



OHIO ASSOCIATION OF  
COMMUNITY COLLEGES

# STATE BUDGET OUTLOOK

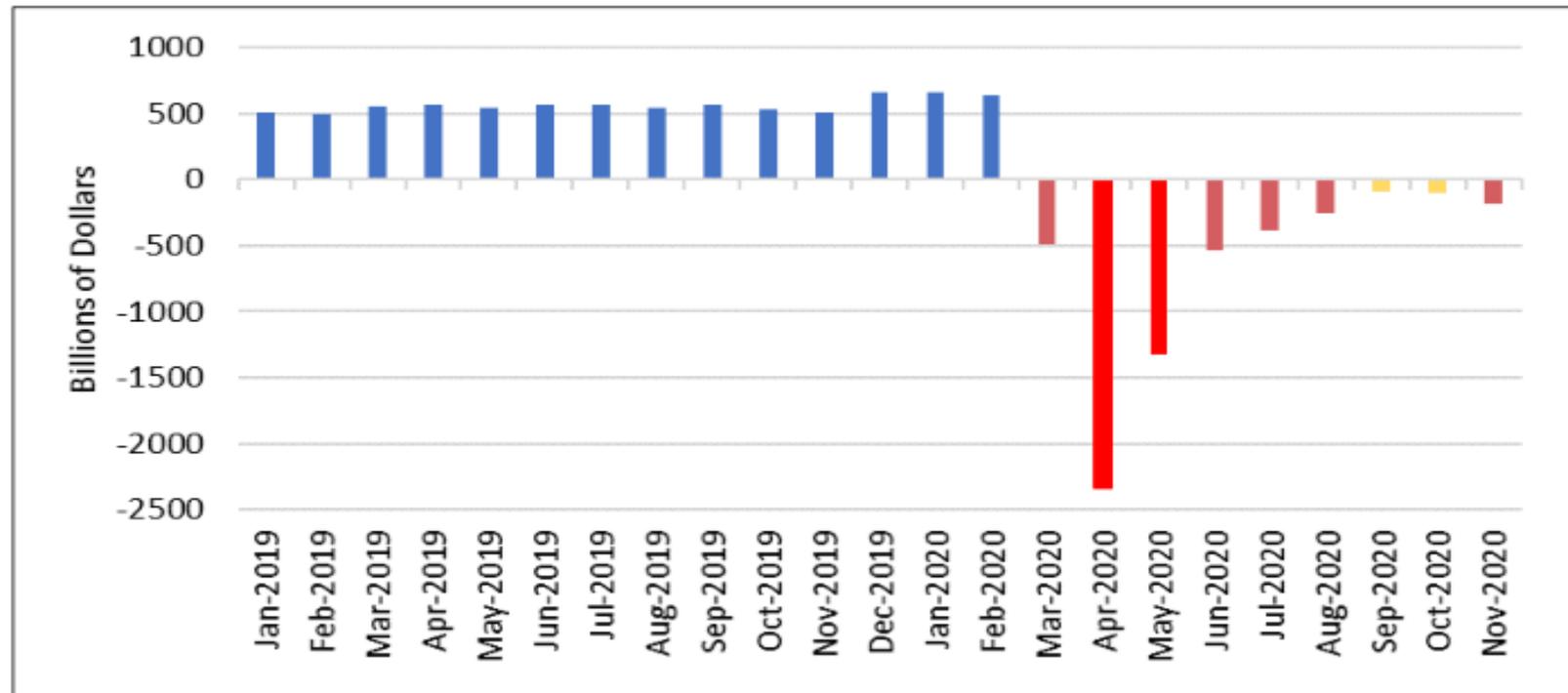
*FY 2022-23 EXECUTIVE BUDGET PROPOSAL*

JACK HERSHEY & TOM WALSH | FEBRUARY 3<sup>RD</sup>, 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)

