

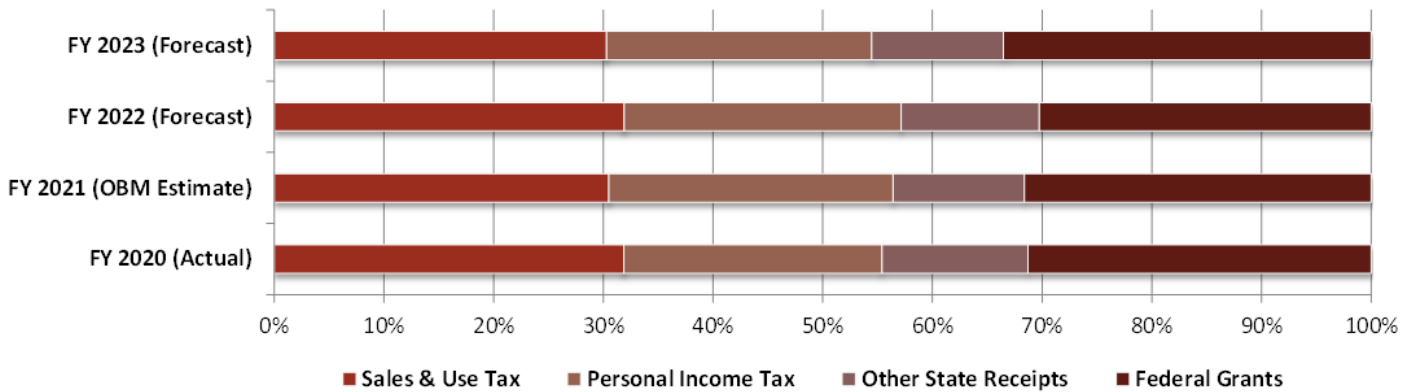
# Legislative Budget Office of the Legislative Service Commission

