



134th General Assembly Highlights of Substitute House Bill 110 FY2022-23 Operating Budget

Fair School Funding Plan

The House budget proposal includes a major school funding reform initiative – the Fair School Funding Plan – that is the result of more than three years of work by educators and policymakers. The proposed formula is predictable, sustainable and transparent. Most of all, it is fair to all of Ohio’s public schools.

Tax Relief

The legislation also includes a 2 percent across the board personal income tax rate cut, which will reduce taxes by approximately \$380 million over the biennium. Coupled with recently passed legislation (Senate Bill 18) conforming Ohio’s tax code with federal law, the House is providing a nearly \$500 million personal income tax cut this biennium.

Government Oversight and Accountability

The House plan improves government accountability and oversight to ensure that state resources are being spent responsibly and used in a manner consistent with the intent of the General Assembly.

COVID-19 Relief Grants

The House plan continues \$155 million in grants for industries negatively impacted by the COVID-19 pandemic, including newly formed businesses. This is an ongoing commitment to Ohio industries as Ohio recovers from the economic impacts of the pandemic.

K-12 Education

The Fair School Funding Plan is a historic initiative that is the result of educators and policymakers working for more than three years toward a common goal: Improving education for Ohio students. This will be phased in over six years, beginning with the 2021-22 school year, and is designed to ensure no school district loses funding during the transition to a new formula.

The plan reduces duplicative operational subsidies in Ohio’s education funding model, by maintaining the governor’s proposed Student Wellness and Success funding, but encompasses that much needed support within the main formula.

No school district loses funding during the phase-in, as there are short-term transitional payments included in the implementation. Joint vocational schools also receive transitional funding, and community schools receive an accelerated phase-in for disadvantaged pupil impact aid. However, some community schools may show a reduction due to projected student count shifts that occurred during the pandemic. The beginning phase-in funding model in the bill enable a six-year phase-in to remain on schedule. In the second year of the biennium, the formula will be two-sixths percent phased-in.

Other highlights of education-related initiatives in the House version of the budget include:

- Requires that ADAMH boards be one of the two community partners with which school districts and schools coordinate with when spending Student Wellness and Success funds.
- Provides funding to support the Pro-Start school restaurant program.
- Appropriates \$500,000 in each fiscal year to expand the federally funded Model Demonstration Project for Early Identification of Students with Dyslexia Grant Program, which funds pilot programs to address the literacy needs of students in preschool.
- Continues funding for the Adaptive Sports Program.
- 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.
- Requires school districts and chartered nonpublic high schools to inform students in grades 6 through 11 of advanced standing programs annually.
- Allows flexibility for chartered nonpublic schools that do not participate in the College Credit Plus program.
- Limits participation of international students with U.S. F-1 visas in K-12 interscholastic athletics to only those who attend a school that began operating a dormitory on its campus prior to 2014.
- Requires that when the Department of Education develops recommendations for incentive programs as required under current law, the department must also develop recommendations for such a program in all areas where minority and economically disadvantaged students are underrepresented in gifted identification, service and performance.
- Requires a school district to spend the gifted funds it receives under the school funding formula on the identification of gifted students, gifted coordinator services, gifted intervention specialist services, or other service providers approved by the Department of Education.
- Earmarks funding for abstinence education Ohio Adolescent Health Centers to support risk avoidance education initiatives.
- Increasing the College Credit Plus program by \$1 million to support home schooled students.
- Appropriates \$2.5 million in each fiscal year to supplement payments to the dropout prevention and recovery e-schools participating in the pilot program.

- Supports several local initiatives around Ohio to improve educational opportunities for area students, including STEM education and financial literacy.

Government Oversight and Accountability

The House plan has several provisions that are part of a broader effort to increase legislative oversight and government accountability. These include:

- Joint Legislative Oversight and Review Committee of Federal COVID Relief Aid – This panel will provide more oversight of federal COVID relief aid spent by the state.
- State Controlling Board – The budget calls for more agency spending initiatives to come before the board for review and approval. The seven-person board is comprised of three House members, three Senate members and a designee of the governor’s budget director.

COVID-19 Relief Funding

The House budget proposal also appropriates \$155 million in COVID-19 relief aid to help businesses impacted by the pandemic. Grants from this funding will be available in the fiscal year beginning July 1. The package includes:

- \$100 million for restaurants and bars
- \$25 million for the lodging industry
- \$20 million for indoor and outdoor entertainment venues
- \$10 million in relief for new businesses

Agriculture, Development and Natural Resources

The House plan provides funding and support for a variety of economic, agricultural and natural resources initiatives. Notable provisions include:

- H2Ohio – The House plan provides up to approximately \$170 million over the biennium.
- Health Orders – The legislation contains a provision that vacates violations of orders addressing COVID-19 by retail liquor permit holders that occurred between March 14, 2020, and the bill’s effective date. Additionally, it requires refunds of any financial penalties imposed.
- Main Street Job Recovery Program – The measure provides \$500,000 over the biennium to be used for grants to non-profit organizations to create business development and employment opportunities targeted to low- and moderate-income individuals as well as individuals of the re-entry population.
- Provides an additional \$8 million for the Rural Industrial Park Loan Program.
- Eliminates the as-introduced prohibition against a to-go cocktail sold by an authorized liquor permit holder from containing more than two ounces of spirituous liquor.
- Revising the definition of “retail tobacco store” to apply to stores that sell “lighted or heated tobacco products.”

