



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 377
134th General Assembly

Final Fiscal Note & Local Impact Statement

[Click here for H.B. 377's Bill Analysis](#)

Primary Sponsors: Reps. Hall and Swearingen

Local Impact Statement Procedure Required: No

Shannon Pleiman, Senior Budget Analyst, and other LBO staff

Highlights

- The bill establishes the Appalachian Community Grant Program and appropriates \$500 million in FY 2022 from the State Fiscal Recovery Fund (Fund 5CV3) to Department of Development (DEV) line item 1956B1, ARPA Appalachia Community Grants, for grants under the program. Any unexpended balance at the end of FY 2022 is reappropriated in FY 2023.
- The bill amends H.B. 168 of the 134th General Assembly to increase the FY 2022 appropriation for the Office of Budget and Management (OBM) Local Fiscal Recovery Fund (Fund 5CV4) line item 042526, Coronavirus Local Fiscal Recovery, by \$422 million, to disburse the remaining federal allocation of Fund 5CV4 to small municipalities, townships, and some other political subdivisions that do not receive a direct allocation from the federal government. Any unexpended balance at the end of FY 2022 is reappropriated in FY 2023.
- The bill appropriates \$20.0 million in FY 2022 to BOE Reimbursement and Education Fund (Fund 5FG0) line item 050620, BOE Reimbursement and Education, to be used by the Secretary of State (SOS) to assist county boards of elections in conducting the August 2, 2022, primary election. The funding is supported by a cash transfer of \$20.0 million from the GRF to Fund 5FG0. Any unexpended balance at the end of FY 2022 is reappropriated in FY 2023.
- The bill amends H.B. 175 of the 134th General Assembly to increase appropriations under Department of Natural Resources (DNR) GRF line item 725520, Special Projects, by \$750,000 to a total of \$1.25 million in FY 2022. It also increases the amount DNR must use for weed harvesting operations at Indian Lake by \$750,000 to a total of \$1.0 million. Any unexpended balance at the end of FY 2022 is reappropriated in FY 2023.

- Eligible townships could see significant savings in health coverage costs related to their first responder personnel under the bill. Townships that elect to reduce the number of full-time first responders in favor of working part-time first responders additional hours could save substantial amounts in health care coverage costs.

Detailed Analysis

The bill contains appropriations totaling \$942.8 million in FY 2022. The bill reappropriates any unexpended unencumbered balance of these appropriations at the end of FY 2022 to FY 2023. The appropriations are from federal funding received under the American Rescue Plan Act of 2021 (ARPA) and deposited into the State Fiscal Recovery Fund (Fund 5CV3) and the Local Fiscal Recovery Fund (Fund 5CV4), as well as from the state GRF and state Dedicated Purpose Funds. These appropriations are summarized in the table below and described in more detail in the following narrative.

Agency	Fund	Appropriation Line Item	Amount (\$ in millions)
DEV	5CV3	1956B1, ARPA Appalachia Community Grants	\$500.0
OBM	5CV4	042526, Coronavirus Local Fiscal Recovery	\$422.0
SOS	5FG0*	050620, BOE Reimbursement and Education	\$20.0
DNR	GRF	725520, Special Projects	\$0.8
Total			\$942.8

*Supported by a transfer from the GRF

Appalachian Community Grant Program

The bill appropriates \$500.0 million in FY 2022 under Fund 5CV3 line item 1956B1, ARPA Appalachia Community Grants, for the Department of Development (DEV) to award planning and development grants under a new Appalachian Community Grant Program established by the bill. DEV is to administer the program in consultation with local development districts to invest in sustainable, transformational projects in Ohio's 32-county Appalachian region. Under the program, there are two grants that can be awarded: (1) the Appalachian Planning Grant and (2) the Appalachian Development Grant. The Appalachian Planning Grant can be used for costs associated with research, planning, and writing a formal project development proposal. The Appalachian Development Grant supports project implementation either based on the applicant's independently developed project proposal or a proposal developed with help from an Appalachian Planning Grant.