## Main Operating Budget House Bill 110 – As Introduced

### Budget in Brief

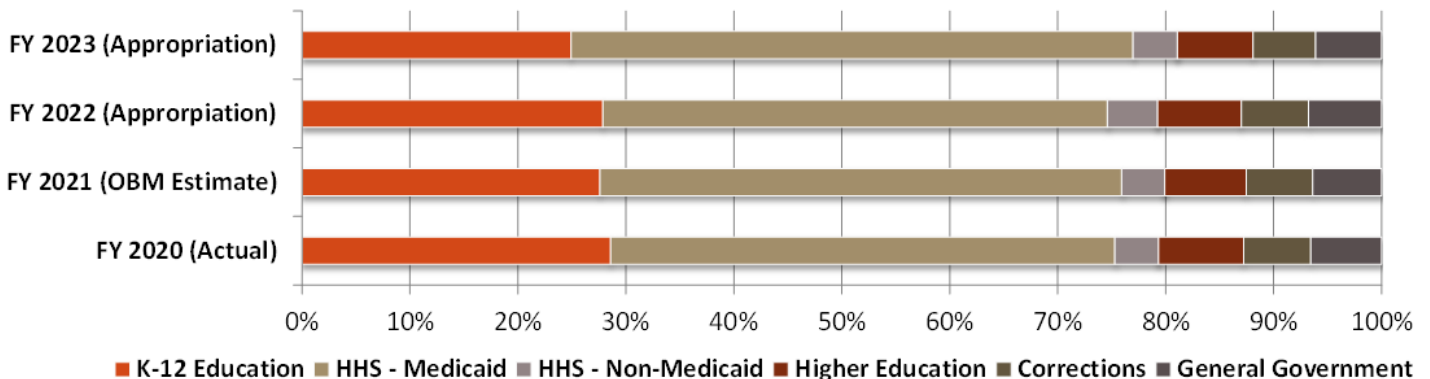
**Where do GRF moneys come from?**

Source (Executive)	FY 2020 (Actual)	FY 2021 (OBM Estimate)	FY 2022 (Forecast)	FY 2023 (Forecast)
Sales & Use Tax	\$10,685.8	\$11,039.2	\$11,603.6	\$11,970.0
Personal Income Tax	\$7,881.3	\$9,389.7	\$9,175.5	\$9,571.4
Other State Receipts	\$4,456.4	\$4,331.3	\$4,572.3	\$4,746.6
Federal Grants	\$10,482.0	\$11,449.3	\$11,000.0	\$13,249.5
<b>GRF Source Total</b>	<b>\$33,505.6</b>	<b>\$36,209.5</b>	<b>\$36,351.4</b>	<b>\$39,537.5</b>
<b>% Change</b>		<b>8.1%</b>	<b>0.4%</b>	<b>8.8%</b>
<i>GRF Tax Total</i>	<i>\$22,623.2</i>	<i>\$24,294.4</i>	<i>\$24,789.0</i>	<i>\$25,626.9</i>
<i>% Change</i>		<i>7.4%</i>	<i>2.0%</i>	<i>3.4%</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	\$9,803.9	\$9,749.0
HHS - Medicaid	\$15,471.8	\$16,518.0	\$16,441.3	\$20,340.8
HHS - Non-Medicaid	\$1,338.4	\$1,367.0	\$1,629.3	\$1,610.9
Higher Education	\$2,606.1	\$2,583.9	\$2,738.7	\$2,743.5
Corrections	\$2,052.7	\$2,098.7	\$2,179.2	\$2,258.0
General Government	\$2,175.5	\$2,182.7	\$2,381.2	\$2,387.8
<b>GRF Program Total</b>	<b>\$33,103.9</b>	<b>\$34,187.3</b>	<b>\$35,173.5</b>	<b>\$39,090.0</b>
<b>% Change</b>		<b>3.3%</b>	<b>2.9%</b>	<b>11.1%</b>



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

# Appropriation Highlights

The executive main operating budget, H.B. 110, as introduced, provides state and federal GRF appropriations totaling \$35.17 billion for FY 2022 and \$39.09 billion for FY 2023, increases of 2.9% and 11.1%, respectively. Medicaid (49.5%) and K-12 Education (26.3%) together make up 75.8% of the biennial total. State-source GRF appropriations total \$24.10 billion in FY 2022 and \$25.75 billion in FY 2023, increases of 6.3% and 6.8%, respectively. K-12 Education and Medicaid represent 39.2% and 24.8%, respectively, of the biennial total. Across all funds, appropriations total \$80.67 billion in FY 2022, an increase of 0.5%, and \$81.19 billion in FY 2023, an increase of 0.6%.

## Medicaid, Health, and Other Human Services

- Across all agencies and funds, the H.B. 110 funding for Medicaid totals \$34.89 billion in FY 2022, an increase of 7.4%, and \$35.68 billion in FY 2023, an increase of 2.3%. The federal share of this spending is expected to be 69.9%. The GRF portion of this spending is \$16.44 billion (47.1%) in FY 2022 and \$20.34 billion (57.0%) in FY 2023.
- The state share of GRF Medicaid spending is \$5.36 billion in FY 2022 and \$7.00 billion in FY 2023, increases of 7.3% and 30.4%, 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.
- H.B. 110 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.
- H.B. 110 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.
- H.B. 110 appropriates \$50.0 million in FY 2022 for a new long-term care bed buyback program to reduce the number of empty beds in nursing homes.
- H.B. 110 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.
- H.B. 110 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.
- H.B. 110 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 Governor's Imagination Library.
- H.B. 110 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 improve efficiencies, \$5.5 million for maternal health programs, \$3.0 million for the Emergency Department Comprehensive Care Initiative related to addiction, \$2.3 million for housing for pregnant mothers, and \$2.0 million to address social determinants of health. H.B. 110 also appropriates \$8.2 million in GRF in each fiscal year specifically for lead abatement.
- H.B. 110 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, and \$1.5 million in each fiscal year to improve behavioral health for racial and ethnic minorities.
- H.B. 110 appropriates \$14.0 million in FY 2022 and \$9.0 million in FY 2023 in new GRF funding for aging initiatives, including \$5.0 million in FY 2022 to improve quality at long-term care facilities.

