



A Moral Document

How the budget can bring out the best in Ohio

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August 2024

A Note from our Budget Researcher

Kathryn Poe

We say that the budget is a moral document, but what does that mean for Ohioans?

There's no better example of the budget as a moral document in Ohio than our public library system. Growing up, one of my favorite places in the whole world was the Westerville Public Library. Later, after a move, the North Canton Public Library became my special place. Now, as an adult and graduate student, I spend many weekends at Columbus's Main Library downtown. My memories of our libraries in Ohio are central to who I am as a person.

In Ohio, libraries are a central location for people of all ages and a huge part of people's lives. Most of all, libraries serve the public good as a community space and a center for learning and literacy that's representative of a common belief in freedom of thought, access to education, and our state's promise to future generations of life-long learners.

This incredibly special place in our communities exists because we made it so. All of this is made possible by a significant public investment – 1.7% of the General Revenue Fund is set aside for the [Public Library Fund \(PLF\) in Ohio](#). These funds support and demonstrate our shared public commitment to learning and freedom of speech. Through our public libraries, Ohioans live their values.

Another way that Ohioans live our values is through investment in our public parks and bike trails. For example, the Ohio to Erie Canal Bikeway is a 326-mile bike trail that is one of the largest in the United States. This incredible project is supported by the [Ohio to Erie Trail Fund](#) – funded through grants like [the Clean Ohio Trail Fund \(COTF\)](#) and the Federal Recreation and Trails line item in the Ohio Department of Natural Resources. Every day during the warmer months, thousands of Ohioans (and myself!) benefit from this beautiful public investment. Once again, Ohioans live our values through our budget.

Every day when the average Ohioan walks down the street or goes to work, the world around them is shaped by the budget policy choices of our state lawmakers. Everything from their access to public transportation, mental health services, access to healthy foods, and the education of our children is a result of the state budget. And while the process of the state budget may feel extremely complicated and inaccessible, we hope this preview makes it a little easier to turn your values into our shared reality.

In this section: *Public Library Fund (ALI 110965), Federal Recreation and Trails (ALI 3Z50 ALI 725657), Clean Ohio Trail Operating (7061 ALI 725405).*

Department of Education and Workforce

Tanisha Pruitt, PhD and Molly Bryden

Regardless of race, neighborhood, or how much money is in their parents' bank account, every child should be able to attend an excellent school that has everything they need to learn and grow. The Ohio Department of Education and Workforce (ODEW) is key to supporting our student's success. We do that by prioritizing public schools, fully implementing the Fair School Funding Plan into our education budget, and fully investing in the plan, so that every student and every school in every district can thrive.

In FY2024-25, ODEW was allocated \$30.32 billion over the biennium, with 20% of the total funding coming from federal funds. A key part of the department's funding stream is the FSFP, which helps pay salaries for teachers and other school employees. Other supports for students, like school transportation, meals, and health care services, are funded with separate ODEW line items. Teacher salaries and funding for professional development are also included in the education budget, as is controversial funding for private school vouchers.

An estimated 1.6 million students attend Ohio's schools. The vast majority of them are educated in the public school system.

Fair School Funding Plan (FSFP)

For years, many policymakers neglected public schools, siphoning away their funding for tax giveaways to corporations and undercutting them with schemes that send public money to charter and private schools. Since 2005, lawmakers have been systematically sending more resources to the wealthiest Ohioans by cutting the state income tax, which accounts for nearly one-third of the state's spending on schools. Meanwhile, lawmakers have diverted almost \$1 billion a year from local levies to private and charter schools. Combined with the effects of COVID, Ohio's legacy of inadequate and inequitable funding has weakened the role school plays as a foundational public service for communities and has taken a toll on Ohio's educational outcomes.

ODEW funded the FSFP at \$9.84 billion in FY24 and \$10.19 billion in FY25 from All Funds (GRF, DPF, and Lottery Funds) as the second installment of a six-year roll-out. Of that total budget, state investment is about 79.3%. Three funding sources — the General Revenue Fund, the State Lottery Fund (SLF), and the Foundation Funding All-Students Fund (Fund 5VS0) — make up the bulk of state investment in education.

This investment has suffered some losses due to inflation in recent years. For FY24 alone, across all three foundation fund line items when adjusted for inflation, these allocations only hold 80.10% of their 2018 value – a difference of \$1.9 billion.

Lawmakers must consider inflation when making allocations in the upcoming budget cycle, benchmarking inflation adjustments to the beginning of the six-year funding process to make up for lost investment.

Policymakers have a constitutional duty to protect public schools. Ensuring a thorough and efficient system of common schools means correcting disparities created by over-reliance on local property taxes. By fully implementing the FSFP — with accurate estimates of how much it really costs to educate our kids — legislators can fulfill that duty. The state has sufficient revenue to do so; we need legislators to make public school families a priority.

Ohio has the money to fully commit to the FSFP in this budget. Instead of phasing in funding piece by piece, year after year, lawmakers should permanently incorporate the FSFP into the state budget and fund it adequately and equitably. Ohioans must come together to demand lawmakers live up to the promise of the FSFP in the next biennium and beyond.

In this section:

Foundation funding line items/public education line items:

Foundation Funding-All Students (GRF)(ALI 200550), Foundation Funding – All Students/Dedicated Purpose (5VS0)(ALI 200604), Foundation Funding – All Students/Dedicated Purpose (Lottery Fund)(ALI 00612), Public and Nonpublic Education Support (5Y00 – Sports Gaming Tax and Fees)(ALI 200491), Education Studies (State (Lottery Fund) Fund 7017)(ALI 200611).

Charter school line items: *Community Schools and Choice Programs (ALI 200455), Community School facilities (200684), Public Charter Schools (200613).*

Line items and how to use them

A line item is a single appropriation in a budget that covers a specific topic, program, or pot of money. Every line item is associated with a six-digit code: the Appropriation Line Item (ALI) number. (For example, School Meal Programs are funded through ALI 200505.) If you know the ALI you're looking for, use your computer's search function to find it. You can also search for line items by name. In this report, we list relevant ALI numbers and names at the end of each section, in case you want to check them out for yourself.

Universal pre-K

Ohio's early learners deserve high-quality, equitable education so they can thrive in school. To make this happen, lawmakers should invest in creating a world-class universal pre-K system.

Like students in grades 3 and 8, kindergarten students in Ohio have also struggled to bounce back from the educational hardships brought on by the pandemic. The share of kindergarten students demonstrating readiness in the 2023-24 school year — just 36% — was a meager improvement over last school year's record low. Ohio's littlest students are not receiving the quality of education they need to prepare them for success in kindergarten and beyond.

To improve these outcomes, Ohio should fund statewide universal pre-K to set our students up for success in school. Universal preschool is essential to reduce inequality in education, and a statewide universal pre-K program could chip away at the distinct racial and income inequalities that exist in Kindergarten Readiness Assessment (KRA) data, proficiency scores, and college credit utilization.

To do this, lawmakers should pass House Bill 595, introduced by state Rep. Phil Robinson of Solon, which would lay the groundwork for school districts statewide to offer free preschool to 4- and 5-year-olds, as well as all-day kindergarten, starting in July 2029. Lawmakers could also pass a similar program through the main operating budget in 2025.

Under HB 595, the costs of offering free preschool would be paid for by raising state taxes on large sports-gambling operations. Lawmakers should invest those dollars through foundation funding in the state budget to ensure that all public school students receive a quality early education to better prepare them for later success.

***In this section:** New line item required in the Department of Education and Workforce.*

Educator training & pay

Ohio's students deserve a world-class education, including safe and well-resourced schools that are staffed with teachers who are well trained and fairly paid. That requires lawmakers to invest in making the pathway to becoming an educator more accessible and affordable, increasing starting teacher salaries, and ensuring educators have the support and resources they deserve.

Adjusting for inflation, average teacher salaries in Ohio have decreased since 2018. On average, teachers are paid less than their counterparts with similar training and experience in other professions. Educators are also experiencing a rash of targeted political campaigns to stoke division and intentionally foster distrust for public

institutions. These factors combined have contributed to one of the most significant problems facing Ohio schools today: Too many have too few teachers to give our kids the education they deserve.

Policymakers can address these problems by using our public resources to improve conditions for new and experienced teachers, recruiting new teachers from communities they've too long neglected, and removing expensive barriers that prevent Ohioans from becoming teachers.

One way to attract more teachers and retain the ones already in the classroom would be to assist them in paying off their student loans. The Ohio House proposed budgeting \$25 million in FY24 to do just that for qualifying educators with at least five years of experience, but the proposal was cut by the Senate and did not pass in the final budget.¹ In the next budget, lawmakers should revive this idea and fund it generously. Doing so would help relieve the financial burden that debt places on our educators.

The legislature should also increase starting teacher pay to \$50,000 (as recommended by the Ohio Education Association) to draw more applicants to public schools and ensure current teachers are making a living wage.

In this section: *Foundation Funding-All Students (GRF)(ALI 200550), Foundation Funding – All Students/Dedicated Purpose (5VSO)(ALI 200604), Foundation Funding – All Students/Dedicated Purpose (Lottery Fund)(ALI 00612).*

We also suggest passing the Teacher Loan Repayment Fund (Fund 5W00), which was passed in the House in HB 33, but not in the Senate.

