



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 67 of the 131st G.A.

Date: November 14, 2016

Status: As Introduced

Sponsor: Rep. Ramos

Local Impact Statement Procedure Required: No

Contents: Creates the Frances Lewandowski Memorial Medical Research Fund to provide grants to public medical schools for research on terminal, chronic, or incurable diseases, requires the General Assembly to annually appropriate money for those grants, and makes an appropriation

State Fiscal Highlights

- The bill establishes the Frances Lewandowski Memorial Medical Research Fund (Fund 5PJ0) to provide grants to eligible programs at state institutions of higher education that conduct research on terminal, chronic, or currently incurable diseases. The bill initially supports the grants through a cash transfer from the GRF to Fund 5PJ0 based on 0.1% of the total amount of GRF appropriations in FY 2015 and appropriates the amount transferred. This calculation translates to approximately \$31.7 million in FY 2017 funding for the grants.
- In future fiscal years, the bill requires annual appropriations for the grant program to equal 0.1% of total GRF appropriations in the previous fiscal year. For FY 2018, the appropriation would be approximately \$36.4 million.
- The bill establishes the Medical University Research Reserve Fund to receive any unspent funds from Fund 5PJ0 at the end of a fiscal year and to award grants in subsequent fiscal years.
- An eligible state institution of higher education would gain revenue if it is selected to receive a grant. Any revenue gain would be offset by the expenditures incurred by that institution for conducting medical research pursuant to the grant award. The bill does not specify any local matching requirement.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Medical research and reserve funds

The bill establishes the Frances Lewandowski Memorial Medical Research Fund (Fund 5PJ0) to provide grants to eligible programs at state institutions of higher education to conduct research on terminal, chronic, or incurable diseases. The bill provides initial funding for the grant program through a transfer of cash from the GRF to Fund 5PJ0 in an amount equal to 0.1% of total GRF appropriations in FY 2015 and appropriates the amount transferred. In FY 2015, total GRF appropriations (including federal Medicaid funds passed through the GRF) were approximately \$31.74 billion. Therefore, the amount transferred from the GRF to Fund 5PJ0 and available for medical research grants would be approximately \$31.7 million ($\$31.74 \text{ billion} \times .001$) in FY 2017.

In future fiscal years, the bill requires the General Assembly to support the grant program with an appropriation equal to 0.1% of the total GRF appropriations in the previous fiscal year. In FY 2018, the appropriation available for the grants would be approximately \$36.4 million, based on the current total GRF appropriations of \$36.36 billion in FY 2017, an increase of \$4.6 million (14.6%) over the proposed FY 2017 funding.

The bill also establishes the Medical University Research Reserve Fund to receive any funds remaining in Fund 5PJ0 at the end of a fiscal year and to award grants in subsequent fiscal years.

Francis Lewandowski Memorial Medical Research Fund Board

The bill requires the Department of Higher Education (DHE) to create, and appoint members to, the Francis Lewandowski Memorial Medical Research Fund Board. DHE also is required to develop a policy for the Board to solicit, accept, and review applications for grants from Fund 5PJ0. The bill requires the Board to begin accepting and reviewing applications for grants no later than 180 days after the bill's effective date. DHE may incur minimal administrative costs for fulfilling these duties.

State institutions of higher education

As mentioned above, certain state institutions of higher education would be eligible to receive grants from Fund 5PJ0 to assist in their research on terminal, chronic, or currently incurable diseases. An institution receiving a grant would experience a gain in revenue and an increase in expenditures commensurate with the award amount. The bill does not specify any local matching requirements. There are six state institutions that operate medical schools and, thus, may be eligible for funding under the bill: Northeast Ohio Medical University, the Ohio State University, Ohio University, University of Cincinnati, University of Toledo, and Wright State University.