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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

Synopsis of House Amendments

(This synopsis addresses amendments adopted in House Finance Committee and on the House Floor.)

S.B. 310 of the 133rd General Assembly

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Local CARES Act-funded small business grant programs

- Authorizes counties, municipalities, and townships to use funds distributed under the bill and CARES Act funds received directly from the federal government to award grants to Ohio-based small businesses.
- Requires grant proceeds to be used on or before December 28, 2020, for business expenses resulting from the business's or consumer reaction to the COVID-19 pandemic or state pandemic orders.
- Prohibits the use of proceeds for expenses covered by business interruption insurance or reimbursed through federal aid received in response to the pandemic.
- Limits the total amount of grants that a business may receive to \$10,000.
- Requires a business receiving grants to comply with reporting requirements established by the subdivision that awarded the grant and to return unspent or improperly spent proceeds.
- Requires the OBM Director to submit a report to the General Assembly identifying each business that received a grant and itemizing the costs for which it was used.
- Exempts subdivisions that receive a direct distribution of CARES Act funds from the federal government from the bill's minimum standards for local small business grant programs, and clarifies that the exempt subdivisions may use those direct distributions to award grants to small businesses to the full extent permitted under the CARES Act and any associated regulations.

Capital reappropriations

- Makes capital reappropriations for the biennium ending June 30, 2022, (that is, for FY 2021 and FY 2022).

State employee pay freeze

- Allows the OBM Director to request the DAS Director to order a freeze on certain state employee salary increases and pay supplements during the pay periods that include July 1, 2020, through June 30, 2021.
- Permits the Secretary of State, the Auditor of State, the Treasurer of State, and the Attorney General to give notice to the DAS Director and apply the pay freeze to the office's employees.
- Exempts special hazard salary adjustments related to COVID-19 submitted to the DAS Director in accordance with continuing law.
- Permits, under continuing law, the Governor to issue any necessary orders to the DAS Director to implement personnel actions.

Medicaid rates for nursing facility services

- Eliminates the market basket index and budget reduction adjustment factor used in determining a nursing facility's per Medicaid day payment rates.
- Repeals law stating the General Assembly's intent to specify the budget reduction adjustment factor for each state fiscal year and that the budget reduction adjustment factor is zero for a state fiscal year if the General Assembly fails to do so.
- Increases appropriation item, Medicaid Health Care Services, by \$3.2 million (\$1.2 million state share) in FY 2021.

Nursing facility quality incentive payments

- Specifies that FY 2021 is the last year that nursing facilities will receive a quality incentive payment.
- Eliminates references to calculating the quality incentive payment for the second half of FY 2020.
- Specifies that a nursing facility's quality incentive payment for FY 2021 is based in part on its points under CMS's five-star quality rating system for certain quality metrics, based on the most recent four-quarter average data available in Nursing Home Compare in May of 2020.
- Revises the method by which a nursing facility's licensed occupancy percentage is determined for the purpose of determining whether it qualifies for a quality incentive payment.
- Clarifies that, for FY 2021, a nursing facility is not disqualified from earning a quality incentive payment for either of the following reasons:
 - Because its licensed occupancy percentage is below 80% if the facility was initially certified for Medicaid participation on or after January 1, 2019.

- Based on occupancy percentage, if one or more beds were unable to be used during calendar year 2019 due to causes beyond the reasonable control of a facility operator, or the facility underwent renovations that meet specified requirements.
- Prohibits a nursing facility from receiving a quality incentive payment for state FY 2021 if it obtains its initial Medicaid provider agreement or undergoes a change of operator during calendar year 2019 or state FY 2021.
- For FY 2021, increases the amount to be spent on quality incentive payments by adjusting one factor used to determine the total amount to be spent on quality incentive payments to 5.2% (from 2.4%) of the nursing facilities' base rate for nursing facility services.

Other provisions

- Requires a transportation improvement district to comply with the state Prevailing Wage Law, unless the amount of state and local funds the district receives on the contract or project is less than statutory thresholds.
- Exempts paycheck protection loan amounts forgiven under the CARES Act from the commercial activity tax.
- Authorizes municipalities and townships to temporarily divert payments in lieu of taxes the subdivision received from a tax increment financing (TIF) project to fund any public safety and road and bridge maintenance expenses that are not eligible to be funded with federal CARES Act funding, i.e., expenses not directly related to the COVID-19 pandemic. Requires subdivisions to reimburse those diverted TIF funds before the TIF expires, but only to the extent the subdivision receives federal funds that may be used to pay such expenses.
- Authorizes a county, township, or municipal corporation to establish a mandatory cost savings program for its exempt employees because of a fiscal emergency or lack of work due to COVID-19, which may include a loss of pay or loss of holiday pay. Requires each exempt employee to participate in the cost savings program for up to 480 hours, as determined by the appointing authority, in state FY 2021.
- Exempts certain county, township, and municipal purchases from competitive bidding requirements when it is necessary to respond to the COVID-19 emergency.