What we're watching

K-12 education has been the target of several alarming pieces of legislation in recent years. House Bill 183 and House Bill 8 target LGBTQ+ students in the classroom and on college campuses as part of a national moral panic surrounding transgender youth. Meanwhile, House Bill 556 and House Bill 622 target and criminalize K-12 teachers and librarians and threatens to defund public libraries for allowing young people to read the “wrong” books. Lastly, House Bill 445 would require school districts to allow released time during the school day for religious instruction. Our education partners, such as Honesty for Ohio Education, will be monitoring the upcoming budget cycle for legislation with similar aims.

¹ The bill would have transferred \$25.0 million cash in FY 2024 from the GRF to the Teacher Loan Repayment Fund (Fund 5W00) to support the program (see OBMCD37). This funding supports loan repayments for at least 625 teachers. However, the first loan repayments likely will not be paid until FY 2029.

Investing in a green school bus fleet

In 1892, an Ohio school district commissioned the manufacture of a wagon for school transportation, an idea that eventually evolved to what we now know as the school bus. Despite the school bus's Ohio origins, our state lawmakers have not prioritized school transportation funding. Current funding levels do not meet students' transportation needs, and some school districts have had to cut or consolidate routes as a result.

Ohio has the 6th-largest school bus fleet in the U.S., at 18,607 public school buses, with 93% being diesel powered² compared to the national diesel share of 76%. Currently, about 1 in 5 of Ohio's school buses have a model year of 2008 or older, which puts them over the 14- or 15-year average lifespan of a school bus. If none are replaced, this number will increase to 36% by 2027. To maintain the current fleet age, Ohio's public school districts would need to replace 800 to 1,100 buses each year.

School buses affect children's health: Excessive exposure to diesel exhaust fumes is linked to increased risk for asthma and cancer. Because Black children, children with disabilities, and those from low-income families are more likely to rely on school buses, the use of outdated diesel buses contributes to health inequity.

Replacing older, diesel-powered school buses also positively impacts attendance rates. A recent study estimates that by replacing all buses produced before 2000, school districts nationally could improve attendance by 1.3 million days.

Substantial state investments in clean school transportation would benefit Ohio's children, and Ohioans in general, by helping decarbonize the transportation sector, the second-most emissive in the state. There are many federal programs to assist with the cost. Existing federal incentives like the EPA's Clean School Bus Program and the Inflation Reduction Act's clean energy tax credits can drastically lower procurement costs. School districts can reduce the cost of a Type C electric school bus purchase to around half of a diesel bus's price by stacking relevant tax credits and EPA rebates.

Ohio should leverage these federal programs and increase school foundation funding to make room for the purchase and operation of electric school buses. Although the federally funded³ line-item ALI 200663 was discontinued in the last budget, the state

² The remaining 7% use gasoline, natural gas, or propane.

³ Funds for this line-item originally came from ARPA aid.

could use federal funds from the overall Department of Education and Workforce budget to supplement the purchase of electric school buses. It's critical to leverage state funding now to enable school districts to access opportunities and maximize benefits for Ohio's children.

In this section:

GRF funds: Pupil Transportation (ALI 200502), Foundation Funding-All Students (GRF)(ALI 200550), Foundation Funding – All Students/Dedicated Purpose (5VS0)(ALI 200604), Foundation Funding – All Students/Dedicated Purpose (Lottery Fund)(ALI 00612).

Federal funds: School Bus Purchase (5VU0, ALI 200663) - While discontinued in the previous budget cycle, we recommend this line item be re-funded.

Universal school meals

All of Ohio's children should have access to healthy, free school meals. According to [data from the Children's Defense Fund of Ohio](#), about 413,000 Ohio children — one in every six — faces food insecurity. School districts across the state hold thousands in student meal debt. Lawmakers should expand access to free school meals for all children regardless of their family's income or where they live.

The income eligibility threshold for free lunch in Ohio is 130% of the Federal Poverty Level (FPL),⁴ and the eligibility for reduced-price meals is 185% of the FPL. These thresholds are too low to truly account for children and families facing food insecurity. Legislators should expand eligibility by fully funding free school meals for all students, regardless of income, in the next state budget. They can do so through the school meal programs line item in the primary and secondary education budget.

The Children's Defense Fund recommends that lawmakers preserve the funding to cover reduced-priced meals and to invest in school breakfast for all students, guaranteeing that all Ohio students have access to at least one school meal per day. Additionally, the Hunger Free Schools Coalition recommends the use of state funding to supplement the cost of providing school meals that are not covered by the federal government, so schools are fully reimbursed at the "free rate" for all meals they serve.

In this section: *School Meals Programs/State GRF (ALI 200505), Federal School Lunch/Federal Fund 3L60 (ALI 200617), Federal School Breakfast Fund (3L70, ALI 200618).*

⁴ Federal poverty levels are used to determine who is eligible to participate in public programs like SNAP and Medicaid. They vary depending on how many people are in a household. They are set each year by the federal Department of Health and Human Services. See here for [details on the Federal Poverty Level](#).

Department of Higher Education

Tanisha Pruitt, PhD

All Ohioans, no matter what they look like or how much money they have, deserve to go as far as their dreams and abilities take them. Access to higher education contributes to households' and communities' economic security and supports a robust workforce — an essential part of Ohio's economic growth.

The Department of Higher Education (DHE) is funded at \$6.08 billion over the FY2024-25 biennium. Notably, only 0.8% of DHE funding comes from federal sources, while Ohio's GRF is responsible for 96.1%. In other words: State investment keeps higher education afloat.

A substantial part of the department's budget is dedicated to the State Share of Instruction (SSI) funding, which is broken up into university funding and community college funding. The department also includes key college resources like Ohio LINK (ALI 235507), Ohio's higher education grant programs, and several workforce and medical support line items to specific institutions of higher education.

***In this section:** State Share of Instruction (ALI 235501) (Earmarks - University main and regional campuses, Community and technical colleges, College2Careers).*

State Share of Instruction

The SSI formula is used to distribute the state's core operating funding for public higher education. For the most part, the FY2024-25 budget continued the formula used for the FY2022-FY23 biennium, which is based mostly on outcomes such as course completions and degree attainment. In the last budget cycle, SSI was funded at \$2.10 billion in FY 2024, an increase of \$25.0 million (1.2%), and \$2.12 billion in FY 2025, an increase of \$23.0 million (1.1%) from the previous budget.

Those increases are necessary but inadequate, because legislators have let SSI funding fall behind inflation — starting almost two decades ago. In fact, since 2006, lawmakers have cut SSI by approximately 12% in inflation-adjusted dollars. When inflation outpaces SSI, public colleges and universities are forced to choose between budget cuts and tuition increases. Cuts make our once-world-class public colleges and universities less competitive; tuition hikes put postsecondary education and training out of reach for too many Ohioans.

With their budget policy decisions, legislators have created barriers to higher education, risking Ohio's future as an economically competitive state, and leaving too many of our young people without options for higher education and training. The legislature should increase SSI to at least 3% to better keep up with inflation, decrease tuition costs, and increase access for all Ohioans.

In this section: *State Share of Instruction (ALI 235501) (Earmarks - University main and regional campuses, Community and technical colleges, College2Careers).*

What we're watching

House Bill 164, introduced by Representatives Jarrells and Seitz, would establish a Foster-to-College Scholarship Program in Ohio. The bill would provide \$7.5 million in both FY24 and FY25 to fund a DHE program that covers the cost of tuition at any public or participating private higher education institution for qualifying resident students placed in foster or noncertified kinship care at any time on or before turning 13 years old. This legislation would be a valuable, bi-partisan addition to the budget in the upcoming cycle to help ensure that all students, regardless of who their family is or where they live, can pursue their dreams of higher education.

Expanding and building on the Ohio College Opportunity Grant (OCOG) program

OCOG is Ohio's primary need-based aid program for college students. In the last fiscal operating budget, lawmakers appropriated \$400 million over the biennium for OCOG, a much-needed increase but one that is unlikely to significantly change the award amounts for Ohioans who need more support to afford postsecondary education and training.

Gov. DeWine's 2024-25 Executive Budget proposal would have put \$562 million into OCOG over the biennium, allowing significant increases in award amounts. The legislature failed to include that funding in its final budget. This time around, lawmakers should allocate at least that much.

OCOG is an essential tool for increasing access to higher education and training, but it is poorly structured. As a "last-dollar" grant, OCOG's value is determined only after other aid is awarded, including the federal Pell Grant, which is calculated based on the cost of tuition, books, transportation, basic living expenses, and other costs; OCOG can only be used for tuition and some fees.⁵ The ironic result is that students who choose lower-cost

⁵ 2023-24 Federal Student Aid Handbook, "Cost of Attendance (Budget)," U.S. Dept. of Ed. Accessed July 2024.

schools — like community colleges or regional campuses — generally can't get OCOG funding: Because a Pell Grant is more likely to cover that lower cost entirely, they are disqualified from receiving OCOG support, despite the remaining additional costs of attendance.

