

Executive

DEVCD2 Rename agency as Department of Development

R.C. 121.02, 121.03, 122.01, 122.011, 122.60, 122.601, 122.603, 149.311, 166.01, 166.03, 174.01, 174.02, 184.01, 1551.01, 1551.33, 1551.35, Section 518.20, Repealed: R.C. 184.011, 3735.01, and 5701.15

Changes the name of the Development Services Agency and Director of Development Services back to the Department of Development and Director of Development, respectively.

Fiscal effect: None.

DEVCD4 Transfer of Equal Employment Opportunity Division from DAS to DEV

R.C. 121.07, 122.92, with conforming changes in numerous other RC sections; Sections 518.10-518.16

Transfers responsibility for administering the Minority Business Enterprise Program, the Encouraging Diversity, Growth, and Equity (EDGE) Program, the Women-Owned Business Enterprise Program, and the Veteran-Friendly Business Enterprise Program to the Director of Development and the Department of Development (DEV), rather than the Director of Administrative Services (DAS) and the Equal Opportunity Employment Coordinator within DAS.

Transfers the administration of these function effective July 1, 2021. Specifies that business related to these functions ongoing as of this date be completed by DEV in the same manner and with the same effect as being done by DAS. Provides for the continuation of DAS rules for these programs under DEV until modified or rescinded by the latter agency. Specifies that no judicial or administrative matter related to these programs pending on the transfer date is affected by the transfer of these programs from DAS to DEV.

Specifies that the transfer of these programs and any reassignment of certain functions from DAS to DEV are not appropriate subjects for collective bargaining.

Provides for the transfer of DAS employees who administer these programs from DAS to DEV. Authorizes the Director of DEV to establish, change, and abolish positions and assign, reassign, classify, reclassify, transfer, reduce, promote, or demote all employees of DEV who are not subject to public employee collective bargaining. Specifies that this authority extends to assigning or reassigning exempt employees to bargaining unit positions when appropriate and how this is to be accomplished under the state's job classification plan. Specifies that actions taken under this authority are not subject to appeal to the State Personnel Board of Review.

Allows the Director of DEV to enter into contracts with private or government entities for staff training and development to facilitate the transfer of the business certification functions from DAS to DEV.

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Gives the Controlling Board authority to increase appropriations for any fund (except GRF) as needed to pay for increases in employee compensation pursuant to collective bargaining contracts or increases that are provided for exempt employees under current law. Appropriates the increased amounts.

Requires the Director of Budget and Management to make the needed budget and accounting changes resulting from this transfer, such as renaming or creating new funds or consolidating existing ones, and canceling and establishing encumbrances. Appropriates the amounts of the established encumbrances. Specifies that all records, documents, files, equipment, assets, and other materials are transferred from DAS to DEV.

Requires the Director of the Legislative Service Commission to renumber the rules pertaining to the programs to move them from DAS to DEV.

Fiscal effect: Increased costs to the Minority Business Development Division within DEV for overseeing these additional programs, and simultaneously reduces costs for DAS. The executive provides funding for these purposes under GRF appropriation item 195405, Minority Business Development.

DEVCD3 Minority Development Financing Advisory Board authority

R.C. 122.72, 122.73, 122.74, 122.78, 122.79, 122.82

Clarifies, by modifying several cross-references, that the responsibility for oversight of the diesel emissions reduction grant program and the motion picture and theatre tax credit and several other tax credits rests with the Director of Development, and not the Minority Development Financing Advisory Board.

Fiscal effect: None.

DEVCD5 Coal Research and Development Program

Section: 259.20

Requires GRF appropriation item 195402, Coal Research and Development Program, to be used for the operating expenses of the Community Services Division in support of the Ohio Coal Development Office.

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DEVCD6 Minority Business Development**Section: 259.20**

Requires GRF appropriation item 195405, Minority Business Development, to support the activities of the Minority Business Development Division, including providing grants to local nonprofit organizations to support economic development activities that promote minority business development, in conjunction with local organizations funded through GRF appropriation item 195454, Small Business and Export Assistance.

