorders or mental illness. The bill expands the program to be available to first responders and law enforcement officers, and expands the list of disorders and conditions that establish eligibility for treatment under the program. The budget includes \$6 million in each of the next two fiscal years for the program.

Health and Human Services

House Bill 110 makes significant investments to support Ohio children, seniors and our most vulnerable citizens. The final version of the budget builds on numerous initiatives and reforms from the 133rd General Assembly and recent House work on the new state budget. Highlights include:

- **Increased Support** – Provides rate increases to home- and community-based service providers including Assisted Living, HomeCare, and PASSPORT. This continued investment shows the General Assembly's desire to help Ohioans age in their homes.
- **Adult Day Care** – Provides specific sources of money solely for Adult Day Care programs for PASSPORT, MyCare, OhioHomeCare, and developmental disability providers. These providers were particularly hurt during the pandemic.
- **Kinship Support** – Includes \$5 million which will allow relatives of a child to receive kinship guardianship assistance payments under certain conditions as they enroll as a kinship provider.
- **Quality Commission** – Creates a commission tasked with developing a universal nursing home quality program designed to address quality metrics and rebasing metrics with a report to be sent to the General Assembly. The commission will specifically look at the current rebasing formula and analyze its efficacy and propose changes to expand efficiency in how Ohio funds its long term care population's needs.
- **Quality Care** – Expands policy reforms that require 70 percent of new rebasing dollars to be spent on direct care costs. In addition, House Bill 110 will expand the number of nursing facilities eligible for quality dollars and make it easier for poor performing homes to improve their quality of care. The plan further adds \$150 million for both fiscal years for quality, making the state's total investment in quality dollars to \$490 million over the biennium.
- **Protecting Seniors** – Establishes parameters by which the Ohio Department of Health may assist where vulnerable seniors are exposed to adverse conditions in nursing

facilities. This includes infection control in light of COVID-19 and environmental conditions that may arise, such as loss of heat or flooding.

- **Investments in Care** – The plan reverts nursing home rates to statute and allocates \$250 million over the biennium, instead of by rule as proposed in the introduced version, and reinstates a statutory rebasing every five years. The plan specifies that the Ohio Department of Aging begin long-term care consultations to help elderly Ohioans better plan for their future aging needs.
- **Childcare** – Increases from 138 percent in the as introduced version to 142 percent of the Federal Poverty Level for publicly-funded childcare. This will help expand the eligibility for families to participate in publicly-funded childcare.
- **Step Up To Quality** – Establishes a legislative committee to study the Step Up To Quality program to improve efficiencies and long term funding strategies for the program. The committee will submit a report to the General Assembly with recommendations by December 2022.
- **Benefit Fraud Prevention** – Establishes a task force to study benefit fraud and also creates fraud and abuse reporting mechanisms to better improve the efficacy of public benefit programs.
- **Foodbanks Assistance** – Includes more than \$40 million for the Ohio Association of Food Banks to provide a variety of services for Ohioans, including to purchase and distribute food products, support Innovative Summer Meals programs for children and provide capacity building equipment for food pantries and soup kitchens.
- **Helping Children in Need** – Requires Public Children’s Services Agencies and private child placing agencies (PCPAs) with temporary custody of a child or a child placed in a planned permanent living arrangement to make intensive efforts to identify potential kinship caregivers using certain search technology. The budget allocates \$5 million to implement the new policy. This will help to place children with family members instead of in foster care.

Other Notable Provisions Include:

- **Broadband** –Includes \$250 million to support grants under the Ohio Residential Broadband Expansion Grant Program and the Ohio Broadband Expansion Program Authority. The plan, which previously passed the House in House Bill 2, targets the problem of last mile connectivity to households where it remains cost-prohibitive for private providers to otherwise extend their service.
- **H2Ohio** – The budget includes \$170 million over the biennium for the H2Ohio initiative. The measure includes legislative oversight to ensure tax dollars are being spent prudently

June 28, 2021

As Reported by Conference Committee

including requiring the four H2Ohio agency directors – the departments of Agriculture, Natural Resources, Environmental Protection and Lake Erie Commission – to appear before both House and Senate Finance committees within 45 days after the August 31 H2Ohio report is filed annually.

- **Oil and Gas Leasing Overhaul** – The bill reforms and modernizes the Ohio Oil and Gas Leasing Commission. Since its inception in 2011, the Commission has only met a handful of times and hasn't leased one acre of state-owned land to date. This provision will enable the exploration, development of and production of oil and natural gas resources owned or controlled by the state in an effort to use the state's natural resources responsibly.
- **Liquor Modernization** – Provides funding to InnovateOhio to speed up the development of an outdated database that will help Ohio's businesses renew and apply for liquor permits.
- **Health Orders** – The legislation contains a provision that vacates violations of orders by businesses for COVID-19. It also requires the Liquor Control Commission to reinstate a liquor permit holder's permit if the permit holder's permit has been revoked as a result of a violation of certain rules governing COVID-19, and the permit holder pays a fine of \$2,500.
- **Sports Event Grant Fund** – The budget bill includes \$10 million to help Ohio attract major sporting events, such as all-star games and the NFL Draft.