As a direct result of this “last-dollar” policy, an estimated 100,000 students attending community colleges or regional four-year campuses are likely unable to access OCOG funding.⁶ These students are denied OCOG awards ranging from \$1,850 for students attending for-profit schools in Ohio to \$4,700 for students attending private, nonprofit colleges and universities.⁷ Legislators should restructure OCOG to make it a “first-dollar” grant, allowing students to access the full amounts they need and should qualify for in both state **and** federal funds.

Gov. DeWine's 2024-25 Executive Budget proposal included funding for the Ohio Access Challenge, a grant program that would have provided direct aid to students not eligible for OCOG because they chose to attend low-cost community colleges and regional university campuses. State representatives stripped that funding, and state senators opted not to restore it. The governor should again include the Ohio Access Challenge in his executive budget and other similar programs for students.

***In this section:** State Share of Instruction (ALI 235501), Ohio College Opportunity Grant Program (ALI 235563) New line item: Ohio Access Challenge*

Addressing student hunger

Many students enrolled in colleges or universities in Ohio struggle to pay for basic needs such as food, shelter, or medical care, which can have an impact on their educational outcomes. Everyone in Ohio deserves access to healthy, nourishing food — including our students. Our partners at the Ohio Foodbanks and the Hunger Free Campus Coalition have helped introduce a bill to address the issue of hunger in higher education.

Lawmakers should enact HB 590, also known as the Hunger Free Campus Act, to establish the Hunger Free Campus Grant program. This program would allocate \$2.5 million over the next biennium to provide free meals to students experiencing food insecurity on Ohio's college and university campuses. The legislation, if enacted, would

⁶ Ohio Dept. of Higher Ed. “[Full-Time Equivalent Enrollment Trends by Ohio Public Institutions \(2013-2023\)](#)” Accessed July 2024.

⁷ Ohio Dept. of Higher Education. “[Ohio College Opportunity Grant.](#)” Accessed July 2024.

also create a campus emergency fund to support students struggling to afford basic needs such as shelter, utilities, and childcare. If House Bill 590 is not passed by 2025, lawmakers should adopt this policy into the state budget as a new line item under the DHE.

In this section: *New line item*

What we're watching

Legislation like Senate Bill 83 targets professors, administrators, and students who support Diversity, Equity, and Inclusion (DEI) training and programs. This legislation would undermine higher education in Ohio, impacting every aspect of student life and restricting the bargaining power of educators. With an explicit threat to bring SB 83 back next year from sponsor Senator Cirino, education advocates will be working in coalition to make sure it does not get inserted into the budget.

Department of Children and Youth

Ali Smith | Kathryn Poe | Hannah Halbert | Michael Shields

In the FY2024-25 budget, the creation of the Department of Children and Youth (DCY) was a major change to the status quo for childcare, foster care, and other services related to children in the state. Many Ohio Department of Jobs and Family Services (ODJFS) programs in early childhood and childcare were moved to the newly created DCY, as were education, mental health, health, and childhood literacy programs.

The DCY operated at a state-share appropriation of \$753.4 million in FY24 and \$761.8 million in FY25. In total (state-share, dedicated purpose funds, and federal funds), the new department will operate at \$2.25 billion in FY24 and \$2.26 billion in FY 2025, nearly half of which goes to childcare.

Ohio legislators allocated \$1.1 billion total to childcare funding in FY24 (49% of the department's overall budget). State dollars account for less than a quarter of total childcare funding at \$265.28 million, while \$834.9 million comes from federal dollars: the Child Care Development Block Grant (CCDBG) and Temporary Assistance for Needy Families (TANF). In total, about 65% of the department's funding comes from the federal government.

The care, support, and education of our littlest Ohioans has been a consistent priority of the DeWine administration. The creation of the DCY was part of this effort. However, it's clear that in order to achieve this priority, further investment is needed. Ohio remains in last place nationally for childcare assistance eligibility for children ages 0-5. Recent changes to Ohio's childcare quality program, Step Up to Quality (SUTQ), additional federal requirements to increase reimbursement rates for providers, and lower co-payments for families require increased investment from the state legislature. Foster, adoption, and kinship care programs also require investment.

Overall, DCY needs significant state-funded investment to achieve its goals. Ohio has thus far paid for these programs with federal dollars, but the ongoing crisis of care shows that it is not enough. Investment must come from state-source revenues too. The federal government made notable increases since 2018 to the CCDBG funds, but TANF remains unchanged and, because the fund is intended to reduce poverty, there are many programs and priorities competing over the stagnant pot of funding. The state cannot continue to rely solely on federal funding; additional support for childcare must come

from the legislature in the form of a \$150-200 million investment in Publicly Funded Child Care (PFCC) over the biennium.

300% eligibility⁸

Ohio currently has the lowest PFCC eligibility in the country for children 0–5: Only families with incomes less than 145% of the FPL qualify to enroll their children for the first time. (Once qualified, families can continue to receive PFCC until their income reaches 300% FPL.) The DeWine administration has made notable progress toward expanding this eligibility through the development of the recent childcare voucher program for children between 145% and 200% FPL. However, this program is temporary and funded through the Federal American Rescue Plan Funds (ARPA).

The governor’s 2024 voucher program expansion was a great step toward making childcare more affordable for more Ohioans. Lawmakers should continue this investment in our state and the states’ workers, by making PFCC permanent and expanding the existing PFCC program to those with incomes up to 200% FPL (\$51,640 for a family of three in 2024).

That change would be a significant improvement, but for PFCC to be truly accessible and effective, the program must be expanded to cover families making under 300% FPL (or \$77,460 for a family of 3 in 2024). For families in this income range, private pay services are inaccessible because of cost, but public options are not accessible because of income eligibility. Expanding PFCC eligibility to 300% would cover the median household income in Ohio, and substantially close this gap.

Why do we need both Publicly Funded Child Care and pre-K?

Public education is a continuum of services that begins in early education and extends until a child graduates from high school and beyond. Currently, many families face a gap in those services, whether that’s a lack of access to affordable childcare, preschool, or kindergarten. Ohio needs both PFCC and pre-K to be well-funded, so families have options depending on work schedules, emergency care, and other special circumstances. Children also need care and education to be ready for school. Fully funding both public childcare and pre-K will help meet these needs.

⁸ For more on this and other childcare policy recommendations, see [“Ohio’s childcare crisis.”](#) Kathryn Poe & Ali Smith. Policy Matters Ohio. 2024.

Enrollment over attendance & copayment caps for families

The federal Administration for Children & Families is requiring states to begin reimbursing childcare providers based on enrollment rather than attendance, and to cap copays for families who qualify for PFCC at 7% of their income. Ohio's copays currently range as high as 27%. These changes are necessary now, but Ohio lawmakers might apply for a waiver, allowing them to delay. Even if that waiver is granted, Ohio will still need to allocate additional funding to comply with these changes for federally required implementation during the next budget cycle.

Reimbursement rate changes & increased pay for providers

The federal Administration for Children & Families has established the benchmark for equal access to childcare as the 75th percentile of the current childcare market. Until recently, Ohio reimbursed providers at the 25th percentile, a rate so low that the federal government stepped in and mandated an increase. In July 2024, Ohio increased the reimbursement rate for providers to the 50th percentile. Lawmakers must go further and raise the reimbursement rate to the 75th percentile to stabilize the sector and provide equal access.

Raising reimbursement rates will help stabilize the sector but policymakers must ensure that childcare worker pay increases too. The typical childcare worker was paid just \$13.44 per hour in 2023, one of the lowest paying jobs in the state.⁹ Low pay is one reason some 4,900 childcare workers never returned to the job after the COVID recession.

Reimbursement rate increases should be accompanied by language ensuring that the increase reaches the childcare workforce by mandating a wage of at least \$20 per hour. Raising worker pay in the next budget cycle would be consistent with legislators' effort to increase home healthcare workers to \$16, then \$18 in the last Ohio budget. That language passed both houses before being partially vetoed by Gov. DeWine. Despite the partial veto, many direct service workers did receive increased wages as a result.

Other states have successfully tackled the childcare pay problem. The state of New Mexico provides childcare providers with a grant earmarked to raise the minimum wage for lead teachers to \$20 per hour and entry level teachers to \$15. The program had an

⁹ Here, the "typical" childcare worker is the one in the middle of the pay range; half of childcare workers make more, and half make less. This figure, the median, is more representative than the average, because highly paid people can skew the average to be much higher than what most workers make. For childcare workers, there are few highly paid, so the average is similar at \$13.95. Data are from the [Bureau of Labor Statistics, Occupational Employment and Wage Statistics](#) for Ohio, May 2023

initial allocation of \$77 million and has been projected to benefit at least 16,000 childcare staff. The state of New York has allocated \$500 million to offer childcare providers a Workforce Retention Grant to pay childcare workers a bonus ranging from \$2,300 to \$3,000. In Ohio, a bonus of this size would raise the median full-time childcare teacher's pay by 8 to 11%.

The FY2024-25 budget would have included similar pay mandates, allocating \$1.2 billion in state-funded Medicaid reimbursements for the purpose of raising pay for home health aides, nurses, food delivery people, and other home and personal care workers. Gov. DeWine vetoed pay mandates funded by state revenue.¹⁰

Ohio needs to invest in childcare provider reimbursement that specifically stipulates funds are to be used to increase childcare worker pay.

