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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 45
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 45's Bill Analysis](#)

Version: As Reported by Senate Finance

Primary Sponsors: Reps. West and Roemer

Local Impact Statement Procedure Required: No

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Highlights

Operating appropriations

H.B. 45 contains new operating appropriations of approximately \$5.83 billion for FY 2023. This includes GRF appropriations totaling \$509.9 million (\$67.2 million state share), Local Fiscal Recovery Fund (Fund 5CV2) appropriations totaling \$161.0 million, State Fiscal Recovery Fund (Fund 5CV3) appropriations totaling \$1.44 billion, appropriations from various federal funds amounting to \$3.51 billion, and appropriations from other funds amounting to \$211.5 million. These appropriations are detailed in the following table. In addition, the bill requires transfers from the GRF to other funds totaling \$748.5 million, most notably a \$741.0 million transfer to the Budget Stabilization Fund (BSF).¹

Table 1. Operating Appropriations for FY 2023

Fund	Appropriation Line Item	Amount (\$ in millions)
Office of Budget and Management		
5CV3	042630, Statewide Hospital Support	\$100.0
5CV3	042631, Assisted Living Workforce Support	\$40.0
5CV3	042632, Hospice Care Workforce Support	\$30.0

¹ This transfer will bring up the BSF balance to its target level of 8.5% of FY 2022 GRF revenue, as provided in section 131.43 of the Revised Code.

Table 1. Operating Appropriations for FY 2023		
Fund	Appropriation Line Item	Amount (\$ in millions)
5CV3	042627, Ohio Ambulance Transportation	\$20.0
5ZF0	042426, Ashtabula County Supplement	\$14.0
5CV3	042633, HCBS Workforce Support	\$10.0
5CV3	042628, Adult Day Care	\$8.0
5CV3	042635, ALS Support Grants	\$1.0
Department of Development		
GRF	195503, Local Development Projects	\$0.3
5CV2	195559, Rent and Utility Assistance	\$161.0
5CV3	1956A1, Water and Sewer Quality Program	\$250.0
5CV3	1956F6, ARPA Lead Prevention and Mitigation	\$150.0
5CV3	195457, Local Water and Sewer	\$75.0
5CV3	1956E9, ARPA Arts Grant Program	\$50.0
5CV3	195579, Workforce Housing Development	\$25.0
Expositions Commission		
5CV3	723411, Expositions Commission - ARPA Recovery	\$50.0
Department of Agriculture		
GRF	700501, County Agricultural Societies	\$4.5
Department of Natural Resources		
GRF	725520, Special Projects	\$3.3
Department of Transportation		
GRF	772502, Local Transportation Projects	\$0.2
Secretary of State		
GRF	050321, Operating Expenses	\$0.3
5ZE0	050638, Electronic Pollbooks	\$7.5
Department of Developmental Disabilities		
GRF	322502, Community Program Support	\$0.8
5Z10	653624, County Board Waiver Match	\$45.0
3A40	653654, Medicaid Services	\$205.0

Table 1. Operating Appropriations for FY 2023

Fund	Appropriation Line Item	Amount (\$ in millions)
Department of Job and Family Services		
GRF	600450, Program Operations	\$30.6
GRF	600562, Adoption Grant Program	\$15.0
GRF	600561, Parenting and Pregnancy Program	\$3.0
GRF	600563, Putative Father Registry	\$.5
5CV3	6006A3, County JFS	\$30.0
5CV3	6006A2, Community Food Assistance – ARPA	\$25.0
5CV3	600455, Operating Funds ARPA	\$13.0
5CV3	6006A5, ARPA Food Assistance	\$5.0
5CV3	6006A6, Legal Services for Ukrainian Refugees	\$5.0
3H70	600661, Child Care ARPA Supplement	\$498.5
Department of Medicaid		
GRF	651525, Medicaid Health Care Services	\$445.1
5CV3	651688, Nursing Facility Workforce Support	\$350.0
5DL0	651690, Multi-system Youth Custody Relinquishment	\$9.0
5HC8	651698, MCD Home and Community Based Services	\$50.0
3F00	651623, Medicaid Services – Federal	\$1,056.7
Department of Mental Health and Addiction Services		
5CV3	336657, Crisis Infrastructure Expansion	\$90.0
5HC8	652698, MHA Home and Community Based Services	\$85.0
Department of Education		
3HS0	200640, Federal Coronavirus School Relief	\$1,750.0
Ohio Facilities Construction Commission		
5CV3	230650, ARPA School Security	\$112.0
Broadcast Educational Media Commission		
GRF	935402, Ohio Government Telecommunications Services	\$0.1

Table 1. Operating Appropriations for FY 2023		
Fund	Appropriation Line Item	Amount (\$ in millions)
Attorney General		
GRF	055505, Pike County Capital Case	\$0.5
GRF	055509, Law Enforcement Reimbursement Training Pilot Program	\$5.0
5CV3	055671, Ohio Crime Victim Justice Center	\$0.9
Department of Public Safety		
GRF	768425, Justice Program Services	\$1.0
Department of Taxation		
5BW0	110630, Tax Amnesty Promotion and Administration	\$1.0
Total		\$5,832.5

Capital appropriation and reappropriation adjustments

The bill makes adjustments to various capital appropriations and reappropriations in H.B. 687 and H.B. 597, respectively, of the 134th General Assembly, as shown in the table below.