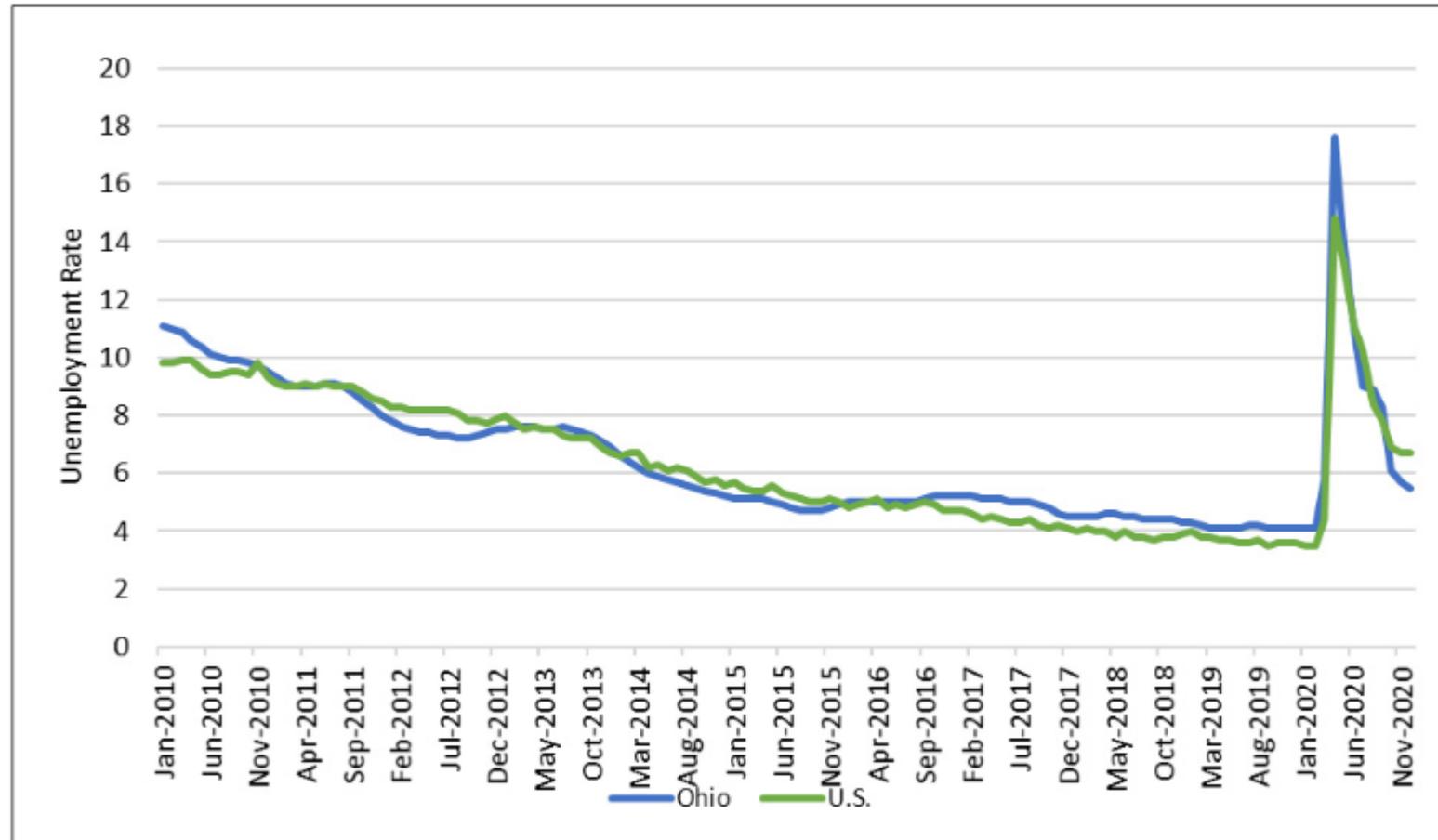


Source: Bureau of Economic Analysis via FRED

# 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

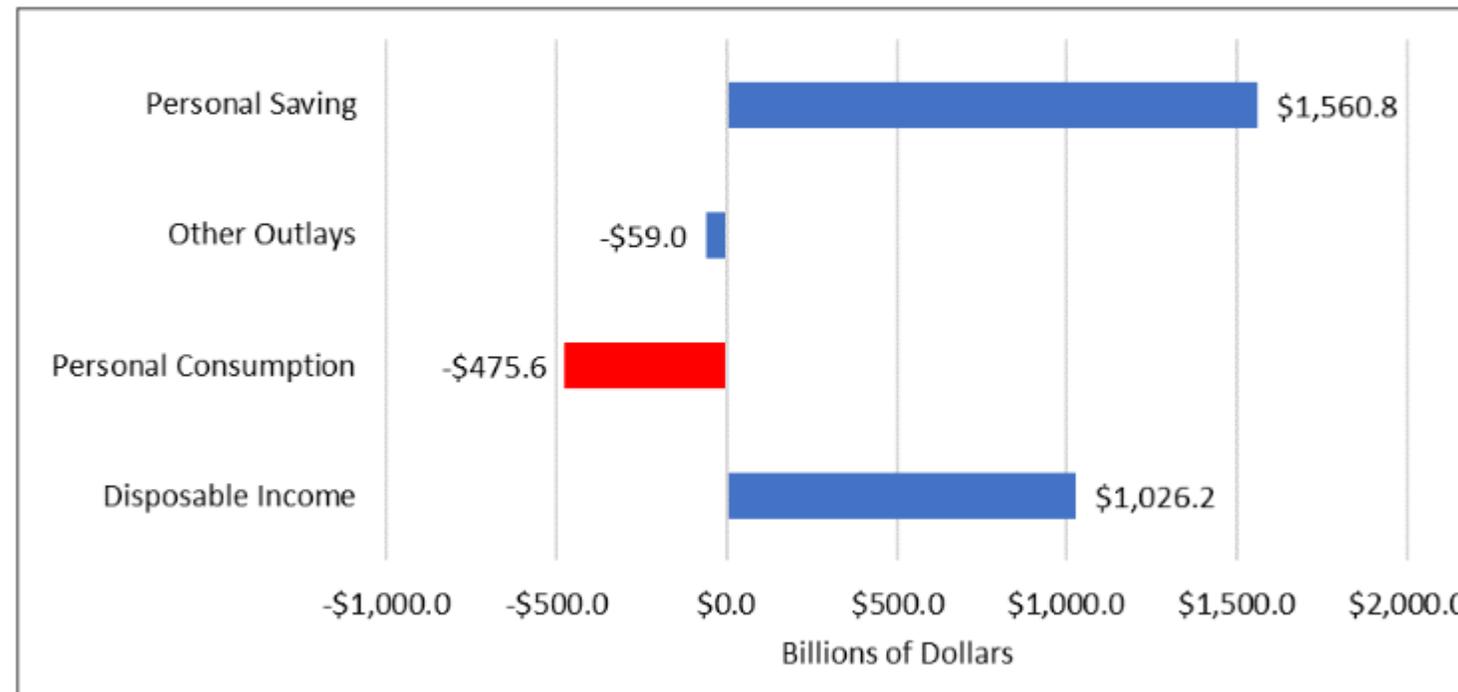
**Table B-1: Impact of Federal COVID-19 Relief Bills**  
(dollars in billions)

	<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?

THIS STABILIZED CONSUMER SPENDING, AND LED TO AN INCREASE IN SAVINGS, WHICH INCREASED BY \$1.6 TRILLION (173% HIGHER THAN IN 2019).

