

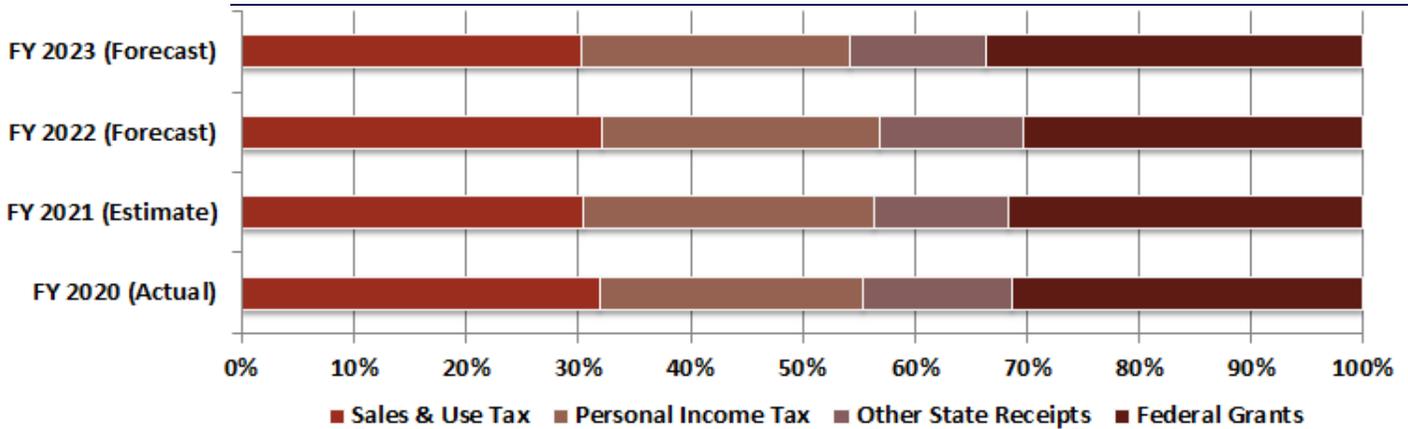
# Legislative Budget Office of the Legislative Service Commission

