



OHIO ASSOCIATION OF  
COMMUNITY COLLEGES

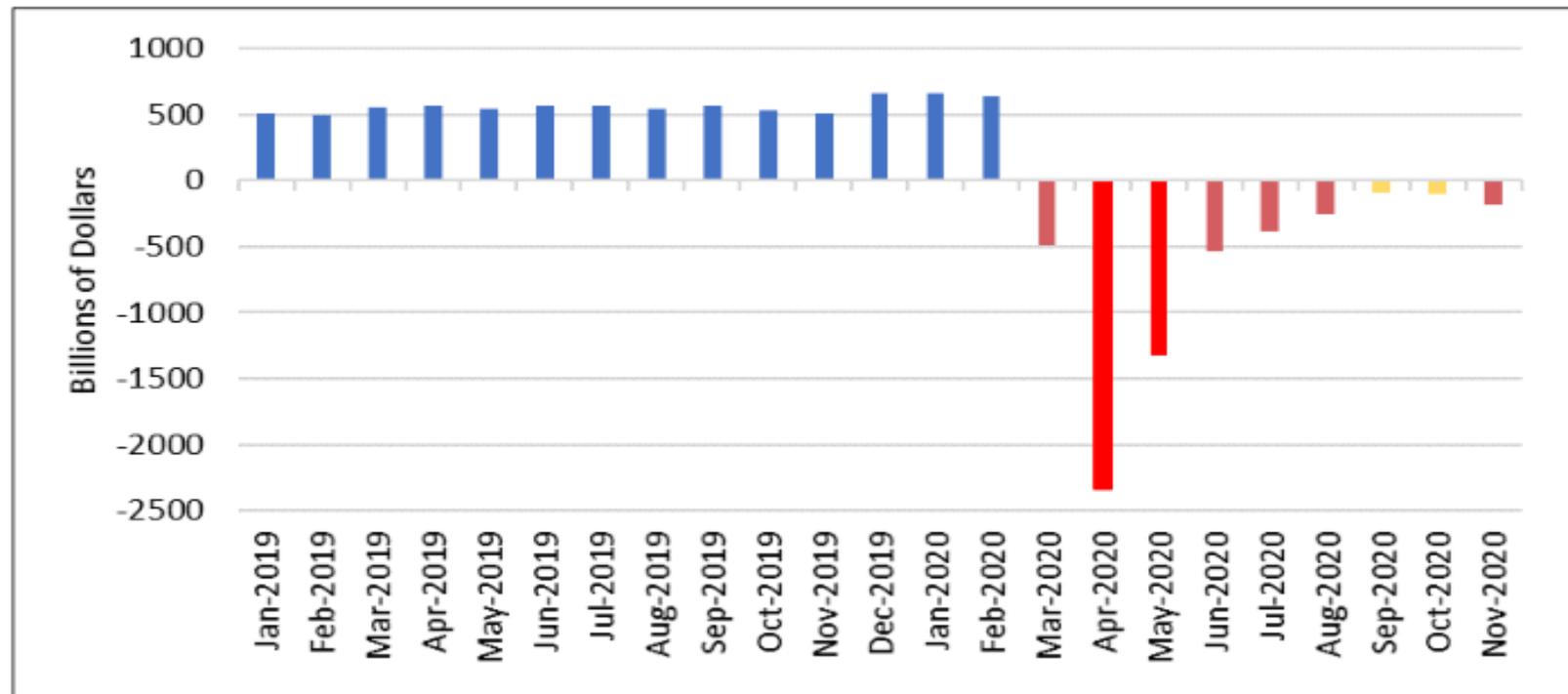
**STATE OF THE STATE**  
*BUDGET & POLICY UPDATE*

JACK HERSHEY | FEBRUARY 11TH, 2021

# WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

CONSUMER SPENDING DROPPED BECAUSE PEOPLE WERE AFRAID TO GO TO STORES, AND BECAUSE OF STAY-AT-HOME ORDERS.