Figure B-6: Change in Disposable Income, Consumption Spending, and Personal Saving, March Through November 2020 Compared to the Same Period in 2019 (dollars in billions)

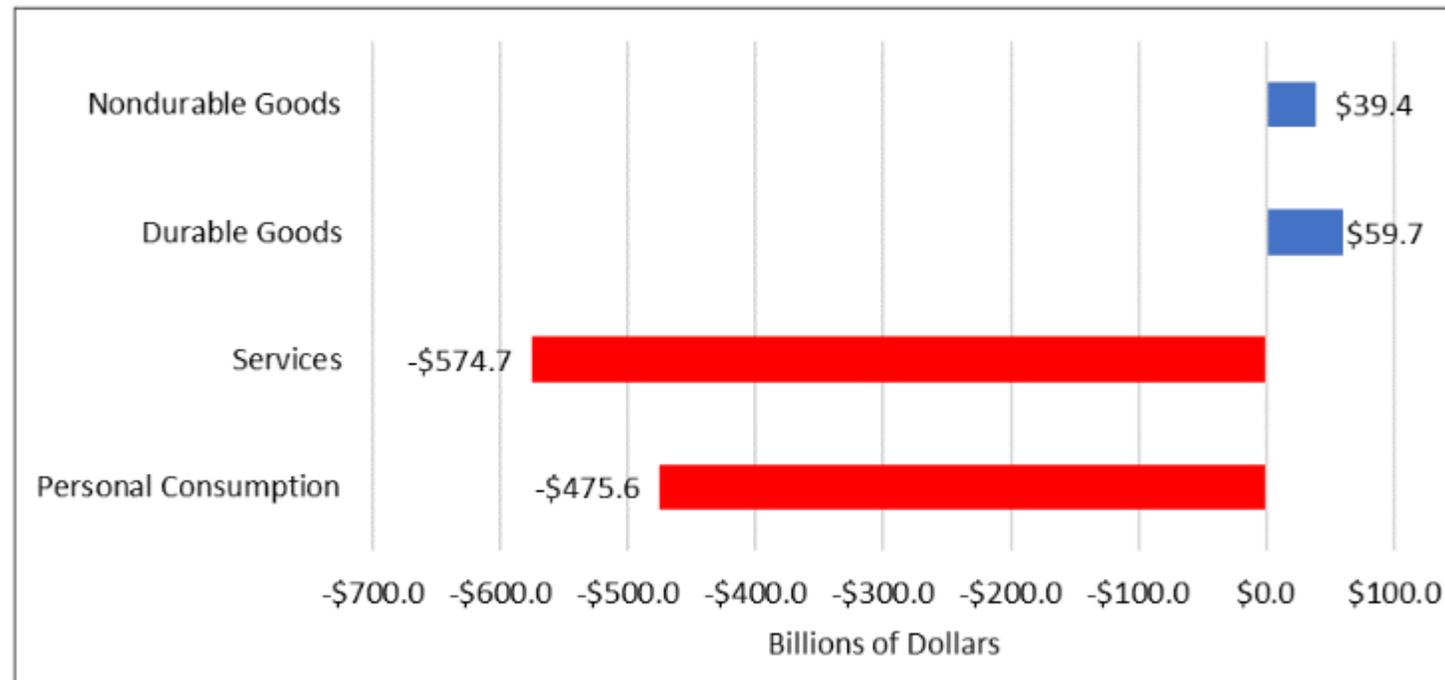


Source: Bureau of Economic Analysis via FRED

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

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)