Table 2. FY 2023-FY 2024 Capital Appropriation and Reappropriation Line Item (ALI) Adjustments Summary				
Agency	Fund	ALI	ALI Name	\$ Change
Capital Appropriations (H.B. 687)				
DNR	7035	C725E2	Local, Parks, Recreation, and Conservation Projects	\$3,000,000
FCC	7030	C230FM	Cultural and Sports Facilities Projects	\$150,000
MHA	7033	C58001	Community Assistance Projects	-\$100,000
KSU	7034	C270N7	SAM Center Upgrades	-\$50,000
Capital Reappropriations (H.B. 597)				
MHA	7033	C59064	Heinzerling Community Facilities	-\$350,000
DDD	7033	C59073	Hattie Larlham	-\$400,000

Other OFCC capital appropriation and reappropriation changes

The bill amends H.B. 597 to redirect an earmark of \$150,000 from “FRONT: MidTown Arts Campus” to “Transformer Station” under Cultural and Sports Facilities Building Fund (Fund 7030) line item C230FM, Cultural and Sports Facilities Projects. It also amends H.B. 687 to rename a \$95,000 earmark under line item C230FM for “Zoar Community Auditorium Accessibility” as “Dennison Community Auditorium Accessibility.”

Other bill provisions are analyzed below. They are organized according to subject in the following order: Taxes, Health and Human Services, General Government, Education, Civil and Criminal Justice, and Miscellaneous Provisions.

Detailed Analysis

Taxes

GRF revenue gains and losses from taxes are shared with the Local Government Fund (LGF) and the Public Library Fund (PLF) under continuing law. Under codified law, the GRF retains 96.68% of GRF tax revenue, while the LGF and PLF each receive transfers of 1.66% of GRF tax revenue.

Adoption tax credit

Effective January 1, 2023, the bill repeals the Ohio adoption tax credit, applicable against the personal income tax (PIT). Repealing the credit will increase state tax revenue by \$4.8 million per year, starting in FY 2024. Some credits may still be claimed due to the credit’s carryforward provision. The revenue gain would affect primarily the GRF, but also the LGF and PLF as described above.

PIT exemptions

The bill excludes two types of income from being taxed under PIT. First, it exempts from income adoption grants administered by the Department of Job and Family Services; this grant program is also established by the bill (see below). This provision may reduce PIT receipts by about \$1.3 million beginning in FY 2024. Second, it exempts amounts delivered to a two- or four-year higher education institution by the Chancellor of Higher Education on behalf of adopted Ohio residents who are attending the institution. LBO thinks the revenue impact of this provision will be minimal.

Tax amnesty

Any fiscal effect from the bill would be contingent upon a determination made by the Director of Budget and Management. The bill authorizes the Director to create a two-month tax amnesty period during calendar year 2023. The Director is required to make a determination to create the tax amnesty only if she finds that the GRF will need the proceeds projected to result from the amnesty in order to meet GRF obligations for 2023, and the determination must be made prior to November 1, 2023. The bill includes a \$1 million appropriation for FY 2023, in the budget of the Department of Taxation, and it reappropriates the unexpended, unencumbered balance of the FY 2023 appropriation in FY 2024. The appropriation, drawn on Fund 5BW0, is funded by a transfer from the GRF, which is to be repaid out of the proceeds of the amnesty. Both the appropriation and transfer are contingent upon the Director’s determining that an amnesty is

needed, and the appropriation is to be used by the Department to promote and administer the amnesty program.

The direct effects of tax amnesty programs in general are, by suspending penalties and fees that are typically charged for failure to pay taxes due or for late filings, to reduce revenue from such penalties and fees. There are likely to be indirect effects, however, due to the incentive for taxpayers to come forward and pay tax liabilities that have not yet been detected but that they owe. The indirect effects could yield an increase in revenue collected by the state and (in the case of local taxes) political subdivisions, potentially offsetting any loss in fee revenue. The state has implemented four similar amnesties during the last 22 years, yielding revenue amounting to \$35.2 million in FY 2002, \$58.9 million in FY 2006, \$65.7 million in FY 2012, and \$14.3 million in FY 2018; some of these tax liabilities might have been identified by the Tax Department in subsequent years without the amnesties.

The details of each amnesty differ somewhat, in terms of the specific taxes for which the amnesty was allowed and the length of time of the amnesty. Moreover, the smaller yield from the most recent amnesty might be due to diminishing returns from implementing multiple amnesties over time. LBO cannot predict with any precision what a future amnesty might raise through such indirect effects, but the amount could be in the millions.

Valuation of low-income housing tax credit property

The bill grants greater flexibility to county auditors in valuing property that qualified for a federal low-income housing credit. County auditors may use the market-data approach, the income approach, the cost approach, or a combination of those approaches. This provision may affect property tax revenue to political subdivisions, but the amount and direction of any change depends on decisions by county auditors.

Historical rehabilitation tax credit

The bill prohibits a project involving the rehabilitation of low income housing tax credit property from qualifying for an existing state tax credit for rehabilitating historic buildings. This provision applies to new credit applications filed after the provision's effective date.

Delinquent tax list publication

The bill allows for the second publication of a delinquent tax list to appear on a county maintained or county approved website rather than in a newspaper of general circulation. This provision could reduce advertising costs for counties. The extent of these cost savings would vary considerably by county. As an example, the delinquent tax list for Cuyahoga County on November 10, 2020, published in the form of a newspaper insert, was 20 pages long, each page containing three columns of information.