## K-12 Education

- H.B. 110 appropriates \$8.37 billion for school foundation aid, funded through a combination of GRF and lottery profits, providing every school district and joint vocational school district (JVSD), in both FY 2022 and FY 2023, the same amount of formula aid received in FY 2019.
- H.B. 110 provides \$500.0 million in FY 2022 and \$600.0 million in FY 2023, an increase of \$100 million in each fiscal year, for Student Wellness and Success Funds (SWSF), funded by a transfer from the GRF and distributed directly to school districts, JVSDs, and community schools.
- H.B. 110 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.
- H.B. 110 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.
- H.B. 110 appropriates \$54.0 million in each fiscal year, an increase of \$24.0 million over FY 2021, to make additional payments to community schools that meet certain quality standards.
- H.B. 110 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%. H.B. 110 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.

- H.B. 110 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.
- H.B. 110 provides \$25.0 million in FY 2022 and \$28.0 million in FY 2023 for the Choose Ohio First Scholarship, increases of 21.9% and 12%, respectively.

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

- H.B. 110 allocates 1.66% of GRF tax revenues to the Local Government Fund and the Public Library Fund, which is expected to provide \$425.0 million in FY 2022 and \$440.0 million in FY 2023 to each.
- H.B. 110 appropriates from the H2Ohio Fund \$49.3 million in each fiscal year for the Department of Agriculture, \$46.0 million in each fiscal year for the Environmental Protection Agency, \$25.0 million in each fiscal year for the Department of Natural Resources, and \$125,000 in each fiscal year for the Lake Erie Commission.
- H.B. 110 provides new GRF funding for grants to law enforcement agencies, including \$5.0 million in each fiscal year for body camera programs, \$4.0 million in each fiscal year for crime reduction, and \$500,000 in each fiscal year for hiring and training peace officers.
- H.B. 110 appropriates \$13.1 million in FY 2022 and \$13.2 million in FY 2023 for the Recovery Ohio Law Enforcement program, increases of 66.6% and 0.6%, respectively. Increased funding is to be used for the Narcotics Intelligence Center.
- H.B. 110 provides \$2.7 million in each fiscal year for the Ohio School Safety Center, an increase of \$2.4 million over FY 2021.
- H.B. 110 appropriates GRF totaling \$130.8 million in FY 2022 and \$131.0 million in FY 2023 for reimbursements to counties for indigent defense, increases of 50.8% and 0.1%, respectively.
- H.B. 110 provides an additional \$7.0 million from the GRF in FY 2022 to purchase agricultural easements to preserve farmland.
- H.B. 110 expands eligibility for the Job Creation Tax Credit to allow smaller firms to qualify, reducing expected GRF tax revenue by \$10.0 million in FY 2023.