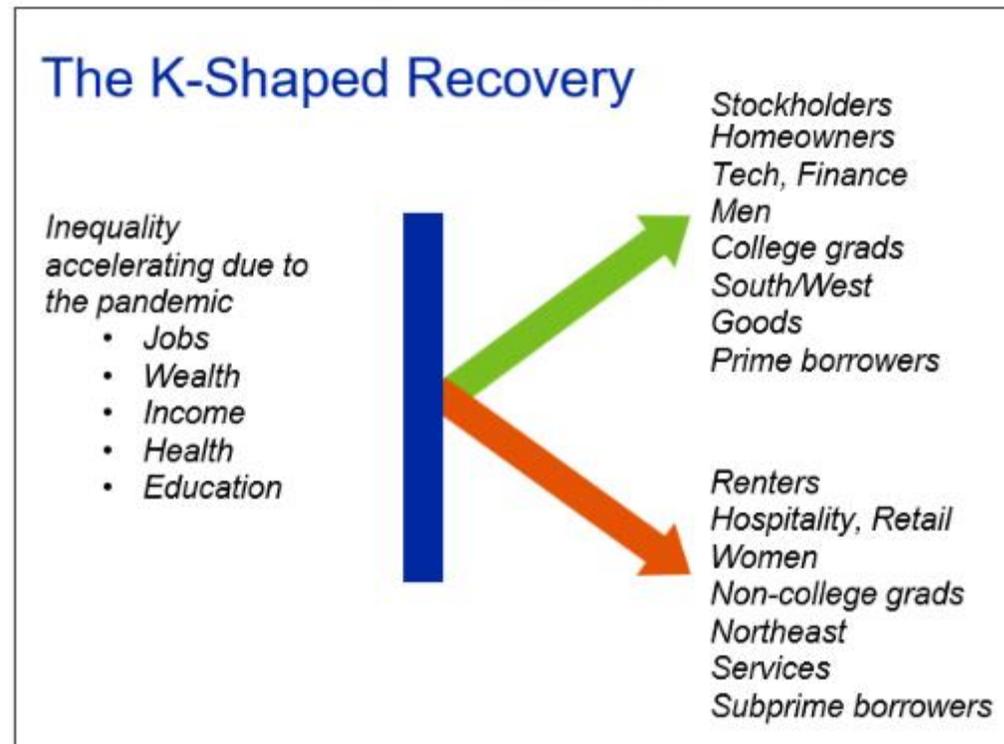


Source: Bureau of Economic Analysis via FRED

# 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

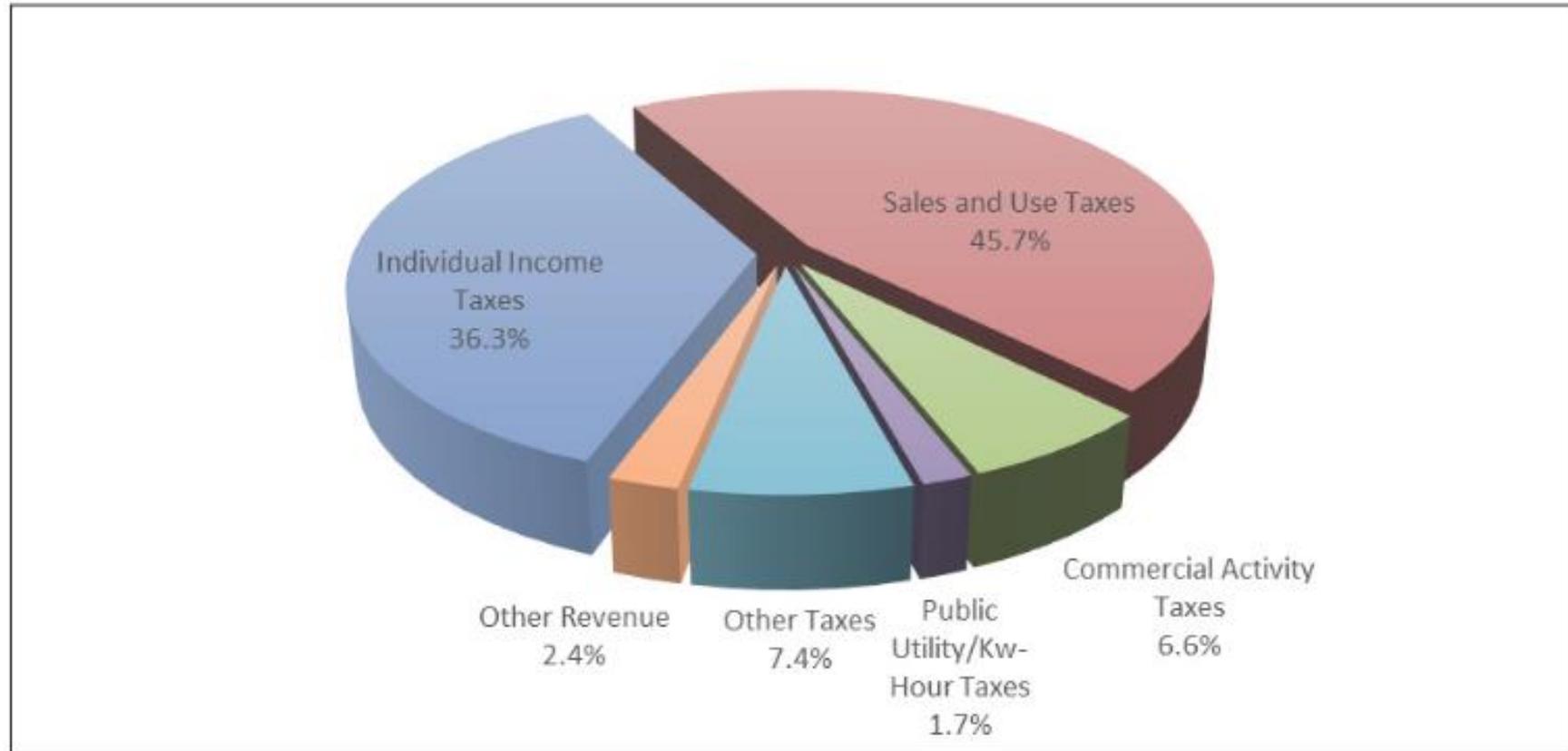


Source: Moody's Analytics

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