Toward a cost-of-care model

Ohio has chosen to reimburse childcare providers at a rate that does not meet their needs and is not based on actual costs of care. Because the Market Rate Survey model Ohio currently uses does not consider the need for fair wages and benefits for childcare workers and has not kept up with inflation, childcare is inaccessible to large numbers of Ohio families, and the childcare workforce has been eroded due to low wages. The state should take real action on childcare and move Ohio to a new funding model based on the actual cost of care and informed by a broad group of stakeholders including and especially providers and parents.

In this section:

GRF Funds: Child Care State/Maintenance of Effort (MOE)(ALI 830400), Child Care Licensing (ALI 830409), Early Care and Education (ALI 830500)

Dedicated Purpose Funds: Child Care Infrastructure Grants (ALI 830614), Early Childhood Education (ALI 830606).

Federal Funds: TANF Block Grant (ALI 830605), Child Care (ALI 830604)

Keeping Ohio families together through kinship caregiving

When a child cannot be cared for by a parent, the child may be temporarily or permanently placed with family members or other familiar adults. The practice is called

¹⁰ Ohio Departments of Aging, Disabilities, and Medicaid; "[Sustaining and Enhancing Ohio's Workforce for Home and Community-Based Services: SFY2024-25 Budget Proposal](#)"

kinship care and is often compared to foster care, though Ohio does not support kinship families as well as it does foster families.

Staying with trusted family members can be especially helpful to children experiencing the trauma of abuse or neglect by a parent.¹¹ Ohio has unique needs in this area because of the severity and long-term impact of the opioid epidemic on our communities.

According to data published by the Ohio Department of Job and Family Services, there were 14,728 children in state custody between January and November 2023. Of those, 2,975 were removed due to parental substance abuse.

When available and appropriate, kinship care offers a better path for the child and the state. Yet, kinship care providers receive a fraction of the support foster care providers receive from the state and federal systems. The main source of direct financial support for approved kinship caregivers is Ohio Works First (OWF), which is part of the federal Temporary Assistance for Needy Families (TANF) program. Ohio Works First child-only funds help grandparents and other approved kinship caregivers with the costs of caring for and raising children by providing payments of about \$280 a month. The state provides time-limited support to kinship caregivers who earn less than 300% of the FPL, through the Kinship Permanency Incentive Program (KPIP).¹² KPIP provides caregivers an initial \$525-per-child payment and an additional \$300 a month is provided for six months.

Other programs include the recently created Kinship Guardian Assistance Program (KGAP and KGAP-21),¹³ which support kinship care providers who become licensed under the foster licensing system and provide care to a child for at least six consecutive months as foster parents.¹⁴ Finally, the state also funds a navigator program at a cost of \$8.5 million per year in the FY2024-25 budget.¹⁵

¹¹ Ohio's current [families and children service plan](#) recognizes the value of kinship care to children experiencing the trauma of abuse and/or neglect, and the compounding trauma of being removed from a parent or primary caregiver.

¹² In the 2024-25 budget, KPIP received \$1 million from the GRF, per year, through ALI 830501 (prior budgets through JFS, ALI 600541) and \$10 million of FED, per year through an earmark in ALI 600689, supported by federal Title IV-Funds.

¹³ ALI 830506 earmarks funding for the Kinship Guardianship Assistance Program (KGAP and KGAP 21) and as does federal sourced ALI 830603, Foster Care Program.

¹⁴ KGAP 21 extends support to young adults to age 21 under certain conditions.

¹⁵ This program is funded through GRF via an earmark in 830506, Family and Children Services.

Lawmakers cut the Kinship Caregiver Program, which cost \$15 million per year, from the FY2024-25 budget. This program helped families with short-term and emergency expenses arising from taking in a related child in need. Caregivers would use this money to purchase cribs, car seats, highchairs and other necessities. This support helped keep kids with relatives instead of in the foster system; the legislature should restore full funding.

Challenging Ohio's two-tiered kinship care system

In September 2023, the Biden administration announced a new rule allowing and encouraging states to simplify the foster care licensing process for approved kinship care providers. The rule clarifies that states can and are encouraged to develop more appropriate standards for people, often grandparents, who step up to foster a related child. So far, only one state, Michigan, has filed plans to bring kinship care providers in line with foster care providers. Ohio should follow suit. Parity with the foster care system will unlock new levels of support and stability for care providers and the children facing the disruption and trauma of abuse/neglect and removal.

Ohio lawmakers should make this a priority for the agency by providing additional funding to the Department of Youth and Children earmarked for study, planning, and implementation of a kinship licensing program compliant with the new federal rule and the existing kinship provider requirements.

Existing support for kinship care providers should be maintained in the upcoming budget cycle.¹⁶ Additionally, lawmakers should fully restore the TANF funding for the Kinship Caregiver Program. Lastly, payments through both OWF child-only cases and KPIP should increase given the increasing costs to Ohio families.

In this section:

GRF: ALI 830501 Kinship Permanency Incentive Program

Federal: EM ALI 830605, TANF Block Grant; EM ALI 600689, TANF Block Grant; EM ALI 830603 (KGAP, KGAP 21)

¹⁶ For more information check out: <https://jfs.ohio.gov/static/ocf/OhioAnnualProgressServicesReport2023.pdf>

The Governor's Imagination Library

Governor DeWine has often named literacy as a priority for Ohio's children and has invested funding in the past toward this goal. The Imagination Library line item was moved in FY24 from ODJFS to the DCY.

The line item was created in the 133rd General Assembly as **the Governor's Imagination Library** at \$5 million in FY20 and later increased to \$8 million per FY in 2022. In the FY2024-25 budget, the line item was supported at the same level, for a total of \$16 million for the biennium.

In the upcoming budget, increasing funding for childhood literacy programming through this line item is necessary to encourage this program's growth. The program could also be expanded by specifically earmarking funds for the development of media literacy.

***In this section:** Imagination Library (ALI 830411, Previously ALI 600452).*

Department of Job and Family Services

Kathryn Poe and Michael Shields

The Ohio Department of Job and Family Services (ODJFS) is the primary state agency handling Ohio benefits and assistance, including administering the Supplemental Nutrition Assistance Program (SNAP), unemployment benefits, Medicaid, and workforce development programs. The department also administers TANF funds, spending about 77.23% of allocated TANF funds in FY24,¹⁷ as well as food assistance directly benefiting the Ohio Food Banks Association.

Previously, the department also served as the administrator for children's programming and child support services. During the FY2024-25 budget, many of these services were removed from the department to create the new Department of Children and Youth.

The department was funded at a biennial total of \$5.37 billion in FY2024-25, with 71% (\$3.85 billion) funded by federal dollars. This reflects a 39% reduction in state-share funding. Even factoring in the shift of some services to DCY, this \$417 million dollar cut has likely affected resources across multiple ODJFS departments and programs. It's clear the department requires broad additional funding to ensure Ohioans can access the resources it provides.

In this section: Family Assistance – Local (ALI 600521), Food Assistance Programs (ALI 600610), TANF State Maintenance of Effort (MOE)(ALI 600410), Public Assistance Activities (ALI 600658), TANF Block Grant (ALI 600689), Foodbank Assistance (ALI 600630), Foodbanks (ALI6006A8), Federal Unemployment Programs (ALI 600678), Unemployment Compensation Administration Fund (ALI 600678).

TANF administration improvements

The Temporary Assistance for Needy Families (TANF) block grant was established in 1996 and serves as the primary federal block grant program for poverty assistance nationwide. States use their TANF funds for various poverty-related programs and cash assistance. In Ohio, TANF funds are primarily spent through earmarks, cash assistance, and childcare.

¹⁷ As of FY24, the TANF Block Grant is allocated through two line items (ALI 600689 and ALI 830605), both from Federal Fund 3V60. This percentage is calculated using allocated spending from the Block grant in FY24. However, the actual Block grant total is only \$725.6 million per FY. The rest of the allocation is drawn from the TANF underspend, mostly going toward childcare.

In the last budget cycle, the Senate funded only five out of the 35 earmarks for a second year in the TANF block grant. This dropped the earmarked amount from \$42.9 million to just \$5.4 million in the budget's second year. This unprecedented change has created confusion surrounding TANF funds and concern about their use from health and human services advocates, prompting many organizations to go to the Controlling Board for these additional funds in FY25.

Ohio lawmakers should clarify their intentions with TANF funds for earmark recipients and reaffirm their commitment to funding organizations for the full two-year funding cycle.

In this section: TANF Block Grant (3V60, ALI 600689)

SNAP minimum benefit for older adults

House Bill 428, sponsored by Representatives Troy and Edwards, would increase minimum SNAP benefits for eligible older adults to \$50. The current proposal would cost \$42 million over two years and would improve well-being for many older Ohioans. This bipartisan bill should be included in the next budget.

Adding the CIVICC Database

The consequences of a criminal conviction can extend long beyond the sentence imposed by a judge. **Collateral sanctions** are extra consequences a person faces because of their involvement in the criminal legal system. They are considered “collateral” because they are not imposed by a judge, and the severity of their harm may not be considered in a plea deal. Ohio law currently includes more than 1,100 collateral sanctions.

These restrictions can limit where an Ohioan with a criminal record can live, whether they can participate in civic activities such as serving on a jury or at their child's school, and — more than any other category of restriction — what type of job they can hold. These restrictions can apply even after a person completes their sentence.

