

March 4, 2024

Secretary Cardona  
U.S. Department of Education  
Lyndon Baines Johnson Department of Education Building  
400 Maryland Ave, SW  
Washington, D.C. 20202

**Subject:** FY 2023 MOE requirement for higher education under section 2004(a) of the ARP Act.

Dear Secretary Cardona,

The State of Ohio respectfully requests a waiver of higher education Maintenance of Effort (MOE) requirements under section 2004(a) of ARP (American Rescue Plan Act). To meet MOE requirements under ARP, FY 2023 higher education spending must be at least proportional relative to overall spending averaged during fiscal years 2017, 2018, and 2019. Compared to baseline fiscal year averages, State support for higher education increased by \$171.4 million (6.7%) in fiscal year 2023. However, relative to other spending categories, higher education grew at a slower pace. As a result, Ohio did not meet fiscal year 2023 MOE requirements defined under Section 2004(a) of ARP.

While state support for higher education has grown over the years, other spending categories have received additional investment as well. Proportionally, the general government, justice, and human services spending categories have grown faster than higher education relative to baseline year spending. Often, new, or additional spending addressed issues caused by the pandemic. For example, broadband connectivity was identified as a barrier to accessing the modern economy, education system, and healthcare. As a result, significant state support was invested to expand access. In addition to broadband, new resources were allocated to support brownfield remediation, economic development projects, and low-income energy assistance. Finally, the general government category, through the Ohio Department of Transportation, received and expended additional state funds made available by the federal Investments, Infrastructure, and Jobs Act (IIJA/BIL).

The justice and human services categories followed general government in FY 2023 growth over baseline due to routine wage and contract growth within the Department of Rehabilitation and Correction and increases to county reimbursements for indigent defense through the Office of the Ohio Public Defender. FY 2023 growth over baseline for human services was due to additional investments made to children's services, which expanded foster care recruitment, assisted caregivers, and helped establish permanent homes for children in foster care. Due to the programs and priorities outlined, higher education spending has slightly decreased as a percentage of the overall State budget in FY 2023 compared to baseline year averages.

Looking ahead, higher education appropriations total \$3.0 billion in FY 2024, an increase of \$303.8 million (11.2%) from FY 2023 actual expenditure levels. This additional investment, coupled with declining enrollment, demonstrates the State's commitment to higher education on a category and per pupil basis. Enclosed, please find additional waiver materials including narrative to required questions, and Ohio's MOE waiver request form (Appendix C: MOE Waiver Request). If further information is needed, please contact Stacie Massey, Ohio Office of Budget and Management, Grants and Financial Reporting, at [stacie.massey@obm.ohio.gov](mailto:stacie.massey@obm.ohio.gov) or 614-338-4795.

Very respectfully yours,



Kimberly A. Murnieks  
Director, Ohio Office of Budget and Management