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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 2\*  
135<sup>th</sup> General Assembly

## Bill Analysis

[Click here for H.B. 2's Fiscal Note](#)

**Version:** As Reported by Senate Finance

**Primary Sponsor:** Rep. Edwards

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## SUMMARY

### Appropriations

#### One Time Strategic Community Investments Fund

- Appropriates \$717 million to the Office of Budget and Management to fund projects from the One Time Strategic Community Investments Fund.

#### Capital appropriations and reappropriations

- Makes capital appropriations totaling \$3.51 billion for the FY 2025-2026 biennium, and authorizes about \$2.93 billion in new debt.
- Makes capital reappropriations totaling \$1.98 billion for the FY 2025-2026 biennium.

### Public Works Commission Law changes

- Revises several provisions of the Public Works Commission Law, including:
  - Sets a defined distribution percentage for allocating district public works integrating committees funds to political subdivisions under the State Capital Improvement Program, rather than a graduated percentage depending on the funding year;
  - Eliminates a requirement that the Director of the Public Works Commission (PWC) encourage the development of multidistrict projects by district public works integrating committees; and

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\* This analysis was prepared before the report of the Senate Finance Committee appeared in the Senate Journal. Note that the legislative history may be incomplete.

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June 26, 2024

- Eliminates a requirement that the PWC Director establish policies related to the need for long-term control through a lease of real property that is the subject of a Clean Ohio natural resource-related grant application.

### **State employee pay modification authority**

- Authorizes the Director of Administrative Services to temporarily modify pay ranges in current law to achieve pay parity between state employees who are not subject to the Public Employees' Collective Bargaining Law and those paid in accordance with a collective bargaining agreement that is effective on or after March 1, 2024.
- Limits any modification to the pay period that includes July 1, 2024, through the pay period that includes June 30, 2025.
- Requires the DAS Director to report any modification to the Controlling Board.

### **Emergency clause**

- Declares an emergency.

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## **DETAILED ANALYSIS**

### **Appropriations**

#### **One Time Strategic Community Investments Fund**

(Sections 200.20 and 200.30)

The bill appropriates \$717 million to the Office of Budget and Management to fund projects from the One Time Strategic Community Investments Fund, which was created in 2023 in H.B. 33 of the 135<sup>th</sup> General Assembly, the main appropriations act.<sup>1</sup>

The bill funds projects across communities in the state.

#### **Capital appropriations and reappropriations**

The bill appropriates \$3.51 billion in capital appropriations, including about \$2.98 billion in new debt. The bill also reappropriates about \$1.98 billion in capital funding.

### **Public Works Commission**

#### **Funding allocation – district public works integrating committee**

(R.C. 164.05, 164.08, and 164.14)

The bill modifies how district public works integrating committees allocate funds to political subdivisions under the State Capital Improvement Program (SCIP) by setting a defined percentage of the committee's annual allocation for the list of specified purposes. Current law establishes a graduated percentage depending on the funding year. For example, current law

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<sup>1</sup> Section 513.10, H.B. 33, 135<sup>th</sup> General Assembly.

might authorize a committee to issue between 0 and 22% of its annual allocation to entities seeking interest-free or low-interest loans, depending on the funding year. Under the bill, the limit is 10%, no matter which funding year. SCIP is used to finance local infrastructure capital improvement projects.

### **Other Public Works Commission Law revisions**

(R.C. 164.01, 164.05, 164.051, 164.06, 164.21, and 164.26)

The bill makes the following changes in the Public Works Commission Law:

1. Eliminates a requirement that the Director of the Public Works Commission (PWC) encourage the development of multidistrict projects by district public works integrating committees, but retains the requirement for multisubdivision projects;
2. Removes specific evaluation metrics and replaces them with a more general requirement that the PWC Director develop a standardized methodology for evaluating local capital needs that committees must consider when addressing a project;
3. Updates a type of assistance under SCIP from “local debt support and credit enhancements” to remove references to credit enhancements, but retains the definition and makes no changes to the types of support available; and
4. Eliminates a requirement that the PWC Director establish policies related to the need for long-term control through a lease of real property that is the subject of a Clean Ohio natural resource-related grant application.

### **State employee pay modification authority**

(Section 701.10)

The bill allows the Director of Administrative Services, in consultation with the Director of Budget and Management, to modify state employee pay schedules in continuing law to the extent necessary to achieve pay parity between the following groups of employees:

- State employees who are part of the state job classification plan (and paid in accordance with the statutory schedules) and who are not “public employees” under the Public Employees’ Collective Bargaining Law<sup>2</sup> (PECBL); and
- State employees who are paid in accordance with collective bargaining agreements entered into in accordance with the PECBL that are effective on or after March 1, 2024.

If the DAS Director modifies the pay ranges, the modification applies only to the time period beginning with the pay period that includes July 1, 2024, and ending with the pay period that includes June 30, 2025. The DAS Director must report any modification to the Controlling Board. If the DAS Director modifies the pay ranges, any reference to the pay ranges is to the modified pay ranges for that time period.

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<sup>2</sup> R.C. Chapter 4117.

Each state appointing authority may pay increased employee compensation required by a modification by the Director from current operating appropriations. If a modification takes effect after the pay period that includes July 1, 2024, an appointing authority must make a supplemental payment that covers the difference between the amount paid during that pay period and the amount of the modification. The supplemental payment must cover any pay period between the pay period that includes July 1, 2024, and the pay period that includes the effective date of the modification.

Between June 24 and July 5, 2024, members of the Ohio Civil Service Employees Association (OCSEA) will vote on whether to ratify a new collective bargaining agreement for state employees represented by the OCSEA. The current contract was extended until July 11, 2024.<sup>3</sup>

## Emergency clause

(Section 813.10)

The bill is declared to be an emergency measure, necessary for the immediate preservation of the public peace, health, and safety, and will go into immediate effect.

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## HISTORY

Action	Date
Introduced	06-17-24
Reported, S. Finance	--

ANHB002RS-135/sb

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<sup>3</sup> See [OCSEA e-newsletter June 12, 2024](#), which may be accessed by selecting the “NEWS” link on the OCSEA website: [ocsea.org](http://ocsea.org).