

A Billion Here, A Billion There:

*Where Have
All of Ohio's
COVID Relief
Dollars Gone?*



A report detailing how federal funds have been spent and recommendations for immediate and long-term investments of the \$1.9 billion Ohio has left to allocate.

Presented by:



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A Billion Here, A Billion There

Where Have All of Ohio's COVID Relief Dollars Gone?

Introduction

In March 2020, when the pandemic hit, we knew that the economic fallout would hit the poorest Ohioans the hardest. What we did not know was how long and how devastating the pandemic would be.

The federal government acted quickly to get relief dollars in the hands of state and local governments to help address the immediate economic and health hardships.

By the end of March 2020, Congress passed, and then-President Donald Trump signed, the Coronavirus Aid, Relief, and Economic Security (CARES) Act which included \$150 billion in Coronavirus Relief Funds. Ohio used its \$2.6 billion share in a variety of ways which this report will outline.

A year later, in March 2021, Congress passed, and President Joe Biden signed, the American Rescue Plan Act (ARPA). ARPA was an extraordinary response to the continuing health and economic impact of the COVID-19 pandemic. With a combination of dedicated and flexible funding streams, it presents Ohio with the opportunity to begin undoing longstanding racial and economic inequities that the pandemic exposed and worsened.

How our elected officials choose to spend these dollars—and what complementary policies they put in place for the long term—will make a crucial difference in limiting pandemic-induced hardships and building a more equitable recovery.

As Ohio emerges from the pandemic, those who struggled before and those who suffered the most from health and economic hardships will have the slowest recovery.

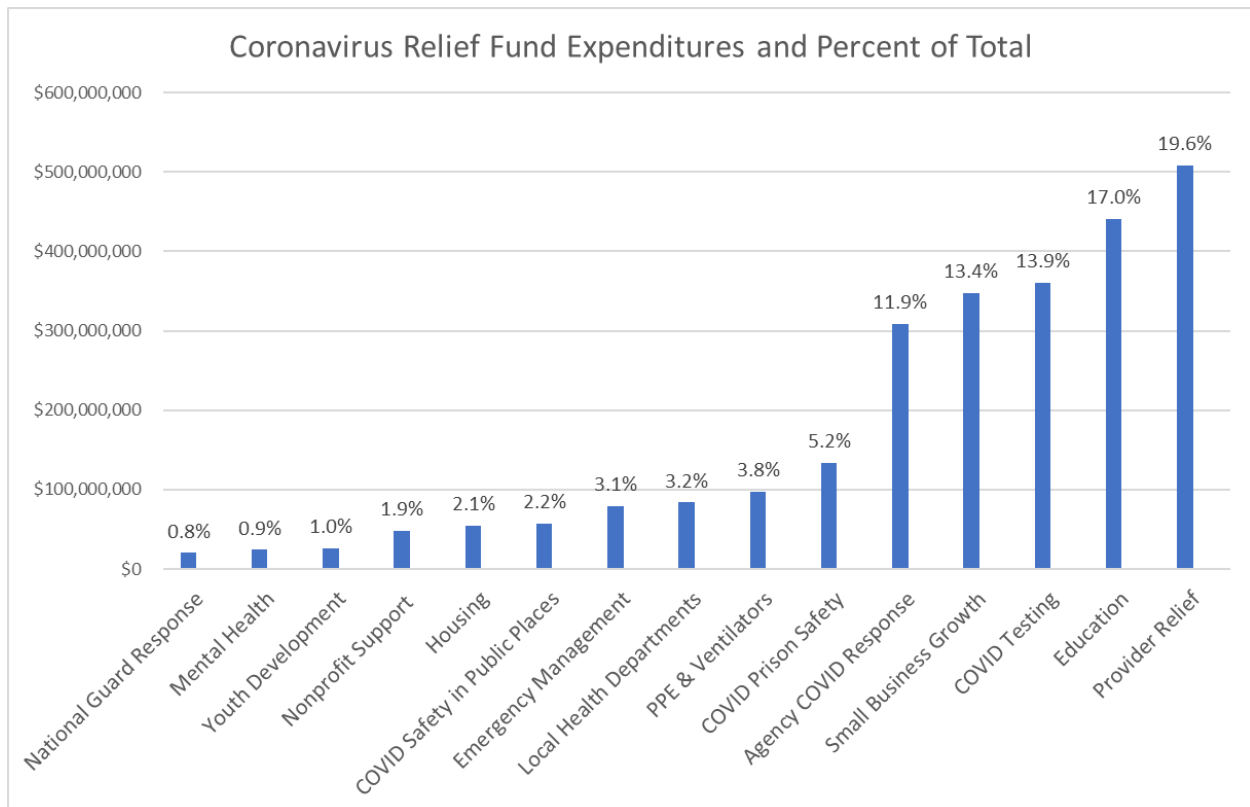
The CARES ACT State Coronavirus Relief Fund

