

Legislative Budget Office of the Legislative Service Commission

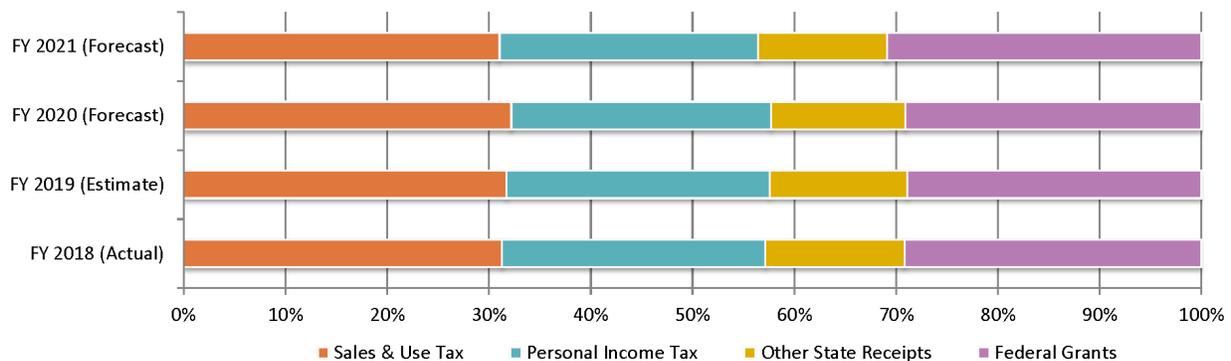
Main Operating Budget in Brief

House Bill 166 – As Enacted

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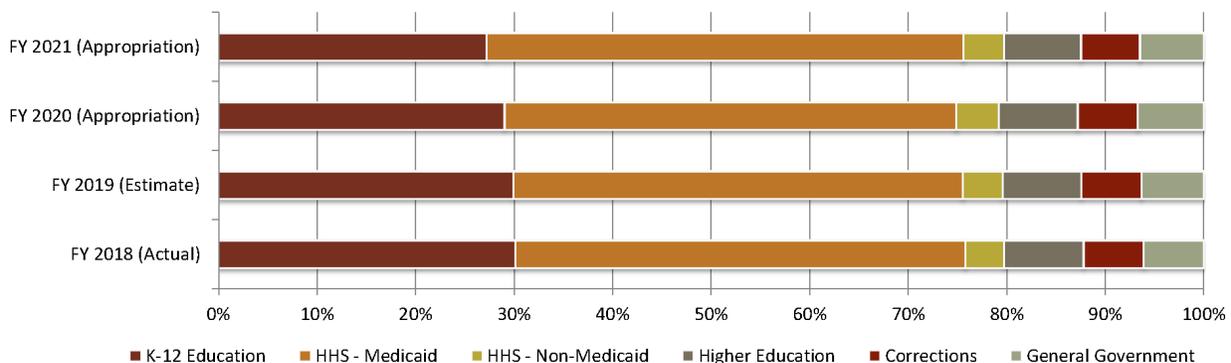
Where do GRF moneys come from?

Source (\$ millions)	FY 2018 (Actual)	FY 2019 (Estimate)	FY 2020 (Forecast)	FY 2021 (Forecast)
Sales & Use Tax	\$10,148.1	\$10,551.4	\$11,014.1	\$11,181.9
Personal Income Tax	\$8,411.0	\$8,600.0	\$8,721.6	\$9,155.2
Other Tax & Non-Tax Receipts	\$4,442.2	\$4,500.5	\$4,515.4	\$4,564.5
Federal Grants	\$9,469.9	\$9,615.8	\$9,954.5	\$11,146.2
GRF Source Total	\$32,471.2	\$33,267.7	\$34,205.6	\$36,047.8
% Change	—	2.5%	2.8%	5.4%
GRF Tax Total	\$22,423.2	\$23,093.5	\$23,725.9	\$24,326.3
% Change	—	3.0%	2.7%	2.5%



Where do GRF moneys go?