Figure B-2: Year-Over-Year Change in Personal Consumption Spending  
(dollars in billions)

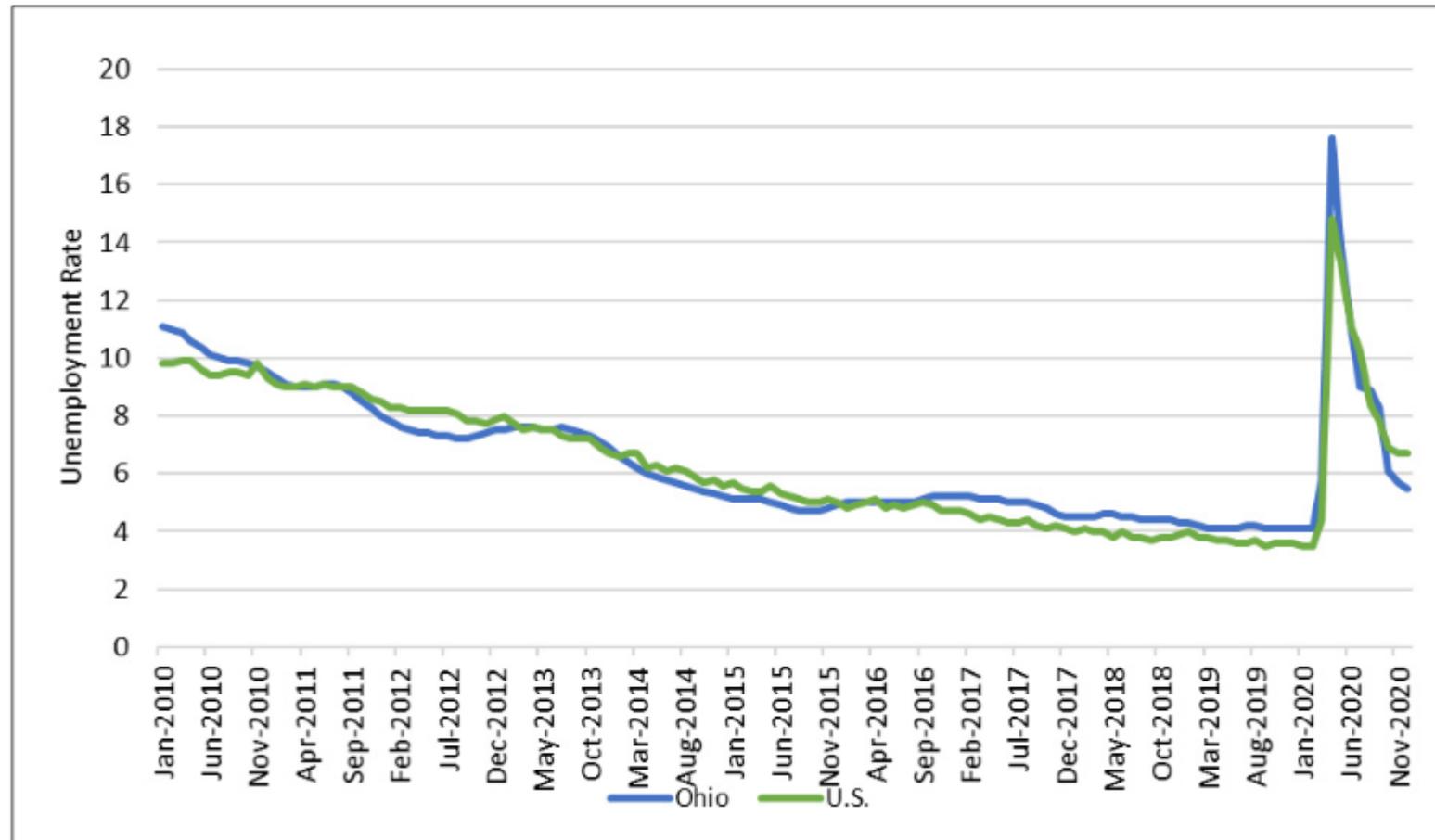


Source: Bureau of Economic Analysis via FRED

# WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

## OHIO UNEMPLOYMENT RATE SPIKED TO 17.6% IN APRIL

Figure B-4: U.S. and Ohio Unemployment Rates, 2010 – 2020



Source: Bureau of Economic Analysis via FRED

# WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

\$2.2 TRILLION IN FEDERAL RELIEF PACKAGE BOLSTERED THE ECONOMY - REPRESENTS 10% OF THE PRE-PANDEMIC GDP

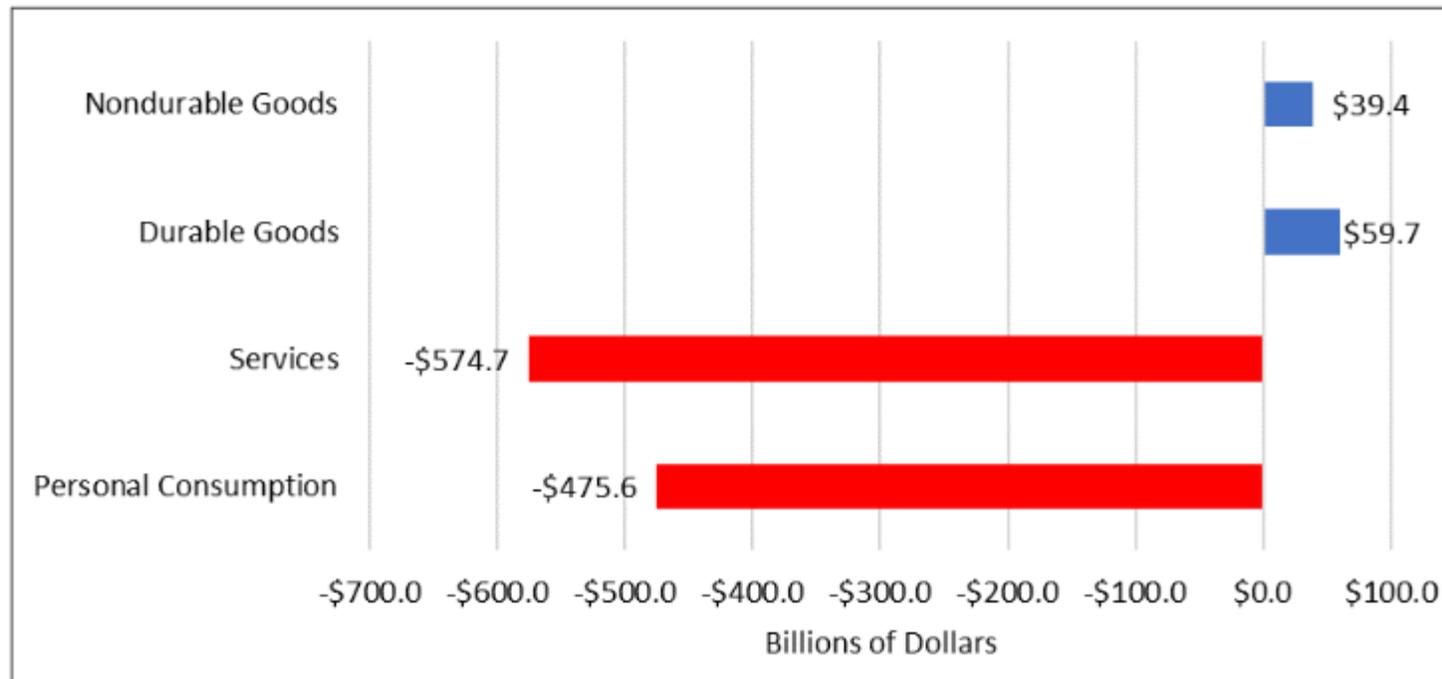
**Table B-1: Impact of Federal COVID-19 Relief Bills**  
(dollars in billions)

	<b>Coronavirus Aid, Relief, and Economic Security (CARES) Act P.L. 116-136 March 27, 2020</b>	<b>Paycheck Protection Program and Health Care Enhancement Act P.L. 116-139 April 24, 2020</b>
Increase in Discretionary Outlays	\$326	\$162
Increase in Mandatory Spending	\$988	\$321
Decrease in Revenues	\$408	\$0
<b>Total Impact</b>	<b>\$1,721</b>	<b>\$483</b>
<b>Major Provisions</b>		
Paycheck Protection Program and Other SBA Grants and Loans	\$377	\$383
Recovery Rebates (checks to households)	\$293	
Unemployment Insurance	\$268	
Increased Limits on Losses for Corporations and Individual Taxpayers	\$161	
Payments to State, Local, and Tribal Governments	\$150	
All Other	\$472	

# WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

IMPORTANT TO NOTE THAT SPENDING ON DURABLE AND NONDURABLE GOODS INCREASED, DURING THE OVERALL DECREASE IN SPENDING.

