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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 111
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 111's Bill Analysis](#)

Version: As Reported by Senate Finance

Primary Sponsors: Sens. Blessing and Brenner

Local Impact Statement Procedure Required: No

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Highlights

- The bill appropriates a total of \$857.1 million in FY 2021, \$27.0 million in FY 2022, and \$28.0 million in FY 2023 for the Ohio Department of Education to provide additional federal emergency relief funds to public and nonpublic schools in response to the COVID-19 pandemic.
- The bill appropriates \$173.0 million in FY 2021 under the Public Health Emergency Response Fund (Fund 3HP0) for the Ohio Department of Health for activities related to the COVID-19 pandemic.
- The bill appropriates an additional \$8.0 million in FY 2021 for the Ohio Adjutant General for activities related to the COVID-19 pandemic.

Detailed Analysis

Department of Education

The bill appropriates a total of \$857.1 million in FY 2021 across three federally funded line items for the Ohio Department of Education (ODE) to provide additional relief in response to the COVID-19 pandemic. It also appropriates \$27.0 million in FY 2022 and \$28.0 million in FY 2023 from federal emergency relief funds to support certain chartered nonpublic schools. Additional details are provided below.

Elementary and Secondary School Emergency Relief Fund

Of the FY 2021 total for ODE, \$683.2 million (79.7%) is appropriated under Fund 3HS0 line item 200640, Federal Coronavirus School Relief. ODE uses Fund 3HS0 to distribute Ohio's allocation of the Elementary and Secondary School Emergency Relief Fund (ESSER) created by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and later supplemented by

the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), which was enacted as part of the federal Consolidated Appropriations Act, 2021 (CAA). Funds received from the ESSER Fund under the CARES Act (“ESSER I”) must be spent by September 30, 2022, while ESSER funds from the CRRSA (“ESSER II”) must be spent by September 30, 2023. The bill’s appropriation of \$683.2 million is in addition to an FY 2021 appropriation of \$180.0 million approved by the Controlling Board on June 1, 2020.

Federal law requires ODE to distribute at least 90% of federal ESSER funds to local education agencies in proportion to their share of Title I, Part A funds, while up to 0.5% of the state’s allocation may be used for administrative costs and the remainder may be used for state-level activities to respond to emergency needs related to COVID-19, as determined by ODE. However, the bill prohibits the appropriation from being used for such state-level activities in an effort to direct nearly all of the appropriated funds to local education agencies (the provision does not prohibit ODE from using the appropriation for administrative costs). ESSER funds may be used for a variety of eligible activities, including maintaining continuity of services and employment of staff; purchasing educational technology to assist in distance learning; coordinating and improving COVID-19 preparedness and response efforts; training staff on sanitation and purchasing supplies to sanitize school facilities; providing mental health services and supports; addressing the needs of individual schools and the unique needs of low-income children, students with disabilities, and other vulnerable populations; and planning and implementing summer learning and supplemental afterschool programs; among others.

Governor’s Emergency Education Relief Fund

FY 2021 appropriations

The bill also appropriates \$173.9 million (20.1%) in FY 2021 from the Governor’s Emergency Relief Fund (Fund 3HQ0) line items 200651, Emergency Assistance to Non-Public Schools, and 200627, Governor Emergency Education Relief – EDU. The majority, \$154.9 million, is appropriated under line item 200651 to provide emergency support to nonpublic schools through the Emergency Assistance to Non-Public Schools (EANS) Program enacted in the CAA. Nonpublic schools wishing to receive services or assistance must apply to ODE, which must prioritize services or assistance to nonpublic schools that enroll low-income students and are most impacted by the pandemic. The funds may be used for a variety of COVID-19-related activities. The bill will increase the administrative costs of the educational service centers (ESCs), as it requires ESCs to serve as the fiscal agents for these funds and ensure compliance with the CAA. It may be that ESC costs are reimbursed through contracts for these services. The bill also requires nonpublic schools receiving the funds to select service providers and permits them to receive services directly from ESCs or from other organizations or individuals.