## Main Operating Budget House Bill 110 – House Passed

### Budget in Brief

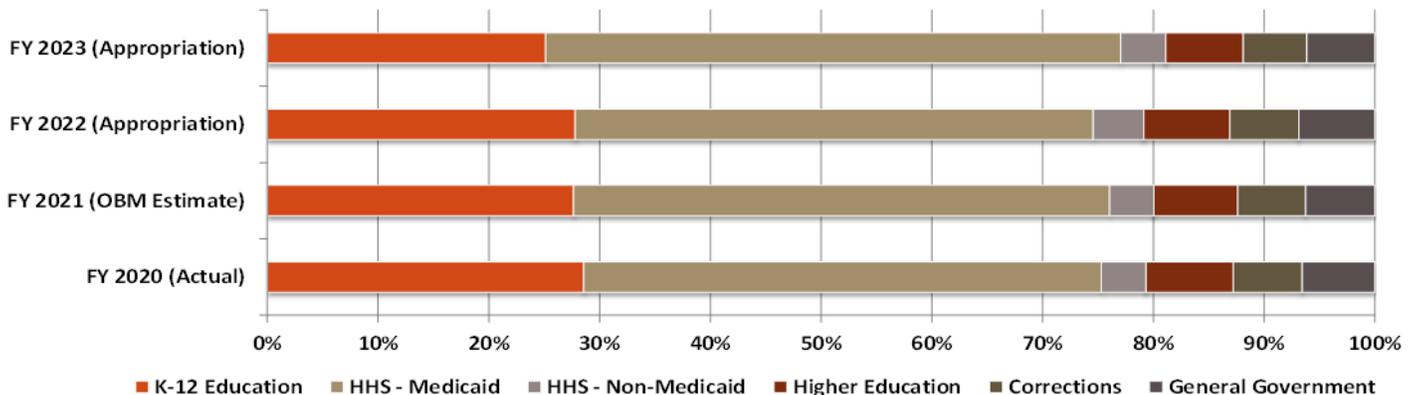
**Where do GRF moneys come from?**

Source/House	FY 2020 (Actual)	FY 2021 (OBM Estimate)	FY 2022 (Forecast)	FY 2023 (Forecast)
Sales & Use Tax	\$10,685.8	\$11,039.2	\$11,666.4	\$12,015.0
Personal Income Tax	\$7,881.3	\$9,389.7	\$8,976.2	\$9,451.1
Other State Receipts	\$4,456.5	\$4,331.3	\$4,653.5	\$4,821.4
Federal Grants	\$10,482.0	\$11,449.3	\$11,042.2	\$13,321.7
<b>GRF Source Total</b>	<b>\$33,505.7</b>	<b>\$36,209.5</b>	<b>\$36,338.2</b>	<b>\$39,609.2</b>
<b>% Change</b>		<b>8.1%</b>	<b>0.4%</b>	<b>9.0%</b>
<i>GRF Tax Total</i>	<i>\$22,623.2</i>	<i>\$24,294.4</i>	<i>\$24,728.8</i>	<i>\$25,626.3</i>
<i>% Change</i>		<i>7.4%</i>	<i>1.8%</i>	<i>3.6%</i>



**Where do GRF moneys go?**

Program Category	FY 2020 (Actual)	FY 2021 (OBM Estimate)	FY 2022 (Appropriation)	FY 2023 (Appropriation)
K-12 Education	\$9,459.4	\$9,437.0	\$9,807.6	\$9,905.4
HHS - Medicaid	\$15,471.8	\$16,518.0	\$16,508.8	\$20,457.4
HHS - Non-Medicaid	\$1,338.4	\$1,367.0	\$1,620.0	\$1,607.8
Higher Education	\$2,606.1	\$2,583.9	\$2,743.2	\$2,748.5
Corrections	\$2,052.7	\$2,098.7	\$2,188.0	\$2,268.2
General Government	\$2,175.5	\$2,127.1	\$2,429.3	\$2,421.9
<b>GRF Program Total</b>	<b>\$33,103.9</b>	<b>\$34,131.6</b>	<b>\$35,297.0</b>	<b>\$39,409.1</b>
<b>% Change</b>		<b>3.1%</b>	<b>3.4%</b>	<b>11.7%</b>



Note: Revenues may not equal expenditures in a given fiscal year due to factors such as carryover balances, encumbrances, and transfers.

# Appropriation Highlights

H.B. 110, as passed by the House, provides state and federal GRF appropriations totaling \$35.30 billion for FY 2022 and \$39.41 billion for FY 2023, increases of 3.4% and 11.7%, respectively. Medicaid (49.5%) and K-12 Education (26.4%) together make up 75.9% of the biennial total. State-source GRF appropriations total \$24.18 billion in FY 2022 and \$25.99 billion in FY 2023, increases of 6.9% and 7.5%, respectively. K-12 Education and Medicaid represent 39.3% and 24.8%, respectively, of the biennial total. Across all funds, appropriations total \$81.21 billion in FY 2022, an increase of 1.3%, and \$81.60 billion in FY 2023, an increase of 0.5%.