Figure B-7: Change in Consumption Spending,  
March Through November 2020 Compared to the Same Period in 2019  
(dollars in billions)

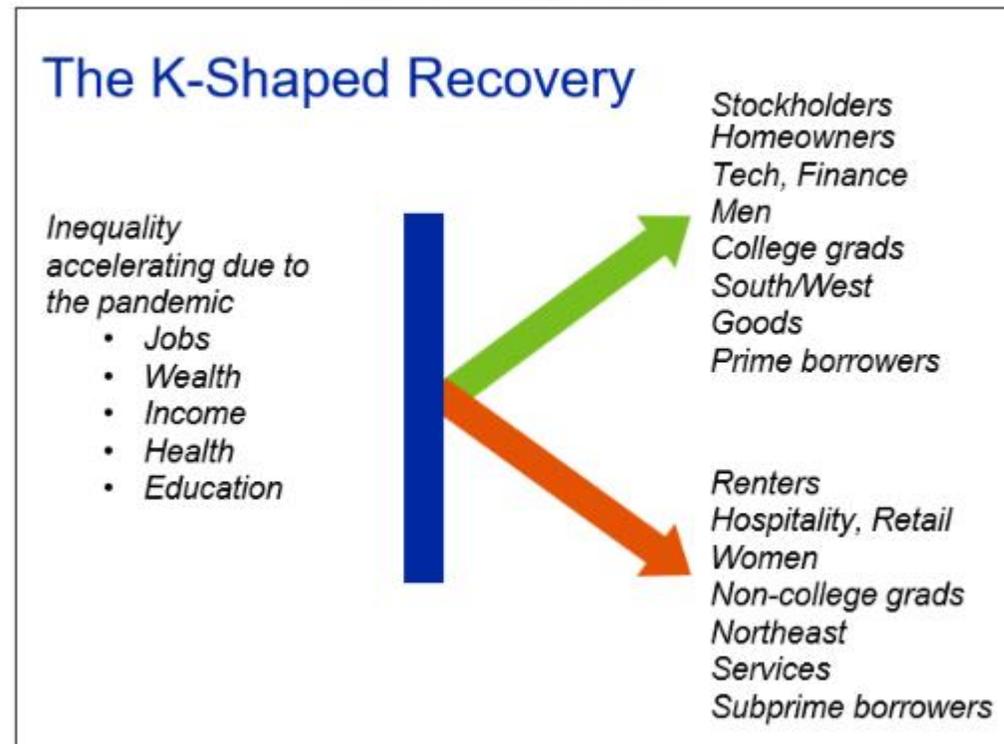


Source: Bureau of Economic Analysis via FRED

# WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

THE MAJORITY OF THOSE WHO LOST EMPLOYMENT WERE IN LOW SKILL, LOW WAGE JOBS.