DEVCD7 Business Development Services**Section: 259.20**

Requires GRF appropriation item 195415, Business Development Services, to be used for the operating expenses of the Office of Strategic Business Investments and the regional economic development offices.

Earmarks \$1,800,000 in each of FY 2022 and FY 2023 for Development Projects, Inc. for various Department of Defense- and aerospace industry-related workforce economic development activities.

DEVCD8 Redevelopment Assistance**Section: 259.20**

Requires GRF appropriation item 195426, Redevelopment Assistance, to be used to fund the costs of administering energy, redevelopment, and other revitalization programs that DEV may implement, and allows the line item to be used to match federal grant funding.

DEVCD9 Technology Programs and Grants**Section: 259.20**

Requires GRF appropriation item 195453, Technology Programs and Grants, to be used for operating expenses incurred in administering the Ohio Third Frontier Programs and other technology focused programs that DEV may implement.

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DEVCD10 Small Business and Export Assistance**Section: 259.20**

Allows GRF appropriation item 195454, Small Business and Export Assistance, to be used to provide a range of business assistance, including grants to local organizations to support economic development activities that promote small business development, entrepreneurship, and exports of Ohio's goods and services, in conjunction with local organizations funded through GRF line item 195405, Minority Business Development.

Allows the line item to also be used to match grants from the U.S. Small Business Administration and other federal agencies.

DEVCD11 Appalachia Assistance**Section: 259.20**

(1) Allows GRF appropriation item 195455, Appalachia Assistance, to be used for (A) the administrative costs of planning and liaison activities for the Governor's Office of Appalachia; (B) financial assistance to projects in Ohio's Appalachian counties; (C) support of the four local development districts; (D) payment of dues for the Appalachian Regional Commission; and (E) match of federal funding received from the Appalachian Regional Commission.

(2) Requires that programs funded through the appropriation item be identified and recommended by the local development districts and approved by the Governor's Office of Appalachia.

(3) Requires DEV to conduct compliance and regulatory review of the programs recommended by the local development districts, and allows moneys allocated under the appropriation item to be used to fund projects including, but not limited to, those designated by the local development districts as community investment and rapid response projects.

(4) Earmarks the following amounts from the line item to support four local development districts in each fiscal year: (A) \$170,000 to Ohio Valley Regional Development Commission, (B) \$170,000 to Ohio Mid-Eastern Government Association, (C) \$170,000 to Buckeye Hills - Hocking Valley Regional Development District, and (D) \$70,000 to Eastgate Regional Council of Governments. Requires the districts receiving this funding to use the funds for the implementation and administration of programs and duties under RC 107.21.

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DEVCD12 CDBG Operating Match**Section: 259.20**

Requires GRF appropriation item 195497, CDBG Operating Match, to be used as matching state funds for federal assistance received from the U.S. Department of Housing and Urban Development according to the requirements of the Community Development Block Grant Program.

DEVCD13 BSD Federal Programs Match**Section: 259.20**

Requires GRF appropriation item 195499, BSD Federal Programs Match, to be used as matching state funds for grants from the U.S. Department of Commerce, National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership Program and Defense Logistics Agency Procurement Technical Assistance Program, and other federal agencies. Allows the appropriation item to be used for operating expenses of the Business Services Division.

DEVCD14 Local Development Projects**Section: 259.20**

Makes the following earmarks from the appropriations to GRF line item 195503, Local Development Projects:

- (1) \$5,000,000 in each of FY 2022 and FY 2023 for the Foundation for Appalachian Ohio;
- (2) Up to \$4,000,000 in each of FY 2022 and FY 2023 for the GRIT Program, to be used by DEV and the Governor's Office of Appalachia 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 territory. Allows up to \$800,000 in each of FY 2022 and FY 2023 to be used for assessments and up to \$800,000 in each of FY 2022 and FY 2023 to be used for operating costs. Allows the Governor's Office of Appalachia and DEV to establish other guidelines for the use of this line item;
- (3) Up to \$2,250,000 in FY 2022 for DEV, in coordination with DOH, to support stable housing initiatives for pregnant mothers and to improve maternal and infant health outcomes; and
- (4) \$150,000 in each of FY 2022 and FY 2023 for the Stark County Minority Business Association to work in partnership with the Canton Regional Chamber of Commerce to support a demonstration pilot program.

