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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 614  
133<sup>rd</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 614's Bill Analysis](#)

**Version:** As Passed by the Senate

**Primary Sponsors:** Reps. Fraizer and Richardson

**Local Impact Statement Procedure Required:** No

Nicholas J. Blaine, Budget Analyst, and other LSC staff

### Highlights

The bill makes various changes to current law and appropriations. Descriptions of these changes in this fiscal note are organized into the following sections: (1) unemployment compensation, (2) coronavirus relief fund, (3) facilities establishment fund, (4) Department of Natural Resources community projects, (5) workforce education partnership, (6) land conveyance, and (7) concealed handgun licenses. The bill declares an emergency so it will go into immediate effect.

#### Unemployment compensation

- The Auditor of State will incur costs to review processes that individuals go through to file a claim for and receive unemployment compensation benefits. The Ohio Department of Job and Family Services (ODJFS) will reimburse the Auditor for most of the staff hours required to complete the review, which could exceed \$200,000 depending on the audit's scope and billable hours.
- ODJFS will experience administrative costs to carry out the bill's requirements. Total costs will depend on any required information technology upgrades and whether additional staff are necessary in order to implement the bill.

#### Coronavirus Relief Fund

- The bill appropriates \$650 million of federal aid for distribution to county coronavirus relief distribution funds. The aid is to be distributed from these funds to the local coronavirus relief fund of each eligible county, municipality, and township. (The estimated distribution of this money by county is shown in the appendix at the end of this fiscal note.)

- The purpose of the distribution is to assist local governments in addressing the public health emergency caused by COVID-19. The \$650 million has already been received in the state's Coronavirus Relief Fund (Fund 5CV1). The money is to be used by December 30.
- The bill specifies that the distribution of the funds is to be calculated based on the population of each eligible subdivision as a share of the total population of all eligible subdivisions.
- Unexpended balances must be returned to the state treasury by February 1, 2021. County auditors must report to the Office of Budget and Management (OBM) their distributions of funds to political subdivisions. The Auditor of State is required to audit each subdivision's coronavirus relief fund during its next regularly scheduled audit to determine if expenditures were made in accordance with law.

### **Facilities Establishment Fund**

- The bill provides an additional \$4 million in funding under Facilities Establishment Fund (Fund 7037) line item 195615, Facilities Establishment, bringing total FY 2021 appropriations to \$29.0 million.

### **Department of Natural Resources community projects**

- The bill increases capital appropriations under the Parks and Recreation Improvement Fund (Fund 7035) capital appropriation item C725E2 by \$550,000 to a total of \$20.7 million for the FY 2021-FY 2022 capital biennium. This will support two community projects under the capital budget of the Department of Natural Resources. The bill also eliminates a \$400,000 capital appropriation under Higher Education Improvement Fund (Fund 7034) capital appropriation item C38443, Central Ohio Job Skills and Workforce Development Center, a project included under the capital budget for Columbus State Community College.

### **Workforce-education partnership**

- The bill increases the administrative responsibilities of the Department of Higher Education (DHE) to create a template for and evaluate workforce-education partnership programs to be used by public and private colleges and universities and employers.
- Public institutions of higher education that choose to establish a workforce-education partnership program may incur costs to provide housing stipends, mentoring, and training assistance for participating students.
- Any additional costs incurred by a participating institution may be offset, at least partially, by revenue received from tuition and general fee charges and the State Share of Instruction (SSI) formula for those students that may not have enrolled in the institution without a program in place.

### **Land conveyance**

- The bill authorizes the conveyance of state-owned land under the jurisdiction of the Department of Rehabilitation and Correction (DRC), which may result in increased revenue to the Adult and Juvenile Correctional Facilities Bond Retirement Fund

(Fund 7097), which is used for the purpose of debt retirement. Related one-time administrative expenses to the Department of Administrative Services (DAS) and DRC are likely to be minimal at most and can be absorbed by utilizing existing staff and appropriated resources.