Program Category (\$ in millions)	FY 2018 (Actual)	FY 2019 (Estimate)	FY 2020 (Appropriation)	FY 2021 (Appropriation)
K-12 Education	\$9,562.9	\$9,728.3	\$9,838.0	\$9,754.0
Health & Human Services—Medicaid	\$14,482.5	\$14,825.6	\$15,549.9	\$17,388.6
Health & Human Services—Non-Medicaid	\$1,255.8	\$1,309.9	\$1,453.8	\$1,470.1
Higher Education	\$2,553.7	\$2,596.9	\$2,721.3	\$2,807.4
Corrections	\$1,940.3	\$1,993.0	\$2,069.5	\$2,149.8
General Government	\$1,932.0	\$2,046.9	\$2,267.3	\$2,321.7
GRF Program Total	\$31,727.2	\$32,500.6	\$33,899.8	\$35,891.7
% Change	—	2.4%	4.3%	5.9%



Notes: (1) Revenues may not equal expenditures in a given fiscal year due to factors such as carryover balances, encumbrances, and transfers.

(2) On July 18, 2019, the day after the end of the 17-day interim budget (S.B. 171), Governor DeWine signed H.B. 166, the main operating budget of the 133rd G.A. into law.

Appropriation Highlights

The budget provides state and federal GRF appropriations totaling \$33.90 billion for FY 2020 and \$35.89 billion for FY 2021, increases of 4.3% and 5.9%, respectively. Medicaid and K-12 Education account for 47.2% and 28.1%, respectively, of the biennial total. State-source GRF appropriations total \$23.94 billion in FY 2020 and \$24.74 billion in FY 2021, increases of 4.7% and 3.3%, respectively. K-12 Education and Medicaid represent 40.2% and 24.3%, respectively, of the biennial total. Across all funds, main operating budget appropriations total \$70.28 billion in FY 2020, an increase of 5.2%, and \$72.99 billion in FY 2021, an increase of 3.8%.

Medicaid, Health, and Other Human Services

- Across all agencies and funds, the Medicaid budget totals \$28.64 billion in FY 2020, an increase of 5.8%, and \$30.74 billion in FY 2021, an increase of 7.3%. About two-thirds of this spending will be reimbursed by the federal government. The GRF portion of this spending is \$15.55 billion (54.3%) in FY 2020 and \$17.39 billion (56.5%) in FY 2021.
 - * The state share of GRF Medicaid spending is \$5.59 billion in FY 2020 and \$6.24 billion in FY 2021. This spending grows (7.7% in FY 2020 and 11.5% in FY 2021) faster than overall Medicaid spending due partly to the decreases in federal reimbursement rates for the Children's Health Insurance Program (CHIP) and the Affordable Care Act (ACA) expansion population (Group VIII). The reimbursement rate for CHIP decreases from the current ACA-enhanced rate of 97% to about 85% beginning October 1, 2019 and then back to the regular match rate of about 74% beginning October 1, 2020. The rate for Group VIII decreases from 93.5% in FY 2019 to 91.5% in FY 2020 and 90.0% beginning in FY 2021. In FY 2021, lower growth in state non-GRF Medicaid spending also contributes to higher growth in state GRF Medicaid spending.
 - * The budget provides additional funding to increase the hourly rates for direct support personnel under Waiver programs administered by the Department of Developmental Disabilities and for certain PASSPORT and Assisted Living services. It also provides additional funding for ICFs/IID and nursing facilities and a supplemental dispensing fee for retail pharmacies under the care management system. The specified rate increases were vetoed by the Governor but the funding levels recommended by the Conference Committee on H.B. 166 are maintained.
- The budget provides \$9.75 million per year for the Recovery Ohio Law Enforcement initiative and earmarks in each year: (1) \$3.4 million for creating narcotics task forces focusing on cartel trafficking interdiction, (2) \$3.25 million for a specialized Narcotics Intelligence Center, (3) \$2.5 million for the task forces to build partnerships with local law enforcement, and (4) \$600,000 for a uniform records management and data intelligence system. It also provides \$5.2 million in FY 2020 to fund a forgivable loan to Ohio State for the development and clinical evaluation of a non-opiate, non-addictive pharmaceutical treatment intervention.
- The budget increases Fund 5T20 funding for ADAMHS Boards from \$5 million in FY 2019 to \$21 million in FY 2020 and earmarks \$9.25 million of the increase to develop and expand crisis services infrastructure to support families in a variety of settings. FY 2021 funding for ADAMHS Boards is \$11 million. It also increases funding for Chronic Disease, Injury Prevention and Drug Overdose by 119.6% to \$7.7 million in FY 2020 and 3.0% to \$7.9 million in FY 2021 to increase naloxone access, to create a loan repayment program, and to expand public health education.
- The budget increases the Veterans' Homes appropriation by 51.6% to \$41.4 million in FY 2020 and 9.6% to \$45.4 million in FY 2021 to serve veterans with more complex health-related challenges with person-centered care in Ohio's veterans homes. It also provides \$3 million per year for the transcranial magnetic stimulation pilot program for veterans with substance use disorders or mental illness.
- The budget provides \$186.1 million in FY 2020 for Family and Children Services, an increase of 140.9% over FY 2019, and \$186.4 million in FY 2021. It requires not less than \$125.0 million per year to be used to support county public children services agencies (PCSAs) and earmarks another \$25.0 million per year to prevent youth from entering custody of a PCSA and to provide support services from multiple systems and \$8.5 million per year to support the Kinship Care Navigator Program. The budget also provides \$2.5 million per year to fund services to reduce homelessness in youth and pregnant women.
- Funding for Continuum of Care Services increases from \$76.7 million in FY 2019 to \$84.0 million in FY 2020 and \$82.8 million in FY 2021. The increased funding is primarily used to expand OhioSTART, an intervention program that serves children who have a parent with a substance abuse issue. The budget provides \$6 million in FY 2020 and \$12 million in FY 2021 in Medicaid funding to prevent custody relinquishment of multi-system children and youth. It also provides \$4.8 million per year, an increase of \$3.3 million over FY 2019, for rape crisis centers and \$1.0 million per year for domestic violence programs.
- The budget increases funding for Environmental Health/Radiation Protection to \$2.8 million per year, an increase of \$1.6 million over FY 2019, to abate and demolish lead-blighted properties for lower-income families and reimburse individuals for the cost of becoming licensed in lead abatement. The budget also creates a nonrefundable lead abatement tax credit with a cap of \$5 million per year.
- FY 2021. The significant funding increase in FY 2020 will be used to support several largely one-time funding initiatives, including \$18.0 million for the K-12 prevention education material and resource initiative, \$13.0 million to expand statewide multi-media prevention, treatment, and stigma reduction campaigns, and \$5.0 million to expand the number of individuals, including law enforcement, trained in mental health first aid.
- The budget increases funding for Help Me Grow by 51.5% to \$30.3 million in FY 2020 and 29.7% to \$39.3 million in FY 2021 to increase home visiting services for at-risk, expectant mothers to reduce infant mortality and increases funding for Infant Mortality Health Grants from \$1.0 million in FY 2019 to \$3.0 million per year. It also provides \$5 million in FY 2020 to support childhood literacy efforts in the state.

