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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 184
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 184's Bill Analysis](#)

Version: As Passed by the Senate

Primary Sponsors: Reps. Stewart and T. Mathews

Local Impact Statement Procedure Required: No

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Highlights

- The bill transfers \$41.7 million cash from the GRF to non-GRF funds in the state treasury as follows: \$40.0 million in FY 2027 to the State Post-Traumatic Stress Fund, \$1.6 million in FY 2026 to the Building Improvement Fund (Fund 5KZ0), and \$110,000 in FY 2026 to the Access to Justice Unclaimed Funds Fund (Fund 5DI1).
- Supported by the last two transfers mentioned above, the bill appropriates \$1.6 million in FY 2026 to Fund 5KZ0 appropriation line item (ALI) 100659, Building Improvement, for improvements to buildings managed by the Department of Administrative Services and \$19,500 in FY 2026 and \$90,500 in FY 2027 to Fund 5DI1 ALI 800664, Access to Justice Unclaimed Funds, for payments to the Ohio Access to Justice Foundation.
- The bill modifies the calculation of nursing facility quality incentive payments in response to a decision of the Ohio Supreme Court. The Ohio Department of Medicaid (ODM) has stated that calculating the payments according to the Supreme Court's interpretation could create obligations of \$735.7 million beyond appropriations made for these purposes for the FY 2026-FY 2027 biennium.
- The bill delays by two years the date by which the Department of Children and Youth (DCY) must begin to calculate publicly funded child care (PFCC) payments based on a child's enrollment with a child care provider rather than on the child's attendance. This will likely result in a decrease in PFCC costs in the tens of millions of dollars over the two-year period.
- The bill establishes an upper limit of \$200,000 for funds that a state agency must spend on artwork under the Percent for Arts Program, resulting in a decrease in expenditures on art for certain capital projects.

Detailed Analysis

Nursing facility quality incentive payments

The bill modifies the calculation of nursing facility quality incentive payments by using the change in a facility's "cost per case-mix unit," rather than its "direct care costs" and further specifying that the cost per case-mix unit not be multiplied by the case-mix score. The bill states that this clarification is in response to the decision of the Ohio Supreme Court in the case *State ex rel. LeadingAge Ohio v. Ohio Dept. of Medicaid*, in which the Court interpreted the calculation differently than the Ohio Department of Medicaid (ODM) for the FY 2024-FY 2025 biennium.

The bill further expresses the General Assembly's intent to require that the calculation of the payments during the FY 2026-FY 2027 biennium follow the same methodology ODM used during the FY 2024-FY 2025 biennium. This is the methodology ODM was planning to use for the payments for the FY 2026-FY 2027 biennium. ODM has stated that calculating the payments according to the Supreme Court's interpretation could create obligations of \$735.7 million beyond appropriations made for these purposes for that biennium.

Post-Traumatic Stress Fund

The bill transfers \$40.0 million cash from the GRF to the State Post-Traumatic Stress Fund in FY 2027 and transfers responsibility for the fund from the Director of Budget and Management to the Director of Public Safety. The fund was established to pay for compensation and benefits to a public safety officer disabled by post-traumatic stress disorder (PTSD) received in the course of, and arising out of, employment as a public safety officer but without an accompanying physical injury. The bill also clarifies that peace officers, firefighters of a lawfully constituted fire department, and certified first responders and emergency medical technicians (basic, intermediate, or paramedic) are all considered public safety officers for purposes of coverage under the fund whether they are paid or volunteer.

Continuing law prohibits payments from the fund and specifies that no person is eligible for any claims and no liability may accrue to any state party. The bill's provision, therefore, will not result in an increase in state expenditure.

Building Improvement Fund

The bill transfers \$1.6 million cash from the GRF to the Building Improvement Fund (Fund 5KZ0), which is used by the Department of Administrative Services (DAS). The bill appropriates that cash in FY 2026 to Fund 5KZ0 ALI 100659, Building Improvement. This ALI is used for noncapital remodeling, renovations, and other improvements at buildings managed by DAS.

Attorney unclaimed funds

The bill exempts attorney unclaimed funds reported before January 1, 2016, estimated at approximately \$2.6 million, from escheating to the state. Instead, the right to such funds vests to the Ohio Access to Justice Foundation on January 1, 2036.

The bill also allows the General Assembly to appropriate money to the Ohio Access to Justice Foundation to offset the attorney unclaimed funds reported after January 1, 2016, that do escheat to the state. For this purpose, during the current biennium, the bill transfers \$110,000 cash from the GRF to the Access to Justice Unclaimed Funds Fund (Fund 5DI1) and appropriates

\$19,500 in FY 2026 and \$90,500 in FY 2027 under Fund 5DI1 ALI 800664, Access to Justice Unclaimed Funds.

