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OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget
Office

H.B. 168
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House Finance

Primary Sponsors: Reps. Fraizer and Loychik

Local Impact Statement Procedure Required: No

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Highlights

- **Development Services Agency (DSA).** In total, the bill appropriates \$180.0 million in FY 2021 under the Coronavirus Relief Fund (Fund 5CV1) for the following purposes:
 - \$150.0 million under Fund 5CV1 line item 195631, Coronavirus Relief – Small Business Grant, to provide grants to all eligible applicants who applied for grants under the Small Business Grant Relief Program in 2020 but did not receive funding under the program.
 - \$20.0 million under Fund 5CV1 line item 195621, Coronavirus Relief – Entertainment Venues, to provide grants to entertainment venues impacted by the COVID-19 pandemic.
 - \$10.0 million under Fund 5CV1 line item 195630, Coronavirus Relief New Business Relief Grants, to provide relief grants to new businesses in this state opening after January 1, 2020.
- **Department of Job and Family Services (JFS).** The bill appropriates \$112.2 million in FY 2021 under Day Care Federal Fund (Fund 3H70) line item 600617, Child Care Federal and earmarks these funds as follows:
 - \$44.8 million for grants to certain child care centers or homes.
 - \$67.4 million to provide \$300 quarterly stipends during FY 2021 to certain child care staff and administrators, including verified early childhood professionals.
- **Department of Agriculture (AGR).** The bill appropriates \$4.7 million in FY 2021 under GRF line item 700512, Local Fairs, for AGR to provide financial support to local fairs.

- **Department of Veterans Services (DVS).** The bill appropriates \$3.0 million in FY 2021 under Fund 5CV1 line item 900607, COVID Safety – Ohio Veterans Homes, for DVS to provide financial support to veterans homes.
- **Coronavirus Relief Fund reappropriations.** If there is funding remaining under line items appropriated from Fund 5CV1 at the close of FY 2021, the bill authorizes any unexpended or unencumbered amount at the end of FY 2021 to be reappropriated under the same line items for the same purpose in FY 2022.

Detailed Analysis

Development Services Agency

The bill appropriates a total of \$180.0 million in FY 2021 for the Development Services Agency (DSA) to provide grants to indoor entertainment venues, new businesses, and small businesses that have been adversely affected by the COVID-19 pandemic. The appropriations are supported by funds received by the state under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and deposited into the Coronavirus Relief Fund (Fund 5CV1). The funding provided by the bill is appropriated under three line items discussed in more detail below.

Of the \$180.0 million appropriated under DSA, \$150.0 million is appropriated under Fund 5CV1 line item 195631, Coronavirus Relief – Small Business Grant. The bill requires DSA to provide grants of \$10,000 to all eligible applicants who applied for grants under the Small Business Grant Relief Program (SBGR) on or before December 11, 2020, but whose requests were not funded. Under that program, for-profit entities with no more than 25 total or 25 full-time equivalent employees as of January 1, 2020, were eligible to apply for \$10,000 grants. Eligible uses of the SBGR grant include: (1) acquisition of personal protective equipment (PPE) or other safety measures taken to protect employees, customers, or clients from COVID-19, (2) mortgage or rent payments for business premises, (3) utility payments, (4) salaries, wages, or compensation paid to contractors or employees, and (5) purchase of business supplies or equipment. Total funding under the SBGR was \$125.0 million.

A further \$20.0 million is appropriated under Fund 5CV1 line item 195621, Coronavirus Relief – Entertainment Venues, for DSA to provide grants to entertainment venues whose business was adversely affected by the COVID-19 pandemic. The bill requires the grants to be awarded in amounts of \$10,000, \$20,000, and \$30,000 and to be based on factors such as demonstrated loss of revenue due to canceled events or performances. The remaining \$10.0 million is appropriated under Fund 5CV1 line item 195630, Coronavirus Relief New Business Relief Grants. This will be used by DSA to provide relief grants of \$10,000 each for new businesses in this state opening after January 1, 2020.

Department of Job and Family Services

The bill appropriates approximately \$112.2 million in FY 2021 under Day Care Federal Fund (Fund 3H70) line item 600617, Child Care Federal, used by the Department of Job and Family Services (JFS). The bill makes two earmarks for this amount: (1) \$44.8 million for child daycare centers and Type A or Type B family daycare homes for ongoing infrastructure costs, costs to purchase personal protective equipment, and for costs or losses relating to smaller class sizes, including previously incurred losses, due to COVID-19, (2) \$67.4 million to provide \$300 quarterly stipends to assistant teachers, lead teachers, administrators, lead administrators, and other

verified early childhood professionals for each quarter of FY 2021, retroactive to October 1, 2020. Currently, this line item is used to expend federal Child Care and Development Fund mandatory and discretionary grants for publicly funded child care and for child care regulation activities.

This funding follows a previous funding allocation for child care providers that have been adversely affected by the COVID-19 pandemic. In August 2020, the Controlling Board approved \$31.0 million for JFS to support child care providers electing to maintain reduced classes due to COVID-19 and to create a new Trauma Informed Certificate to provide professional development and training to state staff, children service residential staff, and child care providers. This funding was supported by the CARES Act and appropriated under Fund 5CV1 line item 600664, Coronavirus Relief – Childcare.

Department of Agriculture

The bill appropriates \$4.7 million in FY 2021 under GRF line item 700512, Local Fairs, for the Department of Agriculture (AGR) to provide financial support to local fairs.

In FY 2021, AGR provided financial assistance to county and independent fairs for the 2020 fair season to support expenses incurred from complying with health guidance and measures necessitated by the COVID-19 public health emergency. AGR distributed \$50,000 to each fair that conducted a junior fair and \$15,000 to each fair that did not. This funding was supported by federal funds received by the CARES Act and appropriated under Fund 5CV1 line item 700672, Coronavirus Relief – Local Fairs. H.B. 110, As Introduced, the main operating budget bill of the 134th General Assembly, proposes appropriations of \$1.0 million in FY 2022 under Fund 5CV1 line item 700672, to support pandemic-related safety measures in connection with the 2021 Ohio State Fair.

Department of Veterans Services

The bill appropriates \$3.0 million in FY 2021 under Fund 5CV1 line item 900607, COVID Safety – Ohio Veterans Homes, for the Department of Veterans Services to provide financial support to veterans homes. In FY 2021, this line item is used to safely operate the veterans homes in Sandusky and Georgetown, Ohio during the COVID-19 public health emergency, including supporting increased sanitation costs, maintaining social distancing, COVID-related payroll and purchased personal services, purchased PPE and other necessary costs to comply with public health orders, and local health department recommendations and best practices.

Coronavirus Relief Fund reappropriations

The bill requires the Director of Budget and Management to determine the amount of the unexpended or unencumbered portion of each line item appropriated from Fund 5CV1 at the end of FY 2021 to be appropriated for the same purposes in FY 2022. The bill reappropriates those determined amounts for FY 2022.