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H.B. 2
135th General Assembly

Final Analysis

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Primary Sponsors: Reps. Cutrona and Upchurch

Effective date: Emergency: June 28, 2024

Jeff Grim, Research Analyst
Paul Luzzi, Attorney

UPDATED VERSION*

SUMMARY

Appropriations

One Time Strategic Community Investments Fund

- Appropriates \$717 million to the Office of Budget and Management to fund projects from the One Time Strategic Community Investments Fund.

Capital appropriations and reappropriations

- Makes capital appropriations totaling \$3.51 billion for the FY 2025-2026 biennium, and authorizes about \$2.93 billion in new debt.
- Makes capital reappropriations totaling \$1.98 billion for the FY 2025-2026 biennium.

Public Works Commission Law changes

- Revises several provisions of the Public Works Commission Law, including:
 - Sets a defined distribution percentage for allocating district public works integrating committees funds to political subdivisions under the State Capital Improvement Program, rather than a graduated percentage depending on the funding year;
 - Eliminates a requirement that the Director of the Public Works Commission (PWC) encourage the development of multidistrict projects by district public works integrating committees; and
 - Eliminates a requirement that the PWC Director establish policies related to the need for long-term control through a lease of real property that is the subject of a Clean Ohio natural resource-related grant application.

* This version updates the effective date.

State employee pay modification authority

- Authorizes the Director of Administrative Services to temporarily modify pay ranges in current law to achieve pay parity between state employees who are not subject to the Public Employees' Collective Bargaining Law and those paid in accordance with a collective bargaining agreement that is effective on or after March 1, 2024.
- Limits any modification to the pay period that includes July 1, 2024, through the pay period that includes June 30, 2025.
- Requires the DAS Director to report any modification to the Controlling Board.

Emergency clause

- Declares an emergency.

DETAILED ANALYSIS

Appropriations

One Time Strategic Community Investments Fund

(Sections 200.20 and 200.30)

The act appropriates \$717 million to the Office of Budget and Management to fund projects from the One Time Strategic Community Investments Fund, which was created in 2023 in H.B. 33 of the 135th General Assembly, the main appropriations act.¹

Capital appropriations and reappropriations

The act appropriates \$3.51 billion in capital appropriations, including about \$2.98 billion in new debt. The act also reappropriates about \$1.98 billion in capital funding.

Public Works Commission

Funding allocation – district public works integrating committee

(R.C. 164.05, 164.08, and 164.14)

The act modifies how district public works integrating committees allocate funds to political subdivisions under the State Capital Improvement Program (SCIP) by setting a defined percentage of the committee's annual allocation for the list of specified purposes. Prior law established a graduated percentage depending on the funding year. Under the act, the limit is 10%, no matter which funding year.

Other Public Works Commission Law revisions

(R.C. 164.01, 164.05, 164.051, 164.06, 164.21, and 164.26)

The act makes the following changes in the Public Works Commission Law:

¹ Section 513.10, H.B. 33, 135th General Assembly.

1. Eliminates a requirement that the Director of the Public Works Commission (PWC) encourage the development of multidistrict projects by district public works integrating committees, but retains the requirement for multisubdivision projects;
2. Removes specific evaluation metrics and replaces them with a more general requirement that the PWC Director develop a standardized methodology for evaluating local capital needs that committees must consider when addressing a project;
3. Updates the local debt support and credit enhancement assistance under SCIP to remove references to credit enhancements, but retains the definition and makes no changes to the types of support available; and
4. Eliminates a requirement that the PWC Director establish policies related to the need for long-term control through a lease of real property that is the subject of a Clean Ohio natural resource-related grant application.

State employee pay modification authority

(Section 701.10)

The act allows the Director of Administrative Services, in consultation with the Director of Budget and Management, to modify state employee pay schedules in continuing law to the extent necessary to achieve pay parity between the following groups of employees:

- State employees who are part of the state job classification plan (and paid in accordance with the statutory schedules) and who are not “public employees” under the Public Employees’ Collective Bargaining Law² (PECBL); and
- State employees who are paid in accordance with collective bargaining agreements entered into in accordance with the PECBL that are effective on or after March 1, 2024.

If the DAS Director modifies the pay ranges, the modification applies only to the time period beginning with the pay period that includes July 1, 2024, and ending with the pay period that includes June 30, 2025. The DAS Director must report any modification to the Controlling Board. If the DAS Director modifies the pay ranges, any reference to the pay ranges is to the modified pay ranges for that time period.

Each state appointing authority may pay increased employee compensation required by a modification by the Director from current operating appropriations. If a modification takes effect after the pay period that includes July 1, 2024, an appointing authority must make a supplemental payment that covers the difference between the amount paid during that pay period and the amount of the modification. The supplemental payment must cover any pay period between the pay period that includes July 1, 2024, and the pay period that includes the modification’s effective date.

² R.C. Chapter 4117.

HISTORY

Action	Date
Introduced	06-17-24
Reported, H. Finance	02-07-24
Passed House (75-19)	02-07-24
Reported, S. Finance	06-26-24
Passed Senate (31-1)	06-26-24
House concurred in Senate amendments (92-5)	06-26-24