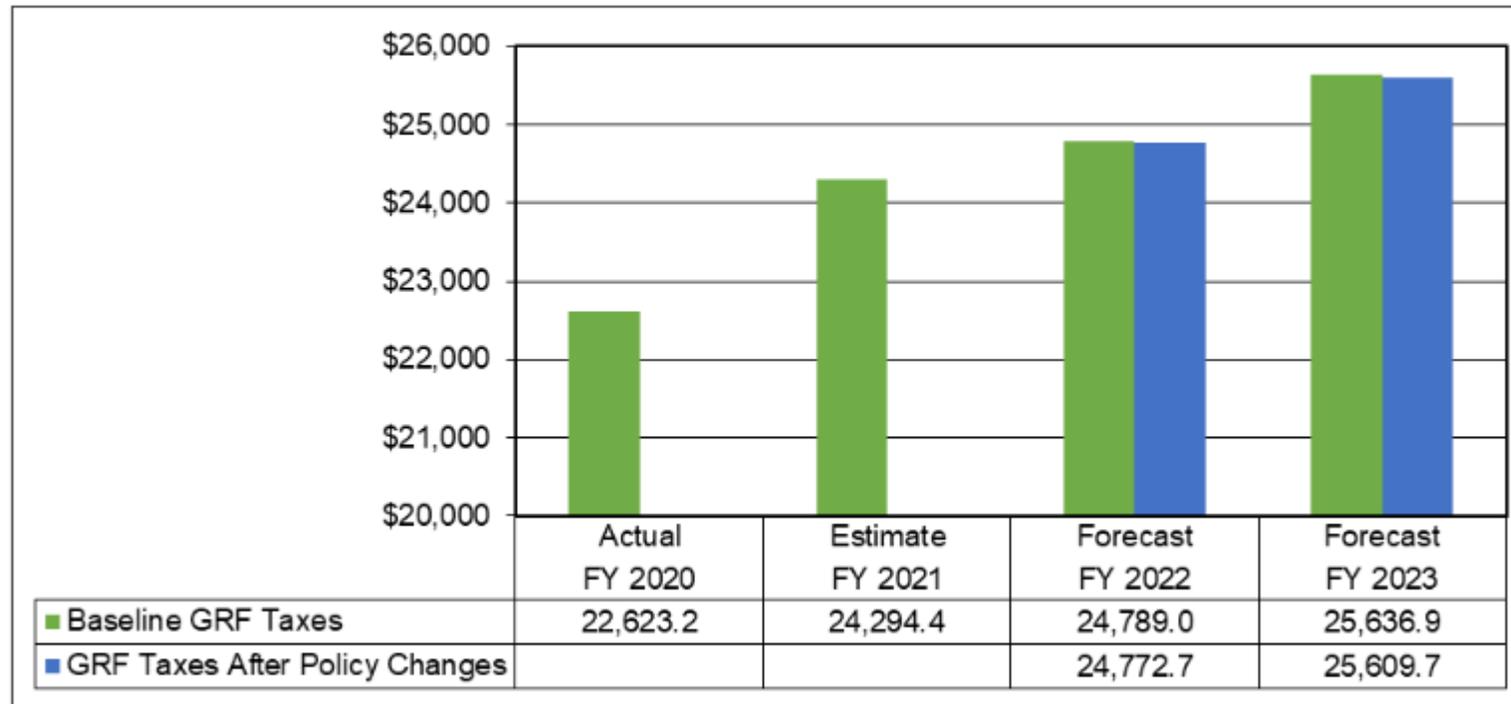
**ANSWER: SALES & INCOME TAXES PERFORMED BETTER THAN EXPECTED**

Figure C-2: State-Only GRF – Estimated Revenues for Fiscal Years 2022 and 2023



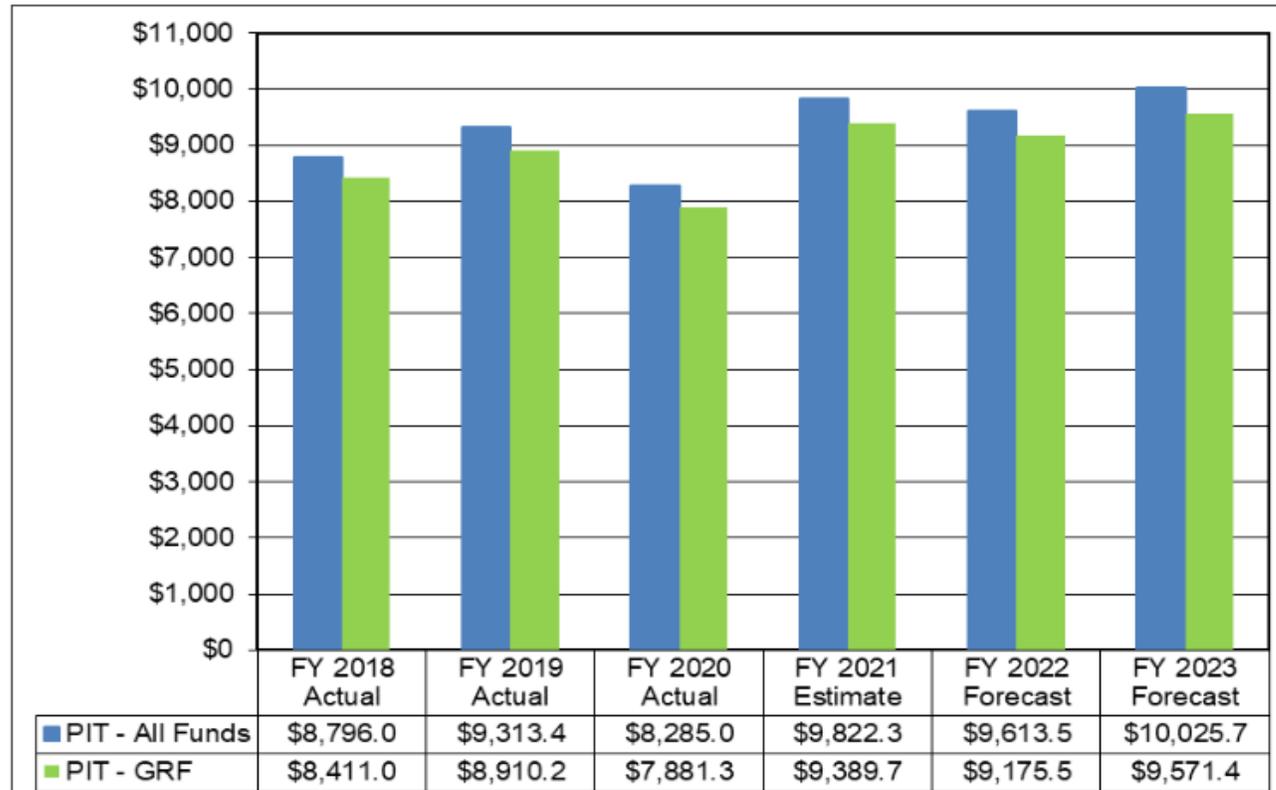
# STATE REVENUE PROJECTIONS GOING FORWARD