Of the \$500.0 million appropriated, the bill earmarks all of the following during the first year of the program: (1) \$15.0 million, or up to \$30.0 million if the DEV Director indicates the additional amount is needed, for Appalachian Planning Grants, (2) \$50.0 million for Appalachian Development Grants to eligible applicants that did not receive an Appalachian Planning Grant, and (3) the remaining amount for Appalachian Development Grants to be awarded to grant

applicants that received an Appalachian Planning Grant. Further, the bill requires the DEV Director, one year after the effective date of the appropriation, to use the remaining amount to award Appalachian Development Grants to eligible applicants, including either applicants that did or did not receive an Appalachian Planning Grant. To allow for this, the bill reappropriates the unexpended and unencumbered balance of the appropriation at the end of FY 2022 for FY 2023.

The bill requires all grants awarded under the Appalachian Community Grant Program to be approved by the Controlling Board. As part of this approval process, the bill requires DEV to itemize payments to all entities receiving grant funds in the Controlling Board requests. Lastly, the bill caps grant funds used for administrative expenses at 3% of the total grant amount awarded.

Local Fiscal Recovery Fund

The American Rescue Plan Act of 2021 (ARPA) allocated \$843,726,939 to nonentitlement units (NEUs) of local government in Ohio.¹ The U.S. Treasury Department delivers ARPA funds in two tranches, with 50% provided in May 2021, and the balance delivered approximately 12 months later. H.B. 168 of the 134th General Assembly appropriated \$422 million, i.e., the first tranche, to Office of Budget and Management (OBM) item 042526, Coronavirus Local Fiscal Recovery, for FY 2022. The bill increases the appropriation to \$844 million. Under ARPA, payments from Fund 5CV4 can only be used by NEUs for costs incurred from March 3, 2021 through December 31, 2024. The funding must be used to respond to the COVID-19 pandemic and its economic effects. The bill reappropriates the unexpended, unencumbered portion of the appropriation for use in FY 2023.

A detailed list of the total allocation and each entity's payment amount from Fund 5CV4 can be found on the Ohio Grants Partnership website.²

Election provisions

County boards of elections

The bill appropriates \$20.0 million in FY 2022 from Fund 5FG0 line item 050620, BOE Reimbursement and Education, used by the Secretary of State (SOS). The SOS will use this appropriation to provide funding to county boards of elections to conduct the August 2, 2022, primary election. The bill provides this funding through a \$20.0 million cash transfer from the GRF to Fund 5FG0. The bill reappropriates the unexpended, unencumbered portion of this appropriation at the end of FY 2022 to FY 2023 for the same use.

The bill specifies December 31, 2022, or as soon as possible thereafter, as the date by which all unspent money the state has provided to county boards of elections to conduct the 2022 primary elections must be transferred back from Fund 5FG0 to the GRF. This includes (1) the

¹ NEUs, defined in section 603(g)(5) of the Social Security Act, as added by section 9901 ARPA, are local governments typically serving populations of less than 50,000. NEUs include cities, villages, towns, townships, or other types of local governments.

² Refer to [ARPA Non-Entitlement Allocations and Distributions \(May 13, 2022\) \(PDF\)](#) found on grants.ohio.gov/.

\$20.0 million provided in this bill, as well as (2) the \$9.0 million in S.B. 9 and (3) the \$200,000 in S.B. 11 previously authorized by the 134th General Assembly. The dates by which the OBM Director had to make transfers of the unspent money differed under those two prior authorizations but would all be uniform under the bill.

Election workers excluded from PERS membership

For Public Employee Retirement System (PERS) membership purposes, the bill increases the earnings threshold for an election worker during a calendar year in which more than one primary election and one general election are held. Under existing law, a person who is employed as an election worker and paid less than \$600 in a calendar year is not considered a PERS member. The bill specifies that during a year in which more than one primary election and one general election are held, an election worker who is paid \$600 plus an amount not to exceed \$400 for such additional elections, is still not considered a PERS member. The bill provides that county boards of elections are not required to make contributions to PERS on behalf of such workers in a year with this multiple primary election circumstance.