Publicly funded child care payments

The bill extends to July 9, 2028, from July 5, 2026, the date by which the Department of Children and Youth (DCY) must begin to calculate publicly funded child care (PFCC) payments based on a child's enrollment with a child care provider rather than on the child's attendance. The 2024 Child Care and Development Fund (CCDF) Final Rule under the U.S. Department of Health and Human Services Administration for Children and Families (ACF) requires all states to provide PFCC payments to providers based on a child's enrollment. However, states may request a temporary waiver for additional implementation time. Ohio received a waiver through August 1, 2026. However, in August 2025, ACF announced that states could request an extension through August 1, 2028, if needed.

Enrollment-based payments pay providers for a child's care even if the child is absent. As a result, transitioning to a system based on enrollment increases provider payments, all other things held equal. Delaying this requirement for an additional two years will likely result in a decrease in PFCC costs in the tens of millions of dollars, depending on when the transition occurs, and other changes DCY may make to the payments administratively. According to annual data from DCY, over 141,000 children received PFCC in 2024.

Percent for Arts Program

The bill establishes an upper limit of \$200,000 for funds that a state agency must spend on artwork under the Percent for Arts Program. Under current law, when a state agency spends more than \$4 million to construct or renovate a public building, 1% of the state money appropriated for the project, or 1% of the state bonds, notes, or other obligations sold for the project, must be used to purchase works of art through the Ohio Arts Council for display in or on the building. As a result of this new limit, some state agencies may realize a reduction in expenditures for certain art purchases for capital projects.

Historic rehabilitation tax credits

The bill may permit a higher historic rehabilitation tax credit allowance for certain narrowly defined projects, thus decreasing GRF tax revenues subject to the continuing law cap on the credits of \$75 million per fiscal year.

Property tax abatement Franklin County parking structure

The bill permits a municipal corporation, county, new community authority, or port authority in Franklin County to apply, within 12 months of the bill's 90-day effective date, for a property tax exemption and abatement of delinquent taxes on any multilevel off-street parking structure owned or leased by the applicant, without regard to the regular time and payment limitations imposed by current law. If approved, property tax expenditures by the owner and property tax revenue collected in the county may be lower than otherwise.

Tax increment financing extensions

The bill allows a municipal corporation, township, or county that has previously exempted property taxes on improvements to real property as part of a tax increment financing (TIF) arrangement to extend an expiring or expired exemption for up to 30 years under certain

conditions. The fiscal effect on the local government choosing to extend a TIF will depend on the terms of the TIF. A TIF is an economic development tool available to Ohio local governments to finance public infrastructure improvements. Generally, a TIF would temporarily exempt property taxes on the increase in property value associated with improvements made to the property by the owner. Instead, the amount of property taxes that would have been paid to local governments that entered the TIF is diverted for public infrastructure improvements related to the TIF project.

Capital projects

The bill amends H.B. 2 of the 135th General Assembly, the capital budget for the FY 2025-FY 2026 capital biennium as follows.

The bill redirects \$85,000 from an \$850,000 community project earmark under Ohio Department of Natural Resources (ODNR) Fund 7035 ALI C725E2, Local Parks, Recreation, and Conservation Projects, from Irishtown Bend and Canal Basin Park to Hart Crane Park. Both park sites are in Cleveland.

The bill removes a \$250,000 appropriation for Ashtabula County Transitional Housing for Homeless Youth earmarked from Fund 7033 ALI C58050, Community Support, in the budget of the Department of Behavioral Health and instead appropriates \$250,000 to Fund 7027 ALI C501HP, Ashtabula County Public Safety Center Security Upgrades, in the budget of the Department of Rehabilitation and Correction.

One Time Strategic Community Investments

The bill replaces an earmark of \$175,000 from Fund 5AY1 ALI 042509, One Time Strategic Community Investments, in FY 2026 for the Achievement Centers for Children's Camp Cheerful Reimagined with earmarks of \$100,000 for the Achievement Centers for Children Westlake facility and \$75,000 for the Achievement Centers for Children Camp Cheerful facility.

Bureau of Motor Vehicles

The bill will result in minimal one-time costs for the Bureau of Motor Vehicles (BMV) to update the Commercial Driver License to incorporate a statement indicating that the license holder is a "Non-Domiciled Commercial Driver's License" when necessary. Additionally, there may be a small decrease in the amount of revenue collected by the BMV and deputy registrars annually as a result of the bill's provisions (1) exempting certain disabled veterans from paying driver's license-related fees and (2) eliminating the fee to obtain a duplicate removable windshield placard.

Limit on ESC administrative expenses

The bill excludes educational service centers (ESCs) from the prohibition, recently enacted in H.B. 96, on any school district board of education from spending more than 15% of its annual operating budget on administrative expenses. ESCs likely are considered a "school district" for purposes of the current law provision.