An online database, the Civil Impacts of Criminal Convictions (CIVICC), offered a catalog of collateral sanctions in Ohio law and administrative policy from 2011 through 2022. CIVICC served as a tool for workforce development agencies, researchers, attorneys, individuals with a criminal record, and others across the state. Previously funded as a

\$50,000-per-year grant¹⁸ by the Ohio Department of Rehabilitation and Corrections, CIVICC is no longer funded and has gone offline.

CIVICC is a critical tool that Ohio's workforce system can use to help Ohioans with a past conviction return to their communities, engage in meaningful work, and support their families. About \$100,000 – \$150,000 per year is needed to restore CIVICC. As a vital workforce tool, this line item should fall under the scope of ODJFS.

In this section: Addition, Suggested Earmark Under Main Operating Line Item (ALI 600450)

¹⁸ \$50,000 figure from Pamela Thurston, Ohio Justice and Policy Center. For a description of OJPC's collaboration with the Ohio Public Defender's Office, see "[Ohio's Online Inventory of Collateral Consequences: a Useful Resource for Defense Lawyers](#)," Pamela Thurston, Ohio Justice and Policy Center, November 25, 2014.

Department of Youth Services

Bree Easterling and Tanisha Pruitt, PhD

No matter the circumstance, all youth in Ohio deserve the resources and opportunities they need to thrive. That includes youth who are incarcerated. As of 2023, the state held 411 young people in its three juvenile justice facilities, which is similar to numbers from previous years. The Department of Youth Services (DYS) is intended to enhance public safety by confining juvenile felony offenders and providing support for institutional and community-based programs to aid in the rehabilitation of justice-involved youth.

DYS was funded at \$544.82 million in FY2024-25 and 94% is funded by GRF. Only 6% of the department's funding comes from the federal government, so the state's role is extremely important. DYS uses the bulk of its funding to support the three state-operated juvenile correctional facilities in Circleville, Cuyahoga County, and Indian River, and two regional parole offices. Much of the department's budget funds the RECLAIM Ohio line item, which pays for a broad range of programs, private facility contracts, and operating expenses for the three juvenile facilities.

***In this section:** RECLAIM Ohio (ALI 470401), Youth Services (ALI 470510), Juvenile Justice Prevention (ALI 470603).*

Reducing the burden on families of incarcerated youth

While incarcerating a child, Ohio imposes financial obligations on families for the “cost of care,” billing them for their child's imprisonment. These costs can outstrip a family's ability to pay, driving them into financial crisis. Assigning a price tag for punishment compounds financial consequences, creating new barriers for families who already face too many. The practice does nothing to help restore and rebuild the incarcerated child or make communities safer. Instead, these fees both exploit and criminalize poverty, disproportionately harming households with low incomes and people of color.

The state should pay cost-of-care fees for room, board, and medical and dental care. Lawmakers should allocate funds from the GRF to cover the average annual amount DYS receives from these fees. Lawmakers should also strike section 2151.36 (Support of Child) from the Revised Code and eliminate the practice of allowing judges to order families to pay for their child's incarceration.

***In this section:** Child Support (ALI 470602).*

Department of Commerce

Michael Shields

Everyone who works deserves to be paid the wage they agreed to, for all the hours they work. Preventing wage theft and making affected workers whole is a key function of Ohio's Bureau of Wage and Hour Administration, a division of the Department of Commerce (COM). Besides wage and hour oversight, COM regulates several industries and professions including the building trades, state labor laws, the Ohio Fire Code, and the state's medical marijuana cultivator, processor, and testing program. Oversight of medical marijuana was consolidated into COM's purview in the previous budget cycle.

The Department of Commerce was funded at \$553.1 million in FY2024-25. Surprisingly, the department is not funded by any General Revenue Funds, and only \$5.7 million (1.04% of the total) comes from Federal funding. According to the Legislative Service Commission (LSC), all the department's funding comes from fees from regulated businesses and professions (Internal Service Activity).

Increase wage and hour enforcement

In partnership with the Attorney General, Ohio's Bureau of Wage and Hour Administration investigates wage theft complaints. Effectively combating wage theft requires holding perpetrators accountable and making workers whole. Both depend on sowing trust among victims to share their experience with authorities, as well as an approach to enforcement that focuses on the industries where wage theft most often occurs. This "targeted enforcement" model requires more staff than the bureau can afford to hire, because legislators consistently choose to shortchange this important work.

The Bureau of Wage and Hour Administration is funded under Industrial Compliance (ALI 800615) through a \$1.3 million earmark in FY24 and FY25. This amount funds just five wage and hour investigators and an investigative supervisor as of June, plus another six-person office staff. This is for an employed workforce of more than 5.6 million people: about one wage investigator for every 940,000 workers. Lawmakers should expand funding in this area to ensure workers are sufficiently protected against wage theft.

***In this section:** Industrial Compliance (ALI 800615)(Earmarked: Bureau of Wage and Hour Administration).*

Pay Stub Requirement

Each year, employers steal wages from some 213,000 Ohio working people through minimum wage nonpayment alone. But minimum wage nonpayment is not the only form of wage theft. It can include not paying overtime, not paying for all hours worked, or improperly classifying workers as salaried or as independent contractors who lack any formal employment protections.

House Bill 106, the Pay Stub Protection Act, would make it easier for workers to identify discrepancies in their pay. It would also give workers the proof of income necessary for basic facets of life, from opening a bank account to renting or buying a home. The General Assembly should incorporate the Pay Stub Protection Act requirements into the state budget bill.

The state should also double the wage and hour earmark to \$2.6 million per year. This increase will support the agency in implementing the pay stub requirement and in better servicing Ohio workers, generally.

Department of Medicaid

Kathryn Poe

The path to a more equitable, healthy Ohio for everyone is through expanded coverage and access to health insurance. For states, the primary way to achieve this goal is through changes to the Department of Medicaid (ODM) and the six partner agencies that administer Medicaid funds. ODM is the primary distributor of Medicaid funds in the state of Ohio, and Ohio Medicaid is the single largest state program, accounting for nearly 5% of Ohio's total economy in 2023. In FY2024-25, Medicaid made up half (50.8%) of the biennial budget, with the GRF funding \$20.47 billion (50.2%) in FY 2024 and \$23.32 billion (52.4%) in FY 2025.

The federal government technically takes up only 32% of the biennial funding total, because the **FMAP (Federal Medical Assistance Percentage)**¹⁹ is considered part of the state's GRF portion. In 2024 and 2025, Ohio's Medicaid FMAP percentages were 64.3% and 64.6%. When all federal funds are considered (including the FMAP), the federal government funds about 70% of Ohio's Medicaid program.

Over the last biennium, Ohio Medicaid has been working through the process of the **Medicaid unwinding**²⁰, the required eligibility redeterminations after the expiration of pandemic rules that allowed people to remain on Medicaid during the emergency. The Medicaid unwinding has been called the most significant coverage transition since the Affordable Care Act (ACA) and yet many Americans were not aware it was happening until it was too late. According to the May 2024 Office of Budget and Management Report, total enrollment in Medicaid has declined 462,000 in the last 12 months (an average decline of about 38,500 a month). This has likely contributed to the steady estimated underspend in Medicaid for much of 2024.

In Ohio, adults are eligible for Medicaid services if their annual income is at or below 138% FPL (\$35,631 for a family of three); pregnant women at or below 205% FPL (\$52,931 for a family of three), with coverage for the mother until 12 months after the baby is born; at or below 211% for families with uninsured children (\$54,480 for a family of three). People

¹⁹ The Federal Medical Assistance Percentages (FMAPs) are used in determining the amount of federal matching funds for state expenditures for assistance payments for certain social services, and State medical and medical insurance expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the FMAPs each year.

²⁰ What is the Medicaid Unwinding?

who have a disability and are between the ages of 19 and 64 are also eligible, regardless of income.

For more, watch John Oliver's recent episode on Medicaid eligibility and the Unwinding.

Expanding Medicaid coverage

In the FY2024-25 Executive Budget, Gov. DeWine included a Medicaid expansion for kids (up to 19) and pregnant women up to 300% FPL. At the time, this would have expanded Medicaid coverage to more than 30,000 additional kids and over 3,500 additional pregnant mothers.²¹ The proposal did not survive the legislative process. In the upcoming budget cycle, the governor should once again include this expansion in his priorities.

In the last biennium, House Bill 33 required ODM to seek approval to provide continuous Medicaid enrollment for eligible children from birth through age three. We recommend a continued expansion to age 6.

In FY24, the Department of Medicaid consistently reported an underspend in revenue due to the dropping Medicaid enrollment caused by the Unwind. Because of this, the state does have newly available funds to expand its programs. Lawmakers should use this opportunity to correct course after the removal of thousands of Ohioans.

In this section: *Medicaid Health Care Services (ALI 651525), Medicaid Services – Federal (ALI 651623), Medicaid Program Support – State (ALI 651425), Medicaid Program Support – Federal (ALI 651624).*

Medicaid work requirements

House Bill 33 required the ODM director to apply for a new Medicaid work requirement waiver in February 2025, despite little evidence that Medicaid work requirements²² are effective practice. In Georgia, Medicaid work requirements have created low enrollment and few results, with the additional administrative burden costing the state \$26 million. Adding a work requirement to Medicaid does not make Ohioans healthier or reduce the need for Medicaid. It will add millions of dollars of administrative burden to Ohio taxpayers that should be used to expand access instead. Lawmakers should roll back this request in 2025.