The Coronavirus Aid, Relief, and Economic Security (CARES) Act implemented a variety of programs to address issues related to the COVID-19 pandemic. The CARES Act was signed into law on March 27, 2020 and established the \$150 billion Coronavirus Relief Fund (CRF) which allowed state and local governments to respond to specific needs in their jurisdictions with some limitations. Ohio's share was \$4.5 billion. Nearly \$2.6 billion was designated for state use. Counties, cities, and townships received another \$1.9 billion.

The CARES Act required that the payments from the CRF only be used to cover expenses that:

- were necessary expenditures incurred due to the public health emergency with respect to COVID-19;
- were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
- were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021.

The CARES Act required states to spend their CRF dollars by December 31, 2021. As illustrated in the graph, Ohio's \$2.6 billion CRF spending spanned many sectors to promote the health, safety, and economic stability of Ohioans.



Ohio's first CRF allocation was approved by the Controlling Board in April 2020. Between April 2020 and October 2021, a series of Controlling Board agenda items and several pieces of legislation allocated the CRF funds.

Nearly 20 percent—\$509 million—went to provider relief including skilled nursing facilities; critical access, rural, and distressed hospitals; behavioral health providers; and Ohio veteran's homes.

Another 17 percent, totaling \$441 million, went to k-12 public schools, private schools, institutions of higher education, and school broadband connectivity grants. The state spent \$360 million on COVID-19 testing. Just over 13 percent of the CRF supported businesses through bar and restaurant assistance, lodging industry grants, entertainment venue grants, and small business grants.

With the remaining funds, the state purchased personal protective equipment and ventilators, allocated money for prison safety, and helped Ohioans stay housed. Although a small expenditure, deploying the National Guard was critical to support food distribution through Ohio's foodbank network and to support health care providers.

The American Rescue Plan State and Local Fiscal Recovery Funds

The American Rescue Plan Act (ARPA) was signed into law in March 2021 as a continuing, extraordinary response to the devastating health and economic impacts of the COVID-19 pandemic.

Among the dollars funneled to states and local governments were flexible funds to help communities most impacted by the health and economic consequences of the pandemic. The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) included \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Ohio's share is \$5.4 billion. Another \$5.3 billion was designated for counties, municipalities, and townships.

The purpose of the funds is to ensure that governments have the resources needed to:

- fight the pandemic and support families and businesses struggling with its public health and economic impacts;
- maintain vital public services, even amid declines in revenue; and
- build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

A final rule that provided additional guidance on how states could respond to the public health and economic impacts went into effect in April 2022. The rule clarified that funds could be used for capital expenditures that support the fund's purposes including affordable housing, childcare facilities, schools, and hospitals.

The SLFRF dollars can also be used to support the ongoing response to the pandemic, ensure vital government services are uninterrupted, and provide a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

The State Fiscal Recovery Fund

Ohio's share of ARPA state recovery funds totaled nearly \$5.4 billion. Since the first dollars arrived in Ohio's coffers in May 2021, we have said that how our elected officials choose to spend the funds—and what complementary policies they put in place for the long term—will make a crucial difference in limiting pandemic-induced hardships and building a more equitable recovery for all Ohioans.

Today, Ohio has spent nearly two-thirds of its \$5.4 billion and has \$1.9 billion left to allocate.

How did our leaders invest the nearly \$3.5 billion?

The first and single biggest use of the ARPA state funds went to the unemployment compensation trust fund to repay money borrowed from the federal government to pay unemployment benefits to eligible Ohioans during the pandemic. After approving the expenditure in June 2021 in House Bill 168, Ohio transferred nearly \$1.5 billion to the trust fund in September 2021. This repayment will prevent future tax increases for Ohio employers that would have been needed to pay off the loan.