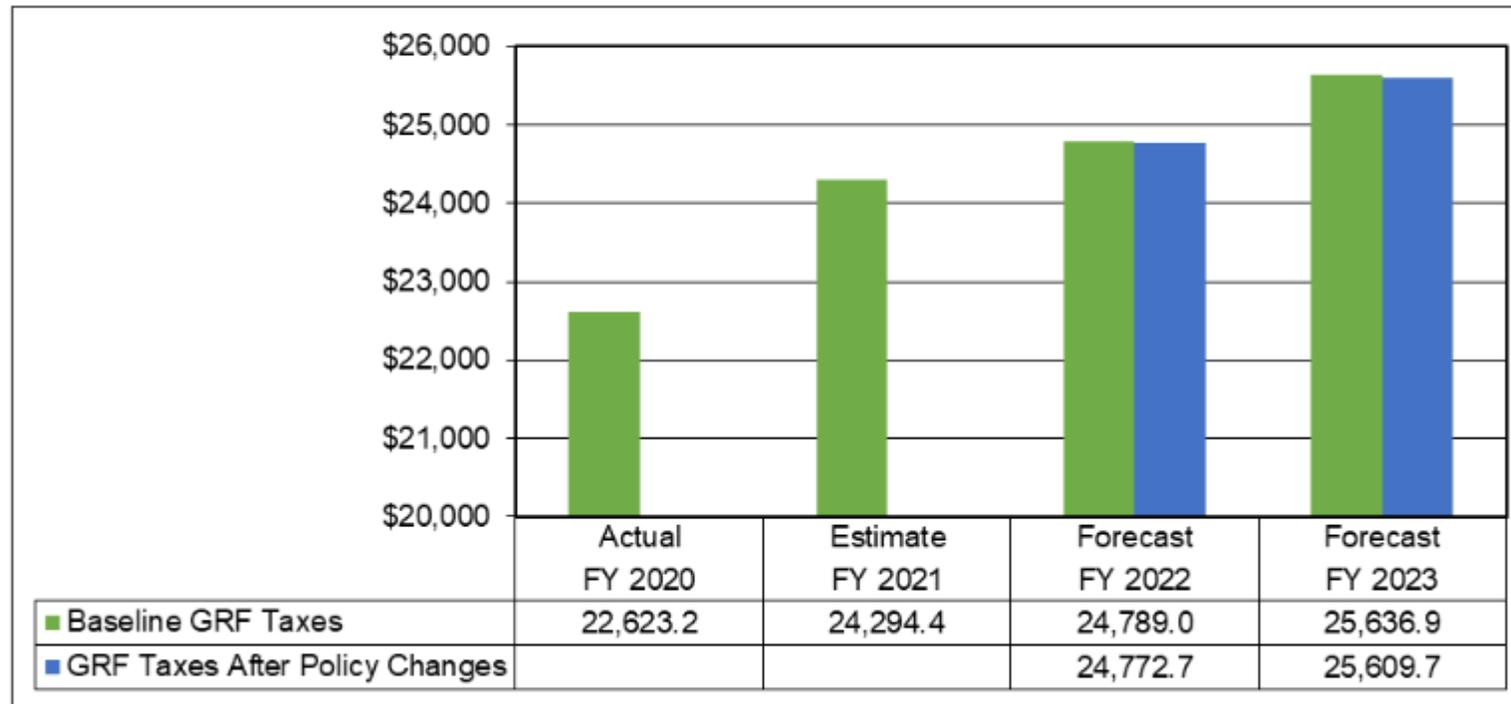
Figure B-8: The K-Shape Recovery



Source: Moody's Analytics

# STATE REVENUE PROJECTIONS GOING FORWARD

Figure B-10: GRF Tax Revenues, Baseline and After Proposed Law Changes  
(dollars in millions)



# GOVERNOR DEWINE'S 2022 & 2023 BUDGET

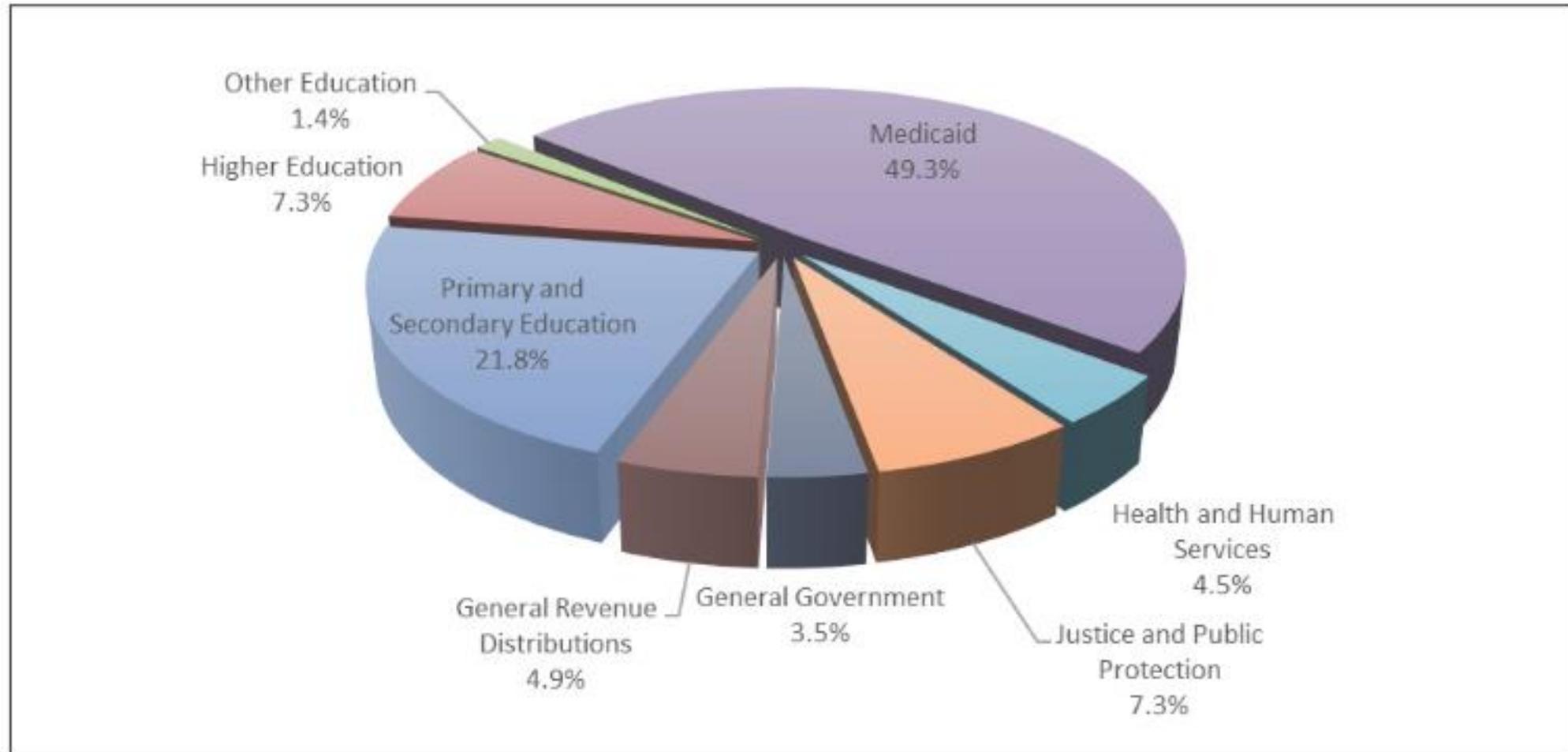
DOES NOT USE ANY FUNDING FROM THE RAINY DAY FUND

