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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 168**  
**134<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 168's Bill Analysis](#)

**Version:** As Reported by Senate Finance

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

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill repays loans received by Ohio that were used to pay unemployment benefits. The state has a current loan balance of about \$1.47 billion. Loans will be repaid using amounts provided under the federal American Rescue Plan Act.

### **Detailed Analysis**

The bill repays the balance of loans the state received in order to pay unemployment benefits. On August 31, 2021, and again on December 27, 2021, the Director of Job and Family Services (ODJFS) will certify to the Director of Budget and Management (OBM), among others, the balance of amounts loaned to the state by the U.S. Department of Labor for this purpose. The OBM Director will remit the amount certified from the State Fiscal Recovery Fund (Fund 5CV3) to the Unemployment Compensation Fund. The bill appropriates the amount remitted and requires the ODJFS Director to deposit the amount remitted as cash to the U.S. Secretary of Treasury to the credit of the state's Unemployment Trust Fund (thus repaying the loan).

As of June 18, 2021, Ohio has an outstanding loan balance of \$1.47 billion. Fund 5CV3 is used to receive moneys provided under the American Rescue Plan Act (ARPA). Ohio began borrowing from the federal government to pay benefits in June 2020.

Federal law allows states to borrow funds if the amount of money in the state's Unemployment Trust Fund is insufficient to pay unemployment benefits. However, states are required to repay advances according to specified deadlines. If not repaid by these deadlines, a graduated loss of the federal tax credit for all contributory employers in the state could occur. In addition, the federal government also charges interest on amounts owed. These could be avoided if the loan was repaid as required under the bill.