K-12 Education

- School foundation aid is appropriated at \$8.66 billion in FY 2020, an increase of \$290.5 million (3.5%) over FY 2019, and \$8.79 billion in FY 2021, an increase of \$132.5 million (1.5%) over FY 2020. The budget distributes this aid in three components: (1) the first component provides every school district and joint vocational school district (JVSD), in both FY 2020 and FY 2021, the same amount of formula aid received in FY 2019; (2) the second component provides \$275 million in FY 2020 and \$400 million in FY 2021 under the new Student Wellness and Success Funds (SWSF) initiative; and (3) the third component provides \$15.5 million in FY 2020 and \$23 million in FY 2021 for districts experiencing enrollment growth between FY 2016 and FY 2019. SWSF and enrollment growth funds will both be distributed based on where students are enrolled.
 - * The enrollment growth supplement provides a base per pupil funding of \$20 in FY 2020 and \$30 in FY 2021, which will then be adjusted up or down based on a district's average annual enrollment growth between FY 2016 and FY 2019.

* The base SWSF will be allocated to school districts, JVSs, and community schools based on the number of students they educate and according to a sliding scale based on federal census poverty data. The per pupil amounts range from \$20 to \$250 per pupil in FY 2020 and from \$30 to \$360 per pupil in FY 2021. The enhanced SWSF provides rural low-income districts with an additional per pupil amount of \$50 in FY 2020 and \$75 in FY 2021 adjusted by the district's poverty index. Every school district, JVSD, and community school is guaranteed to receive a minimum of \$25,000 in FY 2020 and \$36,000 in FY 2021. Schools are required to use the SWSF funds for certain services that address the non-academic barriers to student success. They are also required to coordinate with at least one community partner in utilizing SWSF funds and report annually on how the SWSF funds were spent.