## Medicaid, Health, and Other Human Services

- Across all agencies and funds, the House budget for Medicaid totals \$35.00 billion in FY 2022, an increase of 7.7%, and \$35.84 billion in FY 2023, an increase of 2.4%. The federal share of this spending is expected to be 69.9%. The GRF portion of this spending is \$16.51 billion (47.2%) in FY 2022 and \$20.46 billion (57.1%) in FY 2023.
  - The House budget transfers \$1.20 billion from the FY 2021 GRF ending balance to the Health and Human Services Fund. Of this amount, \$900.0 million in FY 2022 and \$300.0 million in FY 2023 is appropriated for Medicaid, resulting in lower GRF appropriations for Medicaid in those years.
  - The state share of GRF Medicaid spending is \$5.39 billion in FY 2022 and \$7.04 billion in FY 2023, increases of 7.8% and 30.7%, respectively. The large increase in the state share in FY 2023 is due to the expected end of the enhanced federal reimbursement rate in place during the pandemic.
- The House budget sets aside \$50.0 million in each fiscal year of Medicaid spending to allow the Medicaid rates for nursing facilities to be rebased on more current data and adds funding for nursing facilities' quality incentive payments.
- The House budget appropriates \$16.0 million of Medicaid funding in each fiscal year, an increase of \$4.0 million over FY 2021, to prevent custody relinquishment of youth involved in multiple systems.
- The House budget appropriates federal funding totaling \$350.0 million in FY 2022, and \$150.0 million in FY 2023 for COVID-19 testing and epidemiologic surveillance activities, and \$50.0 million in FY 2022 for COVID-19 vaccine distribution.
- The House budget appropriates new GRF funding of \$10.0 million in each fiscal year for foster parent recruitment, support, and strengthening of best practices, and \$12.0 million in each fiscal year for the Wendy's Wonderful Kids program to find permanent homes for children in foster care.
- The House budget provides \$41.2 million in GRF in each fiscal year, an increase of \$2.0 million over FY 2021, for Help Me Grow, a home visiting program encouraging prenatal and well-baby care, as well as parenting education.
- The House budget appropriates \$8.0 million in GRF in each fiscal year to provide Ohio children with a book each month for the first five years of their lives through the Ohio Governor Imagination Library.
- The House budget provides one-time GRF funding in FY 2022 for public health to supplement continuing funding, including \$25.0 million for data improvements, \$6.0 million for local health departments to conduct merger studies and improve efficiencies, \$5.5 million for maternal health programs, \$3.0 million for the Emergency Department Comprehensive Care Initiative related to addiction, and \$2.3 million for housing for pregnant mothers. The House budget also appropriates \$8.2 million in GRF in each fiscal year specifically for lead abatement.
- The House budget provides \$6.0 million in each fiscal year for adults with mental illness in residential facilities, \$5.5 million in each fiscal year to strengthen care for adults with mental illness who are involved in multiple systems, \$2.5 million in each fiscal year for crisis services infrastructure, \$2.0 million in each fiscal year to support treatment and monitoring programs for healthcare workers with behavioral health disorders, and \$1.5 million in each fiscal year to improve behavioral health for racial and ethnic minorities.

## K-12 Education

- The House budget begins to phase-in a new school funding formula—the Fair School Funding Plan—and appropriates \$8.93 billion in FY 2022 and \$9.14 billion in FY 2023 to support the plan, including \$7.15 billion in FY 2022 and \$7.25 billion in FY 2023 in GRF, \$1.28 billion in FY 2022 and \$1.29 billion in FY 2023 in lottery profits, and \$500.0 million in FY 2022 and \$600.0 million in FY 2023 in student wellness and success funds (SWSF), which are supported through a transfer from the GRF.
  - The plan funds students where they are educated, rather than where they reside, resulting in direct funding for community and STEM school, open enrollment, and scholarship students, rather than the deduct and transfer method of funding generally used under current law.
  - The plan replaces the per-pupil formula amount in current law (\$6,020) with a variable per-pupil base cost for each district based on various FY 2018 average staff salary and district spending inputs and certain pupil-to-staff ratios. The statewide average base cost per pupil for traditional school districts is estimated at \$7,202 for FY 2022.
  - The plan computes a per-pupil local capacity amount for each district based on the district's property value and income. This amount is subtracted from the district's per-pupil base cost to determine the state share of the base cost, replacing current law's state share index for this purpose.
  - The plan guarantees that a district's state aid in FY 2022 and FY 2023 will not fall below its combined FY 2021 funding from foundation aid (prior to budget reductions) net of school choice transfers, SWSF, and the enrollment growth supplement.
- The House budget appropriates \$1.18 billion in FY 2022 and \$1.20 billion in FY 2023 for property tax rollbacks and the homestead exemption for school districts.

- The House budget appropriates \$1.20 billion in each fiscal year of stimulus funding from the federal Elementary and Secondary School Emergency Relief (ESSER) Fund to be distributed to schools, and an additional \$30.1 million in FY 2022 from the federal Governor Emergency Education Relief (GEER) Fund.
- The House budget provides \$117.5 million in FY 2022 and \$123.5 million in FY 2023 for special education transportation, increases of 94% and 5%, respectively. It also provides \$134.0 million in FY 2022 and \$139.0 million in FY 2023 for preschool special education, increases of 21.8% and 3.7%, respectively. The House budget provides \$37.0 million in each fiscal year for special education at county boards of developmental disabilities and institutions, an increase of 12.1% over FY 2021.
- The House budget appropriates \$45.0 million in each fiscal year for school bus purchases.
- The House budget appropriates \$4.2 million in FY 2022 and \$8.4 million in FY 2023 for K-12 student career awareness and exploration.
- The House budget provides \$12.5 million in each fiscal year for the Innovative Workforce Incentive Program to make payments to schools for workforce credentials earned by students, and \$8.0 million in each fiscal year to reimburse schools for testing fees for students earning a credential.