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DEVCD15 Industry Sector Partnerships**Section: 259.20**

Requires GRF line item 195553, Industry Sector Partnerships, to be used for the grant program described in R.C. 122.179.

Reappropriates the unexpended, unencumbered balance of the appropriation in FY 2022 for the same purpose in FY 2023.

DEVCD16 Residential Broadband Expansion Grants**Section: 259.20**

Requires GRF line item 195651, Residential Broadband Expansion Grants, to be used for grants to expand broadband service.

Allows up to \$2,000,000 in the biennium under the line item to be used for a statewide initiative to support providing behavioral health in schools through telehealth.

DEVCD17 General Obligation bond debt service payments**Section: 259.25**

(1) Requires GRF appropriation item 195901, Coal Research and Development General Obligation Bond Debt Service, to be used to pay all debt service and related financing costs in FY 2022 and FY 2023 for obligations issued to fund the Coal Research and Development Program.

(2) Requires GRF appropriation item 195905, Third Frontier Research and Development General Obligation Bond Debt Service, to be used to pay all debt service and related financing costs in FY 2022 and FY 2023 for obligations issued to fund the Third Frontier Program.

(3) Requires GRF appropriation item 195912, Job Ready Site Development General Obligation Bond Debt Service, to be used to pay all debt service and related financing costs in FY 2022 and FY 2023 for obligations issued to fund the Job Ready Site Program.

DEVCD18 Minority Business Bonding Fund**Section: 259.30**

(1) Permits the DEV Director, upon the recommendation of the Minority Development Financing Advisory Board, to pledge up to \$10.0 million in unclaimed funds in the FY 2022-FY 2023 biennium allocated to the Minority Business Bonding Program.

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(2) Permits any transfer of unclaimed funds from the Unclaimed Funds Trust Fund (Fund 5430) to the Minority Bonding Fund (Fund 4490), but specifies that the transfer shall only occur after proceeds of the initial transfer of \$2.7 million authorized by the Controlling Board have been used for that purpose.

(3) Requires that any expenditures made to pay losses arising from the Minority Business Bonding Program be made from Fund 4490 appropriation item 195658, Minority Business Bonding Contingency in the Minority Business Bonding Fund, and appropriates such amounts.

DEVCD19 Business Assistance Program**Section: 259.30**

Requires Fund 4510 appropriation item 195649, Business Assistance Programs, to be used to cover the administrative expenses associated with the operation of loan incentives within the Office of Strategic Business Investments.

DEVCD20 State Special Projects**Section: 259.30**

Permits the State Special Projects Fund (Fund 4F20) to be used for the deposit of funds from private utility companies and other miscellaneous state funds, and allows funds to be used to match federal funding and to support programs of the Community Services Division.

DEVCD21 Minority Business Enterprise Loan**Section: 259.30**

Requires Minority Business Enterprise Loan Fund (Fund 4W10) line item 195646, Minority Business Enterprise Loan, to be used for awards under the Minority Business Enterprise Loan Program and to cover operating expenses of the Minority Business Enterprise Division. Requires all repayments from program to be credited to the Fund 4W10.

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DEVCD22 Advanced Energy Loan Programs**Section: 259.30**

Requires Fund 5M50 appropriation item 195660, Advanced Energy Loan Programs, to be used to provide financial assistance to customers for eligible advanced energy projects for residential, commercial, and industrial businesses; local governments; educational institutions; nonprofits; and agriculture customers. Allows the line item to be used to match federal grant funding and to pay administrative costs of the program.