Indian Lake weed harvesting operations

The bill amends H.B. 175 of the 134th General Assembly to increase appropriations under the Department of Natural Resources (DNR) GRF line item 725520, Special Projects, by \$750,000 to a total of \$1.25 million in FY 2022. The bill also increases the amount that DNR is required to use for weed harvesting operations at Indian Lake by \$750,000. Under the bill the total amount DNR must use for these purposes is \$1.0 million. Continuing uncodified law in H.B. 175 requires DNR to use the remaining \$250,000 under the line item to enter into a memorandum of understanding with the Indian Lake Watershed Project to support the Indian Lake Watershed Project's weed harvesting operations. Continuing law under H.B. 175 also reappropriates the unencumbered, unexpended portion remaining in line item 725520 for the same purposes in FY 2023.

Health care coverage for township first responders

Under the bill, townships that do not qualify as “applicable large employers” under the federal Patient Protection and Affordable Care Act (ACA)³ could save considerable amounts in health insurance costs related to first responder personnel.⁴ Under current law, townships are not required to provide health care coverage to employees, but if they do, they must provide uniform coverage to township officers and full-time employees, including first responders. Townships are not required to provide health care coverage for any part-time employees. The bill increases the threshold number of hours that affected township employees who are first responders are expected to work in order to qualify as full time. Thus, if an affected township that provides health care coverage chooses to use fewer full-time first responders by working part-time first responders more hours, fewer first responders would be eligible for health care

³ Under the ACA, “applicable large employers” are employers with an average of 50 or more full-time equivalent employees during the preceding calendar year. Employers that are not “applicable large employers” are not required to provide health care coverage to employees under the ACA.

⁴ Under the bill “first responders” include firefighters and certain specified emergency medical technicians.

benefits and township costs to provide those benefits would be reduced, depending on the number of affected first responders.

Specifically, for townships that are not designated as an “applicable large employer” under the ACA, the bill increases the threshold number of hours that a township employee who is a first responder is expected to work in order to qualify as full time under state law. Under the bill, the threshold increases from 1,500 hours to 1,976 hours annually or approximately 29 hours to 38 hours weekly. Thus, under the bill, affected townships must only provide health care coverage to employees who are first responders that work an average of 38 or more hours per week. Many, if not most, townships do not qualify as applicable large employers.

Township health care contributions

The State Employment Relations Board (SERB) produces an annual report on the cost of health insurance in Ohio’s public sector. The 2021 edition, which recaps public sector health insurance costs for calendar year 2020, indicates that townships paid averages of \$710.82 per month for each covered employee electing single coverage and \$1,833.87 per month for each covered employee with family coverage. As such, for each employee that would otherwise be entitled to health care coverage under current law, the bill allows a township to save between approximately \$8,532 (\$711 x 12 months) and \$21,996 (\$1,833 x 12 months) annually. The full [Cost of Health Insurance in Ohio’s Public Sector 2021 Edition \(PDF\)](#) is available on SERB’s website: serb.ohio.gov.

Land conveyances

The bill provides for the conveyance of state-owned land under 35 transactions to various parties. The table below identifies the state agency that uses or superintends the property currently, the grantee, a brief property description, the county where the property is located, the financial or other consideration related to the transaction, and, where applicable, the state fund that is to receive the proceeds of the various conveyances.

Table 2. Summary of Land Conveyances Included in H.B. 377

Agency	Grantee	Description	County	Consideration	Fund
Adjutant General	City of St. Marys	An approximately 8,282 square foot (sq. ft.) former armory situated on 4.08 acres of state-owned land located at 109 East South Street in St. Marys	Auglaize	Price acceptable to the DAS Director and Adjutant General	Armory Improvements Fund (Fund 5340)
Department of Administrative Services (DAS)	High bidder of sealed bid or public auction	Approximately 29.43 acres located at 67309 Kirkwood Heights Road in Bridgeport	Belmont	Price determined by auction	MARCS Administration Fund (Fund 5C20)