#### **Higher Education**

- The state share of instruction (SSI) is funded at \$2.06 billion in FY 2022, an increase of 1.0%, and \$2.08 billion in FY 2023, an increase of 0.9%. The House budget limits increases in instructional and general fees to 2% per year for state colleges and universities and \$5 per credit hour per year for community colleges.
- The House budget appropriates \$102.8 million in FY 2022 and \$108.5 million in FY 2023 for OCOG, Ohio's needs-based financial aid program, allowing an increase of \$500 over the biennium in the per-student award.
- The House budget provides \$22.5 million in FY 2022 and \$25.5 million in FY 2023 for the Choose Ohio First Scholarship, increases of 9.7% and 13.3%, respectively.
- The House budget appropriates \$16.2 million in FY 2022 of federal stimulus funding from the federal Governor Emergency Education Relief (GEER) Fund for higher education initiatives.

#### **Economic Development and Recovery**

- The House budget transfers \$190.0 million from the FY 2021 GRF balance into the Ohio Residential Broadband Expansion Grant Program Fund and appropriates \$170.0 million in FY 2022 and \$20.0 million in FY 2023 for grants to expand broadband service.
- The House budget transfers \$155.0 million from the GRF to the new Investing in Ohio Fund and, in FY 2022, appropriates from this fund \$100.0 million for grants to bars and restaurants, \$25.0 million for grants to lodging industry businesses, \$20.0 million for grants to entertainment venues, and \$10.0 million for grants to new businesses.
- The House budget provides \$33.3 million for the TechCred Program in FY 2022, including \$25.0 million from the GRF.
- The House budget appropriates federal CARES Act funding in FY 2022 for costs related to the pandemic, including \$29.0 million for the state's share of FEMA's assistance program for nonprofit hospitals, \$18.0 million for state agency costs in response to the pandemic, \$18.0 million for prisons, \$12.0 million for foodbanks, \$6.0 million for the Department of Administrative Services, \$2.5 million for cleaning at state parks, \$2.0 million for veterans homes, \$2.0 million for mental health services, \$1.0 million for local fairs, and \$1.0 million for relief efforts of the National Guard. The House budget appropriates an additional \$2.5 million of this funding for mental health services in FY 2023.
- The House budget provides GRF funding of \$10.0 million in each fiscal year for the Foundation for Appalachian Ohio and \$4.0 million in each fiscal year for the GRIT program administered by the Governor's Office of Appalachia and the Department of Development.
- The House budget transfers \$10.0 million cash from the GRF to the Meat Processing Investment Program Fund and appropriates that amount for grants to meat processing plants for facility improvements and capacity expansion.

#### **Local Government, Law Enforcement, and Other Initiatives**

- The House budget lowers personal income taxes rates by 2%, resulting in a reduction for this biennium of \$148.0 million in FY 2022 and \$156.0 million in FY 2023.
- The House budget transfers \$132.0 million from the FY 2021 GRF ending balance to the H2Ohio Fund and appropriates, in each fiscal year, \$39.3 million for the Department of Agriculture, \$25.0 million for the Department of Natural Resources, \$10.0 million for the Environmental Protection Agency, and \$125,000 for the Lake Erie Commission.
- The House budget appropriates GRF funding totaling \$139.1 million in FY 2022 and \$143.4 million in FY 2023 for reimbursements to counties for indigent defense, increases of 60.4% and 3.0%, respectively.
- The House budget provides new GRF funding for grants to law enforcement agencies, including in each fiscal year \$5.0 million for body camera programs, \$4.0 million for crime reduction, \$1.0 million for sexual assault kit result investigations and \$500,000 for hiring and training peace officers. The House budget also remits \$15.0 million from unclaimed funds for a law enforcement reimbursement training pilot program.
- The House budget appropriates \$13.1 million in FY 2022 and \$13.2 million in FY 2023 from the GRF for the Recovery Ohio Law Enforcement program, increases of 66.6% and 0.6%, respectively.
- The House budget provides \$2.7 million in each fiscal year for the Ohio School Safety Center, an increase of \$2.4 million over FY 2021.