**Table C-9: History of Ending Fund Balances for the General Revenue Fund  
and the Budget Stabilization Fund,  
Fiscal Years 2015 to 2023  
(dollars in millions)**

Date	GRF		BSF	
	Ending Balance	% of GRF Revenues	Ending Balance	% of GRF Revenues
Est. 6/30/2023	\$199.0	0.5%	\$2,691.6	6.8%
Est. 6/30/2022	\$583.0	1.6%	\$2,691.6	7.4%
Est. 6/30/2021	\$183.7	0.5%	\$2,691.6	7.4%
6/30/2020	\$784.8	2.3%	\$2,691.6	8.0%
6/30/2019	\$839.0	2.5%	\$2,691.6	8.0%
6/30/2018	\$166.3	0.5%	\$2,691.6	8.3%
6/30/2017	\$170.9	0.5%	\$2,034.1	6.0%
6/30/2016	\$735.2	2.2%	\$2,034.1	6.0%
6/30/2015	\$849.4	2.7%	\$2,004.6	6.4%

# GOVERNOR DEWINE'S 2022 & 2023 BUDGET

Figure C-4: Total GRF – Recommended Appropriations for Fiscal Years 2022 and 2023



# OHIO DEPARTMENT OF HIGHER EDUCATION BUDGET HIGHLIGHTS

## STATE SHARE OF INSTRUCTION (SSI)

- All SSI cuts for FY 2021 have now been RESTORED
- Restoration of those cuts established a higher base for fy 2022 and 2023
- Ssi funding is recommended to increase 1.0% in FY 2022 and 0.9% in FY 2023
- This is in addition to the \$4.5 million in SSI that was approved in december to help transition to a new formula metric on entry level math & english.

# CHANGE TO THE COMMUNITY COLLEGE FUNDING FORMULA

- We expect the Governor's budget to include the recommendation of the OACC presidents to change our funding formula regarding students taking developmental education courses.
- The new measure of success will mirror the goals of the state's Strong Start to Finish initiative – completion of entry level English & math courses within a student's the first 30 credit hours.
- The OACC Presidents recommended immediate implementation of the formula change – (starting in FY 2022)
- To facilitate this change, \$4.5 million in funding was approved in December to help transition to the new formula.

# OHIO DEPARTMENT OF HIGHER EDUCATION BUDGET HIGHLIGHTS

Most policy related issues WILL NOT be known until the actual budget bill is introduced in the Ohio Legislature

- Tuition authority
- FAFSA completion
- Adult learner strategies
- College Credit Plus
- High School Computer Science Guarantee
- Institutional Debt Forgiveness Programs

# INVESTING in Ohio's FUTURE

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

## Investing in Ohio Initiative

Support Ohio's Small Businesses

**\$460 million**

Strengthen Ohio's Communities

**\$450 million**

Tell Ohio's Story

**\$50 million**

Grow Ohio's Skilled Workforce

**\$70 million**

# “INVESTING IN OHIO INITIATIVE” - \$1 BILLION IN TARGETED, ONE-TIME INVESTMENTS

## Sustaining Businesses

- **\$200 million** for bars and restaurants by providing grants of up to \$30,000
- **\$150 million** for small businesses by providing grants of up to \$10,000
- **\$50 million** for lodging industry businesses by providing grants of up to \$30,000
- **\$40 million** for entertainment venues by providing grants of up to \$30,000
- **\$20 million** for new businesses by providing grants of up to \$10,000