Health and human services

Department of Developmental Disabilities

The bill makes FY 2023 supplemental appropriations of \$45.0 million in appropriation line item 653624, County Board Waiver Match, and \$105.0 million in appropriation line item 653654, Medicaid Services, and allows the increased funds to be used for the Direct Support Professional Quarterly Retention Payments Program.

The bill makes further FY 2023 supplemental appropriations of \$100.0 million in appropriation line item 653654, Medicaid Services. The bill also eliminates existing capital reappropriations of \$400,000 to Hattie Larlham (item C59073 under the Department of Developmental Disabilities) and \$350,000 to Heinzerling Community Facilities (item C59064 under the Department of Mental Health and Addiction Services), and makes FY 2023 supplemental appropriations of \$750,000 in appropriation line item 322502, Community Support Program, earmarking the appropriation with \$350,000 to Heinzerling Community Facilities and \$400,000 to Hattie Larlham.

Department of Job and Family Services

Federal Child Care Development Fund uses

The bill repeals current law from H.B. 110 of the 134th General Assembly governing the use of federal Child Care Development Fund supplemental discretionary funds (from the “American Rescue Plan Act of 2021”), which would have required the Ohio Department of Job and Family Services (ODJFS), in the event Ohio received the funds, to use them to assist with stabilizing and sustaining the child care program, improving workforce recruitment and retention, and increasing access for families. Instead the bill : (1) appropriates \$498.5 million in FY 2023 in federal Fund 3H70 line item 600661, Child Care ARPA Supplement, (2) requires ODJFS to first use the appropriated funds to maximize the amount of funds expended on direct payments to providers serving children eligible for publicly funded child care, (3) requires ODJFS to use any remaining funds only for increases in market rates, workforce supplements, copayment assistance, program business development supports, home-based program start-up grants, mental health and special needs services, and a shared services pilot program, and (4) prohibits the funds from being used to assist ODJFS in administering the child care program.

Funding in event of budget shortfall

The bill appropriates \$30.0 million in GRF appropriation item 600450, Program Operations, and \$13.0 million in DPF Fund 5CV3 appropriation item 600455, Operating Funds ARPA in FY 2023. These funds are to be used by ODJFS for Department operations in the event of a budget shortfall.

Medicaid eligibility redeterminations

The bill appropriates \$30.0 million in FY 2023 in DPF Fund 5CV3 line item 6006A3, County JFS, and requires these funds to be provided to county departments of job and family services to conduct eligibility redeterminations of all Medicaid recipients in the state.

Community food assistance

The bill appropriates \$25.0 million in FY 2023 in DPF Fund 5CV3 line item 6006A2, Community Food Assistance – ARPA. The bill requires \$12.5 million be used to purchase, transport, store, and distribute livestock, dairy, and poultry protein products and \$12.5 million be allocated to the Ohio Association of Food Banks and used for food products and other personal products.

Children’s Hunger Alliance

The bill appropriates \$5.0 million in FY 2023 in DPF Fund 5CV3 line item 6006A5, ARPA Food Assistance, and requires these funds to be distributed to the Children’s Hunger Alliance and used to provide meals to food-insecure children. Additionally, the bill requires an amount equal

to the unexpended, unencumbered balance of these funds from FY 2023 be reappropriated for the same purpose in FY 2024.

Legal aid services

The bill appropriates \$5.0 million in FY 2023 in DPF Fund 5CV3 line item 6006A6, Legal Services for Ukrainian Refugees, and requires these funds to be allocated to the Ohio Access to Justice Foundation and used to provide civil legal services to Ukrainian refugees.

Ohio Adoption Grant Program

The bill establishes the Ohio Adoption Grant Program within ODJFS. The program would provide a one-time payment for each eligible adopted child adopted on or after January 1, 2023 of (1) \$10,000, (2) \$15,000 (if the adoptive parent was a foster caregiver for the child), or (3) \$20,000 (if the child has diagnosed with special needs).² Any adoption (public, private, international, etc.) would be eligible with the exception of stepparent adoptions. The bill specifies that an adoptive parent can receive a grant if the adoptive parent has not previously received a grant payment for the adopted child and if the adoptive parent does not also currently claim an adoption tax credit for the adopted child. The bill also authorizes an income tax deduction for grant payments. The bill appropriates \$15.0 million in GRF in FY 2023 in new GRF appropriation item 600562, Adoption Grant Program for the grant program. Additionally, the bill permits the ODJFS Director to request additional funds for the program from the OBM Director, if the ODJFS Director determines additional dollars are needed to fund the grant program. Specified adoptions occurring on or after January 1, 2023, would be eligible for funds. In FY 2023, the program would only be in operation for a portion of the fiscal year (January through June 2023). ODJFS will have costs to establish and administer the program, including some administrative costs to adopt rules. It is unknown if any additional staff would be necessary to administer the program.

Ohio Parenting and Pregnancy Program

The bill appropriates \$3.0 million in FY 2023 in new GRF appropriation item 600561, Parenting and Pregnancy Program, and requires these funds to be used, in accordance with section 5101.804 of the Revised Code, to support the Ohio Parenting and Pregnancy Program.

Adoption petition fee and Putative Father Registry Fund

The bill reduces the existing \$50 adoption petition fee to \$20 (this amount will be retained by the probate courts as in existing law). The \$30 reduction will eliminate the portion currently deposited into ODJFS's Putative Father Registry Fund (Fund 4E70). Instead, the bill appropriates \$500,000 in FY 2023 in new GRF appropriation item 600563, Putative Father Registry, and requires funds to be used in the same manner as funds deposited currently into the Putative Father Registry Fund (Fund 4E70).

