

LEGISLATIVE UPDATE: July 5, 2021

From CHEO Legislative Liaison, Melanie Elsey

HB110 - STATE BIENNIUM BUDGET

The State of Ohio has enacted its biennium (2-year) budget (HB 110) effective 6/30/21. This is always a comprehensive piece of legislation that includes changes in permanent law as well as financial support for all aspects of state policy. The enrolled version is 2438 pages in length.

There are several changes in law in HB 110 that affect home educating families, effective immediately. This update will provide details on two of these changes. The remaining policies will be described in a separate update because they affect families who are leaving the home education experience to enroll their children in public or nonpublic schools.

Note: This update is for informational purposes only. CHEO'S position on both policy issues is a neutral one. As stand-alone policies, there are no ties to the parameters of our state regulations. Both policies are voluntary in nature on the part of the home educating parent.

Revised Code: Section 5747.72(A) on pp. 1919-1920

Tax credit for education expenses used directly for education expenses for students who have been excused from compulsory attendance for the purpose of home education. The amount allowed as a tax credit is \$250 per taxpayer for whom the student is a dependent (per taxable year).

Allowable expenses:

- Books
- Supplementary materials
- Supplies
- Computer software, applications, or subscriptions.

Expenses **not allowed** to be used as a tax credit are computers or similar electronic devices or accessories thereto.

Note: This is a credit, not a tax deduction. The Ohio Tax Commissioner is permitted (not required) to request that a qualifying taxpayer furnish supporting information (i.e. receipts for purchase) when claiming a tax credit.

Revised Code: Section 3310.70 paragraphs (A) through (H) on pp. 747-749

Afterschool Child Enrichment (ACE) Program: This new savings account program is established for “eligible” students.

This is a **temporary** funding source Ohio has received from the federal government for “Coronavirus School Relief”. HB110 disperses the funds directly to families on a first come first serve basis...when the funds run out, this program is terminated. Amount per student = \$500 per year for the next 2 years

An “eligible student” must meet all following conditions:

- Age 6-18
- Have a family income that is below 300% of federal poverty guidelines (see info below)
- Be enrolled in a public **or** nonpublic school **or** home educated (excused from the compulsory attendance law for the purpose of home instruction)

Money can be used for (secular or nonsecular):

- Before or after school educational programs
- Day camps, including camps for academics, music, and arts
- Tuition at learning extension centers or learning pods
- Purchase of curriculum and materials (home educated students only)
- Educational, learning, or study skills services
- Field trips to historical landmarks, museums, science centers, and theaters (includes admission, exhibit, and program fees)
- Language classes
- Instrument lessons
- Tutoring

Funds may **not** be used for the purchase of electronic devices.

How this program will be set up and function:

1. Before the first week of August, the ODE must adopt emergency rules that prescribe the procedures for setting up the ACE account at the request of the parent or guardian of the student.
2. ACE accounts shall be set up on a first come first serve basis according to availability of funds.
3. Before the last week of October, the ODE must contract with a vendor to administer the accounts giving preference to vendors who use a smart phone application that is capable of scanning receipts and provides a customer service number for parents who have technical issues.
4. The vendor will monitor how the money is spent and recoup money used for purposes not authorized. They will also provide a list to the ODE of purchases made with the accounts.
5. If a parent requests an account and the funds are available, the account shall be front loaded with \$500 within 14 days of the request and that money shall be used no later than the following June 30.
6. The funds must be deposited into ACE accounts no later than Dec. 31, 2021, for FY2022.

Source of funds: Appropriation #200-640 Federal Coronavirus School Relief

FY2022 (July 1, 2021 - June 30, 2022): \$50 million (At \$500 per student, this means a max of 100,000 students.)

FY2023 (July 1, 2022 - June 30, 2023): \$75 million (At \$500 per student, this means a max of 150,000 students.)

If the first \$50 million is not completely spent, it will be reappropriated for FY2023 (added to the \$75 million the following year).

Family income is 300% of the federal poverty guidelines. <https://aspe.hhs.gov/2021-poverty-guidelines>

Family of 4 - \$79,500

Family of 7 - \$120,360

Family of 5 - \$93,120

Family of 8 - \$133,980

Family of 6 - \$106,740

Link to HB110:

https://searchprod.lis.state.oh.us/solarapi/v1/general_assembly_134/bills/hb110/EN/07/hb110_07_EN?format=pdf

Remember - new language is underlined.