

INVESTING in Ohio's FUTURE

BUDGET OF THE STATE OF OHIO | FISCAL YEARS 2022-2023

Investing in Ohio's Future: Thriving Economy

A thriving economy is how Ohio prospers in 2021 and beyond.

Ohio's economy was strong before the onset of the worldwide COVID-19 pandemic. Although Ohio continues on the path to recovery and is above the national average on Moody's Analytics/CNN's Back-to-Normal Index, the pandemic has significantly impacted certain sectors of the economy.

Ohioans are resilient. We are pioneers, and we are innovators. We see opportunity in the challenge, and the new Operating Budget will assist Ohioans by investing in our communities, businesses, and economy. The Operating Budget includes a \$1 billion **Investing in Ohio Initiative**, an aggressive plan to accelerate economic growth and ensure economic vitality. By making targeted investments, Ohio will address disparities, build prosperity, and set the state on the road to a bright future.

Investing in Ohio by Sustaining Our Businesses

Recognizing that some sectors – such as entertainment, hospitality, and new businesses – have been hit especially hard by the pandemic, Ohio's Operating Budget, combined with recently-signed legislation invests \$460 million to help these entities cover costs and keep their doors open. The Operating Budget will:

- Provide funding for grants of up to **\$30,000 to assist bars and restaurants** that have been severely impacted by the pandemic.
- Provide funding for grants up to **\$30,000 to support lodging industry businesses** that have seen a significant occupancy reduction during the pandemic.
- Provide funding for grants up to **\$30,000 to support entertainment venues** that have been most impacted by the pandemic, including movie theaters, bowling alleys, trampoline parks, and privately-owned museums.
- **Assist new businesses across the state** that opened their doors after January 1, 2020, with grants of up to \$10,000 each. These critical grants will help our newest entrepreneurs make it through this challenging time.

Reduce Tax Burden on Ohioans

We are in a position to lead in the economic resurgence now. This budget is focused on the right things at the right time -- starting with an historic income tax cut that ensures that every Ohio taxpayer gets to keep more of his or her hard-earned money. This includes 125,000 lower-income taxpayers who paid state income taxes before, but will now pay ZERO income tax. The budget also reduces the tax burden for everyone else and streamlines the system, reducing the maximum rate to the lowest level in 40 years.

This includes \$2 billion in tax cuts for all Ohioans over the next two years. Ohioans will keep more of their pay, allowing them to increase their spending power and enhance their ability to invest in their family's future. Reduced income tax rates will make Ohio an even more attractive and affordable place to work and do business.

Investing in Ohio by Enhancing Our Communities

Through a **\$750 million** investment, Ohio will support key community revitalization and brownfield remediation efforts, as well as the development and adoption of a more robust broadband network in communities throughout the state. The enacted Operating Budget will:

- **Invest \$500 million** to support brownfield remediation, building demolition, and site renovation grants to revitalize neighborhoods and improve sites for future development.
- **Invest \$250 million** to expand access to broadband for Ohio households that lack basic connectivity necessary to be part of the modern economy, education system, and the healthcare system.

Investing in Ohio by Growing a Skilled Workforce

We are investing in programs to help tens of thousands of Ohioans upskill and find success in new careers and ensure businesses can access the talent needed in today's economy. While assisting Ohioans in accessing high-demand, quality-wage careers, these initiatives also ensure businesses have access to the talent needed in today's economy and make targeted workforce investments in rural and urban parts of the state. This Operating Budget will:

- **Fund an additional 40,000 technology-focused credentials** through the TechCred Program (including the Individual Microcredential Assistance Program) in Fiscal Years 2022 and 2023.
- **Invest \$41 million** so Ohio high school graduates enter the workforce job-ready. This program will allow over 70,000 students to receive credentials for in-demand jobs even before high school graduation and will assist our high schools with creating programs to offer these industry-recognized credentialing programs.
- **Expand Ohio to Work** to help Ohioans facing job loss connect with a career coach, supportive services, and rapid re-training to become employed in an in-demand job.
- **Fund the Industry Sector Partnership Grant** to support partnerships among businesses, schools, training providers, and community leaders, strengthening the local workforce.