² Special needs means any of the following: a developmental disability, a physical or mental impairment that substantially limits one or more of the major life activities, any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more body systems, any mental or psychological disorder, or a medical condition causing distress, pain, dysfunction, or social problems as diagnosed by a qualified professional that results in ongoing medical treatment.

Connect Our Kids Family Connections training

The bill appropriates \$250,000 in FY 2023 in existing GRF appropriation item 600450, Program Operations, to support the Connect Our Kids Family Connections training.

Ashland Foundations Community Childcare

The bill appropriates \$300,000 in FY 2023 in GRF appropriation item 600450, Program Operations, and allocates these funds to Ashland Foundations Community Childcare.

Step Up to Quality ratings and provider reimbursement

The bill establishes additional exceptions to the current law requirement that a licensed child care program be rated in the Step Up to Quality (SUTQ) program in order to be eligible to provide publicly funded child care (PFCC) including the following: a program that provides PFCC to less than 25% of the program's license capacity and a program that is a type A family daycare home or licensed type B family daycare home. It is possible that additional providers may choose to participate in PFCC if they are exempt from being SUTQ rated. If this occurs, there could be additional PFCC costs. However, if some of the providers are currently rated and choose to forego maintaining their rating, then enhanced payments for SUTQ could be reduced. The bill also makes several changes with respect to the requirement that the Director of ODJFS adopt rules governing the reimbursement of publicly funded child care providers by doing the following: removing references to PFCC reimbursement ceilings and replaces them with reimbursement rates; eliminates the requirement that ODJFS establish enhanced reimbursement rates for providers maintaining quality ratings under SUTQ, and eliminates the requirement that ODJFS weigh any reductions in reimbursement more heavily against providers that do not participate in SUTQ or do not maintain quality ratings. The impact is uncertain, but will depend on the rules drafted.

Furthermore, the bill does the following: requires ODJFS to engage in activities to encourage the establishment and licensure of family daycare homes and connect families and caretaker parents in need of child care with family daycare homes not meeting their license capacity, permits ODJFS to contract with third-party entities to assist in the performance of the foregoing activities; and requires ODJFS to submit to the General Assembly a report by May 30, 2023, and periodically after that, documenting any barriers that may prevent the establishment or licensure of family daycare homes. The provision that connects families in need of child care could increase the number of children receiving PFCC. ODJFS will experience additional administrative costs to prepare the report and perhaps to contract with third-party entities.

Department of Medicaid

The bill appropriates \$1.06 billion in FY 2023 in FED line item 651623, Medicaid Services – Federal, \$438.6 million in FY 2023 in GRF line item 651525, Medicaid Health Care Services – Federal, \$9.0 million in FY 2023 in DPF line item 651690, Multi-system Youth Custody Relinquishment, and \$50.0 million in FY 2023 in DPF line item 651698, MCD Home and Community Based Services. The appropriations in line item 651698 are earmarked to be used to expand PACE organizations in accordance with other requirements of the bill.

The bill appropriates \$350.0 million in FY 2023 in DPF line item 651688, Nursing Facility Workforce Support, and requires the Department of Medicaid to use the funds to provide a lump sum payment to nursing facilities for workforce relief payments.

The bill allocates \$15.0 million in FY 2023 in GRF line item 651525, Medicaid Health Care Services, to fund a one-time payment to freestanding dialysis centers, and up to \$62.0 million in FY 2023 in the same line, to be used for provider relief for critical access hospitals and rural hospitals.

The bill appropriates \$6.5 million (\$2.3 million state share) in FY 2023 in GRF appropriation item 651525, Medicaid Health Care Services, to provide for one-time provider relief payments to certain hospitals, to be calculated based on Medicaid enrollee patient discharge.

The bill stipulates that the Department of Medicaid administer a Critical Access Pharmacy Grant program for counties with no more than one retail pharmacy participating in the Medicaid program. Up to \$100,000 from GRF line item 651525 is earmarked for this purpose.

Department of Mental Health and Addiction Services

Crisis infrastructure

The bill appropriates \$90.0 million in FY 2023 in DPF Fund 5CV3 line item 336657, Crisis Infrastructure Expansion. The bill requires these funds to be used for one-time infrastructure investments to support the expansion of crisis infrastructure, including stabilization units, short-term crisis residential services, hospital diversion and step-down centers, mobile crisis response, and behavioral health urgent care centers. The bill requires the funds to be allocated regionally based on the Department's regional psychiatric hospital catchment areas and requires these allocations to be used for renovation, construction, operations, and technology upgrades for services. The bill requires an amount equal to the unexpended, unencumbered balance of these funds from FY 2023 be reappropriated for the same purpose in FY 2024.

Behavioral health workforce

The bill appropriates \$85.0 million in FY 2023 in DPF Fund 5HC8 line item 652698, MHA Home and Community Based Services, and requires these funds to be used, in coordination with the Department of Higher Education, to grow career-focused programming in the behavioral health disciplines at state institutions of higher education and nonprofit institutions holding a certificate of authorization, and to administer other initiatives to recruit, train, and retain a robust behavioral health workforce.