²¹ [Executive Budget](#), 24-25 Proposal, p.440

²² For more information, see [this overview of the complex history of Medicaid Work Requirements](#).

Medicaid reimbursement for social workers

As of November 2023, well over five million Ohioans live in mental healthcare health professional shortage areas (HPSAs), with only 30% of their mental healthcare needs being met.²³ When mental healthcare needs go unmet, symptoms worsen, leading to poorer overall outcomes, including lower educational attainment and earnings, worsening overall health, and higher rates of suicide and drug overdose. Addressing the behavioral health workforce crisis is critical to building a thriving Ohio. To do so, we must address systemic factors contributing to the escalating gap between behavioral healthcare demand and the available workforce.

Chronically low wages are the primary reason providers leave the behavioral health workforce, and inadequate Medicaid reimbursement rates are a primary contributor to low provider salaries.²⁴ Data from the Bureau of Labor Statistics shows that for social workers in the field of mental health and substance abuse, for example, the median wage is only \$50,400, trailing even teachers, with a median salary of \$76,070, and nurses with a median salary of \$84,430. With wages lagging so significantly, it is no wonder that providers are leaving the profession for other opportunities. One fundamental way to raise provider salaries is to increase funding for Medicaid healthcare services, explicitly earmarking funds for rate and reimbursement increases for behavioral health services. The FY2024-25 budget made a specific investment in this area; to keep up with the rising cost of living, we recommend an increase of 3%.

In this section: *Medicaid Health Care Services (ALI 651525).*

²³ [Mental Health Care Health Professional Shortage Areas](#) (HPSAs). (n.d.). KFF. Retrieved July 18, 2024.

²⁴ Wermeling, L. (2013). [Why Social Workers Leave the Profession](#): Understanding the Profession and Workforce. *Administration in Social Work*, 37(4), 329–339. <https://doi.org/10.1080/03643107.2012.693057>. Also see: The Ohio Council. (2021). [Breaking point: Ohio's behavioral health workforce crisis](#).

Department of Health

Kathryn Poe

A healthy Ohio is the result of strong public health infrastructure and investment in public services. Ohio's public health budget includes funding to more than 110 public health departments and lifesaving prevention programs such as breast cancer and cervical screenings, lead abatement programs, and funding for HIV/AIDS screening and prevention. The department also houses programs such as the Highway Safety Program and the vital Ohio Physician Loan Repayment Program, which is focused on retaining primary care doctors, a workforce that Ohio desperately needs.

The FY2024-25 biennial total was \$1.8 billion, with 70.44% of the department's funding coming from federal sources. GRF appropriations were \$92.4 million in FY24 and \$94.1 million in FY25. Last budget cycle, a small number of programs primarily relating to children were moved to the new Department of Children and Youth, but most of the department remains unchanged.

***In this section:** Local Health Department Support (ALI 440413), Breast and Cervical Cancer Screenings (ALI 440438), Breast and Cervical Cancer Services (ALI 440659), AIDs Prevention (ALI 440444), HIV Care and Miscellaneous Expenses (ALI 440609), Lead Abatement (ALI 440527), Lead-Safe Home Fund Program (ALI 440530), Child Highway Safety/Highway Safety Fund (ALI 440603), Ohio Physician Loan Repayment (ALI 440628).*

Funding public health departments

Public health departments provide essential services, knowledge, and support for county and local governments all over the state. In the FY2024-25 budget, local health departments received \$4.76 million over the biennium in GRF support funding: no increase to their overall funds. However, the Fee Supported Programs line item, a catch-all line item for specific programming,²⁵ did receive an increase and sets aside specific funding for local health departments: \$8 million over the biennium.

Overall, the Health Department's line item has not received an increase in funding in the last two budget cycles. Because of inflation, this funding flatline is in fact a cut. When adjusted for inflation (to 2018 dollars), the department's current FY25 allocation of \$2.3 million is worth half a million (\$535,275) less. Given recent reporting on poor health

²⁵ This line item is a multiple use line item and provides funding for many programs within ODH. In particular, the line item funds fee-based programs including water systems testing, x-ray inspections, nuclear materials safety licensing and inspection, food service licensing, sanitarian registration, vital statistics, maternity facilities licensing, and many others. The 440647 line item is supported by fees from various regulatory activities and for vital statistics. These fee revenues are deposited into the General Operations Fund (Fund 4700).

outcomes for Ohioans compared to other states, there should be a continued focus on investment.

In this section: *Local Health Department Support (ALI 440413), Fee Supported Programs (ALI 440647).*

Protecting Ohioans from lead poisoning

Ohio must invest in programs to reduce lead exposure. According to the Ohio Department of Health, more than 67% of all housing units in Ohio were built before 1980 and are likely to contain some lead-based paint on interior and/or exterior surfaces. In previous years, the state of Ohio has improved its lead testing requirements for children and prioritized testing of children in high-risk areas, such as low-income communities with housing built before 1980, as documented by a recently published paper in Nature.

The FY2024-25 budget contained two line items specifically dealing with the issue of lead exposure in communities: Lead Abatement (ALI 440527) and the Lead-Safe Home Fund Project (Ali 440530), both listed as Environmental Health related programs. The lead abatement line item received a 43.1% increase between FY23 and FY24.

Within this line item, \$500,000 is earmarked each fiscal year to the Historic South Initiative in Toledo, Ohio, and another half million is earmarked for local government lead projects. A study published in 2014 on lead levels in Toledo housing discovered a strong connection between the age of housing and the likelihood of lead exposure.

Ohio should continue to expand its program by creating more targeted initiatives, specifically in high-risk, low-income communities with housing built before 1980. These line items should be increased to adjust for inflation and continued investment.

Included in this section: *Lead Abatement (ALI 440527),²⁶ the Lead-Safe Home Fund Project (ALI 440530).*

²⁶ This line item contains non-Medicaid public health investigations. Ohio law requires lead testing for children ages 1 and 2 if they are enrolled in Ohio Medicaid.

Department Mental Health and Addiction Services

Piet van Lier and Kathryn Poe

Mental health has been a priority for the DeWine administration over the past few years. The state has prioritized responding to the opioid epidemic and expanding access to crisis care services and psychiatric beds in Ohio's six psychiatric hospitals. The Department of Mental Health and Addiction Services plays a critical role in increasing this access for Ohioans.

In FY2024-25, the department biennial total was \$2.36 billion, with 25% of the agency's funds coming from federal sources and half from the GRF. Much of the agency's budget is spent on specific mental health and addiction related programs (including pediatric mental health), including administering several important block grants such as the Federal Mental Health Block Grant and Federal State Opioid Response funding. The department also receives some Medicaid funds, about 5.6% of the total. One major initiative from the previous budget was the 988 suicide hotline rollout, allocating \$20.7 million in FY24 and \$25.8 million in FY25. Another includes the Appalachian Children's Coalition, an effort to provide support for systemic challenges facing children in Southeast Ohio (\$5 million in FY2024-25).

***In this section:** Mental Health Operating (ALI 336632), Hospital Services (ALI 336412), 988 Federal Requirements (ALI 336661), Continuum of Care Services/ADAMHS Boards (ALI 336421), Appalachian Children's Coalition (ALI 336516), State Opioid Response (ALI 336644), Mental Health Block Grant (ALI 336614).*

Crisis Intervention Services & non-police response

All Ohioans deserve caring, non-violent, compassionate response during a moment of crisis. More and more communities, around Ohio and nationally, are implementing programs that send social workers, clinicians, or trained community responders on 911 calls to help people experiencing mental and behavioral health crisis who present little or no risk of violence.

The longest running non-police crisis response program has been in place for more than 30 years in Eugene, Oregon. More recently, programs have started in cities as diverse as Baltimore, New Orleans, Phoenix, Portland, and St. Petersburg, Florida. In Ohio, Cincinnati started its Alternative Response to Crisis program in 2022, while Shaker Heights sends a social worker on some EMS calls and is working with neighboring

communities to expand this approach. Columbus and Dayton are exploring their own similar programs.

These programs are essential to safety because all Ohioans deserve support from responders who are trained to provide the assistance they need, rather than running the risk of being unnecessarily arrested, harassed, hospitalized, or killed. Furthermore, taking police out of the equation for this kind of crisis response can reduce the demands on law enforcement, allowing officers to focus on responding to and resolving violent crime. This is especially important when police departments across the country are struggling to recruit and hire new personnel.

Current programs are funded locally, often with grants that may or may not be available over the long term. This is why the state must do more to explicitly and directly support non-police crisis response programs in municipalities and other local government entities across Ohio. The biennial budget is the best place to start.

To answer this urgent need, we recommend the creation of a new line item in the GRF for the Ohio Department of Mental Health and Addiction Services to specifically support crisis response programs. Creating a permanent line item will provide a stream of sustainable, predictable funding that will allow such programs to take root and grow to fully serve their communities.

Barring the creation of a separate line item, the governor and legislators should earmark additional funds within ALI 336504 (Community Innovations) or ALI 336519 (Community Projects) to fund this work.