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



# STATE REVENUE PROJECTIONS GOING FORWARD

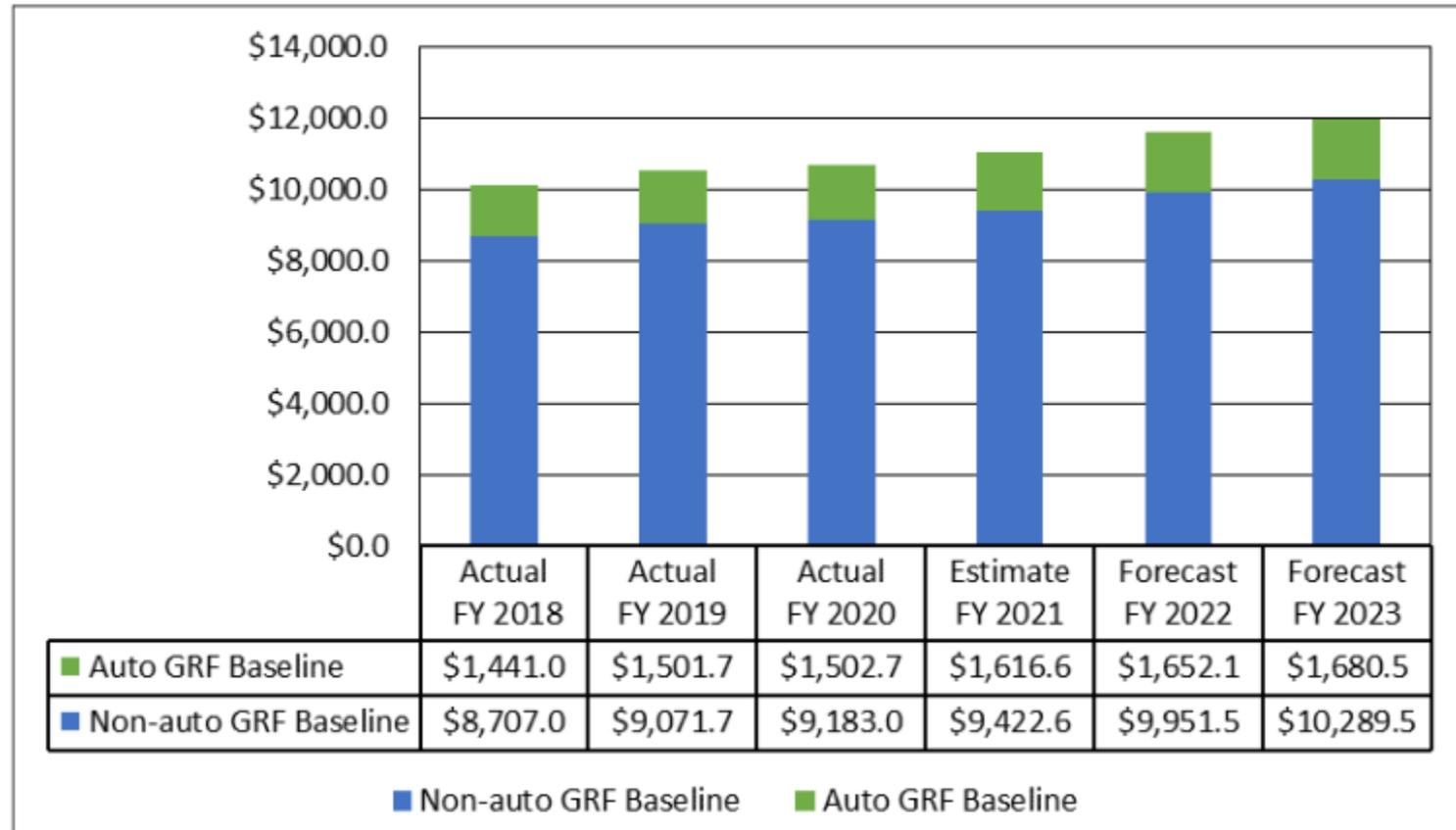
Figure B-14: Personal Income Tax All Funds and GRF Revenues  
(dollars in millions)