Multiple health and human services departments

Home and community-based services appropriations

The bill allows the OBM Director to authorize additional expenditures in the following state DPF line items: 651698, MCD Home and Community Based Services, 652698, MHA Home and Community Based Services, 653698, DDD Home and Community Based Services, 655698, JFS Home and Community Based Services, 656698, AGE Home and Community Based Services, and 659698, BOR Home and Community Based Services, as long as any additional expenditures are offset by equal expenditure reductions in another of these appropriation items. The bill appropriates any additional expenditures authorized.

In addition, the bill allows the OBM Director to authorize additional expenditures in the following federal line items: 651699, MCD Home and Community Based Services – Federal, 652699, MHA Home and Community Based Services – Federal, 653699, DDD Home and Community Based Services – Federal, 655699, JFS Home and Community Based Services –

Federal, 656699, AGE Home and Community Based Services – Federal, and 659699, BOR Home and Community Based Services – Federal. The bill requires the Director to make appropriation adjustments in any of the other items as necessary if additional expenditures are authorized. The bill appropriates any additional expenditures authorized.

General Government

Office of Budget and Management (OBM)

Appropriations from Fund 5CV3

The bill includes \$209 million in appropriations from Fund 5CV3 in the budget of OBM. Of this amount, \$100 million is for payments to hospitals that the Department of Medicaid classifies as critical access or rural hospitals, \$40 million is for assisted living workforce support for residential care facilities, \$30 million is for hospice care workforce support, \$20 million is for grants to ambulance services, \$10 million is to support home and community-based service providers, \$8 million is for grants to adult daycare providers, and \$1 million is for specified purposes that support patients suffering with amyotrophic lateral sclerosis (ALS). Uncodified language governs the permitted uses of some of the funds.

Geneva Lodge and Convention Center

The bill amends H.B. 110 of the 134th General Assembly, the operating budget for the FY 2022-FY 2023 biennium, to remove requirements that DNR purchase the Geneva Lodge and Convention Center from the Ashtabula County Commissioners. Instead the bill appropriates \$13.95 million under the County Supplemental Grant Fund (Fund 5ZF0), which the bill creates, and earmarks that amount for a grant to the Ashtabula County Commissioners. Under the bill, the Commissioners are required to use the grant to retire debt incurred by the county on the Geneva Lodge and Convention Center. Additionally, the bill specifies that any amounts remaining after the debt is retired must be used to pay costs of deferred maintenance on the facility. Fund 5ZF0 is capitalized via cash transfers from the GRF.

Department of Development

Water and Sewer Quality Program

The bill appropriates \$250.0 million in FY 2023 under Fund 5CV3 appropriation item 1956A1, Water and Sewer Quality Program, for the Department of Development (DEV) to award grants under the Water and Sewer Quality Program. This program was created in Section 259.30 of H.B. 168 of the 134th General Assembly.

Rent and Utility Assistance

The bill appropriates \$161.0 million in FY 2023 under Emergency Rental Assistance Fund (Fund 5CV2) appropriation item 195559, Rent and Utility Assistance, and requires the funds to be used for the Emergency Rental Assistance program in accordance with the federal American Rescue Plan Act and U.S. Department of the Treasury guidelines for the program. Assistance provided under this appropriation is specifically for rent and utility arrearages incurred before December 31, 2021. The bill also requires these funds to be used by December 31, 2023.

ARPA Lead Prevention and Mitigation

The bill appropriates \$150.0 million in FY 2023 under Fund 5CV3 appropriation item 1956F6, ARPA Lead Prevention and Mitigation. First, the bill earmarks at least \$20.0 million

for DEV, in coordination with the Department of Health, to distribute funding to lead poisoning prevention projects in the state including but not limited to lead-safe building certification, screening and testing for lead poisoning, education and community engagement, and early intervention for children and families impacted by lead. Second, the bill earmarks the remaining amount for DEV to support workforce development, recruitment, and retention of lead contractors and to conduct lead abatement services including window and door replacement in residential properties, congregate care settings, and childcare facilities constructed before 1978.

Local Water and Sewer

The bill appropriates \$75.0 million in FY 2023 under Fund 5CV3 appropriation item 195457, Local Water and Sewer. This funding is to be used by DEV to enter into grant agreements with city or county governments that will provide necessary water or sewer upgrades at a location to be utilized by a megaproject.

ARPA Arts Grant Program

The bill appropriates \$50.0 million in FY 2023 under Fund 5CV3 appropriation item 1956E9, ARPA Arts Grant Program, for DEV, in accordance with the federal American Rescue Plan Act, to award grants to certain performing arts organizations and operators of cultural arts museums. The bill requires DEV when awarding grants to give priority to organizations that did not receive funding from the Ohio Arts Council through the federal CARES Act.

Workforce Housing Development Programs

The bill appropriates a total of \$25 million in FY 2023 under Coronavirus State Fiscal Recovery Fund (Fund 5CV3) line item 195579, Workforce Housing Development, under the Department of Development and earmarks the funding as follows:

- \$15 million for a Habitat for Humanity workforce housing development grant program;
- \$9 million for a Habitat for Humanity critical home repair grant program; and
- \$1 million to establish a Habitat for Humanity statewide apprenticeship program.

Local Development Projects

The bill appropriates \$300,000 in FY 2023 under GRF appropriation item 195503, Local Development Projects, and allocates the funds to Medina County Emergency Housing Shelter.

Expositions Commission

Site planning

The bill appropriates \$50.0 million in FY 2023 under Fund 5CV3 appropriation item 723411, Expositions Commission – ARPA Recovery. The bill requires the General Manager of the Ohio Expositions Commission to seek Controlling Board approval before any expenditures are made under this appropriation item.