- **Invest \$7 million** for students to obtain short-term certificates or industry-recognized credentials at a community college, technical college, or an Ohio Technical Center in an in-demand job.

Expanding Access to Affordable Childcare

The Operating Budget will ease the burden on low-income working parents and caregivers who struggle to provide adequate childcare. By raising family initial income eligibility requirements from 130 percent to 142 percent of the Federal Poverty Level (FPL), and 150 percent FPL for special needs children, more children will receive the care, supervision, and developmental opportunities they need.

Supporting K-12 Learning

As Ohio recovers from the pandemic, we must help kids who were left behind academically and continue to support students with the most need. Investing in children allows us to strengthen our future workforce and economy. The Fiscal Years 2022 and 2023 Operating Budget invests **\$1.7 billion** (8.7%) more in state funding for K-12 schools than in the prior biennium. This record state investment funds schools to support the education of Ohio's 1.7 million schoolchildren.

The Budget implements a new school funding formula with increased support for schools and districts and provides more Ohio families access to educational choice options than ever before. The new funding formula also continues support for programming to meet students' social and emotional needs by including student wellness and success inside of its base cost for all students.

The new school funding formula includes dedicated funding for Student Wellness and Success, supporting the Governor's goal of ensuring that schools prioritize these important services for kids. These services, including physical and mental health services, after-school programming, and family supports are vital to the success of kids. Under the legislature's new funding plan, these services are built into the formula. Schools will be notified of how much of their funding is dedicated to Student Wellness and will be spending that amount on these supports.

The Budget invests **\$50 million** in funding to assist schools with purchasing new school buses through the School Bus Purchase Program, which will allow districts to replace the oldest and highest mileage buses in their fleet.

Increased funding of **\$42 million** per year will provide additional per-pupil funding to support brick and mortar community schools through the Community School Facilities Program. To encourage and identify high-quality charter schools, the Budget will increase the Quality Community School Support Fund to **\$54 million** per year. To access these funds, charter

schools must meet several academic, good-standing, and financial criteria set forth by the Department of Education. These funds will help successful charter schools build the capacity to serve more Ohio students.

The Budget allocates **\$125 million** in federal funds to establish Afterschool Child Enrichment Education Savings Accounts. This program will provide \$500 to support afterschool and extended learning initiatives for up to 250,000 students whose family income is at or below 300 percent of the Federal Poverty Guidelines.

Additionally, **\$1.6 billion** in federal funding will support child nutrition programs, including the National School Lunch, National School Breakfast, and Child and Adult Food. These programs reimburse schools, childcare centers, after-school programs, and adult day centers for providing nutritious meals and snacks that contribute to the health and wellness of children, older adults, and chronically disabled persons.

The Fiscal Years 2022 and 2023 funding levels allow the Department of Education to leverage state and federal funds to promote high-quality professional development and school improvement initiatives. This includes targeted support for students with disabilities, literacy improvement, social and emotional learning, and promoting the use of data to improve learning for all students. The Budget promotes local partnerships, which are essential to student success and school improvement.

Prioritizing Higher Education and Student Scholarship Programs

Ohio prioritizes access to a quality college education for all students to create more opportunities to succeed. The cost of higher education is a barrier to many students to obtain a degree and the skills necessary to compete in today's fast-paced economy. The Operating Budget will:

- **Raise the per-student Ohio College Opportunity Grant award by at least \$500** over the biennium to offer more need-based financial aid and make college more accessible.
- **Provide at least 2,000 new scholarships** through the Choose Ohio First scholarship program, which helps students become skilled in high-demand areas and prioritizes awards for underrepresented populations enrolled in the critical STEMM disciplines of science, technology, engineering, and math.
- **Continue to support Ohio's wide range of colleges and universities** throughout the state by increasing our investment in the State Share of Instruction institutional subsidy by 1.8 percent over the biennium to maintain quality and provide support services.