## **Concealed handgun licenses**

- If a county sheriff expands hours for the purpose of concealed handgun license applications, the office may see increased staffing and administrative expenses, potentially offset by increased fee revenue. The amount of additional expenses and potential revenue in any given local jurisdiction is indeterminate.
- There may be a temporary loss in concealed carry license fees for deposit in the Sheriff's Concealed Handgun License Issuance Expense Fund and the General Reimbursement Fund (Fund 1060) during the deferral period, presumably regained by June 30, 2021, or shortly after.

## **Detailed Analysis**

### **Unemployment compensation**

#### **Unemployment Compensation Modernization and Improvement Council**

The bill creates the Unemployment Compensation Modernization and Improvement Council to examine the process by which an individual files an unemployment compensation (UC) claim and receives benefits, as well as any other changes to this process after the bill's effective date. The Council will be required to complete a report of its initial findings within six months of the Council's first meeting. The Council is prohibited from examining solvency or any changes that would increase or reduce benefits paid from the Unemployment Compensation Fund. Additionally, the Council is prohibited from having access to sensitive or personally identifying information. The Council will have 11 members. Members serve without compensation or reimbursement. The Ohio Department of Job and Family Services (ODJFS) may incur administrative costs to support the Council's activities.

#### **Auditor of State examination**

The bill requires the Auditor of State to examine the process individuals go through to file a claim for and receive UC benefits and publish a report within nine months of the bill's effective date. The bill outlines what is to be included in the report. Continuing law generally requires agencies receiving services from the Auditor of State to pay for the associated costs. These fees are deposited into the Public Audit Expense – Intrastate Fund (Fund 1090). The current hourly fee charged to state agencies is a flat rate established by the Statewide Cost Allocation Plan. ODJFS anticipates it will pay \$79.00 per hour for the review, but the total cost will depend on the number of needed staff hours. ODJFS will reimburse the Auditor for most of the costs incurred to perform the audit; however, some costs will be absorbed by the Auditor's Office. A 2013 audit of the Supplemental Nutrition Assistance Program, which covered various aspects of the program, resulted in a cost of about \$200,000 (based on the total billable hours). The review of the UC program could cost a similar amount. However, the total amount will depend on the scope of the audit and the total billable hours.

## Other provisions

The bill requires the Director of Job and Family Services to do all of the following:

- Develop a written staffing plan for when a substantial increase or a substantial decrease in inquiries or claims for UC occurs within six months of the Council's first meeting, and then review and revise it (if necessary) annually;
- Adopt rules to create a complaint system to allow claimants, recipients, and employers to submit customer service complaints related to the UC program; and
- Provide immediate notice to individuals about issues with their UC claims and identify what the individual must do to address the issue or who to contact for more information.

ODJFS will experience administrative costs to carry out these requirements. Creating the customer service complaint system will require information technology upgrades, resulting in additional costs. The total costs are unknown at this time.

## Coronavirus Relief Fund

The Controlling Board on April 13, 2020, created the Coronavirus Relief Fund (Fund 5CV1) in the state treasury to distribute federal funding for necessary expenditures incurred by the state due to the public health emergency caused by the COVID-19 pandemic. This money is from the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was passed by Congress and signed into law on March 27, 2020. The bill appropriates \$650 million from Fund 5CV1 for FY 2021, to be distributed to eligible subdivisions. This appropriation is in addition to \$350 million of CARES Act funding appropriated in H.B. 481 of the current General Assembly, which went into effect June 19, 2020, and \$175 million provided via Controlling Board action on August 24, 2020.<sup>1</sup>

For purposes of the bill, any county, municipal corporation, or township that did not receive a direct federal payment under the CARES Act is an eligible subdivision. The subdivisions that received these direct payments are the city of Columbus and Cuyahoga, Franklin, Hamilton, Montgomery, and Summit counties. These political subdivisions are not eligible for the payments provided by the bill. Please note, however, that municipalities and townships within these counties, other than the city of Columbus, are eligible for payments under the bill. Estimated amounts to be distributed to eligible subdivisions in each county are shown in the appendix to this fiscal note.