- The budget increases the current biennium's capital funding for the school building assistance program by \$100 million and provides \$20 million in FY 2021 to reestablish the school bus purchase assistance program.
- The budget provides \$57.2 million in FY 2020 and \$121.0 million in FY 2021, increases of 20.0% and 111.5%, respectively, for the income-based EdChoice expansion. These increases are used to provide additional scholarships as the program expands to all grades for the first time beginning in FY 2021. The budget maintains the FY 2019 maximum amounts of \$6,000 for high school students and \$4,650 for elementary school students for both EdChoice and Cleveland Scholarship programs.
- The budget provides \$30 million per year for the newly established Quality Community School Support initiative. This funding will be distributed to a community school designated as a Community School of Quality on a per pupil basis (\$1,750 for each economically disadvantaged student and \$1,000 for each student who is not designated as economically disadvantaged). It also provides \$20.6 million per year, an increase of \$4 million over FY 2019, to fund community school facilities.
- The budget provides \$3 million in FY 2020 to support graduate coursework for high school teachers to earn credentialing to teach College Credit Plus courses in a high school setting and \$1.5 million in FY 2020 to support teachers to receive credentialing to teach computer science.

Higher Education and Workforce Development

- The budget limits the increases to in-state undergraduate tuition charged by state universities and their regional campuses to 2% per year and authorizes community and technical colleges to increase the tuitions by up to \$5 per credit hour per year. The budget subjects certain fee increases to the approval of the Department of Higher Education (DHE). It also requires, instead of authorizes as under current law, each state university to establish an undergraduate tuition guarantee program.
- The state share of instruction (SSI) is funded at \$2.02 billion in FY 2020, an increase of 2.1%, and \$2.04 billion in FY 2021, an increase of 1.0%. The budget earmarks \$1.55 billion in FY 2020 and \$1.57 billion in FY 2021 for universities and their regional campuses and \$465.4 million in FY 2020 and \$470.1 million in FY 2021 for community and technical colleges. The budget requires institutions to use the annual increases to provide need-based aid, counseling, support services, and workforce preparation services to students. It establishes the Employment Metrics Consultation to study weights for post-graduation employment measures to be incorporated into the SSI formula.
- The budget increases overall funding for the Ohio College Opportunity Grant (OCOG), a need-based student financial aid program by 21.2% per year to \$122.3 million in FY 2020 and \$148.2 million in FY 2021. The earmark for public and private nonprofit institution students increases from \$95.4 million in FY 2019 to \$116.6 million in FY 2020 and \$142.6 million in FY 2021. The remainder (about \$5.6 million per year) is for private for-profit career college students.
- Funding for Choose Ohio First Scholarships increases by 74.1% to \$28.2 million in FY 2020 and 42.6% to \$40.2 million in FY 2021 to fund additional scholarships that target under-represented student populations in STEM disciplines and education. Funding for War Orphans and Severely Disabled Veterans' Children Scholarships increases by 33.3% to \$11.2 million in FY 2020 and 12.0% to \$12.5 million in FY 2021. National Guard Scholarship funding increases by 1.0% to \$20.6 million in FY 2020 and 3.0% to \$21.2 million in FY 2021.
- The budget provides \$25 million per year for the newly established Industry-Recognized Credentials High School Students initiative and earmarks this funding in each year as follows: (1) \$8 million for payments to schools whose students earn an industry-recognized credential or an equivalent certification, (2) \$12.5 million for the Innovative Workforce Incentive Program that will provide \$1,250 for each qualifying credential earned by a student, and (3) \$4.5 million to assist schools in establishing credentialing programs that qualify for the Innovative Workforce Incentive Program.
- The budget provides \$15 million per year for the new TechCred program and \$2.5 million per year for regional industry sector partnership grants. It also increases capital funding for workforce based training and equipment by \$8 million.
- The budget provides \$25.0 million in FY 2020 to reestablish the Rural Industrial Park Loan program. Funding for Appalachia Assistance increases from \$7.6 million in FY 2019 to approximately \$15.0 million in each of FY 2020 and FY 2021. State funding for Adult Basic and Literacy Education increases from \$7.1 million in FY 2019 to \$8.1 million per year (14.1% over FY 2019).