Department of Agriculture

County Agricultural Societies

The bill appropriates \$4.5 million in FY 2023 under GRF appropriation item 700501, County Agricultural Societies, for the Department of Agriculture to administer grants to eligible county and independent agricultural societies during FY 2023.

Department of Natural Resources

Indian Lake weed harvesting

The bill appropriates \$2.75 million in FY 2023 under GRF line item 725520, Special Projects. Under the bill, the funding must be used to support the prevention and removal of invasive weeds at Indian Lake.

Mentor erosion mitigation

The bill provides \$3.5 million to support the Mentor Erosion Mitigation Project. Of this amount \$3.0 million is provided through capital appropriations under Parks and Recreation Improvement Fund (Fund 7035) line item C725E2, Local Parks, Recreation and Conservation projects. The remaining \$500,000 is provided through a FY 2023 GRF appropriation under line item 725520, Special Projects.

Alliance community projects

The bill redirects a \$125,000 earmark under the capital budget from the Alliance Thompson – Snodgrass Park to the Alliance Memorial Park. Under the bill the Alliance Memorial Park will receive a total of \$250,000.

Secretary of State

Electronic pollbooks

The bill creates the Electronic Pollbook Fund (Fund 5ZE0) and appropriates \$7.5 million in FY 2023 under new DPF Fund 5ZE0 line item 050638, Electronic Pollbooks, in the budget of the Secretary of State to cover the costs counties incur for the purchase of electronic pollbooks and ancillary equipment. Under the provision, the Secretary of State must calculate each county's proportionate share of this appropriation based on the number of registered voters in each county as recorded in the statewide voter registration database as of July 1, 2022. The payment to counties will be the lesser of 85% of their actual acquisition costs or whatever their allocation calculated by the Secretary of State, and paid to the county general fund. The bill transfers \$7.5 million from the GRF to Fund 5ZE0 to support the appropriation under new Fund 5ZE0. It reappropriates unused FY 2023 funding for the same purpose in FY 2024.

Data integrity

The bill appropriates \$250,000 in FY 2023 under GRF appropriation item 050321, Operating Expenses, and allows the Secretary of State to use this appropriation to fund programs, services, and activities that support public integrity, data analytics, and data transparency.

Department of Transportation

Regional Transportation Improvement Project

The bill appropriates \$150,000 in FY 2023 under GRF line item 772502, Local Transportation Projects, to be used by the Department of Transportation (ODOT) to support the Regional Transportation Improvement Project (RTIP) in Stark, Columbiana, and Carroll counties.

Education

Department of Education

School funding

The bill makes two changes to the state foundation aid formula, the largest source of state operating support for public schools. Under current law, disadvantaged pupil impact aid in the state foundation aid formula for traditional and joint vocational school districts is phased-in at 14% for FY 2023. The bill increases the phase-in percentage for FY 2023 to 33.33% to match the phase-in percentage for other components of the formula.

The bill also modifies the pupil transportation formula. Under current law, a district's base transportation funding is calculated, in part, by multiplying statewide average costs per rider and mile by a district's current year number of pupils transported and miles driven, respectively. The larger of these two measures is used for funding purposes. Under continuing law, the formula applies weights of 1.5 and 2.0 to the number of community and STEM school students and nonpublic school students transported by a district, respectively. The bill applies the same weights of 1.5 and 2.0 to the number of current year miles driven to transport them.

Combined, the two changes increase state foundation aid to school districts by about \$48 million in FY 2023. However, the bill does not increase appropriations for state foundation aid, which is mainly supported by the GRF. LBO expects a sufficient balance in existing GRF foundation aid appropriations to support the increased payments based on information supplied by the Ohio Department of Education (ODE).

Federal coronavirus school relief

The bill appropriates \$1.75 billion in FY 2023 to FED Fund 3HS0 line item 200640, Federal Coronavirus School Relief. ODE will use this appropriation to distribute federal emergency relief from the Elementary and Secondary School Emergency Relief (ESSER) Fund under the federal American Rescue Plan Act ("ARP ESSER") to school districts and community and STEM schools. ESSER funds are distributed to districts and schools in proportion to their share of federal Title I, Part A funds. Districts and schools may use the funds for a wide variety of activities, including responding to the pandemic, maintaining continuity of services, and any allowable activity under existing federal education funds. ARPA requires a district or school to use at least 20% of its ARP ESSER allocation to address learning loss.

Afterschool Child Enrichment Educational Savings Account Program

The bill makes a series of changes to the Afterschool Child Enrichment Educational Saving Account Program. H.B. 110 appropriates \$125 million for the FY 2022-FY 2023 biennium from the state activities allocation of federal coronavirus relief funds to finance this program, which provides funds to pay for a variety of enrichment opportunities for students to address learning loss in the wake of the pandemic. Under current law, the program provides an eligible student, upon the request of their parent or guardian, with \$500 each fiscal year that is credited to an account for the student. Ohio students ages six to 18 with family income at or below 300% of the federal poverty level (FPL) are eligible to receive the funds under current law. The bill expands program eligibility by increasing the family income threshold to qualify for an account to at or below 400% of FPL (using the family's adjusted gross income for eligibility) and qualifying other students meeting various criteria, increases the amount credited to an individual's account each

fiscal year from \$500 to \$1,000, and extends the program through FY 2024. The changes are intended to increase program participation and expenditures, which have not met the levels assumed for the program in the budget.