#### **COVID-19 and Economic Recovery**

- Although H.B. 110 includes some funding for COVID-19 and economic recovery, the executive budget proposal detailed in the Governor's Blue Book includes other funding for FY 2021 through FY 2023 that is not included in H.B. 110. This section includes the Governor's proposal for these initiatives as outlined in the Blue Book to provide a more complete summary of the Governor's proposal for funding COVID-19 and economic recovery.
- The executive proposes to transfer \$1.20 billion from the GRF to the Health and Human Services Fund in FY 2021. This amount is appropriated in H.B. 110 (\$900.0 million in FY 2022 and \$300.0 million in FY 2023), resulting in lower GRF appropriations for Medicaid in those years.
- The executive proposes to transfer \$455.0 million from the GRF to the new Investing in Ohio Fund and to appropriate from this fund \$100.0 million in FY 2021 and FY 2022 for grants to bars and restaurants, \$25.0 million in FY 2021 and FY 2022 for grants to lodging industry businesses, \$100.0 million in FY 2022 and FY 2023 for assistance to small, low-income communities for infrastructure projects, and \$5.0 million in FY 2021 for the TechCred program. H.B. 110 provides \$8.3 million for TechCred in FY 2022. The executive proposes to appropriate another \$25.0 million in GRF funding in FY 2022 and FY 2023 for this program.
- H.B. 110 appropriates \$20.0 million in each fiscal year for grants to expand broadband service, including \$2.0 million over the biennium to support behavioral health in schools through telehealth. In addition, the executive proposes GRF funding of \$125.0 million in FY 2022 and FY 2023 for grants for broadband infrastructure.
- The executive proposes appropriations from the GRF including \$25.0 million in FY 2022 and FY 2023 for a national marketing campaign to promote Ohio, \$20.0 million in FY 2022 for grants to indoor entertainment venues, \$10.0 million in FY 2022 for grants to new businesses, and \$7.5 million in FY 2022 and FY 2023 to support the workforce in economically distressed communities.
- The executive proposes to appropriate \$465.0 million in FY 2021 and \$150.0 million in FY 2022 of federal funding for rent and utility assistance.
- H.B. 110 appropriates, from the federal Governor Emergency Education Relief (GEER) Fund, \$30.1 million in FY 2022 for public schools and \$16.2 million in FY 2022 for higher education initiatives. The executive proposes additional appropriations from this fund, including \$154.9 million in FY 2021 for nonpublic schools, \$25.6 million in FY 2021 for public schools, and \$500,000 in FY 2021 for grants to assist students with disabilities who are learning remotely or in a hybrid model. The executive also proposes additional appropriations of \$683.2 million in FY 2021 for schools from ESSER.
- H.B. 110 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, \$7.0 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 executive proposes additional appropriations from this fund for FY 2021, including \$150.0 million for small business grants, \$36.0 million for prisons, \$20.0 million for indoor entertainment venues, \$10.0 million for new businesses, \$8.0 million for state agency costs, \$5.0 million for foodbanks, \$4.7 million for local fairs, \$4.0 million for the National Guard, \$3.7 million for veterans homes, and \$2.5 million for mental health services.

