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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 357**  
**133<sup>rd</sup> General Assembly**

## Fiscal Note & Local Impact Statement

[Click here for S.B. 357's Bill Analysis](#)

**Version:** As Reported by Senate Finance

**Primary Sponsor:** Sen. Dolan

**Local Impact Statement Procedure Required:** No

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### Highlights

| Fund  | FY 2021                   | FY 2022 | Future Years |
|---|---------------------------|---------|--------------|
| <b>Coronavirus Relief Fund (Fund 5CV1)</b>          |                           |         |              |
| Revenues  | \$0                       | \$0     | \$0          |
| Expenditures  | Increase of \$650 million | \$0     | \$0          |
| <b>County coronavirus relief distribution funds</b> |                           |         |              |
| Revenues  | Gain of \$650 million     | \$0     | \$0          |
| Expenditures  | Increase of \$650 million | \$0     | \$0          |

Note: The state or school district fiscal year runs from July 1 through June 30 and is designated by the calendar year in which it ends. For other local governments, the fiscal year is identical to the calendar year.

- 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.
- Please note: the estimated distribution of this money by county is shown in the table 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 Coronavirus Relief Fund (Fund 5CV1).

- 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 OBM by February 1, 2021. Each county must report to OBM their distribution 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.

## **Detailed Analysis**

### **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, 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 S.B. 357. Please note, however, that municipalities and townships within these counties, other than the city of Columbus, are eligible for payments under the bill.

The Director of the Office of Budget and Management (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 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 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 municipal corporation in that county. Township population in these calculations includes only persons residing in unincorporated areas of the township.

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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 distributing that money differed from the formula provided in S.B. 357.

Once the Coronavirus Relief Fund money is paid to county coronavirus relief distribution funds, each county is to further divide the money among local coronavirus relief funds of municipalities, townships, and the county, excluding subdivisions not eligible. 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> These funds were also to be created at the direction of H.B. 481. 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 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 \$350 million appropriated by H.B. 481 and \$175 million provided by the Controlling Board on August 24, 2020. 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 to the county, townships, and municipalities in the county, excluding any subdivision not eligible or that returned its funds, by November 25. One-quarter of the returned revenue is paid 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 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.

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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.

**Emergency provision**

S.B. 357 declares itself an emergency measure, therefore goes into immediate effect upon enactment.

## 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.

| <b>Estimated County Coronavirus Relief Distribution<br/>Fund Payments under S.B. 357</b> |                           |
|--|---------------------------|
| <b>County</b>  | <b>Estimated Payments</b> |
| Adams  | \$1,996,236               |
| Allen  | \$7,376,589               |
| Ashland  | \$3,854,672               |
| 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               |

| <b>Estimated County Coronavirus Relief Distribution<br/>Fund Payments under S.B. 357</b> |                           |
|--|---------------------------|
| <b>County</b>  | <b>Estimated Payments</b> |
| 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               |
| 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               |

| <b>Estimated County Coronavirus Relief Distribution<br/>Fund Payments under S.B. 357</b> |                           |
|--|---------------------------|
| <b>County</b>  | <b>Estimated Payments</b> |
| 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              |
| 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.