The Director of OBM is to provide for payment from Fund 5CV1 to each county treasury, to be deposited in the county's coronavirus relief distribution fund created as directed by H.B. 481. The Fund 5CV1 amount disbursed to each county's respective coronavirus relief distribution fund is based upon the proportion of the sum of populations of eligible subdivisions in that county to the population of all eligible subdivisions statewide. Population figures are to

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<sup>1</sup> Though the \$350 million and the \$175 million were also to be distributed to the same pool of eligible political subdivisions, the formula for the initial distribution of that money differed from the formula provided in the bill.

be the most recent population estimates published by the Development Services Agency, based on the U.S. Census Bureau's American Community Survey. In addition, the bill amends enacted H.B. 481 to apply use of these population figures to redistribution of any unused, unencumbered money distributed to subdivisions under that act. For a municipal corporation or township with territory in more than one county, distributions are to be made from each county's coronavirus relief distribution fund based on population of the political subdivision in that county. Township population in these calculations includes only persons residing in unincorporated areas of the township.

Once the Coronavirus Relief Fund money is paid to county coronavirus relief distribution funds, each county is to further divide the money among municipalities, townships, and the county, excluding subdivisions not eligible, with the money to be paid into the local coronavirus relief fund of each subdivision. These funds were also to be created at the direction of H.B. 481. Eligible subdivisions must adopt a resolution or ordinance affirming that the revenue will only be used for the purposes prescribed in the CARES Act in order to receive this money.<sup>2</sup> The distribution of money within each county is to be based on the population of each eligible subdivision relative to the sum of the populations of all eligible subdivisions in the county. Use of the money is limited by the CARES Act, to costs necessitated by the COVID-19 public health emergency, that were not accounted for in budgets as of March 27, 2020, and that are incurred between March 1 and December 30, 2020.

### **Auditor of State duties**

Use of the money is to be audited by the Auditor of State during each subdivision's next regular audit. The Auditor is to determine if the money distributed to the subdivision's local coronavirus relief fund was used solely for costs permissible under the CARES Act, described above.

### **Unexpended balances**

Subdivisions are required to return to county treasuries any CARES Act funding, from the bill or any other such distribution, that remains unencumbered as of November 20, 2020. Other such distributions include the \$350 million appropriated by H.B. 481 in June and the \$175 million authorized by the Controlling Board in August. Municipal corporations or townships located in more than one county must divide money being returned proportionally among the counties based on cumulative CARES Act funds received from each. Returned revenue is then redistributed by November 25 to the county, townships, and municipalities in the county, excluding any subdivision not eligible or that returned unencumbered funds or did not adopt the required resolution or ordinance agreeing to limit use of the money. One-quarter of the returned revenue is redistributed to the county, if eligible, and the remainder to the other eligible municipalities and townships based on each subdivision's population relative to the population of all such subdivisions. However, if more than 75% of municipalities and townships do not qualify for a redistribution, half of the money being redistributed goes to the

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<sup>2</sup> The requirement applies both to distributions under this bill and to all other deposits to a county coronavirus relief distribution fund, though one such resolution or ordinance is sufficient for all such distributions.

county and the rest is divided among eligible municipalities and townships based on shares of population residing in the county. These transactions are to be reported to the OBM Director.

No later than February 1, 2021, any unspent balance of a political subdivision's local coronavirus relief fund must be returned to the state treasury, in the manner prescribed by the OBM Director. No money may be spent by a local subdivision from its local coronavirus relief fund for expenses incurred after December 30, 2020. This fund may be held open after that date only for account reconciliation and similar purposes. These provisions apply to money distributed under the bill, under H.B. 481, and by Controlling Board action. Under current federal law, money not used for the purposes specified in the CARES Act by December 30, 2020, is subject to recoupment by the federal government.

## **Facilities Establishment Fund**

The bill provides \$4.0 million in supplemental FY 2021 appropriations to the Development Services Agency (DSA) under Facilities Establishment Fund (Fund 7037) line item 195615, Facilities Establishment. This funding is in addition to the \$25.0 million appropriated to the line item in H.B. 166, resulting in total appropriations of \$29.0 million in FY 2021.