# 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	\$15,691,364,200	\$19,520,182,755
Department of Education	\$7,847,146,801	\$7,898,496,843	\$8,152,135,243	\$8,120,938,048
Department of Higher Education	\$2,606,111,633	\$2,583,850,608	\$2,738,747,345	\$2,743,493,898
Department of Rehabilitation and Correction	\$1,835,495,640	\$1,884,273,369	\$1,956,223,385	\$2,029,588,342
Revenue Distribution Fund	\$1,800,604,697	\$1,858,251,000	\$1,834,400,000	\$1,854,000,000
Department of Job and Family Services	\$830,310,349	\$822,208,776	\$981,875,231	\$978,820,389
Department of Developmental Disabilities	\$675,708,772	\$624,958,053	\$702,776,431	\$773,426,431
Department of Mental Health and Addiction Services	\$434,416,464	\$447,506,415	\$496,078,030	\$502,488,457
Ohio Facilities Construction Commission	\$453,796,855	\$326,248,373	\$457,373,976	\$426,732,443
Department of 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	\$150,929,141	\$156,879,141
Department of Administrative Services	\$141,754,185	\$150,976,360	\$185,750,171	\$164,659,287
Department of Natural Resources	\$124,105,454	\$125,781,305	\$145,141,945	\$160,141,945
Department of Health	\$93,817,618	\$113,692,110	\$143,419,418	\$126,669,418
Ohio Public Defender Commission	\$93,095,364	\$93,267,854	\$136,835,846	\$137,086,479
Attorney General	\$81,403,184	\$84,154,087	\$88,800,635	\$89,666,816
Department of Public Safety	\$27,666,362	\$73,388,746	\$57,350,397	\$58,158,928
Department of Taxation	\$56,946,735	\$55,345,555	\$56,391,613	\$56,655,556
Department of Veterans Services	\$41,234,940	\$50,139,006	\$56,502,163	\$56,127,163
Department of Agriculture	\$36,142,862	\$48,013,998	\$55,091,049	\$47,970,830
Legislative Service Commission	\$26,239,682	\$43,434,449	\$36,523,290	\$35,523,290
Pension Subsidies	\$34,660,488	\$34,975,676	\$35,224,000	\$35,474,000
Department of Transportation	\$49,441,778	\$30,129,653	\$15,782,465	\$15,782,465
Auditor of State	\$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 Agency	\$17,783,285	\$19,260,210	\$19,350,210	\$19,350,210
Department of Aging	\$16,467,237	\$17,005,580	\$35,433,311	\$30,433,311
Ohio Arts Council	\$20,147,979	\$16,430,913	\$16,430,913	\$16,430,913
Senate	\$13,519,012	\$15,902,029	\$15,902,029	\$15,902,029
Ohio History Connection	\$14,698,947	\$13,703,501	\$14,162,501	\$14,162,501
Ohio School for the Deaf	\$12,180,036	\$13,091,356	\$13,940,430	\$14,164,662
Ohio State School for the Blind	\$11,404,645	\$12,110,773	\$12,599,774	\$12,801,135
Environmental Protection Agency	\$11,704,453	\$11,639,525	\$9,125,482	\$9,125,482
Treasurer of State	\$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 Commission	\$9,556,889	\$8,939,292	\$9,023,975	\$9,051,717
Court of Claims	\$4,087,174	\$6,786,125	\$3,599,785	\$3,687,466
Capitol Square Review and Advisory Board	\$4,887,189	\$5,472,663	\$5,472,663	\$5,472,663
Ohio Civil Rights Commission	\$5,909,891	\$5,452,740	\$6,118,897	\$6,538,548
State Library Board	\$5,495,175	\$4,830,860	\$5,078,122	\$5,078,122
Commission on Minority Health	\$3,221,970	\$4,635,719	\$4,819,156	\$4,819,156
Office of Budget and Management	\$4,058,623	\$4,128,353	\$4,128,353	\$4,128,353
State Employment Relations Board	\$3,830,713	\$3,685,671	\$4,011,118	\$4,116,551
Office of the Governor	\$2,985,708	\$2,728,922	\$2,973,034	\$2,973,034
Ethics Commission	\$1,881,845	\$1,821,515	\$1,946,515	\$1,946,515
Board of 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 of Ohio	\$947,251	\$911,305	\$1,046,464	\$1,083,265
Board of Embalmers and Funeral Directors	\$60,778	\$800,000	\$1,000,000	\$1,000,000
Environmental Review Appeals Commission	\$497,136	\$651,000	\$651,000	\$651,000
Joint Legislative Ethics Committee	\$541,318	\$625,000	\$625,000	\$625,000
Joint Committee on Agency Rule Review	\$472,760	\$570,000	\$570,000	\$570,000
Joint Medicaid Oversight Committee	\$4,774	\$550,000	\$371,848	\$575,083
Commission on Hispanic/Latino Affairs	\$458,899	\$431,564	\$464,047	\$464,047
Ohio 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 Committee	\$92,929	\$0	\$0	\$0
<i>GRF - State</i>	<i>\$22,517,649,670</i>	<i>\$22,669,924,120</i>	<i>\$24,096,474,291</i>	<i>\$25,746,396,622</i>
<i>GRF - Federal</i>	<i>\$10,586,261,762</i>	<i>\$11,517,326,420</i>	<i>\$11,077,065,295</i>	<i>\$13,343,598,809</i>
<b>GRF - Total</b>	<b>\$33,103,911,432</b>	<b>\$34,187,250,540</b>	<b>\$35,173,539,586</b>	<b>\$39,089,995,431</b>
<b>Medicaid</b>				
<i>GRF - State</i>	<i>\$4,885,581,891</i>	<i>\$5,000,677,801</i>	<i>\$5,364,263,411</i>	<i>\$6,997,218,641</i>
<i>GRF - Federal</i>	<i>\$10,586,261,762</i>	<i>\$11,517,326,420</i>	<i>\$11,077,065,295</i>	<i>\$13,343,598,809</i>
<b>GRF - Total</b>	<b>\$15,471,843,653</b>	<b>\$16,518,004,221</b>	<b>\$16,441,328,706</b>	<b>\$20,340,817,450</b>
Non-GRF - Total	\$12,760,523,831	\$15,971,244,227	\$18,447,948,965	\$15,339,141,625
<b>All-Funds - Total</b>	<b>\$28,232,367,484</b>	<b>\$32,489,248,448</b>	<b>\$34,889,277,671</b>	<b>\$35,679,959,075</b>