The remaining \$19.1 million from Fund 3HQ0 in FY 2021 is provided for other education entities that do not receive subsidies through line item 200640. The bill requires that these funds, appropriated in line item 200627, Governor Emergency Education Relief – EDU, be distributed to joint vocational school districts (JVSDs), ESCs, and county boards of developmental disabilities (CBDDs) serving school age students under a methodology determined by ODE. It also requires the funds be used consistent with allowable uses as defined in the CARES Act and in CRRSA. Thus far in FY 2021, the Controlling Board has approved requests to appropriate \$27.8 million from item 200627. Under the current methodology, ESCs receive \$10 per pupil for the students served by their client school districts, JVSDs receive \$200 per pupil based on prior year enrollment,

CBDDs receive \$200 per pupil based on weighted enrollment, and the State School for the Blind and the School for the Deaf each receive \$500,000.

FY 2022 and FY 2023 appropriations

The bill further appropriates \$27.0 million in FY 2022 and \$28.0 million in FY 2023 from line item 200627 and earmarks \$7.0 million in FY 2022 from this item to support supplemental grants of up to \$100,000 to chartered nonpublic schools. In order to receive these grants, a chartered nonpublic school must serve fewer than 50 students and attest to additional financial need after allocations have been made through the EANS Program, with priority given to chartered nonpublic schools that did not receive funding through the federal application process. The remaining amounts appropriated for FY 2022 and FY 2023 support grants to chartered nonpublic schools that operate a summer education program in either the 2021-2022 or 2022-2023 school years and specifies priority must be given to chartered nonpublic schools in which a majority of enrolled students are low-income students. The bill requires ODE, for each of the two grants mentioned above, to prescribe an application, establish application procedures, and determine grant amounts.

Reappropriations

The bill reappropriates the unexpended, unencumbered balances of Fund 3HS0 and Fund 3HQ0 appropriations at the end of FY 2021 and FY 2022 for the same purposes for FY 2022 and FY 2023, respectively.

Reporting requirements and audits

The bill increases the administrative workload of ODE and school districts by requiring ODE to submit reports to the General Assembly detailing the purposes for which the Department and each school district spent funds from the CARES Act (due by December 1, 2022) and from the CAA (due by December 1, 2023) and permits the Auditor of State to audit this spending. If the Auditor chooses to do so, the bill requires the Auditor to identify common usages and best utilization of the funds. It may be that these funds will be audited in the course of business during the regularly scheduled financial audits of these entities. As a point of reference, the Auditor of State charges hourly rates for such audits of \$79 for state agencies and \$41 for local governments.

Ohio Department of Health

The bill appropriates \$173.0 million in FY 2021 under the Public Health Emergency Response Fund (Fund 3HP0), line item 440673, Public Health Emergency Response, under the Ohio Department of Health (ODH) budget. This line item was established by the Controlling Board on June 1, 2020. The line item is intended to provide critical resources to support a broad range of COVID-19 testing and epidemiologic surveillance-related activities. It is also to be used to implement and oversee expanded testing capacity for COVID-19, including diagnostic tests and antibody testing to determine community spread. Funds are also to be used to ensure that sufficient testing capacity exists to handle potential future cases and to modernize public health surveillance.

Like Fund 3HS0 and Fund 3HQ0, the bill reappropriates the unexpended, unencumbered portions of appropriations from Fund 3HP0 at the end of FY 2021 and FY 2022 for the same purpose for FY 2022 and FY 2023, respectively.

Adjutant General

The bill makes a supplemental appropriation of \$8.0 million in FY 2021 under the Dedicated Purpose Fund (Fund 5CV1), line item 745632, Coronavirus Relief – ADJ, under the Adjutant General (ADJ) budget. Money from the Federal Coronavirus Relief Fund is made available under the federal CARES Act. This line item was established by the Controlling Board on April 13, 2020. The Controlling Board additionally approved increases to the appropriation item in both June and November of FY 2021. The bill would increase the FY 2021 appropriation already existing in Fund 5CV1, bringing the total to \$19.0 million.

Currently, this line item is used to support various response efforts undertaken by the Ohio National Guard related to the COVID-19 pandemic. To date, some of those efforts have included supporting the acquisition, renovation, and supply costs to establish multiple temporary medical facilities across the state to supplement existing hospital capacity, paying the allowance cost for National Guard and State Defense Force members on state active duty, distributing personal protective equipment (PPE), and costs associated with vehicles and motor fuel to support personnel. The Ohio National Guard has also provided clinical support services to assist with infection prevention and control, onsite specimen collection, test result reporting, aftercare, PPE coordination and fit testing, along with training and staff support. Approximately 900 Ohio National Guard and Ohio Military Reserve members have supported the COVID-19 response efforts to date.