

Governor Mike DeWine signed into law, House Bill 110, the \$74 billion two-year state operating budget. Shaped in part by the COVID-19 pandemic, and strong revenue projections, the FY 22-23 budget creates a new school funding formula, funds broadband expansion and cuts income taxes. Notably, the plan includes no new taxes and utilizes none of the over \$2 billion “rainy day fund.”

Budget highlights include:

Education and School Funding

- Enacts the Fair School Funding Plan, “Cupp-Patterson”
- Direct funding for voucher programs and charter schools
- Expands EdChoice Program eligibility
- Allows for employees of non-public chartered schools to administer doctor-prescribed medications to students

Broadband Expansion

- \$250 million for broadband expansion projects
- Removes proposal to limit local governments from offering broadband services

Tax Policy

- Provides across-the-board income tax cut of 3%
- Eliminates top income tax bracket
- Ohioans who paid municipal income taxes to cities where their home office was located during the pandemic can seek a refund for 2021
- Creates the Federally Subsidized Housing Study Committee to make recommendations about valuation of subsidized residential property

Health Care and Medicaid

- Creates a hospital licensure program phased in over three years – with one year to make rules and two years to gain compliance
- Extends postpartum coverage for Medicaid recipients from two months after the birth of a child to one year after the birth of a child
- Establishes a Medicaid Cost Assurance Pilot Program for expansion eligibility group (Group VIII)
- Requires ODM to submit to CMS a State Plan Amendment (SPA) to enter into value-based purchasing agreements with pharmaceutical manufacturers

Local Government

- Eliminates “open/remote” meetings extension; effective July 1

H2Ohio Program

- \$168.8 million in funding administered through Ohio Department of Agriculture, ODNR and Ohio EPA
- \$4 million Pilot Program at Shallow Run Watershed in Hardin County

Lawmakers voted the bill out of the General Assembly on Monday evening with bipartisan support; a vote of 82-13 in the House of Representatives and a vote of 32-1 in the Ohio Senate. The last minute vote left Governor DeWine just two days to review conference committee changes and issue vetoes.

Governor DeWine vetoed 14 items, which is a relatively low number of vetoes for a budget bill and for the most part avoided addressing the most controversial provisions of the budget. Some of the vetoes include the following, and the full list can be viewed here.

Governor DeWine Veto Highlights

- Vacating COVID-19 fines
- Lawsuit Intervention by General Assembly
- Medicaid rates and managed care procurement
- School vouchers administrative procedures
- Changing community school sponsors

As always, do not hesitate to reach out to any of us with additional questions or concerns.

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