DEVCD23 MBD Financial Assistance Fund**Section: 259.30**

Creates the MBD Financial Assistance Fund (Fund 5XH0) and permits the OBM Director on July 1, 2021, or as soon as possible thereafter, to transfer \$20,000,000 cash from the State Small Business Credit Initiative Fund (Fund 3FJ0) to Fund 5XH0.

Requires Fund 5XH0 line item 195694, Micro-Enterprise Loan, to be used to operate the Minority Business Microloan Program.

Requires Fund 5XH0 line item 195632, Women-Owned Business Loan, to be used to operate the Women-Owned Business Loan Program.

DEVCD24 Volume Cap Administration**Section: 259.30**

Requires Fund 6170 appropriation item 195654, Volume Cap Administration, to be used for expenses related to the administration of the Volume Cap Program, and specifies that revenues received by the Volume Cap Administration Fund (Fund 6170) shall consist of application fees, forfeited deposits, and interest earned from the custodial account held by the Treasurer of State.

DEVCD25 Supportive Services Fund**Section: 259.40**

Permits the OBM Director on July 1, 2021 and July 1, 2022, or as soon as possible thereafter, to transfer up to \$2,000,000 from the State Special Projects Fund (Fund 4F20) to the Supportive Services Fund (Fund 1350).

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DEVCD26 Development Services Operations**Section: 259.40**

Authorizes the Director of Development Services to assess DEV's divisions for the costs of central service operations, requires assessments to contain the characteristics of administrative ease and uniform application, and requires such payments to be credited to the Supportive Services Fund (Fund 1350) using an intrastate transfer voucher.

DEVCD27 Development Services Reimbursable Expenditures**Section: 259.40**

Requires Fund 6850 appropriation item 195636, Development Services Reimbursable Expenditures, to be used for reimbursable costs. Specifies that revenues to the General Reimbursement Fund (Fund 6850) consist of moneys charged for administrative costs that are not central service costs and repayment of loans, including the interest thereon, made from the Water and Sewer Fund (Fund 4440).

DEVCD28 Capital Access Loan Program**Section: 259.50**

Requires Fund 5S90 appropriation item 195628, Capital Access Loan Program, to be used for operating, program, and administrative expenses of the Capital Access Loan Program, and requires program funds to be used to assist participating financial institutions in making program loans to eligible businesses that face barriers in accessing working capital and obtaining fixed-asset financing.

Allows the OBM Director, with Controlling Board approval, to transfer of up to \$2,000,000 cash in each fiscal year from the Minority Business Enterprise Loan Fund (Fund 4W10) to the Capital Access Loan Fund (Fund 5S90).

DEVCD29 Innovation Ohio**Section: 259.50**

Requires Fund 7009 appropriation item 195664, Innovation Ohio, to be used for Innovation Ohio Program loan guarantees and loans pursuant to RC 166.12 to 166.16.

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DEVCD30 Research and Development

Section: 259.50

Requires Fund 7010 appropriation item 195665, Research and Development, to be used for research and development purposes, including loans, pursuant to RC 166.17 to 166.21.

DEVCD31 Facilities Establishment

Section: 259.50

(1) Specifies that Fund 7037 appropriation item 195615, Facilities Establishment, be used for the purposes of the Facilities Establishment Fund (Fund 7037) under Chapter 166. of the Revised Code.

(2) Permits the Controlling Board, notwithstanding R.C. 127.14 and R.C. 131.35, in the FY 2022-FY 2023 biennium to authorize expenditures, in excess of the amount appropriated under Fund 7037 for purposes consistent with Chapter 166. of the Revised Code. Appropriates the authorized amounts.

(3) Allows the transfer of cash, with Controlling Board approval, from Fund 7037, in the following amounts in each fiscal year: (A) up to \$3,500,000 cash to the Business Assistance Fund (Fund 4510); (B) up to \$5,000,000 cash to the Minority Business Enterprise Loan Fund (Fund 4W10); and (C) up to \$2,000,000 cash to the Capital Access Loan Fund (Fund 5S90).

