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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
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H.B. 168
134th General Assembly

Final Analysis

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Version: As Passed by the General Assembly

Primary Sponsors: Reps. Fraizer and Loychik

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SUMMARY

Unemployment compensation advance repayment

- Requires, on August 31, 2021, or as soon as possible thereafter, and again on December 27, 2021, or as soon as possible thereafter, the Director of Job and Family Services (JFS Director) to certify to the Director of Budget and Management (OBM Director), the Governor, the President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House, the balance of amounts loaned to Ohio by the federal government for the purpose of paying unemployment benefits.
- Requires the OBM Director to remit the amounts certified, but not to exceed the available balance, from the State Fiscal Recovery Fund (Fund 5CV3) to the Unemployment Compensation Fund to the credit of the Mutualized Account.
- Specifies that the amounts remitted are appropriated.
- Requires the JFS Director to deposit the amounts remitted as cash with the U.S. Secretary of the Treasury to reduce or eliminate the balance of amounts advanced to Ohio.

Appropriations from federal ARPA funds

- Appropriates \$250 million in FY 2022 for the Water and Sewer Quality Program, to be established and administered by the Department of Development, to provide grants to political subdivisions for water and sewer quality projects.
- Appropriates \$84 million in FY 2022 to the Department of Mental Health and Addiction Services for pediatric behavioral health care facilities.

- Appropriates \$422 million in FY 2022 to the Office of Budget and Management to disburse to certain local governments in accordance with the federal American Rescue Plan Act.

DETAILED ANALYSIS

Unemployment compensation advance repayment

The act requires, on August 31, 2021, or as soon as possible thereafter, and again on December 27, 2021, or as soon as possible thereafter, the Director of Job and Family Services (JFS Director), who administers Ohio's unemployment compensation system, to certify to the following individuals the balance of amounts advanced to Ohio from the federal government for the payment of unemployment benefits:

- The Director of Budget and Management (OBM Director);
- The President and Minority Leader of the Senate;
- The Speaker and Minority Leader of the House;
- The Governor.

On receipt of the certification, the OBM Director must remit the amount certified, not to exceed the available balance, from the State Fiscal Recovery Fund (Fund 5CV3) to the Unemployment Compensation Fund. The Unemployment Compensation Fund is the fund used to pay eligible unemployed individuals benefits.¹ The act appropriates the amount of the remittances from Fund 5CV3. The amount remitted must be credited to the Mutualized Account (the Mutualized Account is a separate account in the Unemployment Compensation Fund that is primarily used to pay benefits when an individual employer's account cannot be charged for those benefits for a variety of reasons).² The JFS Director must deposit as cash the amounts remitted with the U.S. Secretary of the Treasury to reduce or eliminate the balance of amounts advanced to Ohio.³

Ohio began borrowing advances from the federal government in June 2020.⁴ As of July 6, 2021, Ohio's outstanding federal advance balance was approximately \$1.47 billion.⁵

¹ R.C. 4141.09, not in the act.

² R.C. 4141.25, not in the act.

³ Section 215.10.

⁴ Statehouse News Bureau, *Ohio Unemployment Fund Ends 2020 Borrowing \$1.2B From Feds*, available [here](#).

⁵ U.S. Department of Labor, *UI Budget*, available [here](#).

Appropriations from federal ARPA funds

The act appropriates federal American Rescue Plan Act (ARPA) funds to the Department of Development (DEV), Department of Mental Health and Addiction Services (MHA), and OBM.

Water and Sewer Quality Program

The act requires DEV to establish and administer a Water and Sewer Quality Program to provide grants to political subdivisions for water and sewer quality projects. It appropriates \$250 million in ARPA dollars to DEV for FY 2022 (and re-appropriates any remaining balance in FY 2023) to distribute as grants, though DEV may retain up to 1% to cover administrative costs.

DEV must determine project eligibility and establish a means of applying for the grants. The program requires a local match or local contribution, but DEV may waive the requirement in extraordinary circumstances.

Not later than August 28, 2021 (60 days after the act's effective date), each county engineer must submit to DEV a list of projects within the county that are eligible to receive funding under the program. The list must indicate the priority level of each project, as compared to other projects on the list. DEV may provide grants for those county projects – or may provide grants to political subdivisions for other projects submitted – so long as a project satisfies the eligibility criteria. The program is open to all political subdivisions, which the act defines broadly to include a county, township, municipal corporation, or any other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state.⁶

Other appropriations

Under the act, \$84 million is appropriated to MHA in FY 2022. These funds are earmarked to support infrastructure improvements at pediatric behavioral health care facilities to improve inpatient and outpatient settings.⁷

The act also appropriates \$422 million to OBM in FY 2022 to disburse to nonentitlement units of local government in accordance with provisions of ARPA and subsequent guidance issued by the U.S. Department of the Treasury.⁸ “Nonentitlement units of local government” are those units that did not receive ARPA funds directly from the federal government and include cities, villages, and townships.⁹

⁶ Sections 259.10, 259.20, and 259.30.

⁷ Sections 215.20, 215.30, and 215.40.

⁸ U.S. Department of the Treasury, *Coronavirus State and Local Fiscal Recovery Funds for Non-entitlement Units of Local Government*, available [here](#).

⁹ Sections 220.10, 220.11, and 220.12.

HISTORY

| Action | Date |
|---|----------|
| Introduced | 03-02-21 |
| Reported, H. Economic & Workforce Development | 03-24-21 |
| Re-referred to H. Finance | 04-14-21 |
| Reported, H. Finance | 04-15-21 |
| Passed House (92-0) | 04-15-21 |
| Reported, S. Finance | 06-23-21 |
| Passed Senate (32-0) | 06-24-21 |
| House concurred in Senate amendments (79-6) | 06-25-21 |
