

Governor Signs State Budget

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Governor Mike DeWine signed into law this week the state's new two-year state spending plan totaling \$86.1 billion. After settling on more than 900 matters of difference, the Ohio legislature passed Ohio's new budget with nearly \$3 billion in income tax cuts, funding for universal school vouchers and hundreds of other measures. Included in the new budget provisions are several wins for Benesch clients.

Among other things, Benesch worked to direct \$15.5 million to support women-owned businesses; added significant policy changes to improve patient care during echocardiograms; defeated an attempted weakening of radiation protection for patients; requested and received a veto of problematic language that would have reduced consumer protections; and expanded provisions that enhance patient access to opioid treatment facilities. We appreciate the General Assembly, many state agencies and Governor DeWine for their support of these important initiatives.

Ohioans will also greatly benefit from numerous tax changes. The new budget reduces the number of income tax brackets from four to just two. The lower bracket, \$26,000 to \$100,000, will pay 2.75% of their income. Those making more than six figures will pay 3.5%.

In an effort to address the housing shortages in Ohio, the budget includes the State Affordable Housing Tax Credit Program, the Single-Family Housing Tax Credit Program, and the Welcome Home Ohio Program which will provide over \$200 million per year in funding for affordable housing projects.

Small businesses will receive tax relief as well. The Commercial Activities tax is eliminated for 90% of companies that are subject to it. However, for sports gaming proprietors, they are now subject to a doubling of the Sports Gaming Tax, increasing it from 10% to 20%. This change would increase sports gaming tax receipts by as much as \$135 million per year.

Also, for Ohio businesses, the new \$750 million One Time Strategic Community Investment Fund will pay for some eligible capital projects as well as "Connect4Ohio" to pay for state road projects. A program to help develop raw land was created that directs \$667 million to the "Future Fund" and brownfield remediation is funded with the Senate's \$350 million plan.

For those in the healthcare field, several interesting provisions were included in the budget. A rate increase for the Ohio Medicaid Physician Fee Schedule was included for providers. Attempts to expand the scope of practice for mental health assistants and for pharmacists who were seeking to provide vaccinations for children under 5 years old, were removed from the bill. Ohio will increase its oversight of nursing homes and increase penalties for those who are found to have failed to care for their patients. Facilities that exceed care expectations will be eligible for higher funding levels from

the state. In addition, Ohio will create a website with detailed information on nursing homes for residents to compare options.

In addition, a one-time healthy aging grant program was created to provide \$40 million statewide to help those who want to age at home. The funding will be allocated to counties based on population. For mental health support, Ohio is investing in the state's suicide and crisis hotline (988), adding 3,000 in-patient beds for adults, and providing funding to new pediatric mental health providers to help reduce wait times for Ohioans.

Other provisions of the new budget include:

- Replacing the wireless 911 charge with a Next Generation 911 access fee of 40 cents per month for certain communication services.
- Lowering the reinstatement fee for failing to have proof of financial responsibility to \$40 rather than \$100, \$300 or \$600.
- Directing support professionals serving individuals who use developmental disability waivers will receive an additional \$1 of pay, to be funded by county boards, on top of the increase to \$17 an hour in FY24 and \$18 in FY25.
- A Fair School Funding Plan, an increase in State Teacher Minimum Salary, and Universal Expansion of the EdChoice Voucher Program.
- Parental consent will be required for children under 16 to be on certain social media platforms.
- Eligibility for publicly funded child care will increase from 142% to 145%. The conference committee added a stipulation that in the case of special needs child care, the eligibility is 150%.
- Foodbanks will receive an additional \$7.5 million for a total of \$32.05 million annually.
- The OneOhio Recovery Foundation will now be exempt from public meetings and records law.
- Reimbursement for nursing homes includes the House's private room payment but alters the calculation. The Medicaid day payment rate will use the 70th percentile, compared to the current 25th, but removes House provisions about ancillary and support cost centers.

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