American Rescue Plan State Fiscal Recovery Funds		
Dollars Spent/Allocated	Purpose	Appropriation Authority
\$1,471,765,771.37	Unemployment Compensation Trust Fund	HB 168
\$250,000,000.00	Sewer and Water Infrastructure	HB 168
\$84,000,000.00	Pediatric Behavioral Health Care Facilities	HB 168
\$5,000,000.00	Expositions Commission	Controlling Board
\$250,000,000.00	Ballistics, First Responder Mental Health, Crime Labs	HB 169
\$2,500,000.00	COVID-19 Mental Health Impacts	Controlling Board
\$18,000,000.00	Meat Processing Investment	Controlling Board
\$45,000,000.00	Dredge Material Processing Facilities	Controlling Board
\$25,000,000.00	Personal Protective Equipment	Controlling Board
\$71,730,000.00	Animal Disease Laboratory	HB 687
\$137,000,000.00	Parks	HB 687
\$15,000,000.00	Trails	HB 687
\$50,000,000.00	Wastewater/ Water Systems	HB 687
\$34,145,000.00	Institutional Upgrades	HB 687
\$100,000,000.00	School Security	HB 687
\$101,200,000.00	Local Water and Sewer	HB 687
\$300,000,000.00	Water Reclamation Project	HB 687
\$500,000,000.00	Appalachia Community Grants	Am. Sub. HB 377
\$6,500,000.00	State efforts to respond to COVID-19	Controlling Board
Total	\$3,466,840,771.37	

The General Assembly also allocated \$250 million for a water and sewer quality program and \$84 million for pediatric behavioral health care facilities in House Bill 168. These appropriations were amended into HB 168 on the Senate floor after the bill had already been approved by the House of Representatives and the Senate Finance Committee.

According to Governor Mike DeWine's office, the \$250 million for water and sewer programs was disbursed through three rounds of grants to support 183 water infrastructure projects across the state. In May, Governor DeWine awarded the \$84 million to five regional children's hospitals and to the Appalachian Children's Coalition for integrated behavioral health services and the Hopewell Health Centers.

In December 2021, through House Bill 169, the General Assembly allocated \$250 million to the Department of Public Safety to support law enforcement efforts to respond to violent crime, invest in technology and crime labs, and support the mental and physical health of first responders. To date, 58 percent has been awarded to communities through programs and grants.

Other appropriations have been approved through the Controlling Board, a mechanism for handling necessary adjustments to the state budget or approving the expenditure of certain federal funds. These included:

- \$5 million to the Ohio Expositions Commission.
- \$2.5 million to the Department of Mental Health and Addiction Services to support and maintain access to psychiatric inpatient care and supports for indigent patients.
- \$18 million to establish the Ohio Meat Processing Grant Program through the Department of Development.
- \$45 million for Dredge Material Processing Facilities.
- \$25 million to purchase personal protective equipment from Ohio manufacturers.

In the week before its summer recess in June 2022, the Ohio General Assembly allocated an additional \$1.31 billion of state fiscal recovery funds—nearly 25 percent of the total—in two bills over two days, with only one day of possible public testimony.

Just before being voted out, House Bill 377 was amended in the Senate Finance Committee to include \$500 million in ARPA funding for the Appalachian Community Grant Program. The program will award \$15 to \$30 million in planning grants, and will fund development projects focused on infrastructure, workforce, and health care for an underserved area of our state that has been disproportionately impacted by the pandemic. This initiative was announced in Governor DeWine's State of the State address earlier this year.

An additional \$809.1 million helped to fund projects in the Capital Budget, House Bill 687, including:

- \$100 million to the Facilities Construction Commission for physical school security enhancement grants. On August 2, 2022, Governor DeWine announced school security awards by school district.

- \$34.15 million for Department of Rehabilitation and Correction institutional upgrades.
- \$50 million to the Department of Natural Resources for construction, improvements, and repairs for water and wastewater facilities.
- \$15 million to the Department of Natural Resources to repair trails and trail facilities, including the construction of new trails.
- \$137 million to the Department of Natural Resources for improvements and repairs to state park facilities.
- \$71.7 million to the Department of Agriculture for a new animal disease laboratory.
- \$401.2 million as part of the incentive package to bring Intel to Ohio for local water and sewer infrastructure (\$101.2 million) and a water reclamation project (\$300 million).

The Local Fiscal Recovery Funds

About \$5.3 billion in ARPA recovery funds were divided among Ohio’s counties, cities, and townships. Local jurisdictions are under the same rules for spending the funds as the state. We collected information on how funds have been spent to date in eight of Ohio’s major metropolitan areas.