H2Ohio, Natural Resources, and State & Local Governments

- The budget creates the H2Ohio Fund and directs \$172 million of FY 2019 GRF surplus revenue to be deposited into the Fund to support programs that align with the statewide strategic vision and comprehensive water protection and restoration strategy. Appropriations for these programs total \$85.2 million in FY 2020 under the agency budgets of Agriculture, EPA, and Natural Resources. The budget allows the Controlling Board to establish additional appropriations in FY 2021 and requires 50% of FY 2021 GRF surplus revenue to be deposited into H2Ohio.
- The budget provides additional capital funding of \$50 million to purchase the land around the new Jesse Owens State Park area and \$20 million to supplement state park operations. It also provides \$4.7 million in capital funding for county and independent agricultural societies.
- The budget increases GRF funding for county indigent defense reimbursements by \$60.1 million (177.8%) in FY 2020 to \$94.0 million and by \$37.7 million (40.1%) in FY 2021 to \$131.7 million. The budget also provides \$1 million in FY 2020 to defray the costs of ongoing capital case litigation in Pike County and \$3 million per year to support staff retention for community based correctional facilities.
- The budget provides new funding of \$10 million per year to partially offset the costs of financial and performance audit services performed by the Auditor of State for local governments and school districts.
- The budget provides \$11 million in FY 2020 to assist eligible local governments in meeting the match requirement for federal disaster aid.
- The Public Library Fund's share of total GRF tax revenue increases from 1.68% in FY 2019 to 1.70% in FY 2020 and FY 2021 while the Local Government Fund's share increases from 1.66% in FY 2019 to 1.68% in FY 2020 and FY 2021.
- The budget provides \$11.0 million in FY 2020 and \$12.0 million in FY 2021 for marine cargo terminal construction and repair grants.
- InnovateOhio is funded at \$9.0 million per year to use data and technology to improve state agency operations and efficiencies.