# Total (State and Federal) GRF Appropriations by Agency

Agency	FY 2020 (Actual)	FY 2021 (OBM Estimate)	FY 2022 (Appropriations)	FY 2023 (Appropriations)
Department of Medicaid	\$14,741,419,399	\$15,840,091,666	\$15,757,114,200	\$19,634,932,755
Education	\$7,847,146,801	\$7,898,496,843	\$8,154,914,284	\$8,276,278,136
Higher Education	\$2,606,111,633	\$2,583,850,608	\$2,743,228,663	\$2,748,462,947
Rehabilitation and Correction	\$1,835,495,640	\$1,884,273,369	\$1,965,108,868	\$2,039,788,342
State Revenue Distributions	\$1,800,604,697	\$1,858,251,000	\$1,834,400,000	\$1,854,000,000
Job & Family Services	\$830,310,349	\$822,208,776	\$983,774,916	\$980,460,389
Developmental Disabilities	\$675,708,772	\$624,958,053	\$705,996,356	\$776,224,738
Mental Health and Addiction Services	\$434,416,464	\$447,506,415	\$498,828,030	\$505,238,457
Ohio Facilities Construction Commission	\$453,796,855	\$326,248,373	\$457,373,976	\$426,732,443
Youth Services	\$217,156,378	\$214,413,888	\$222,930,064	\$228,435,282
Judiciary/Supreme Court	\$183,127,764	\$189,269,380	\$191,255,688	\$195,872,005
Public Works Commission	\$270,369,498	\$175,801,109	\$297,000,000	\$290,500,000
Development Services Agency	\$141,840,382	\$151,816,656	\$184,079,141	\$164,879,141
Administrative Services	\$141,754,185	\$150,976,360	\$187,250,171	\$166,159,287
Natural Resources	\$124,105,454	\$125,781,305	\$145,141,945	\$160,141,945
Health	\$93,817,618	\$113,692,110	\$141,561,298	\$126,811,298
Public Defender	\$93,095,364	\$93,267,854	\$145,537,425	\$149,932,059
Attorney General	\$81,403,184	\$84,154,087	\$97,725,635	\$97,966,816
Public Safety	\$27,666,362	\$41,188,746	\$57,900,397	\$58,408,928
Taxation	\$56,946,735	\$55,345,555	\$56,391,613	\$56,655,556
Veterans Services	\$41,234,940	\$50,139,006	\$56,652,163	\$56,277,163
Agriculture	\$36,142,862	\$48,013,998	\$48,240,385	\$48,118,499
LSC	\$26,239,682	\$43,434,449	\$36,529,290	\$35,529,290
Pension Subsidies	\$34,660,488	\$34,975,676	\$35,224,000	\$35,474,000
Transportation	\$49,441,778	\$6,707,367	\$15,782,465	\$16,767,465
Auditor	\$29,218,962	\$29,939,612	\$30,147,114	\$30,472,391
House of Representatives	\$23,399,553	\$25,917,274	\$25,917,274	\$25,917,274
Opportunities for Ohioans with Disabilities	\$17,783,285	\$19,260,210	\$19,773,643	\$19,773,643
Aging	\$16,467,237	\$17,005,580	\$21,433,311	\$21,433,311
Arts Council	\$20,147,979	\$16,430,913	\$17,430,913	\$17,430,913
Senate	\$13,519,012	\$15,902,029	\$15,902,029	\$15,902,029
Ohio History Connection	\$14,698,947	\$13,703,501	\$14,558,881	\$14,558,881
School for the Deaf	\$12,180,036	\$13,091,356	\$13,940,430	\$14,164,662
School for the Blind	\$11,404,645	\$12,110,773	\$12,599,774	\$12,801,135
EPA	\$11,704,453	\$11,639,525	\$9,185,482	\$9,135,482