Table 2. Summary of Land Conveyances Included in H.B. 377

Agency	Grantee	Description	County	Consideration	Fund
Department of Developmental Disabilities	City of Columbus	Approximately 1.473 acres located within the right of way of Sullivant Avenue	Franklin	\$1.00	Mental Health Facilities Improvement Fund (Fund 7033)
Department of Developmental Disabilities	City of Columbus	Perpetual easement for traffic control devices situated upon 0.02 acre off Sullivant Avenue	Franklin	\$2,340	Not specified
Department of Developmental Disabilities	City of Columbus	Approximately 4.029 acres at Sullivant and Townsend avenues	Franklin	\$363,000	Mental Health Facilities Improvement Fund (Fund 7033)
Department of Public Safety	High bidder of sealed bid auction	2,120 sq. ft. former patrol post situated on 1.0 acre at 5994 Poe Avenue in Dayton	Montgomery	Price determined by auction	Public Safety – Highway Purposes Fund (Fund 5TMO)
Department of Public Safety	High bidder of sealed bid auction	3,831 sq. ft. former patrol post situated on 1.079 acres at 10391 Airport Highway in Swanton	Lucas	Price determined by auction	Public Safety – Highway Purposes Fund (Fund 5TMO)
Department of Rehabilitation and Correction (DRC)	Hocking County Board of County Commissioners	94,655 sq. ft. correctional facility known as Hocking Correctional Facility situated on 15.3 acres	Hocking	\$1.00	Adult and Juvenile Correctional Facilities Bond Retirement Fund
Department of Rehabilitation and Correction	Allen County Board of County Commissioners	Approximately 20.02 acres at Bluelick Road and North West Street in Lima	Allen	Price acceptable to the directors of DAS and DRC	Adult and Juvenile Correctional Facilities Bond Retirement Fund

Table 2. Summary of Land Conveyances Included in H.B. 377

Agency	Grantee	Description	County	Consideration	Fund
Department of Jobs and Family Services	High bidder of sealed bid auction	13,000 sq. ft. office building situated on 1.5 acres at 799 North Main Street in Lima	Allen	Price determined by auction	Unemployment Compensation Special Administrative Fund (Fund 4A90)
Ohio State University	City of Columbus	Perpetual easement off Cannon Drive in Columbus	Franklin	\$1.00	Not specified
Ohio State University	City of Columbus	Perpetual easement off Olentangy River Road	Franklin	\$1.00	Not specified
Ohio State University	Jedidiah and Kathryn Stephen	Approximately 0.2 acre off Barry's Ridge Road in Caldwell	Noble	Price acceptable to the Board of Trustees of the Ohio State University	University accounts determined by the Board of Trustees of the Ohio State University
Ohio University	High bidder of sealed bid auction	Approximately 257.3 acres improved with a single-family house and an agricultural building at 3205 U.S. Route 50 in Chillicothe	Ross	Price determined by auction	University accounts determined by the Board of Trustees of Ohio University
Ohio University	To be determined via direct sale or high bidder of a public auction	Approximately 125.7 acres improved with 12 educational buildings at 174 Water Tower Drive and West Circle Drive in Athens	Athens	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University
Ohio University	Captina Conservancy	Approximately 188.79 acres	Belmont	Price acceptable to	University accounts

Table 2. Summary of Land Conveyances Included in H.B. 377

Agency	Grantee	Description	County	Consideration	Fund
		improved with a 2,328 sq. ft. building on Dysart Woods Road in St. Clairsville		DAS and the Board of Trustees of Ohio University	determined by the Board of Trustees of Ohio University
Ohio University	To be determined via direct sale or high bidder of a public auction	Approximately 267.146 acres improved with a 2,328 sq. ft. farm building at 61961 Dysart Woods Road in St. Clairsville	Belmont	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University
Ohio University	To be determined via direct sale or high bidder of a public auction	17,934 sq. ft. education building situated on 0.2 acre at 43 West Union Street in Athens	Athens	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University
Ohio University	To be determined via direct sale or high bidder of a public auction	25,766 sq. ft. education building situated on 0.5 acre at 35 West Union Street in Athens	Athens	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University
Ohio University	To be determined via direct sale or high bidder of a public auction	3,217 sq. ft. residential/office building situated on 0.1 acre at 115 South Court Street in Athens	Athens	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University
Ohio University	To be determined via direct sale or high bidder of a public auction	50,435 sq. ft. building situated on 0.5 acre at 31 South Court Street in Athens	Athens	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University