***In this section:** Community Innovations (ALI 336504), Community Projects (ALI 336519), Suggested new line item.*

Continued funding for Crisis Stabilization Centers

Expanding access to mental health and crisis services is a pivotal part of creating an Ohio that is safe and healthy. Mental health stabilization centers can serve as a key part of expanding this access to these services in our communities and providing more out-patient services for people who are struggling with a substance abuse disorder.

In the 132nd General Assembly ([HB 49](#)), a line item was added under Continuum of Care Services that established \$1.5 million for Mental Health Crisis Stabilization Centers to be built in each of the six regions that were covered by the psychiatric facilities. The

Continuum of Care Services line item funds these centers with additional funds in a separate line item: Stabilization Centers (ALI 336600), funded at \$6 million per fiscal year. The legislature should continue this level of funding.

In this section: *Continuum of Care Services/ADAMHS Boards (ALI 336421), Stabilization Centers (ALI 336600).*

Funding for future behavioral health providers

Ohio's demand for behavioral health and human services is at an all-time high, beyond the capacity of the current workforce. According to 2021 reports from the Ohio Department of Mental Health and Addiction Services,²⁷ demand for services increased by 353% from 2013-2019, while the available workforce only increased by 174% in the same period. Since the data was reported, the issues have only increased due to the substance abuse crises and the COVID-19 pandemic. To meet rising demand, immediate action is needed to bolster the behavioral health workforce pipeline.

One barrier for students seeking to enter or advance in the field is the lack of pay available for internships required by most behavioral health degree programs. Social work students, for example, must provide at least 400 hours of work for undergraduate practicums and 900 hours for graduate programs. If paid only the minimum wage, that work would earn them \$4,180 and \$9,405, respectively. Unfortunately, the vast majority of these internships are entirely unpaid.

The Great Minds Fellowship program was created using one-time ARPA funds to provide workforce support, including paid internship stipends of up to \$10,000 for community mental health interns. This was a step forward, but ongoing funding is needed to continue this program and strengthen the pipeline of professionals entering the behavioral health workforce. We recommend allocating \$10 million per year of GRF funding to continue the Great Minds Fellowship program, with funding specifically earmarked to provide non-tuition-specific stipends for community mental health interns.

In this section: *This program is currently run jointly by the Department of Mental Health and the Department of Higher Education through an allocation of American Rescue Act Funds (ARPA). It would require a new line item addition to either department.*

²⁷ [Workforce Supply and Demand within Ohio's Behavioral Health System](#) | DataOhio. Data Ohio. Accessed July 2024.

Department of Transportation

Molly Bryden

The Ohio Department of Transportation (ODOT) receives funding from Ohio's operating budget and transportation budget. Ohio's transportation budget for FY2024-25 (HB 23) made \$11.47 billion in appropriations to ODOT, making up 85% of the total transportation budget. Capital investments make up the largest share of the state transportation budget (79.3%), followed by personal services (9.6%). ODOT was allocated an additional \$654.2 million in the FY2024-25 Main Operating Budget (HB 33).

Spending on highway construction and maintenance represents 90.7% of ODOT funding under the transportation budget. Remaining funding goes toward debt service,²⁸ administration, public transit, planning and research, the State Infrastructure Bank, rail, and aviation. Public transit funding accounts for only 1.7% of ODOT's budget appropriated by the transportation budget.

Public transportation budget

State investment in public transit is key to maintaining comprehensive, accessible public transportation systems for everyone. Transit makes our communities possible: It's how we take our kids to school, get to work on time, meet up with family and friends, and contribute to our communities. Without it, our communities and businesses suffer. However, Ohio has historically ranked near the bottom of the nation for the state share of public transportation funding. In fact, Ohio ranked 42nd in state funding for public transit per capita in 2022, and still has a long way to go to meet ODOT's recommendation of 10% of the transportation budget by 2025.

Ohio's public transit systems are funded by a mix of federal, state, and local sources, with 70% from local taxes (like sales, property, and earnings taxes). With additional contributions from local governments, local funding mechanisms account for more than 75% of transit funding in Ohio. In 2022, the largest share of Ohio's transportation budget (48%) was allocated to state roads and bridges, and the second largest (33.2%) went to counties, municipalities, and townships who own and maintain over 80% of all lane miles

²⁸ Debt service involves costs that ODOT incurred by issuing bonds to pay for highway construction and maintenance, other infrastructure projects, and transportation maintenance facilities.

in Ohio. Only 5% went to multi-modal transportation, which includes transit, airport, and rail development.

The FY2024-25 transportation budget appropriated \$37 million per year for public transit from the GRF, the only state-generated funding for public transit. This follows a jump from previous years, when GRF appropriations ranged between \$7.3 million and \$10.1 million between FY12 and FY19, with an average of \$7.8 million per year: just 66 cents per capita. Public transit preferences hinge on service reliability and affordability, both of which are insufficient in Ohio.

State lawmakers should increase state funding for public transit to reduce regional transit authorities' reliance on local funding sources, enhancing infrastructure upgrades and route expansions, and increasing ridership levels and fare revenue in turn. With historic federal infrastructure spending and tax credits available for fleet electrification, the legislature has a unique opportunity to accelerate the development of efficient, well-connected transit systems through state budgeting mechanisms.

The legislature should continue funding increases toward the department's goal of 10% transit funding by 2025. Lastly, the legislature should include additional funds for a state-wide needs assessment, which has not been completed since 2015, and would give a more in-depth understanding of our transit needs for the future.

In this section: *Public Transportation – State (ALI 775470), Public Transportation – Federal (775452), and Public Transportation – Other (ALI 775454).*

State Revenue Distribution Budget

Hannah Halbert

Vibrant communities require diverse and well-funded infrastructure, from common spaces like public libraries and public transit, to care infrastructure like senior and child protective services. Ohio's local governments are responsible for delivering a larger share of basic health and human services than those in other states. In return, they receive a share of state revenue that supports what counties can raise through property tax levies or through their general fund budgets. Much of this funding shows up in the "State Revenue Distributions" Budget. Each line item in this budget is administered by a state agency but the funds are not included in the administering agency's budget.

The State Revenue Distribution Budget includes Sales Tax Distributions (\$7.6 billion over FY2024-25), Property Tax Reimbursements and Income Tax Levy dollars for education. It also includes two critical funding lines: ALI 110969, Local Government Fund and ALI 110965, Public Library Fund. These lines are used to distribute a legislatively-set share of GRF revenues to counties, municipal corporations, townships and other local government units, and public libraries.

This funding strategy, which sends a percentage of total GRF back to local governments and libraries, has made Ohio's library system truly world-class, but it also has left many local governments struggling to meet evolving needs of residents. When the state legislature fails to set the funding percentage high enough, or if revenues decline without making up the difference, life gets harder for Ohioans. Long wait times to access basic services, general unresponsiveness, and an inability to offer competitive wages to attract and retain workers all leave needed services closed or inaccessible. Ultimately, underfunding local governments or libraries means that people are less likely to get what they need to be connected and secure in their communities.

The Local Government Fund (LGF)

While there are additional sources of flexible and dedicated funding in the state budget for localities, noted below, the LGF (ALI 110969) is the only general-purpose state revenue for local governments. The LGF, which is funded by personal income tax receipts, distributes 1.70% of Ohio's total GRF to local governments. This is a slight increase from the prior biennium that set the local share at 1.66% of GRF.

The LGF's 1.70% share is roughly half of what locals received in 2012, when the legislature drastically restructured state revenue streams supporting local governments. The LGF was

cut from 3.68% GRF; casino revenues were supposed to replace this lost funding, but they have never been strong enough to restore the loss. Even considering other flexible sources, Ohio local governments are working with about \$1 billion less per year, in real terms, compared to the 2011 level of state support. Restoring the LGF to 3.68% of total state GRF revenue would fill this gap, raising levels from about \$1 billion per biennium to about \$2 billion.

Lawmakers should prioritize strong communities by replacing long-eroded state support for the Local Government Fund and restoring state revenue-sharing through the Local Government Fund to its previous level of 3.68% of GRF tax revenue.

In this section: GRF Funds: Local Government Fund (ALI 110969)

Addition flexible and dedicated funding to local governments included in this analysis:

Property Tax Replacement Phase-Out-Local Government (110907); Property Tax Reimbursement – Local Government (110908); Gross Casino Revenue Payments – County (110633); Gross Casino Revenue Payments Host City (110636); Auto Registration Distribution (762901); Gasoline Excise Tax Fund – Municipal (1106552, formerly 110960); Gasoline Excise Tax Fund – Township (110653, formerly 110960); Gasoline Excise Tax Fund – County (110654, formerly 110960).

Public Library Fund

Ohio's public libraries are among the very best in the world. The library system shows the potential and value of welcoming public institutions. They also demonstrate that sufficient and consistent funding is required to build such institutions.

According to the Ohio Library Council, Ohio libraries receive about 51% of their total funding from the state Public Library Fund line item (PLF, ALI 110965). The PLF was established in 2007 and was intended to bring new levels of funding security and the opportunities for growth and innovation that come with support stability. The FY2008-09 budget bill allocated 2.22% of the state's total general tax revenue to the libraries, giving the system a broader base of support as funding was previously a share of income tax revenues. In the FY2008-09 biennium, the PLF brought in more than \$787 million.