## Enhancing Communities

- **\$250 million** to expand broadband access throughout Ohio
- **\$200 million** for community infrastructure projects by providing grants up to \$2.5 million per project
- **\$50 million** to “Tell Ohio’s Story” through a marketing campaign promoting Ohio as a place to live, learn and work

## Growing a Skilled Workforce

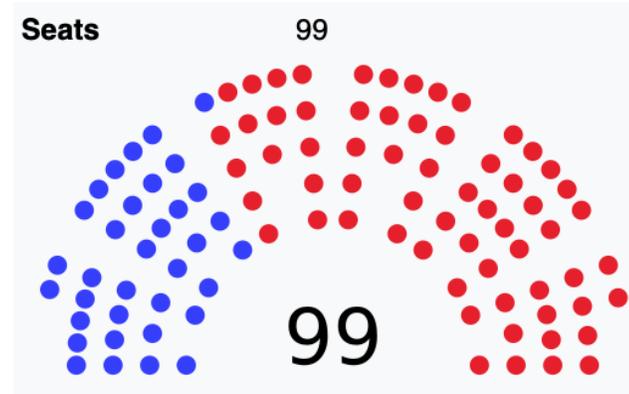
- **\$50 million** over the biennium + **\$5 million** in FY 21 for TechCred and IMAP to fund an additional 45,000 credentials through
- **\$15 million** to target investments in economically distressed rural and urban communities
- **\$16 million** to help HS students earn workforce credentials each year
- Expand Ohio to Work and Industry Sector Partnerships

# 134<sup>TH</sup> GENERAL ASSEMBLY

REPUBLICANS PICKED UP ADDITIONAL SEATS IN 2020

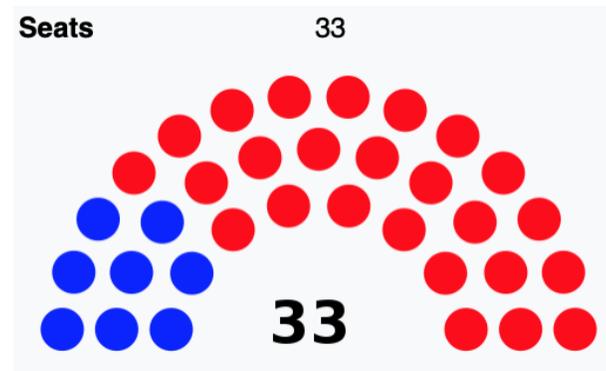
## OHIO HOUSE OF REPRESENTATIVES

- 64 REPUBLICANS
- 35 DEMOCRATS  
(23 “FRESHMEN” MEMBERS)



## OHIO SENATE

- 25 REPUBLICANS
- 8 DEMOCRATS  
(6 NEW, 2 “FRESHMEN” MEMBERS)



# OACC STATE LEGISLATIVE AGENDA

## RAPID RECOVERY OHIO INITIATIVE (RAPID ROI)

### TARGETED INVESTMENTS

- Use federal stimulus or state funding to support job-focused programs
- \$1,500 per student to support 15,000 new credentials
- Focus on bringing back stopped out students

### QUICKLY UPSKILL OHIO'S WORKFORCE

- Programs completed in one year or less
- Noncredit or credit pathways for in-demand jobs, critical occupations, or TechCred eligible credentials