The line item is primarily used to fund the 166 Direct Loan Program, under which businesses may receive loans to purchase machinery and equipment, land and buildings acquisition, or make other eligible capital improvements. Loans are typically between \$1 million and \$10 million, and must be approved by the Controlling Board. The program goes through fluctuations depending on market conditions and the revenue from loan repayments. Through September 22, 2020, two loans have been approved in FY 2021 totaling around \$18.7 million. Thus, the remaining amount currently available for additional loans in FY 2021 is approximately \$6.3 million.

## **Department of Natural Resources community projects**

The bill amends H.B. 481 of the 133<sup>rd</sup> General Assembly to support two community projects totaling \$550,000 under the capital budget of the Department of Natural Resources. In doing so, the bill eliminates a \$400,000 capital appropriation under Higher Education Improvement Fund (Fund 7034) capital appropriation item C38443, Central Ohio Job Skills and Workforce Development Center, that originally supported a project in Whitehall. Instead, the bill redirects this amount to Parks and Recreation Improvement Fund (Fund 7035) capital appropriation item C725E2, Local Parks, Recreation, and Conservation Projects, to support the Whitehall Community Park Extension Project. The bill also earmarks \$150,000 under capital appropriation C725E2 to support Kamp Dovetail.

The new funding for these two project increases capital appropriations under capital appropriation item C725E2 to a total of \$20.7 million for the FY 2021-FY 2022 capital biennium. Since these are projects supported by bonds, the bill authorizes the Treasurer of State to issue additional bonds in an amount up to \$550,000, if needed, to provide cash to support the additional appropriations.

## **Workforce-education partnership**

### **Department of Higher Education**

The administrative responsibilities of the Department of Higher Education (DHE) will increase to create, in conjunction with state and local workforce and economic development agencies, a template that public and private universities and colleges and employers may use to establish a workforce-education partnership program. The goal of the program is to provide assistance to students so that they graduate from a higher education institution with no student debt. In general, the program provides at least half-time students with the opportunity to earn a degree while working in a paid position with a participating employer. The student receives tuition assistance from the employer, a housing stipend, as well as mentoring and other training. The Chancellor must address specified requirements of the program in the template. DHE must also evaluate the effectiveness of the partnership programs established under the bill.

### **“Work+” Program at Miami University’s regional campuses**

The bill’s workforce-education partnership program generally is modeled after a program called “Work+,” which began operating this academic year at Miami University’s regional campuses. The program allows students to obtain an associate or bachelor’s degree while working part-time at one of four regional employers (Butler County Regional Transit Authority, Deceuninck, The Fischer Group, and thyssenkrupp Bilstein of America).<sup>3</sup> A student selected for the program works approximately 24 hours per week and enrolls full-time in approximately 12 credit hours each fall and spring semester and six credit hours each summer term. In turn, employers provide weekly pay and paid tuition for the participant. Program coordinators aimed to have a minimum of 40 participants, distributed among the four companies, in the program this fall semester.<sup>4</sup>

### **Universities and community colleges**

As Miami University’s Work+ Program demonstrates, public institutions may already establish workforce-education partnership programs. However, the template developed by the Chancellor may facilitate the creation of additional programs across the state. If so, the public institutions that choose to partner in a program established under the bill may incur costs to provide assistance to participating students, most notably for housing stipends, mentoring, and training assistance. There may also be additional costs related to educating the new students. Ultimately, any additional costs incurred by participating institutions will depend on the program specifications established by DHE through the template and the number of students participating in the programs.

However, if these programs attract students to enroll in an institution that they may not have otherwise, the participating institution will also receive additional tuition and general fee revenue. Any additional revenue received by the institution may help offset, at least partially,

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<sup>3</sup> For more information on “Work+,” please visit <http://miamioh.edu/regionals/admission/work-plus/index.html>.

<sup>4</sup> <https://miamioh.edu/regionals/news/2019/07/work-plus.html>.

any of the above-mentioned costs that the institution incurs from participating in a program. As a point of reference, FY 2020 in-state annualized tuition and general fees per student averaged \$9,950 at public universities, \$6,114 at regional campuses, and \$4,828 at community colleges. Under the bill, participating employers, presumably, would cover these costs on behalf of a student employee.

