WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

CONSUMER SPENDING DROPPED BECAUSE PEOPLE WERE AFRAID TO GO TO STORES, AND BECAUSE OF STAY-AT-HOME ORDERS.
WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

OHIO UNEMPLOYMENT RATE SPIKED TO 17.6% IN APRIL
WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

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

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Discretionary Outlays</td>
<td>$326</td>
<td>$162</td>
</tr>
<tr>
<td>Increase in Mandatory Spending</td>
<td>$988</td>
<td>$321</td>
</tr>
<tr>
<td>Decrease in Revenues</td>
<td>$408</td>
<td>$0</td>
</tr>
<tr>
<td>Total Impact</td>
<td>$1,721</td>
<td>$483</td>
</tr>
</tbody>
</table>

**Major Provisions**

<table>
<thead>
<tr>
<th>Provision</th>
<th>CARES Act</th>
<th>PPE Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paycheck Protection Program and Other SBA Grants and Loans</td>
<td>$377</td>
<td>$383</td>
</tr>
<tr>
<td>Recovery Rebates (checks to households)</td>
<td>$293</td>
<td></td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>$768</td>
<td></td>
</tr>
<tr>
<td>Increased Limits on Losses for Corporations and Individual Taxpayers</td>
<td>$161</td>
<td></td>
</tr>
<tr>
<td>Payments to State, Local, and Tribal Governments</td>
<td>$150</td>
<td></td>
</tr>
<tr>
<td>All Other</td>
<td>$472</td>
<td></td>
</tr>
</tbody>
</table>
WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

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

Source: Bureau of Economic Analysis via FRED
WHAT HAPPENED TO THE 20% CUT IN STATE FUNDING?

THE MAJORITY OF THOSE WHO LOST EMPLOYMENT WERE IN LOW SKILL, LOW WAGE JOBS.
STATE REVENUE PROJECTIONS GOING FORWARD
GOVERNOR DEWINE'S 2022 & 2023 BUDGET

DOES NOT USE ANY FUNDING FROM THE RAINY DAY FUND

<table>
<thead>
<tr>
<th>Date</th>
<th>GRF Ending Balance</th>
<th>% of GRF Revenues</th>
<th>BSF Ending Balance</th>
<th>% of GRF Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est. 6/30/2023</td>
<td>$199.0</td>
<td>0.5%</td>
<td>$2,691.6</td>
<td>6.8%</td>
</tr>
<tr>
<td>Est. 6/30/2022</td>
<td>$583.6</td>
<td>1.6%</td>
<td>$2,691.6</td>
<td>7.4%</td>
</tr>
<tr>
<td>Est. 6/30/2021</td>
<td>$183.7</td>
<td>0.5%</td>
<td>$2,691.6</td>
<td>7.4%</td>
</tr>
<tr>
<td>6/30/2020</td>
<td>$784.8</td>
<td>2.3%</td>
<td>$2,691.6</td>
<td>8.0%</td>
</tr>
<tr>
<td>6/30/2019</td>
<td>$839.0</td>
<td>2.5%</td>
<td>$2,691.6</td>
<td>8.0%</td>
</tr>
<tr>
<td>6/30/2018</td>
<td>$166.3</td>
<td>0.5%</td>
<td>$2,691.6</td>
<td>8.3%</td>
</tr>
<tr>
<td>6/30/2017</td>
<td>$170.9</td>
<td>0.5%</td>
<td>$2,834.1</td>
<td>6.0%</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>$735.2</td>
<td>2.2%</td>
<td>$2,834.1</td>
<td>6.0%</td>
</tr>
<tr>
<td>6/30/2015</td>
<td>$849.4</td>
<td>2.7%</td>
<td>$2,004.6</td>
<td>6.4%</td>
</tr>
</tbody>
</table>
GOVERNOR DEWINE'S 2022 & 2023 BUDGET
STATE SHARE OF INSTRUCTION (SSI)

- All SSI cuts for FY 2021 have now been RESTORED
- Restoration of those cuts established a higher base for FY 2022 and 2023
- SSI funding is recommended to increase 1.0% in FY 2022 and 0.9% in FY 2023
- This is in addition to the $4.5 million in SSI that was approved in December to help transition to a new formula metric on entry-level math & English.
CHANGE TO THE COMMUNITY COLLEGE FUNDING FORMULA

• We expect the Governor’s budget to include the recommendation of the OACC presidents to change our funding formula regarding students taking developmental education courses.