Table 2. Summary of Land Conveyances Included in H.B. 377

Agency	Grantee	Description	County	Consideration	Fund
Ohio University	To be determined via direct sale or high bidder of a public auction	2,982 sq. ft. education building situated on 0.4 acre at 1508 South 9 th Street in Ironton	Lawrence	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University
Ohio University	To be determined via direct sale or high bidder of a public auction	Agricultural buildings situated on 444.6 acres located at 3700 Hebbardsville Road in Alexander Township	Athens	Price acceptable to DAS and the Board of Trustees of Ohio University	University accounts determined by the Board of Trustees of Ohio University
Ohio University	High bidder of sealed bid auction	65,313 sq. ft. equestrian facility situated on 188.2 acres at 400 Bobcat Lane in Green Township	Scioto	Price determined by auction	University accounts determined by the Board of Trustees of Ohio University
University of Akron	Alpha Phi Sorority	7,056 sq. ft. apartment building at 478 Orchard Street in Akron	Summit	\$380,000	University accounts determined by the Board of Trustees of the University of Akron
University of Akron	High bidder of sealed bid auction	5.31 acres of vacant land located along Washington Boulevard in Akron	Summit	Price determined by auction	University accounts determined by the Board of Trustees of the University of Akron
University of Toledo	Toledo Public Schools	35,556 sq. ft. building situated on 3.8 acres at 2800 West Bancroft Street in Toledo	Lucas	Price acceptable to the Director of Administrative Services and the University of Toledo	University accounts determined by the Board of Trustees of the University of Toledo

Table 2. Summary of Land Conveyances Included in H.B. 377

Agency	Grantee	Description	County	Consideration	Fund
University of Toledo	Lucas County Commissioners	38,924 sq. ft. medical facility situated on 4.6 acres at 2595 Arlington Avenue in Toledo	Lucas	Price acceptable to the Director of Administrative Services and the University of Toledo	University accounts determined by the Board of Trustees of the University of Toledo
University of Toledo	City of Toledo	Perpetual easement at 1780 Secor Road in Toledo	Lucas	\$4,240	Not specified
University of Toledo	High bidder of sealed bid auction	112,962 sq. ft. medical/office building situated on 2.6 acres at 3355 Glendale Avenue in Toledo	Lucas	Price determined by auction	University accounts determined by the Board of Trustees of the University of Toledo
University of Toledo	Toledo Public Schools	39,445 sq. ft. building situated on 3.9 acres at 1932 Birchwood Avenue in Toledo	Lucas	\$1.00	University accounts determined by the Board of Trustees of the University of Toledo
Department of Administrative Services	City of Akron	Two skywalk structures connecting the Ocasek State Office Building to neighboring properties	Summit	\$0	Not applicable
Ohio Expositions Commission	City of Columbus	Approximately 9 acres of land located at 2170 Howey Road in Columbus	Franklin	Price acceptable to the Director of Administrative Services and the Ohio Expositions Commission	Ohio Exposition Fund (Fund 5060)

Table 2. Summary of Land Conveyances Included in H.B. 377

Agency	Grantee	Description	County	Consideration	Fund
State of Ohio	Board of Education of Symmes Valley Local School District	16.57 acre lot adjacent to Symmes Valley schools	Lawrence	\$1.00	General Revenue Fund
Department of Job and Family Services	Mahoning Valley Community School	22,540 sq. ft. office building on 3 acres at 2026 South Avenue in Youngstown	Mahoning	Price acceptable to the directors of Administrative Services and Job and Family Services	Unemployment Compensation Special Administrative Fund (Fund 4A90)