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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 Passed by the Senate

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

**Local Impact Statement Procedure Required:** No

Nicholas J. Blaine, Senior Budget Analyst

### 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.
- The bill makes the following appropriations:
  - \$422.0 million in FY 2022 in DPF Fund 5CV4 appropriation item 042526, Coronavirus Local Fiscal Recovery;
  - \$250.0 million in FY 2022 in DPF Fund 5CV3 appropriation item 1956A1, Water and Sewer Quality Program; and
  - \$84.0 million in FY 2022 in DPF Fund 5CV3 appropriation item 336648, ARPA Pediatric Behavioral Health

### Detailed Analysis

#### Unemployment compensation loan repayment

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.

### **Coronavirus Local Fiscal Recovery**

The bill appropriates \$422.0 million in FY 2022 in DPF Fund 5CV4 appropriation item 042526, Coronavirus Local Fiscal Recovery, under the Office of Budget and Management. The funds will be disbursed to nonentitlement units of local government (inclusive of cities, villages, and townships) in accordance with provisions of the American Rescue Plan Act and subsequent guidance issued by the U.S. Department of the Treasury.

### **Water and Sewer Quality**

The bill appropriates \$250.0 million in FY 2022 in DPF Fund 5CV3 appropriation item 1956A1, Water and Sewer Quality Program, under the Department of Development. The funds will be used to establish and administer a Water and Sewer Quality Program to provide grants to political subdivisions for water and sewer quality projects. The bill requires the county engineer of each county to prepare and submit a list of projects that are eligible for state funding under the program to the Department within sixty days of the bill's effective date. In most cases, a local match will be required. The bill reappropriates the unexpended, unencumbered balance from the appropriation item at the end of FY 2022 for the same purpose in FY 2023.

### **Pediatric Behavioral Health**

The bill appropriates \$84.0 million in FY 2022 in DPF Fund 5CV3 appropriation item 336648, ARPA Pediatric Behavioral Health, under the Ohio Department of Mental Health and Addiction Services. These funds will be used to support infrastructure improvements at pediatric behavioral health care facilities to improve inpatient and outpatient settings.