Total (State and Federal) GRF Appropriations by Agency

Agency	FY 2018 (Actual)	FY 2019 (Estimate)	FY 2020 (Appropriation)	FY 2021 (Appropriation)
Department of Medicaid	\$13,806,565,296	\$14,142,519,498	\$14,770,121,958	\$16,593,035,654
Department of Education	\$7,994,050,683	\$8,117,761,609	\$8,187,203,556	\$8,079,038,142
Department of Higher Education	\$2,553,677,184	\$2,596,873,372	\$2,721,287,310	\$2,807,425,214
Revenue Distribution Fund	\$1,802,418,596	\$1,814,800,000	\$1,842,600,000	\$1,858,251,000
Department of Rehabilitation and Correction	\$1,732,198,252	\$1,776,999,596	\$1,843,040,272	\$1,914,273,370
Department of Job and Family Services	\$750,693,273	\$782,633,463	\$916,880,385	\$907,616,562
Department of Developmental Disabilities	\$674,344,871	\$679,962,005	\$735,826,663	\$751,961,612
Ohio Facilities Construction Commission	\$408,435,353	\$442,590,743	\$452,920,833	\$462,079,134
Department of Mental Health and Addiction Services	\$401,319,351	\$423,316,557	\$444,090,887	\$457,479,940
Public Works Commission	\$250,749,698	\$260,928,572	\$273,557,600	\$276,149,300
Department of Youth Services	\$208,142,634	\$215,974,377	\$226,464,976	\$235,507,551
Judiciary/Supreme Court	\$159,405,697	\$173,182,592	\$187,899,715	\$191,269,380
Department of Administrative Services	\$162,702,824	\$154,207,716	\$152,533,075	\$163,853,139
Development Services Agency	\$128,834,339	\$136,629,778	\$162,465,102	\$156,085,975
Department of Natural Resources	\$107,354,962	\$110,141,779	\$129,732,941	\$134,631,850
Department of Health	\$74,352,289	\$75,779,412	\$99,192,943	\$108,189,610
Department of Taxation	\$66,524,041	\$69,903,545	\$61,437,717	\$62,529,386
Attorney General	\$47,749,067	\$60,836,372	\$87,229,809	\$87,619,995
Department of Agriculture	\$21,741,800	\$47,633,938	\$54,909,927	\$54,429,329
Ohio Public Defender Commission	\$36,372,578	\$38,043,406	\$99,686,145	\$138,265,240
Department of Veterans Services	\$36,977,532	\$35,322,770	\$51,107,964	\$55,730,291
Legislative Service Commission	\$26,447,962	\$33,410,668	\$32,727,020	\$33,555,020
Auditor of State	\$29,117,496	\$30,290,670	\$30,290,670	\$30,359,612
Department of Public Safety	\$19,581,978	\$27,774,799	\$50,517,099	\$40,107,900
House of Representatives	\$21,595,856	\$25,917,274	\$25,917,274	\$25,917,274
Pension Subsidies	\$20,346,475	\$25,900,000	\$34,703,000	\$35,053,000
Opportunities for Ohioans with Disabilities Agency	\$16,055,715	\$16,056,210	\$17,931,310	\$19,350,210
Senate	\$12,144,616	\$15,902,029	\$15,902,029	\$15,902,029
Department of Aging	\$14,684,780	\$14,949,726	\$19,342,491	\$20,816,004
Ohio Arts Council	\$14,991,914	\$14,677,781	\$17,177,781	\$17,273,578
Department of Transportation	\$15,242,442	\$13,424,886	\$8,444,687	\$8,444,687
Ohio History Connection	\$11,800,447	\$11,800,448	\$14,698,948	\$14,734,948
Treasurer of State	\$10,880,552	\$11,464,056	\$11,463,075	\$11,464,675
Ohio School for the Deaf	\$10,656,702	\$11,228,591	\$13,082,919	\$13,594,347
Ohio State School for the Blind	\$9,979,046	\$10,507,510	\$12,440,519	\$12,576,088
Secretary of State	\$1,532	\$10,000,000	\$12,100,196	\$14,263,396
Broadcast Educational Media Commission	\$9,259,206	\$9,260,928	\$9,801,131	\$9,726,131
Environmental Protection Agency	\$8,957,192	\$8,919,594	\$12,811,610	\$12,546,610
Adjutant General	\$10,893,355	\$8,609,764	\$10,985,897	\$10,992,258
Ohio Civil Rights Commission	\$5,039,347	\$5,664,776	\$5,863,161	\$5,863,161
State Library Board	\$5,307,686	\$5,343,236	\$5,343,236	\$5,343,236
Office of Budget and Management	\$4,239,673	\$5,092,522	\$4,613,824	\$4,439,089
State Employment Relations Board	\$3,666,636	\$3,939,380	\$3,998,046	\$4,136,626
Capitol Square Review and Advisory Board	\$3,834,297	\$3,866,631	\$5,171,204	\$5,188,267
Court of Claims	\$2,946,148	\$3,189,699	\$3,549,611	\$3,579,473
Office of the Governor	\$2,107,849	\$2,775,943	\$2,914,740	\$2,973,034
Commission on Minority Health	\$2,453,163	\$2,592,851	\$4,667,407	\$4,687,654
Veterans' Organizations	\$1,853,665	\$1,887,986	\$2,105,256	\$2,105,424
Board of Tax Appeals	\$1,425,735	\$1,857,751	\$1,845,494	\$1,857,751
Ethics Commission	\$1,457,245	\$1,745,873	\$1,821,515	\$2,068,492
Inspector General	\$1,329,305	\$1,401,581	\$1,512,881	\$1,509,581
Board of Embalmers of Funeral Directors	\$0	\$0	\$1,000,000	\$1,000,000
Judicial Conference of Ohio	\$716,365	\$715,163	\$963,500	\$911,305
Joint Legislative Ethics Committee	\$520,603	\$644,486	\$625,000	\$625,000
Environmental Review Appeals Commission	\$549,365	\$613,445	\$634,000	\$653,000
Joint Medicaid Oversight Committee	\$305,195	\$588,597	\$361,365	\$528,681
Joint Committee on Agency Rule Review	\$411,222	\$576,885	\$570,000	\$570,000
Commission on Hispanic/Latino Affairs	\$427,907	\$463,777	\$464,888	\$464,047
Ohio Elections Commission	\$418,774	\$435,221	\$435,221	\$435,221
Joint Education Oversight Committee	\$301,663	\$398,336	\$100,000	\$0
Expositions Commission	\$363,750	\$363,750	\$363,750	\$363,750
Commission on Service and Volunteerism	\$301,000	\$305,593	\$307,176	\$305,971
<i>GRF - State</i>	\$22,248,138,878	\$22,867,703,622	\$23,940,570,170	\$24,739,163,423
<i>GRF - Federal</i>	\$9,479,085,299	\$9,632,895,893	\$9,959,196,340	\$11,152,542,781
GRF - Total	\$31,727,224,177	\$32,500,599,515	\$33,899,766,510	\$35,891,706,204
Medicaid				
<i>GRF - State</i>	\$5,003,429,744	\$5,192,683,622	\$5,590,665,878	\$6,236,062,612
<i>GRF - Federal</i>	\$9,479,085,299	\$9,632,895,893	\$9,959,196,340	\$11,152,542,781
GRF - Total	\$14,482,515,043	\$14,825,579,515	\$15,549,862,218	\$17,388,605,393
Non-GRF - Total	\$11,860,144,030	\$12,233,167,548	\$13,088,058,578	\$13,353,194,488
All-Funds - Total	\$26,342,659,073	\$27,058,747,063	\$28,637,920,796	\$30,741,799,881