In addition to tuition and general fee revenue, participating institutions may also receive additional revenue from the state's State Share of Instruction (SSI) formula, which is the state's primary funding source to support the instructional costs of the state's 61 public universities and community and technical colleges. The General Assembly determines the overall amount appropriated for SSI payments each year. The SSI formula then allocates funding to institutions based on prescribed percentages for certain institutional outcome factors, such as student course and degree completions. In general, each institution's allocation is based on the campus's share of the total for each formula component.

Since the General Assembly determines SSI funding this way, the bill will not necessarily increase the state's cost for SSI formula payments even if enrollment were to increase. However, the institutions in which program participants enroll may gain some additional SSI funding depending on whether the institutions attain a greater share of the statewide amounts computed for each formula component. Likewise, the institutions whose share of the formula components decreases may receive less SSI funding. In FY 2019, the latest year for which per-student SSI data is available, the average SSI distribution per student was \$6,445 for the state's public four-year universities and regional campuses and \$4,851 for community and technical colleges.

## **Land conveyance**

The bill authorizes the conveyance of state-owned land in Madison and Warren counties under the jurisdiction of the Department of Rehabilitation and Correction (DRC) by sealed bid auction or public auction. The proceeds from the conveyances are required to be deposited into the Adult and Juvenile Correctional Facilities Bond Retirement Fund (Fund 7097), which is used for the purpose of debt retirement.

Additionally, the land conveyance provisions include a number of requirements for the Department of Administrative Services (DAS) and DRC regarding how the land is to be advertised and sold, including that DRC pay all advertising costs incidental to the sale of the real estate, and the purchaser pay all other costs associated with the purchase, closing, and conveyance of the real estate. These two state agencies will incur one-time, likely minimal, costs that can be absorbed by utilizing existing staff and appropriated resources.

## **Concealed handgun licenses**

### **Applications**

Regarding concealed handgun license applications, the bill (1) allows an Ohio resident applying for a concealed handgun license to file the application with any county sheriff, rather than only with the sheriff of the county of residence or an adjacent county, from the effective date of the bill until June 30, 2021, and (2) allows a sheriff to designate up to eight additional hours during which county residents may file applications for concealed handgun licenses, and requires the sheriff to increase the number of hours during which applications from all applicants (county resident or nonresident) are accepted by an equal number of hours. Under



current law, a sheriff is required to accept applications for a minimum of 15 hours per week. These provisions, taken together, may result in increased applications and resulting fees for some county sheriffs and reductions for counties in which residents apply in a different county than they otherwise would have. If a sheriff expands hours, the office may see increased staffing and administrative expenses, potentially offset by increased fee revenue.

## Expiration

Regarding concealed handgun license expiration, the bill (1) further extends the license expiration date extended in H.B. 197 of the 133<sup>rd</sup> General Assembly so that any license that would have expired during the period of emergency beginning on March 13, 2020, is extended until June 30, 2021, rather than December 1, 2020, as under H.B. 197, and (2) clarifies that the 30-day grace period that applies to a concealed handgun license after expiration under continuing law also applies to an expiration that is extended to June 30, 2021, under the bill. The extension will likely result in at least some short-term loss of revenue received by county sheriffs and the state. Revenue lost during the deferral period would presumably be mostly regained by June 30, 2021.

Under current law, the cost of a concealed carry license renewal is \$50.<sup>5</sup> The county sheriff collects the fees as part of their duties and responsibilities to administer and enforce the state's concealed carry laws. Of the total fee, \$35 is deposited in the state treasury to the credit of the General Reimbursement Fund (Fund 1060), which the Attorney General uses, in part, to fund the cost of background checks performed by the Bureau of Criminal Investigation (BCI), as well as any checks requested from the FBI. The sheriff retains the remainder of the fee for deposit in the Sheriff's Concealed Handgun License Issuance Expense Fund, which is used solely to pay for related administrative and enforcement costs.

## Appendix

### Estimated Payments to County Coronavirus Relief Distribution Funds

Amounts shown in the table below are the estimated amounts that will be distributed by the bill through each county coronavirus relief distribution fund to eligible political subdivisions in that county.