• The new measure of success will mirror the goals of the state’s Strong Start to Finish initiative – completion of entry level English & math courses within a student’s the first 30 credit hours.

• The OACC Presidents recommended immediate implementation of the formula change – (starting in FY 2022)

• To facilitate this change, $4.5 million in funding was approved in December to help transition to the new formula.
OHIO DEPARTMENT OF HIGHER EDUCATION BUDGET HIGHLIGHTS

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

- Tuition authority
- FAFSA completion
- Adult learner strategies
- College Credit Plus
- High School Computer Science Guarantee
- Institutional Debt Forgiveness Programs
INVESTING in Ohio’s FUTURE

Support Ohio’s Small Businesses
$460 million

Strengthen Ohio’s Communities
$450 million

Tell Ohio’s Story
$50 million

Grow Ohio’s Skilled Workforce
$70 million
“INVESTING IN OHIO INITIATIVE” - $1 BILLION IN TARGETED, ONE-TIME INVESTMENTS

**Sustaining Businesses**

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

**Enhancing Communities**

- **$250 million** to expand broadband access throughout Ohio
- **$200 million** for community infrastructure projects by providing grants up to $2.5 million per project
- **$50 million** to “Tell Ohio’s Story” through a marketing campaign promoting Ohio as a place to live, learn and work
- **$50 million** to $5 million in FY 21 for TechCred and IMAP to fund an additional 45,000 credentials through

**Growing a Skilled Workforce**

- **$50 million** over the biennium +
- **$5 million** in FY 21 for TechCred and IMAP to fund an additional 45,000 credentials through
- **$15 million** to target investments in economically distressed rural and urban communities
- **$16 million** to help HS students earn workforce credentials each year
- **Expand Ohio to Work and Industry Sector Partnerships**
134TH GENERAL ASSEMBLY

REPUBLICANS PICKED UP ADDITIONAL SEATS IN 2020

**OHIO HOUSE OF REPRESENTATIVES**
- 64 REPUBLICANS
- 35 DEMOCRATS
(23 “FRESHMEN” MEMBERS)

**OHIO SENATE**
- 25 REPUBLICANS
- 8 DEMOCRATS
(6 NEW, 2 “FRESHMEN” MEMBERS)
OACC STATE LEGISLATIVE AGENDA
RAPID RECOVERY OHIO INITIATIVE (RAPID ROI)

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

QUICKLY UPSKILL OHIO’S WORKFORCE
• Programs completed in one year or less
• Noncredit or credit pathways for in-demand jobs, critical occupations, or TechCred eligible credentials

PAYING FOR RESULTS
• Provide block grants for maximum flexibility
• Colleges would be paid for students who complete
OACC STATE LEGISLATIVE AGENDA

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

• Free Community College
• Student Success Strategies Funding
• Wrap Around Services Funding
• Scrutiny Over Racial Equality in Student Success Rates
• Return of the Gainful Employment Rule
• Student Loan Forgiveness
• Increased Scrutiny of For-Profit Colleges
• New Capital Funding for Facilities and Technology
LOOKING AHEAD – FEDERAL PRIORITIES
AACC & ACCT

• Third Round of Stimulus Funding

• Creation of a new TAACCCT Grant Program

• Clarity for DACA Students

• Pell Grants
  • Increase Pell Grant Maximum
  • Pell Grants for Short Term Workforce Programs
  • Second Chance Pell