Ohio Facilities Construction Commission

School security grants

The bill appropriates \$112.0 million in FY 2023 from State Fiscal Recovery Fund (Fund 5CV3) line item 230650, ARPA School Security, to be used by the Ohio Facilities Construction Commission (OFCC) to award competitive grants of up to \$100,000 per school building to eligible public school districts and chartered nonpublic schools for building security and safety enhancements. It also authorizes the OFCC Executive Director to certify to the OBM Director an amount up to the unexpended, unencumbered balance of line item 230650 at the end of FY 2023 to be reappropriated to FY 2024, and reappropriates that amount. H.B. 687 of the 134th General Assembly appropriated \$100 million from Fund 5CV3 for the same purpose in the FY 2023-FY 2024 biennium.

Elimination of school storm shelter requirement

The bill prohibits the Board of Building Standards from requiring the installation of storm shelters in school buildings operated by public or private schools or undergoing or about to undergo construction, alteration, repair, or maintenance. The existing moratorium on the building code requirement for new public and nonpublic schools to have storm shelters expired on November 30, 2022.

This provision will decrease construction project costs for public districts and schools that were slated to begin a facilities project after the provision's effective date and would otherwise have needed to add a storm shelter to their facilities plans to comply with the building code requirement. If the school district's facilities project is funded under the Classroom Facilities Assistance Program (CFAP), the reduction in cost will be shared by the state and the district. CFAP provides state funding for school facilities based on each district's relative wealth. Lower wealth districts receive a larger percentage of their total project funding from the state and are funded before higher wealth districts.

Before the storm shelter requirement was slated to go into effect in November 2017, Ohio Facilities Construction Commission (OFCC) staff developed estimates of the cost to incorporate a storm shelter into public school construction projects that were in design at the time. According to OFCC's model, a storm shelter added an average of \$589,000 (3.8%) to the total cost of a new public school.

Broadcast Educational Media Commission

Ohio Government Telecommunications Service

The bill appropriates an additional \$90,000 in FY 2023 to GRF line item 935402, Ohio Government Telecommunications Services, in the Broadcast Educational Media Commission budget. This line item provides operating funds for the Ohio Governmental Telecommunications Service (OGT). OGT is responsible for providing coverage of the state legislature and other governmental activities, coordinating media events for the General Assembly, and providing educational documentaries about various subjects for Ohio citizens.

Department of Higher Education

Higher education grant program for adopted Ohio residents

The bill requires the Chancellor of Higher Education to establish a program to award one-time grants of \$2,500 to certain adopted Ohio students who enroll at a public or private two- or four-year higher education institution. Specifically, an eligible student under the program is a resident of the state who is adopted on or after January 1, 2023, through existing means specified in current adoption law (but not adopted by a stepparent) and enrolled at a qualifying higher education institution. Under the program, an eligible student applies to the Chancellor, who must then approve the application and distribute the grant to the qualifying higher education institution at which the recipient is enrolled. The institution must apply the grant to the recipient's cost of attendance for the academic year and apply any remaining amounts left after the academic year is over to the following year. Any unused grant funds remaining after a student graduates or disenrolls from the institution are returned to the Chancellor.

Generally, Department of Higher Education (DHE) operating expenditures will increase to administer and provide grants under the proposed program. Program costs are expected to start out relatively small and build over time, mostly because the bill restricts these grants to students who are adopted on or after January 1, 2023, and enrolled at a qualifying higher education institution. This means that the first students who would likely qualify for a grant will be students who are adopted in spring 2023 of their senior year of high school and enroll at a qualifying higher education institution for the 2023-2024 academic year. Thereafter, an additional cohort of individuals will become eligible each year until all individuals born and adopted on or after January 1, 2023, enroll at a higher education institution, which could be nearly two decades after the program begins.

Prelicensure nursing bachelor's degree programs

The bill requires the Chancellor of Higher Education to approve a prelicensure nursing bachelor's degree program proposal submitted by a community, state community, or technical college prior to September 30, 2022, and transmit that approved proposal to appropriate accreditation bodies. A community or technical college that meets this criteria and chooses to offer one of these programs will likely incur costs to establish one. However, any costs will be offset, at least in part, by increased revenue from additional state share of instruction (SSI) formula subsidy distributed by DHE for course and bachelor's degree completion and tuition paid by students enrolled in the new program. In FY 2022, the most recent year in which data is available, the average SSI distribution per student was \$5,666 for community and technical colleges.

Civil and criminal justice

Department of Public Safety

Supplemental appropriations

The bill appropriates \$1 million in FY 2023 to GRF line item 768425, Justice Program Services, to provide grants to child advocacy centers to coordinate the investigation, prosecution, and treatment of child sexual abuse while helping abused children heal.

Professional sports logo license plates

The bill modifies the number of sports commission board members formed for the purpose of receiving contributions from purchase of a state license plate with a professional team logo from 21 to at least 15, and eliminates the requirement that commission members be appointed by the mayor of the largest city, board of county commissioners of the county, and the largest convention and visitors' bureau in the area to be served by the commission. This provision will have no direct fiscal effect on the state or its political subdivisions.

Attorney General

Supplemental appropriations

The bill appropriates \$500,000 in FY 2023 to GRF appropriation item 055505, Pike County Capital Case. The amount is required to be used, subject to the approval of the Controlling Board, to defray the costs of capital case litigation in Pike County.