ESCs implement state and federal education initiatives, reduce duplication of services, and provide support in areas such as curriculum, instruction, special education, early childhood education programming, technology assistance, professional development, student services, cooperative purchasing, and administrative and fiscal operations. ESC services generally are

driven by the needs of the client districts with which they have service agreements. Given the role of ESCs in Ohio's education system, the administrative expenses of many ESCs currently exceed 15% of operating expenses. The bill's provision permits ESCs to continue standard operations and avoids the potential for the current law cap to limit the services provided to client districts and, thus, the revenues ESCs receive for the performance of these services. It also avoids potential increases in district costs that may occur from the shift of those services to school districts, which may not be able to provide them at the same economies of scale as an ESC.

Mass transit for pupil transportation

The bill, effective July 1, 2026 (i.e., the start of the 2026-2027 school year), expressly permits school districts located in a county with a population between 530,000 and 540,000 (currently only Montgomery County) to arrange for pupil transportation services for the district's enrolled students in grades 9-12 using a mass transit system, in addition to community and chartered nonpublic school students as under current law. However, like the current law requirements for transporting community and chartered nonpublic school students via mass transit, the bill requires the district, with respect to the district's enrolled students, to ensure that each assigned route does not have more than one transfer and that no transfer occurs at the central transfer hub for the mass transit system.

Currently, the Dayton City School District (Dayton CSD) is the only school district in Montgomery County that arranges for pupil transportation using a mass transit system. Over the last several years, Dayton CSD has paid for bus passes for high school students to ride on Greater Dayton Regional Transit Authority buses to get to and from school. In FY 2024, the latest detailed data available on the Department of Education and Workforce (DEW) website, Dayton CSD transported a total of 2,800 students via mass transit. Of these, 2,500 were students enrolled in the district and 300 were nonpublic school students. Continuing law specifically permits, but in most circumstances does not require, school districts to provide transportation for resident high school students. The bill's route restrictions may lead to permissive costs to Dayton CSD and the Greater Dayton Regional Transit Authority.

Science of Reading annual report

The bill may minimally increase DEW's administrative costs by requiring the Department to prepare and issue an annual report on the implementation of the Science of Reading, including implementation by school districts and other public schools. Under continuing law, districts and schools must use only DEW-approved core curriculum and instructional materials in English language arts in each of grades preK-5 and evidence-based reading intervention programs in each of grades preK-12 that are aligned with the Science of Reading. Districts and schools report the materials and programs they use to DEW through the Education Management Information System (EMIS). H.B. 96 appropriates \$2.5 million in both FY 2026 and FY 2027 to GRF ALI 200566, Literacy Improvement, a portion of which may be used by DEW for program administration, research, and evaluation.

State institution of higher education facility inspection reports

The bill requires each state institution of higher education to submit to the Chancellor of Higher Education and DAS each report it receives from an Ohio building or fire code inspection of an existing building or structure. It also requires DAS to post a copy of these reports on its website. Furthermore, if an inspection report identifies any issues requiring remediation, DAS

must also prepare and post an estimate of the remediation costs alongside the report. Presumably, DAS would collaborate with the state institutions of higher education and the Ohio Facilities Construction Commission to prepare these estimates. Consequently, the overall fiscal effect on DAS is likely to be minimal.

Attorney General's General Holding Account

The bill clarifies that Fund R004 ALI 055631, General Holding Account, may also be used by the Attorney General to disburse money under the terms of "grant agreements pertaining to body armor" in addition to relevant court orders and other settlements as under current law.

Wildlife Land Royalty Fund

The bill corrects the funding source for ALI 7256A7, Wildlife Area Land Royalties, in H.B. 96 of the 136th General Assembly, from the Natural Resources Land Royalty Fund (Fund 5BJ1) to the Wildlife Land Royalty Fund (Fund 5DB1). Both funds receive royalty payments from the extraction of oil and natural gas from state lands overseen by the Department of Natural Resources.

Private insurance outreach program

The bill repeals a section of H.B. 96 that requires ODM to create and administer a private insurance outreach program, which is duplicative with language requiring the Ohio Department of Insurance (ODI) to create and administer the program.

Small County Volunteer Fire Department Grant

The bill modifies an \$8.0 million earmark in FY 2026 for the Small County Volunteer Fire Department Grant Program from Fund 5460 ALI 800639, Fire Department Grants. This may expand the list of eligible grant recipients under the program. The grants of up to \$50,000 per recipient may be used to buy firefighting equipment and gear or to cover the costs of fire protection services.

Name, image, and likeness contract restrictions

The bill prohibits any person or athlete agent from entering into a fee agreement or contract involving the use of a student-athlete's name, image, and likeness (NIL) that would remain in effect beyond the period for which the student-athlete is eligible to participate in intercollegiate athletics. It also prohibits an athlete agent from entering into an agent contract under which the agent represents an athlete in relation to contracts or legal matters regarding opportunities to earn compensation for use of the athlete's NIL if the agent contract remains in effect after the athlete's intercollegiate athletic eligibility ends. This provision has no direct fiscal effect on the state or political subdivisions.