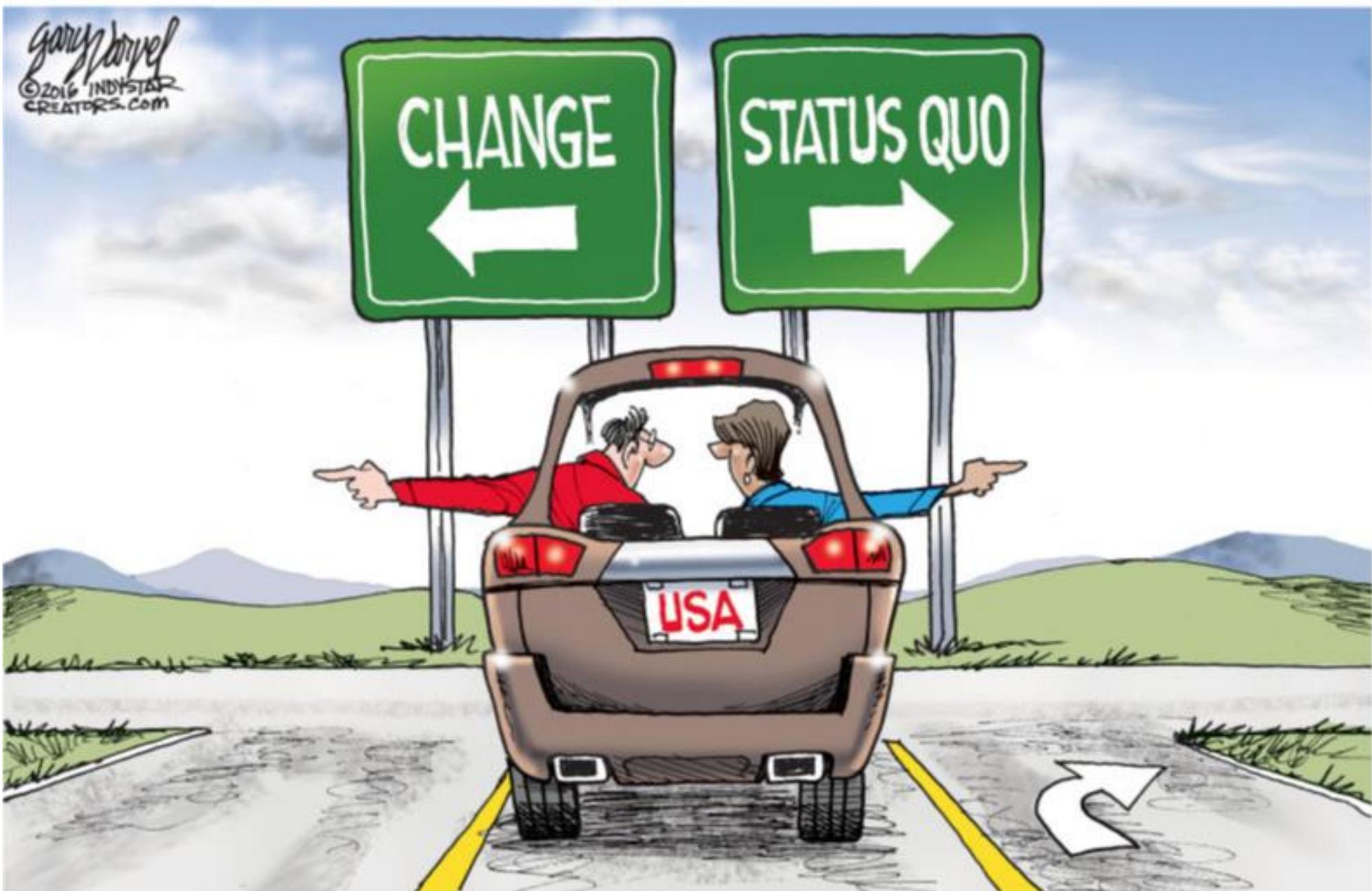
### PAYING FOR RESULTS

- Provide block grants for maximum flexibility
- Colleges would be paid for students who complete

# OACC STATE LEGISLATIVE AGENDA

- Seek state funding to boost College Emergency Aid programs
- Include a transfer component to the OCOG program
- Increase FAFSA completion rates
- Expand access to broadband throughout the state
- Seek parity in state funding for non-credit and workforce training programs

Gary Wryfel  
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# BIDEN HARRIS ADMINISTRATION PRIORITIES

- Free Community College
- Student Success Strategies Funding
- Wrap Around Services Funding
- Scrutiny Over Racial Equality in Student Success Rates
- Return of the Gainful Employment Rule
- Student Loan Forgiveness
- Increased Scrutiny of For-Profit Colleges
- New Capital Funding for Facilities and Technology

# LOOKING AHEAD – FEDERAL PRIORITIES

## AACC & ACCT

- Third Round of Stimulus Funding
- Creation of a new TAACCCT Grant Program
- Clarity for DACA Students
- Pell Grants
  - Increase Pell Grant Maximum
  - Pell Grants for Short Term Workforce Programs
  - Second Chance Pell