# STATE REVENUE PROJECTIONS GOING FORWARD

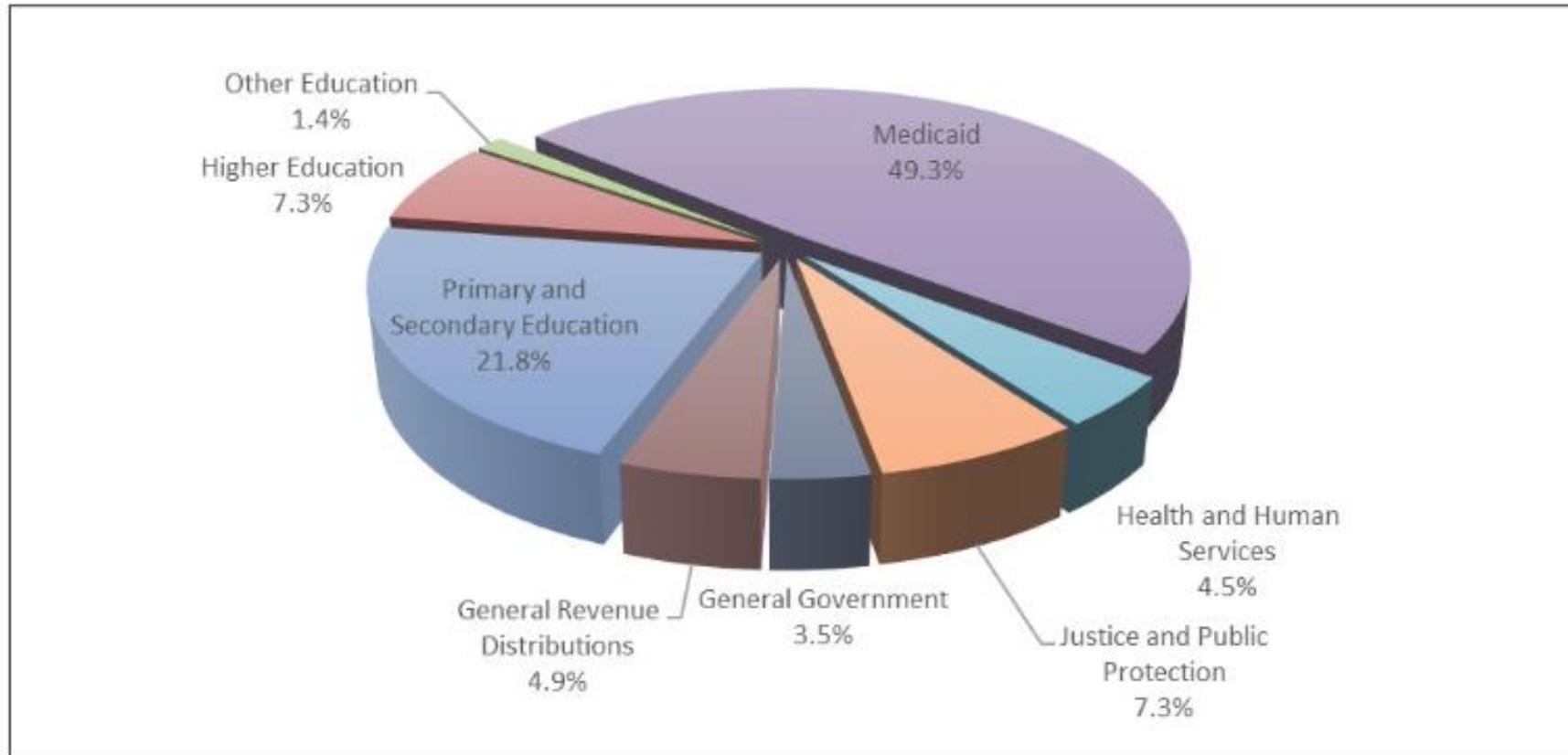
## SALES AND USE TAX REVENUES - GRF

Figure B-11: Baseline Sales and Use Tax GRF Revenues  
(dollars in millions)



# GOVERNOR DEWINE'S 2022 & 2023 BUDGET

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



# GOVERNOR DEWINE'S 2022 & 2023 BUDGET

**Table C-6: GRF Recommended Appropriations  
State Share Only  
(dollars in millions)**

Revenue Source	FY 2022	FY 2023	Total
Primary and Secondary Education	\$8,151.8	\$8,120.6	\$16,272.5
Higher Education	\$2,738.7	\$2,743.5	\$5,482.2
Other Education	\$528.6	\$498.4	\$1,027.0
Medicaid	\$5,364.2	\$6,997.2	\$12,361.4
Health and Human Services	\$1,693.7	\$1,674.9	\$3,368.6
Justice and Public Protection	\$2,679.2	\$2,765.5	\$5,444.7
General Government	\$1,318.2	\$1,274.7	\$2,592.9
General Revenue Distributions	\$1,834.4	\$1,854.0	\$3,688.4
<b>Total</b>	<b>\$24,308.9</b>	<b>\$25,928.9</b>	<b>\$50,237.8</b>

Note: Numbers may not add to total due to rounding.

Source: Ohio Office of Budget and Management, February 2021

# 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%

# 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
  - FY 2022 funding is a 6% increase from FY 20 cut levels
- 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.

# OHIO DEPARTMENT OF HIGHER EDUCATION BUDGET HIGHLIGHTS

## INCREASES IN STUDENT FINANCIAL AID PROGRAMS

- OHIO COLLEGE OPPORTUNITY GRANT
- CHOOSE OHIO FIRST SCHOLARSHIPS
- NATIONAL GUARD SCHOLARSHIPS

MOST POLICY RELATED ISSUES WILL NOT BE KNOWN UNTIL THE BUDGET BILL IS FORMALLY INTRODUCED IN THE NEAR FUTURE.