The projects funded in these counties and cities and the percentage spent varies greatly. While most jurisdictions used money for budget stabilization and revenue replacement, it topped the list of expenditures for some cities, including Cleveland, Cincinnati, and Toledo. Other significant investments were made in public utilities and infrastructure including water lines, sewers systems, and broadband. Of note, Summit County has a public spending plan accounting for 100 percent of its allocation and Montgomery County and Toledo have allocated all of their funding. Most of the other jurisdictions have allocated less than half of their funding.

Jurisdiction and Total Award	Percent Remaining	Funding Priorities To Date
Akron \$145,337,626	56%	Budget Stabilization Housing and Utilities Parks Access to Healthcare Violence Prevention
Summit County \$105,085,433	0%	Broadband Water and Sewer Projects Business Support COVID-19 Response Revenue Replacement
Canton \$63,613,221	91%	Neighborhood Revitalization Small Business Grants Urban League
Stark County \$71,985,871	95%	Waterlines and Wastewater Expansion ARPA Compliance

Jurisdiction and Total Award	Percent Remaining	Funding Priorities To Date
Cincinnati \$279,590,123	37%	Budget Stabilization Housing Healthcare Arts/Tourism Small Business Support
Hamilton County \$158,784,547	0%	Budget Stabilization Public Health Housing Workforce Development
Cleveland \$511,721,590	50%	Budget Stabilization/City Services Neighborhood Stabilization Nonprofit Support Public Utilities and Broadband
Cuyahoga County \$239,898,257	67%	Public Utilities and Broadband Workforce Development Foodbank and Nonprofit Support Parks Neighborhood Revitalization
Columbus \$187,030,138	72%	Human Services Grants Youth Programs Budget Stabilization Small Business Support
Franklin County \$255,764,417	71%	Child Care Payments Foodbank and Nonprofit Support Small Business Support Workforce Development
Dayton \$137,976,174	26%	Neighborhood Revitalization Black-owned Business Support Small Business Recovery Enhancing City Services
Montgomery County \$103,273,967	0%	Budget Stabilization and County Services Public Health Public Utilities and Broadband
Toledo \$180,948,591	0%	Budget Stabilization Neighborhood Revitalization Youth Programs, Recreation, and Parks Economic Recovery Housing
Lucas County \$83,201,577	73%	Building Renovations/Tourism Housing Budget Stabilization Youth Programs
Youngstown \$82,775,370	67%	Neighborhood Revitalization Budget Stabilization City Services
Mahoning County \$44,418,992	83%	Youth Programs Small Business Support County Services

One notable difference between state and local allocations is the decision-making process and the ability for people to have a say in how these dollars were invested in their communities. The state has allocated a significant portion of its share with little opportunity for public input. The counties and cities that we researched generally had processes that allowed for public input via public hearings, widely advertised online suggestion portals, or dedicated email suggestion inboxes.

The Remaining \$1.9 Billion

Though Ohio has spent nearly two-thirds of its \$5.4 billion, more than \$1.9 billion remains to be allocated by December 31, 2024. There is still time for Ohio's state elected leaders to implement a plan for the remaining funds that complements and supports ARPA's other funding streams, maximizes other federal and local resources, addresses immediate needs, and takes a long-term view for recovery.

The Next Billion Should Fund the Basics: Food, Housing, Health

Investments in the health, safety, and well-being of Ohioans would go far to address both the immediate and long-term needs of individuals and families who continue to struggle in their recovery from the pandemic.

Food Insecurity on the Rise

Right now, we are all feeling the sting of rising food prices and supply chain challenges at the grocery store. Costs for basic staples like milk and eggs are skyrocketing. Foodbanks are fighting the same challenges as inflation has increased costs and decreased charitable donations. Ohio's foodbanks are struggling to meet current demand and need help now to keep food on their shelves. When the Public Health Emergency declaration ends, food stamp benefits will decrease for families, older adults, and students—putting additional strain on foodbanks and direct service providers.

We ask Governor DeWine to use \$50 million in state ARPA dollars to shore up the food supply at foodbanks now.

The End of the Public Health Emergency

Since January 2020, a number of COVID-related enhanced benefits, waivers, and program flexibilities held families together, helped to keep them safe, and supported their most basic needs. When the federal Public Health Emergency expires, many of these enhanced benefits and program flexibilities will end, causing a COVID Cliff, where families who are still struggling and dealing with higher costs for food, utilities, and other necessities will lose critical supports.