DEVCD32 Third Frontier Operating Costs

Section: 259.60

Requires appropriation items 195686 and 195620 to be used for Third Frontier Program operating expenses under RC 184.10 to 184.20.

Restricts expenses paid from line item 195686 to costs related to the administration of projects funded from the Third Frontier Research and Development Fund (Fund 7011), and expenses paid from line item 195620 to costs related the administration of projects funded from the Third Frontier Research & Development Taxable Bond Project Fund (Fund 7014).

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DEVCD33 Third Frontier Program funding for research and development projects**Section: 259.60**

Requires appropriation items 195687 and 195692 to be used to fund selected projects, which may include the internship programs. Specifies that eligible costs are the costs of the projects to which the Third Frontier Research and Development Fund (Fund 7011) and the Research and Development Taxable Bond Project Fund (Fund 7014) are to be applied.

DEVCD34 Transfers of appropriations supporting the Third Frontier Program**Section: 259.60**

Permits OBM to approve written requests from DEV for the transfer of appropriations between appropriation items 195687 and 195692 based upon Third Frontier Program awards recommended by the Third Frontier Commission.

Authorizes DEV to request that OBM reappropriate any unexpended, unencumbered balance of the FY 2022 appropriations to line items 195687 and 195692 for the same purposes in FY 2023. Allows OBM to request additional information to evaluate the requests before making the cash transfers. Reappropriates the cash transfer amounts approved by OBM in FY 2023.

DEVCD35 HEAP Weatherization**Section: 259.70**

Allows up to 25% of the federal funds credited to the Home Energy Assistance Block Grant Fund (Fund 3K90) to be spent from appropriation item 195614, HEAP Weatherization, to be used to provide home weatherization services as determined by DEV.

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OBMCD38 General Revenue Fund transfer to Tourism Ohio Fund

Section: 512.10

Authorizes the Director of OBM, on July 1, 2021 or as soon as possible thereafter, to transfer up to \$20,000,000 cash from the GRF to the Tourism Ohio Fund (Fund 5MJ0).

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Other Education Provisions

EDUCD87 STEM schools - STEM Committee membership, grants, and recommendations

R.C. 3326.02, 3326.03, 3326.05 (Repealed)

Permits the Superintendent of Public Instruction, the Chancellor of Higher Education, and the Director of Development to appoint designees to participate in STEM Committee business on their behalf.

Repeals the requirement that the STEM Committee award grants to STEM schools.

Repeals the authority for the STEM Committee to make recommendations to the General Assembly and the Governor for the training of STEM educators.

Fiscal effect: None.

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Commercial Activity Tax**TAXCD28 JCTC reporting of work-from home employees****R.C. 122.17**

Allows any business that receives the Job Creation Tax Credit (JCTC) to include work-from-home employees in its annual reporting of employment and payroll, thus allowing those employees' payroll to count towards computing and verifying the credit, beginning with reports filed for 2020. (Current law only allows JCTC recipients whose applications were approved after September 29, 2017, to include work-from-home employees).

Fiscal effect: None. (Potentially prevents a loss of approved credits for taxpayers with JCTC agreements authorized prior to September 29, 2017, and whose employees may be required to work from home).

TAXCD29 JCTC expansion - alternative eligibility**R.C. 122.17, 122.86, Section 701.20**

Requires the Director of Development to adopt rules establishing alternative JCTC eligibility requirements for businesses that do not meet the minimum employment (ten new employees) or payroll thresholds prescribed by current rules but are otherwise eligible for the credit. Limits total credits awarded under the new eligibility criteria to \$25 million per fiscal biennium.

Reduces, from \$50 million to \$25 million, the biennial credit allotment for an existing income tax credit for investments in smaller businesses. (This credit is issued by the Director of Development).

Fiscal effect: The JCTC may be claimed against the commercial activity tax (CAT), the petroleum activity tax, the personal income tax, the financial institutions tax, the domestic and foreign insurance taxes, and the corporate franchise tax. The executive anticipates this provision would reduce CAT receipts to the GRF by \$10 million in FY 2023, the earliest expected revenue loss.