- TUITION FLEXIBILITY
- FAFSA COMPLETION
- ADULT LEARNERS
- COLLEGE CREDIT PLUS

# 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

# BUDGET TIMELINE

**Governor's Executive Budget Introduced** *(Feb 1)*



**House Budget Deliberations** *(Feb – April)*



**Senate Budget Deliberations** *(April – June)*



**Budget Conference Committee** *(June)*



**Governor Signs Budget with Line Item Vetoes** *(June 30)*

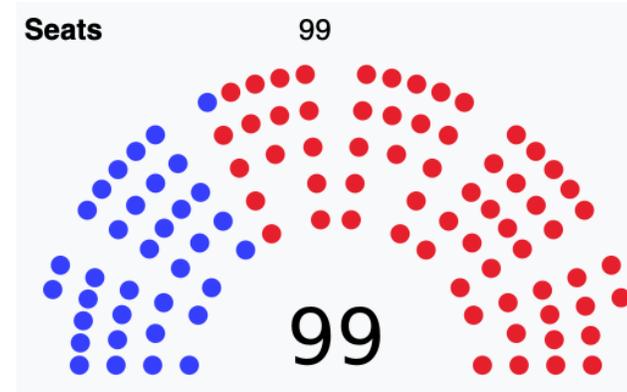


# 134<sup>TH</sup> GENERAL ASSEMBLY

REPUBLICANS PICKED UP ADDITIONAL SEATS IN 2020

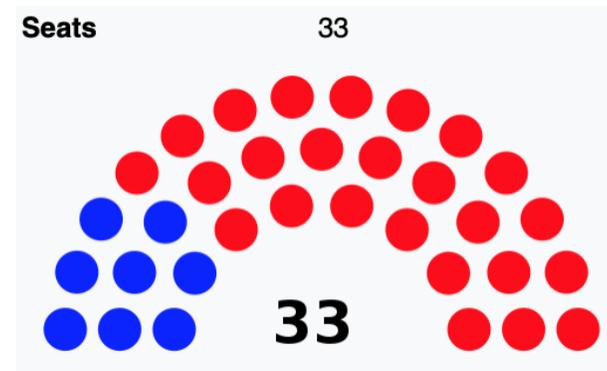
## OHIO HOUSE OF REPRESENTATIVES

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



## OHIO SENATE

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



# HOUSE MAJORITY LEADERSHIP - 134<sup>TH</sup> GA

**Speaker**



**Bob Cupp**  
R-Lima

**Speaker Pro  
Tempore**



**Tim Ginter**  
R-Salem

**Majority Floor  
Leader**



**Bill Seitz**  
R-Green  
Township

**Assistant  
Majority Floor**



**Rick  
Carfagna**  
R-Genoa Twp.

**Majority Whip**



**Don Jones**  
R-Freeport

**Assistant  
Majority Whip**



**Cindy Abrams**  
R-Harrison

# HOUSE MINORITY LEADERSHIP – 134<sup>TH</sup> GA

**Minority  
Leader**



**Emilia Sykes**  
D-Akron

**Assistant Minority  
Leader**



**Kristin Boggs**  
D-Columbus

**Minority Whip**



**Paula Hicks-  
Hudson**  
D-Toledo

**Assistant Minority  
Whip**



**Richard Brown**  
D-Canal Winchester

# SENATE MAJORITY LEADERSHIP – 134<sup>TH</sup> GA

**President**



**Matt Huffman**  
R-Lima

**President Pro  
Tempore**



**Jay Hottinger**  
R-Newark

**Majority Floor  
Leader**



**Kirk Schuring**  
R-Canton

**Majority Whip**



**Rob McColley**  
R-Napoleon

# SENATE MINORITY LEADERSHIP – 134<sup>TH</sup> GA

**Minority  
Leader**



**Kenny Yuko**  
D-Richmond  
Hts.

**Assistant  
Minority**



**Cecil Thomas**  
D-Cincinnati

**Minority Whip**



**Nickie  
Antonio**  
D-Lakewood

**Assistant  
Minority Whip**



**Tina  
Maharath**  
D-Canal  
Winchester

# KEY HOUSE COMMITTEES

## **FINANCE (22 R | 10 D)**

Scott Oelslager, Chair

Phil Plummer, Vice Chair

Reps: Abrams, Baldridge, Callender, Carfagna, Carruthers, Cross, Edwards, Ghanbari, Hoops, Kick, LaRe, Lipps, Patton, Richardson, Roemer, Schmidt, Stephens, Stoltzfus, Swearingen, Wilkin

Dems: TBA

## **FINANCE HIGHER ED SUBCOMMITTEE (3 R | 2 D)**

Jon Cross, Chair

Hiraz Ghanbari, Vice Chair

Rick Carfagna

Dems: TBA

## **HIGHER ED & CAREER READINESS (8 R | 3 D)**

Lara Lanese, Chair

Tim Young, Vice Chair

Reps: Bird, Cross, Hall, John, Manning, Pavliga

Dems: TBA

## **EDUCATION (10 R | 5 D)**

Gayle Manning, Chair

Adam Bird, Vice Chair

Reps: Click, Fowler Arthur, Jones, Koehler, Manchester, Pavliga, Richardson, Swearingen

Dems: TBA

# KEY SENATE COMMITTEES

## **FINANCE (10 R | 3 D)**

Matt Dolan, Chair

Theresa Gavarone, Vice Chair

Reps: Blessing, Brenner, Hottinger, Lang,  
Manning, Peterson, Romanchuk, Schuring

Vern Sykes, Ranking Minority Member

Dems: Antonio, Craig

## **SMALL BUSINESS & ECONOMIC OPPORTUNITY (5 R | 2 D)**

Michael Rulli, Chair

George Lange, Vice Chair

Reps: Gavarone, Reineke, Schuring

Vern Sykes, Ranking Minority Member

Dems: Sandra Williams

## **WORKFORCE & HIGHER ED (5 R | 2 D)**

Terry Johnson, Chair

Jerry Cirino, Vice Chair

Reps: McColley, Reineke, Rulli

Sandra Williams, Ranking Minority Member

Dems: Antonio

## **EDUCATION (5 R | 2 D)**

Andrew Brenner, Chair

Lou Blessing, Vice Chair

Reps: S. Huffman, O'Brien, Rulli

Teresa Fedor, Ranking Minority Member

Dems: Sykes

# LOOKING AHEAD – LEGISLATIVE BILLS

**A handful of key bills have already been or are likely to be introduced**

- **AUTHORITY FOR BOARDS TO MEET REMOTELY**
  - Reintroduction of HB 404 for just college & university boards of trustees (Rep. Manchester)
  - Place broader temporary authority for all public bodies in permanent law
- **LIMIT PERSONAL LIABILITY FOR COLLEGE TREASURERS/CFOs – SB 15**  
(Sen. Wilson)
- **BROADBAND EXPANSION – SB 8** (Sen. McColley)

# 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 unemployed individuals or 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 as students progress and complete

# LOOKING AHEAD – 134<sup>TH</sup> GA POLICY AGENDA

- MAKE OHIO “WORKFORCE READY”
  - Better Support Adult Learners
  - Support TechCred
  - Workforce Rapid Recovery Fund
- AFFORDABILITY AND ACCESS TO HELP CLOSE THE EQUITY GAPS
  - Emergency Aid Program
  - Expand Access to the OCOG Program
  - Increase FAFSA Completion
  - Expand Access to Broadband

# LOOKING AHEAD – 134<sup>TH</sup> GA POLICY AGENDA (CONT.)

- FUNDING STUDENT SUCCESS
  - State Support of Instruction
  - Tuition Flexibility
- COLLEGE CREDIT PLUS
  - Student Eligibility
  - Improve Career-Technical Pathways
  - Improve College Readiness for Academically Underprepared Students
- DEREGULATION
  - Acknowledge that community colleges are low-cost, efficient institutions of higher education by removing bureaucratic reporting requirements that unnecessarily divert resources on our campuses.

# QUESTIONS?

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