- Provides that an online database of directory listings is a reasonable format for the telephone directory required as part of telephone company's Basic Local Exchange Service (BLES), unless a written request is made.
- Eliminates certain fee increases at the Department of Agriculture and removes provisions making certain Ohio Environmental Protection Agency fees permanent.
- Removes provisions related to the registration of vaping products.
- Creates the Meat Processing Investment Program to provide grants for facility improvements and capacity expansion, including equipment purchases or upgrades, training, and process improvements.
- Revises the initial registration and renewal fees for mortgage brokers, lenders and servicers.
- Revises the original license and renewal fees for mortgage loan originators.
- Removes provisions that authorizes the Superintendent of Financial Institutions to charge an additional assessment for registrants and licensees under certain conditions.
- Provides funding for a variety of local initiatives.

Health and Human Services

The House plan builds on the quality funding incentives from the 133rd General Assembly budget cycle, while including a blended approach to nursing home rebasing. The House plan also continues or expands aid for a variety of critical initiatives to support Ohio's seniors and most vulnerable citizens. Among the highlights are the following:

- Provides rate increases to home- and community-based services providers including Assisted Living, HomeCare and PASSPORT.
- Provides funding to help Adult Day Care programs that are PASSPORT and developmental disability providers.
- 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 rebasing formula and analyze its efficacy and propose changes to ensure dollars are spent on care for Ohio's elderly population.
- The plan reverts nursing home rates to statute, instead of by rule as was proposed in the as introduced version, and institutes rebasing every 5 years in statute. The plan specifies that the Ohio Department of Aging begin to initiate long term care consultations to help elderly Ohioans better plan for their future aging needs.
- Maintains 138 percent of the Federal Poverty Level for publically-funded childcare. This will help expand the eligibility for families to participate in publicly funded childcare.
- Earmarks up to \$3 million in FY 2022 to be used, in consultation with the Department of Mental Health and Addiction Services and the Governor's RecoveryOhio Initiative, to support the continuation of the Emergency Department Comprehensive Care Initiative to enhance Ohio's response to the addiction crisis by creating a comprehensive system of care for patients who present in emergency departments with addiction.

- Increases funding for children crisis care facilities funding by \$2.5 million over the biennium. This will support Brigid’s House, Providence House and Blessing House, which provide care for infants who suffer from neonatal abstinence syndrome, and other services.
- 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.
- Clarifies the instances in which the health department can transfer patients from a nursing home under environmental or clinical circumstances.
- Over \$1 million dollars in additional investment toward new court appointed special advocate programs in regions of the state not currently served.
- Earmarks \$2.25 million toward early detection of behavioral health disorders in children.
- Earmarks \$5 million in each fiscal year to be used to support substance use disorder treatment, including MAT and recovery supports for drug court specialized docket programs and to support the administrative expenses of participating courts and community addiction services providers.
- Implements a hospital licensure program to go into effect in 2023-2024. The program will help ensure patient safety and regulation of the state’s hospital facilities.
- Expands the age for the HelpMeGrow infant mortality program eligibility from three years old to five years old, which will expand the number of families served. The plan earmarks \$2 million in additional dollars to fund the expansion of services.

Higher Education and Workforce

The House plan continues the state’s commitment to higher education and workforce development as important supports for Ohio’s economy and economic future. Highlights of the plan include:

- Maintaining the proposed increase in funding for State Share of Instruction (SSI), the Ohio College Opportunity Grant (OGOC), and War Orphans Scholarship.
- Establishing separate SSI line items for universities and regional campuses.
- Expanding eligibility to participate in the Adult Diploma Program by lowering the minimum age to 20 years old, rather than 22.
- 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.
- The plan eliminates the current requirement for high school students in the next school year to take a national standardized college admission assessment. The assessment shall continue to be offered to all 11th grade students in the spring of each school year, but participation is voluntary.
- Establishes the Commercial Truck Driver Student Aid Program to provide a combination of a grant and loan to eligible students enrolled in a certified commercial driver’s license program. The bill provides \$5 million total for the program.
- The bill supports a wide variety of campus-specific initiatives and programs.

Transportation

- Expands authorized uses a court may make of surplus money in the Indigent Drivers Alcohol Treatment Fund.
- Expands and requires each county in Ohio to participate in Targeting community alternatives to prison program (TCAP).
- Reinstates funding for Ohio Task Force One.
- Establishes a probation workload study committee within the Ohio Supreme Court to discuss probation caseload principles, education standards for probation officers, workload principles, and other additional subjects.
- Earmarks funds for the Public Defender Commission to be used for county reimbursement for the costs and expends of providing legal representation to indigent persons in adoption proceedings.
- Provides \$150,000 for the Ohio State Building and Construction Trades Council for the Uniforms to Unions Ohio Initiative.

Miscellaneous

- Provides \$1.5 million each year to support the MARCS fee offset for local governments to help defray the cost of telecommunications for local agencies across Ohio.
- Provides funding to support Rapid DNA pilot Project by the Bureau of Criminal Identification and Investigation and local law enforcement agencies.
- Increases Rape Crisis Center and Domestic Violence Program appropriations.
- Reappropriates funds for the Pike County Capital Case.
- Authorizes the Attorney General to adopt rules under the Administrative Procedure Act as necessary to implement the law governing the Attorney General's special counsel to collect claims. The Attorney General will adopt rules to aid the implementation of the law governing the collection of debts, and specifically, to adopt a rule shortening the time when the Attorney General may cancel a debt deemed uncollectible. Clarifies the time under which certain payments may be due to the state, and institution of higher education, or political subdivision.
- Modifies the requirement that a judge provide notice to the AG regarding an individual subsequently found to be competent, discharged during proceedings on competency or during proceedings related to a person found not guilty by reason of insanity (NGRI), or who has a final termination of commitment subsequent to finding NGRI so that the requirement to notify instead applies to the judge of a chief clinical officer who has knowledge of the finding of competency, discharge, or final termination of commitment.