Estimated County Coronavirus Relief Distribution Fund Payments Under H.B. 614	
County	Estimated Payments
Adams	\$1,996,236
Allen	\$7,376,589
Ashland	\$3,854,672

<sup>5</sup> Applicants residing in Ohio for less than five years pay an additional fee for the cost of the required FBI background check (R.C. 2923.125).

<b>Estimated County Coronavirus Relief Distribution Fund Payments Under H.B. 614</b>	
<b>County</b>	<b>Estimated Payments</b>
Ashtabula	\$7,008,304
Athens	\$4,708,214
Auglaize	\$3,290,496
Belmont	\$4,829,222
Brown	\$3,130,209
Butler	\$27,613,038
Carroll	\$1,939,732
Champaign	\$2,802,500
Clark	\$9,663,561
Clermont	\$14,877,573
Clinton	\$3,024,696
Columbiana	\$7,342,859
Coshocton	\$2,637,816
Crawford	\$2,990,534
Cuyahoga	\$44,506,739*
Darke	\$3,683,790
Defiance	\$2,744,987
Delaware	\$14,767,376
Erie	\$5,352,461
Fairfield	\$10,970,362
Fayette	\$2,055,839
Franklin	\$15,764,809*
Fulton	\$3,036,084
Gallia	\$2,154,793
Geauga	\$6,749,423
Greene	\$12,175,541
Guernsey	\$2,801,779
Hamilton	\$29,458,248*
Hancock	\$5,461,794
Hardin	\$2,260,522
Harrison	\$1,083,955
Henry	\$1,946,363

<b>Estimated County Coronavirus Relief Distribution Fund Payments Under H.B. 614</b>	
<b>County</b>	<b>Estimated Payments</b>
Highland	\$3,110,678
Hocking	\$2,037,029
Holmes	\$3,168,263
Huron	\$4,199,317
Jackson	\$2,336,053
Jefferson	\$4,708,070
Knox	\$4,491,639
Lake	\$16,587,181
Lawrence	\$4,285,587
Licking	\$12,746,708
Logan	\$3,291,649
Lorain	\$22,330,126
Lucas	\$30,871,678
Madison	\$3,223,830
Mahoning	\$16,481,524
Marion	\$4,691,349
Medina	\$12,954,562
Meigs	\$1,650,942
Mercer	\$2,967,327
Miami	\$7,710,712
Monroe	\$984,064
Montgomery	\$19,159,737*
Morgan	\$1,045,613
Morrow	\$2,546,142
Muskingum	\$6,213,643
Noble	\$1,039,559
Ottawa	\$2,920,697
Paulding	\$1,345,719
Perry	\$2,604,231
Pickaway	\$4,213,083
Pike	\$2,001,569
Portage	\$11,709,166

<b>Estimated County Coronavirus Relief Distribution Fund Payments Under H.B. 614</b>	
<b>County</b>	<b>Estimated Payments</b>
Preble	\$2,946,427
Putnam	\$2,440,413
Richland	\$8,731,749
Ross	\$5,525,433
Sandusky	\$4,217,479
Scioto	\$5,427,992
Seneca	\$3,976,761
Shelby	\$3,501,954
Stark	\$26,710,126
Summit	\$19,495,806*
Trumbull	\$14,268,281
Tuscarawas	\$6,629,640
Union	\$4,251,353
Van Wert	\$2,037,821
Vinton	\$943,055
Warren	\$16,908,115
Washington	\$4,317,875
Wayne	\$8,339,392
Williams	\$2,644,447
Wood	\$9,428,176
Wyandot	\$1,569,140
<b>Grand Total</b>	<b>\$650,000,000</b>

Note: County estimates may not sum to total due to rounding.

\*Cuyahoga, Franklin, Hamilton, Montgomery, and Summit counties and the city of Columbus received direct distributions of CARES Act funding from the federal government and are not eligible to receive money from H.B. 614. Amounts shown for these counties in the table are the estimated distributions to their county coronavirus relief distribution funds, for payment to the coronavirus relief funds of townships and municipal corporations, other than Columbus, in those counties.