Treasurer	\$10,896,130	\$11,272,488	\$11,282,488	\$11,277,488
Secretary of State	\$11,324,551	\$11,252,927	\$13,624,196	\$13,624,196
Adjutant General	\$12,069,251	\$10,642,322	\$11,373,667	\$11,646,600
Broadcast Educational Media	\$9,556,889	\$8,939,292	\$10,023,975	\$10,051,717
Court of Claims	\$4,087,174	\$6,786,125	\$3,599,785	\$3,687,466
Capitol Square	\$4,887,189	\$5,472,663	\$5,472,663	\$5,472,663
Civil Rights Commission	\$5,909,891	\$5,452,740	\$6,118,897	\$6,538,548
Library Board	\$5,495,175	\$4,830,860	\$5,078,122	\$5,078,122
Minority Health	\$3,221,970	\$4,635,719	\$5,069,156	\$5,069,156
Budget and Management	\$4,058,623	\$4,128,353	\$4,128,353	\$4,128,353
SERB	\$3,830,713	\$3,685,671	\$4,011,118	\$4,116,551
Governor	\$2,985,708	\$2,728,922	\$2,973,034	\$2,973,034
Ethics Commission	\$1,881,845	\$1,821,515	\$2,120,515	\$2,120,515
Tax Appeals	\$1,593,806	\$1,727,708	\$1,753,243	\$1,803,160
Veterans' Organizations	\$2,105,256	\$1,684,339	\$2,105,424	\$2,105,424
Inspector General	\$1,327,954	\$1,375,000	\$1,403,910	\$1,437,000
Judicial Conference	\$947,251	\$911,305	\$1,046,464	\$1,083,265
Funeral Directors Board	\$60,778	\$800,000	\$1,000,000	\$1,000,000
Environmental Review Commission	\$497,136	\$651,000	\$651,000	\$651,000
JLEC	\$541,318	\$625,000	\$625,000	\$625,000
JCARR	\$472,760	\$570,000	\$570,000	\$570,000
Joint Medicaid Oversight	\$4,774	\$550,000	\$371,848	\$575,083
Hispanic/Latino Affairs Commission	\$458,899	\$431,564	\$464,047	\$464,047
Elections Commission	\$436,420	\$404,765	\$394,765	\$394,765
Commission on Service and Volunteerism	\$304,551	\$284,553	\$529,252	\$529,252
Expositions Commission	\$325,097	\$100,000	\$261,900	\$363,750
Joint Education Oversight	\$92,929	\$0	\$0	\$0
Holocaust and Genocide Memorial and Education	\$0	\$0	\$100,000	\$100,000
<i>GRF - State</i>	<i>\$22,517,649,670</i>	<i>\$22,614,301,834</i>	<i>\$24,177,355,476</i>	<i>\$25,992,773,815</i>
<i>GRF - Federal</i>	<i>\$10,586,261,762</i>	<i>\$11,517,326,420</i>	<i>\$11,119,627,170</i>	<i>\$13,416,349,002</i>
<b>GRF - Total</b>	<b>\$33,103,911,432</b>	<b>\$34,131,628,254</b>	<b>\$35,296,982,646</b>	<b>\$39,409,122,817</b>
<b>Medicaid</b>				
<i>GRF - State</i>	<i>\$4,885,581,891</i>	<i>\$5,000,677,801</i>	<i>\$5,389,171,461</i>	<i>\$7,041,016,755</i>
<i>GRF - Federal</i>	<i>\$10,586,261,762</i>	<i>\$11,517,326,420</i>	<i>\$11,119,627,170</i>	<i>\$13,416,349,002</i>
<b>GRF - Total</b>	<b>\$15,471,843,653</b>	<b>\$16,518,004,221</b>	<b>\$16,508,798,631</b>	<b>\$20,457,365,757</b>
Non-GRF - Total	\$12,760,523,831	\$15,971,244,227	\$18,488,929,040	\$15,380,043,318
<b>All-Funds - Total</b>	<b>\$28,232,367,484</b>	<b>\$32,489,248,448</b>	<b>\$34,997,727,671</b>	<b>\$35,837,409,075</b>