The significant and sudden loss of basic supports like enhanced Supplemental Nutrition and Assistance Program (SNAP) benefit amounts and Medicaid insurance coverage, in addition to the end of the Child Tax Credit and eventual continuation of federal student loan payments, will be a major hit to household budgets.

We ask Governor DeWine and the General Assembly to support families and the providers who serve them by investing \$281.5 million (in addition to the immediate \$50 million for foodbanks) in agencies and providers to prepare for the end of the Public Health Emergency. Advocates for Ohio's Future and its members put together a [plan](#) to fund foodbanks, county departments of Job and Family Services, legal aid and health care navigators, and direct service nonprofits.

Addressing the Long-Standing Problems Causing Health Disparities

The remaining \$1.56 billion should be used to help communities address long-standing and worsening issues that lead to disparities in health outcomes. ARPA funds are an opportunity to make a difference on a large scale by reducing lead poisoning, increasing affordable housing, and improving disparities in health outcomes.

Lead Poisoning Prevention—There is *NO* safe level of lead in the bloodstream. Ohio kids have elevated blood levels of lead at more than two times the national rate. Ohio ranks second in the United States with 5.2 percent of children with elevated levels. Lead dust from lead paint in old housing is the number one source of child lead poisoning in Ohio. Two-thirds of Ohio's housing stock was built before 1980, and an estimated 427,875 children six years old and under are at risk for lead poisoning due to living (or spending a significant amount of time) in old housing. Every county in Ohio has young children in housing with potential lead hazards.

[Ohio House Bill 587](#), sponsored by Representative Tom Patton (R-Strongsville) and Representative Dontavius Jarrells (D-Columbus) and supported by the Ohio Lead Free Kids Coalition calls for a [significant investment of ARPA dollars in lead poisoning prevention](#).

Housing Stability—The recent economic upheaval, combined with incomes not keeping pace with rapidly increasing housing costs, has led to nearly 400,000 Ohio households spending more than half of their income on rent. In 2019, there were only 185,000 affordable rental units available to the 437,000 extremely low-income households in Ohio. The situation has only gotten worse since the pandemic. The average cost of renting a two-bedroom unit in Ohio increased by 12.6 percent over the past year and 21.4 percent in two years.

The state fiscal recovery funds offer a rare opportunity to make a significant dent in Ohio's affordable housing problem by increasing the supply of affordable homes for our most vulnerable Ohioans and reducing homelessness in our communities. Led by the Coalition on Homelessness and Housing in Ohio, more than 230 organizations are asking

for a [one-time investment](#) of \$308 million to add supportive and affordable housing, address infant mortality, and keep seniors housed.

Reducing Health Disparities—Governor DeWine formed the COVID-19 Minority Health Strike Force on April 20, 2020, to examine the disproportionate impact of COVID-19 on minority communities, as well as broader health disparities and racial injustices. In August 2020, Governor DeWine released the [COVID-19 Minority Health Strike Force Blueprint](#) which details 34 recommendations on dismantling racism, removing public health obstacles, improving the social/economic and physical environments, and strengthening data collection to better track disparities.

The Strike Force’s report includes actionable recommendations to both eliminate racial and ethnic disparities in COVID-19 and other health outcomes and improve overall well-being for communities of color in Ohio. Prompted by the deep-seated health inequities exposed by the COVID-19 pandemic, this blueprint goes beyond the current crisis to establish a vision of Ohio as a model of justice, equity, opportunity, and resilience to withstand future challenges.

Conclusion

This historic opportunity to invest in the immediate and long-term needs of people, communities, and infrastructure has the potential to secure the foundation of a strong recovery and a healthier, more equitable Ohio for generations to come.

Though a number of state fiscal recovery fund allocations will directly impact people by supporting long-overlooked Appalachian communities, improving water quality and safety, and outdoor recreation, so far, the state's largest allocations—totaling nearly \$2 billion—have supported businesses and industry.

By prioritizing Ohio's greatest resource—our people—with the remaining COVID relief funds, elected leaders can make meaningful improvements in the health and stability of low-income and marginalized communities and ensure a brighter future for all.



The Ohio Poverty Law Center's mission is to reduce poverty and increase justice by protecting and expanding the legal rights of Ohioans living, working and raising their families in poverty. We partner with Ohio's legal aid offices **which** provide free civil legal services to low-income Ohioans.

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Advocates for Ohio's Future is a coalition of health and human service organizations seeking to protect Ohio's most vulnerable citizens through a responsible state budget that adequately funds vital services.

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