Since the fund's establishment, there have been cuts to the PLF's share of GRF, campaigns calling for restoration of funding, and reductions based on declining tax revenues, in part driven by rampant tax cutting. In the upcoming funding cycle, the PLF should be maintained at its current level of 1.7%.

For an excellent history of the Public Library Fund, see the Ohio Library Council's white paper: [History of State Funding for Ohio's Public Libraries](#).

In this section: Public Library Fund, (110965).

Acknowledgements

The budget is a team sport. Over the last six months, Policy Matters staff has spent countless hours scouring the budget, line item by line item, to find the best options for funding Ohioans' priorities. Thank you to our partners for contributing to this project through many emails, meetings, and cups of coffee:

The Ohio Organizing Collaborative, Care Economy Organizing Project (CEO), the Dignity for All Coalition, the National Association of Social Workers Ohio Chapter (NASW), the Ohio Association of Foodbanks, Advocates for Ohio's Future (AOF), NOBLE, the Children's Defense Fund, the Ohio Juvenile Justice Coalition, the Center for Community Solutions, the Ohio Federation of Teachers, the Ohio Education Association, the Ohio Poverty Law Center, Disability Rights Ohio, Honesty for Ohio Education, and Hunger for Justice.

Appendix A: Recommendations

Department of Education & Workforce

- Permanently incorporate the Fair School Funding Plan (FSFP) into the state budget; fund it directly, adequately, and equitably.
- Account for inflation when making FY2026-27 allocations for Ohio’s education system and benchmark inflation adjustments to the **beginning** of the six-year phase-in.
- Fund statewide universal pre-K and all-day Kindergarten. (HB 595 would do so.)
- Increase starting teacher salaries to \$50,000 as part of the FSFP.
- Help teachers pay off their education debt. (State representatives proposed \$25 million for such a program in FY2024, but state senators rejected it.)
- Leverage federal programs (such as the EPA’s Clean School Bus Program and the Inflation Reduction Act’s clean energy tax credits) by funding the purchase and operation of electric school buses.
- Provide free school meals for all children regardless of their family’s income.

Department of Higher Education

- Increase the state share of instruction to at least 3%.
- Fund the Foster-to-College Scholarship Program proposed in House Bill 164.
- Allocate at least \$562 million for the Ohio College Opportunity Grant (OCOG) to encourage Ohio’s students to stay in Ohio.
- Restructure OCOG to make it a “first-dollar” grant, allowing students to access the full amounts they need and should qualify for in both state **and** federal funds.
- Fund the Ohio Access Challenge and other programs that help students attending community colleges and regional campuses.
- Enact House Bill 590, the Hunger Free Campus Act, to allocate \$2.5 million over the next biennium to address student hunger across Ohio — or fund such a program directly in the FY2026-27 budget.

Department of Children and Youth

- Invest \$150-200 million in Publicly Funded Child Care (PFCC) over the biennium.
- Make PFCC permanent and expand it to cover families making under 300% FPL.
- As required by the federal Administration for Children and Families, reimburse childcare providers based on enrollment rather than attendance, and cap co-pays for PFCC families at 7% of their income.

- Reimburse childcare providers at the 75th percentile of the market rate.
- Ensure the reimbursement increase reaches childcare workers by mandating a wage of at least \$20 per hour.
- Create a new funding model based on the *actual* cost of care informed by a broad group of stakeholders, especially providers and parents.
- Restore at least \$15 million annual funding for the Kinship Caregiver Program by restoring the Kinship Care TANF earmark in the next budget cycle, while also maintaining existing support for kinship care providers.
- Increase payments through both Ohio Works First child-only cases and the Kinship Permanency Incentive Program to account for inflation.
- Fund the planning and implementation of a kinship licensing program compliant with the new federal rule and the existing kinship provider requirements.
- Increase funding for childhood literacy programming through the Governor’s Imagination Library program; expand it by earmarking funds for the development of media literacy programming.

Department of Job and Family Services

- Increase funding for all human services by at least 3% to account for inflation.
- Increase minimum SNAP benefits for eligible older adults to \$50 by including [House Bill 428](#) in the budget.
- Allocate \$100,000–150,000 annually to restore and maintain the Civil Impacts of Criminal Convictions database.

Department of Youth Services

- Cover the costs of caring for children incarcerated by the state, such as room, board, and medical and dental care.
- Strike section [2151.36 \(Support of Child\)](#) from the Revised Code and eliminate the practice of allowing judges to order families to pay for their child’s incarceration.

Department of Commerce

- Increase funding for wage and hour enforcement to \$2.6 million annually.
- Incorporate HB 106, the [Pay Stub Protection Act](#), into the FY2026-27 budget.

Department of Medicaid

- Expand Medicaid eligibility for pregnant women up to 300% FPL.

- Expand continuous enrollment to eligible children up to age 6.
- Rollback the request for a waiver allowing the state to impose work requirements for Medicaid.
- Increase reimbursement rates for Medicaid-eligible behavioral health services to increase salaries for behavioral health care providers.

Department of Health

- Increase departmental funding to account for inflation since the previous increase.
- Increase funding for line items that support lead abatement and lead safety programs, especially in high-risk communities with housing built before 1980.

Department of Mental Health and Addiction Services

- Create a new, permanent line item in the GRF to directly fund non-police crisis response programs in municipalities and other local government entities across Ohio, or earmark funds to support this work in existing line items for Community Innovations and Community Projects.
- Continue funding Crisis Stabilization Centers at \$6 million per fiscal year.
- Allocate \$10 million annually from the GRF to strengthen the pipeline of professionals entering the behavioral health workforce by supporting [the Great Minds Fellowship program](#). Earmark funds to provide non-tuition-specific stipends for community mental health interns.

Department of Transportation

- Increase state funding for public transit to 10% of the total transportation budget.
- Leverage historic federal infrastructure spending and tax credits available for fleet electrification.
- Fund a state-wide needs assessment to understand Ohio's evolving transit needs.

State Revenue Distribution Budget

- Restore the Local Government Fund to 3.68% of total state GRF revenue.
- Maintain the current level of funding for the Public Library Fund: 1.7%

Appendix B: Federal funding

Agencies covered in this report are funded with state and federal dollars. Figures 1 and 2 illustrate the critical role federal funding plays in Ohio's budget.

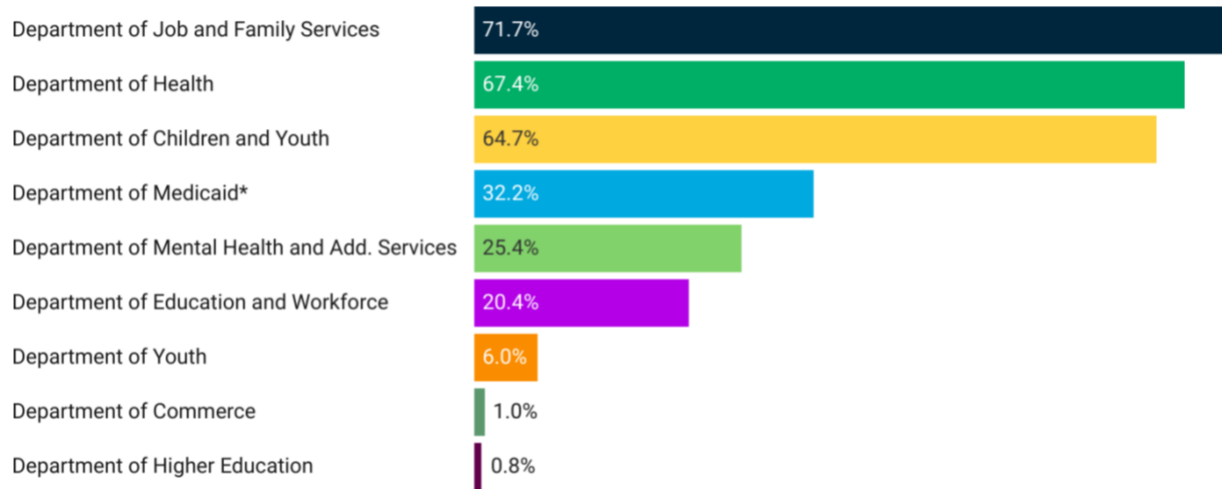
Federal funds keep Ohio afloat Figure 1

Funding in Ohio's FY2024-25 budget

Department	Total	Federal
Department of Job and Family Services	\$5.371 billion	\$3.852 billion
Department of Health	\$1.88 billion	\$1.268 billion
Department of Children and Youth	\$4.51 billion	\$2.921 billion
Department of Medicaid*	\$75.53 billion	\$24.3 billion
Department of Mental Health and Add. Services	\$2.36 billion	\$598.8 million
Department of Education and Workforce	\$30.324 billion	\$6.192 billion
Department of Youth	\$544.828 million	\$20.943 million
Department of Commerce	\$553.1 million	\$5.7 million
Department of Higher Education	\$6.08 billion	\$51.756 million

Figure 2

Ohio departments ranked by the share of their budget paid for with federal dollars



*Ohio Department of Medicaid Only Included (2023 ODM Greenbook, P. 8).