The bill appropriates \$900,000 in FY 2023 from the State Fiscal Recovery Fund (Fund 5CV3) to new appropriation item 055671, Ohio Crime Victim Justice Center.

Law Enforcement Reimbursement Training Pilot Program

The bill modifies the current pilot program for providing state funding for the cost of continuing professional training programs for peace officers and Ohio State Highway Patrol troopers (which is scheduled to end on December 31, 2022 and first authorized in H.B. 110 of the 134th General Assembly). Specifically, the bill permits law enforcement agencies that have received funding under the pilot to and have not used those funds to date, to retain the funds not used and must use the retained money only for paying the cost of future continuing professional training programs for its peace officers and troopers. The bill also extends until June 30, 2023, the original pilot program and modifies the mechanism for making the payments under the program during the period of the extension so that law enforcement agencies will be reimbursed for the costs of the training provided to their peace officers or troopers

The bill appropriates an additional \$5 million to GRF appropriation item 055509, Law Enforcement Reimbursement Training Pilot Program, in FY 2023 to support reimbursements for peace officer and trooper continuing professional training and administrative costs related to the extended pilot program. The existing appropriation in FY 2023, limited to the current CY 2022 pilot program (scheduled to end on December 31, 2022), is permitted to be used during the extension period (from January 1, 2023, until June 30, 2023).

Miscellaneous provisions

Reappropriations of certain funds

The bill reappropriates the unexpended balance of appropriation items under the following recovery and relief funds, at the end of FY 2023 to FY 2024: the Governor's Emergency Education Relief Fund (Fund 3HQ0), the CARES Act School Relief Fund (Fund 3HS0), the Emergency Rental Assistance Fund (Fund 5CV2), the State Fiscal Recovery Fund (Fund 5CV3), the Local Fiscal Recovery Fund (Fund 5CV4), the Coronavirus Capital Projects Fund (Fund 5CV5), and the Health and Human Services Fund (Fund 5SA4).

State and Local Fiscal Recovery Funds investment earnings

The bill requires the Director of Budget and Management to transfer quarterly any investment earnings credited to the State and Local Fiscal Recovery Funds (Funds 5CV3 and 5CV4) that were earned between March 30, 2021, and December 31, 2026, to the existing Controlling Board Emergency Purposes/Contingencies Fund (Fund 5KM0). The amount of investment earnings that may be transferred will depend upon a variety of factors, including the current cash balance of the funds at the time of the transfer, which will decrease over the time period noted above as expenditures are made by various state agencies.

DAS-accrued vacation leave cash conversion

The bill may increase annual cash outlays for state employers whose employees convert unused vacation time to cash. However, because vacation time would ultimately be paid out, there is no long term fiscal effect. The bill increases the number of hours of unused vacation leave certain employees may convert to cash each year. Specifically, for employees exempt from collective bargaining, the bill allows an employee with at least 200 unused vacation hours to convert up to 80 hours to cash. The bill also allows an exempt employee that has at least 100 hours of unused vacation leave to convert up to 40 hours to cash. Under the bill, these provisions do not apply to employees of the Supreme Court, the General Assembly, the Legislative Service Commission, the Secretary of State, the Auditor of State, the Treasurer of State, and the Attorney General unless those entities notify the Director of Administrative Services that their employees are eligible. In that case, those employees remain eligible until DAS is notified otherwise by the employing entity.

Boards and commissions extension

The bill extends for two years authorization for the Chiropractic Loan Repayment Advisory Board and the Holocaust and Genocide Memorial Education Commission, which are set to expire under the Sunset Review Law on December 31, 2022. Thus, any costs associated with these entities will continue over the next two years.

Special improvement districts (SIDs)

The bill specifies that a qualified nonprofit corporation is considered a SID only when it acts with respect to a purpose for which the SID is created, and not when it acts with respect to any other purpose for which the corporation is organized. The bill provides that the following laws, which normally apply to SIDs, apply to the corporation only when it is acting as a SID: (1) the Ethics Law, (2) the Public Records Law, (3) the Open Meetings Law, (4) the law governing wages and hours on public works, and (5) the law prohibiting public contracts from being awarded to persons found in contempt for failure to correct an unfair labor practice. Further the bill specifies that the corporation's officers, members, and directors, and their designees or proxies, are subject to the Ethics Law only when they act on SID business, and not when they act on other business of the corporation. This provision of the bill has no direct fiscal effect on the state's political subdivisions.

Public records

Veterans Memorial and Museum

The bill exempts all meetings of the board of directors of the nonprofit corporation that operates the Veterans Memorial and Museum from Open Meetings Laws and establishes that

records of the board or of the corporation are not public records under Public Record Laws. This provision of the bill has no direct fiscal effect on the state's political subdivisions.

Exemption of public insurance entities from public records requests

Exempts, with certain exceptions, records created, held by, or pertaining to the Ohio Fair Plan Underwriting Association, Ohio Insurance Guaranty Association, the Life and Health Guaranty Association, and the Ohio Automobile Insurance Plan from public records requests. This provision of the bill has no direct fiscal effect on the state's political subdivisions.

Mortgage recordation civil lawsuits

The bill prohibits a mortgagor or current owner of real property from collecting, through a class action lawsuit, \$250 in damages for failure on the part of the mortgagee, to record the satisfaction of a mortgage within 90 days. This provision pertains to such recordations that took place during calendar year 2020, and only pertains to the award of \$250 in damages. The bill specifies the prohibition does not impact any other legal remedies available.