



**Representative Kent Smith
8th House District**

HB 654 Testimony

Finance Committee

November 13, 2018

Chairman Ryan, Vice Chairman Lipps, Ranking Member Cera and members of the House Finance Committee.

I greatly appreciate the opportunity to provide sponsor testimony in support of HB 654 which would provide a one-time supplemental appropriation to 26 Ohio cities, towns and villages who find themselves on the State Auditor's Fiscal Distress list. This legislation would provide these Ohio communities with the exact dollar amount that they would have received if the fiscal year 2008 allocation from the Local Government Fund would have been maintained – not reduced.

The total allocation for HB 654 of \$23,299,717 was calculated based upon how much more these 26 communities would have received from the state if their Local Government Fund allocation had not been reduced. The total amount is less than 1% of the Budget Stabilization Fund which currently sits at \$2.691 billion. This bill is only a fraction of the most recent July 2018 deposit of \$657.5 million into the account.

Every state has some sort of shared funding agreement with their local communities and schools. In February 2017, *Governing Magazine* did an analysis of the cuts by state governments to local communities and school districts in capitol budgets for all 50 states. They examined the shared funding allocation from fiscal years 2007, 2008 and 2009 and compared it to the allocation in FY 2014. They found that while funding cuts due to the Great Recession were not uncommon, Ohio's cuts to schools and local communities were extreme. Ohio's cuts were second worst in the nation and three times the national average. The study also revealed that in 2016, across Ohio, there were 291 new tax levies put on the ballot and 134 replacement levies. In total, 387 Ohio municipalities asked voters to approve new or existing taxes.

The Budget Stabilization Fund is often referred to as the Rainy Day Fund. Mr. Chairman and members of the Committee, let me plainly state that it is raining in these 26 communities. Also of possible interest, I would share that the majority of these communities are represented by Republican members of the Ohio House.

One of those 26 Ohio communities is East Cleveland. On May 1, 2016, Phillip Morris of the Plain Dealer wrote a column entitled, "East Cleveland may soon be forced to choose between firefighters and police." In the article, former East Cleveland Mayor Gary Norton is quoted as saying, "This city currently doesn't have the fiscal means to *safely* survive."

In August 2016, I received a letter from the Judge of the East Cleveland Municipal Court requesting financial aid because he believes that the East Cleveland Municipal Court is "one of the most unsafe public government buildings in the State of Ohio". Judge William Dawson listed no working metal detectors, and no operable locks on the employee entrance / exit doors in City Hall among other things as evidence of his claim.

My personal research on this issue found many more related challenges that East Cleveland is currently facing beyond first responder personnel and their courtroom.

Let me briefly review three other basic city services that East Cleveland cannot provide adequately. Those three areas are fire equipment, senior services, road repair and safety needs.

Fire dept. equipment

As of last year, East Cleveland had 10 vehicles dedicated to its fire department. They were 3 Pumper Trucks, 2 Ladder Trucks, 3 Ambulances, 1 SUV Command Vehicle and 1 Sedan. All of these vehicles are well passed their normal operational use lifespan and two of the ten were donated by other Greater Cleveland suburbs. As of early April 2015, only 4 of those 10 vehicles were in service (1 Pumper truck, 1 donated ladder truck 2 ambulances and the SUV Command Vehicle) and two of those had to come off the road for much needed repairs.

Senior Services

As recently as 2012, East Cleveland was offering entertainment, educational programming, preventative health care, and meal services to 200-300 seniors a week from its Helen S. Brown Senior Center. But later in 2012, the city laid off both staff assigned to the Helen S. Brown Center and on December 31, 2014, East Cleveland closed the building and ceased to offer these services to its residents. Today the Salvation army and Benjamin Rose Institute provide some supplemental services but the vast majority of its 7500 senior residents go unserved.

Road Repairs and Safety

According to the city staff, East Cleveland has 120 streets that need to be resurfaced and half of those (approx. 60) need water and sewer work below the surface. In addition, East Cleveland had 10 intersections where the traffic signal lights were not operational. The city also has over 100 streetlight outages and interruptions.

East Cleveland is home to 17,000 Ohio residents. If these conditions were commonplace across Ohio, the Budget Stabilization Fund would be used to restore stability. House Bill 654 requests only the dollars that these 26 communities would have received had the local government fund not be reduced. The questions I would politely ask the Committee to consider as they weigh this legislation are: 1. What is

the \$2 billion dollar rainy day fund for? And 2. Are the Ohio residents living in these 31 communities worth 1.5% of the rainy day fund?

Thank you Mr. Chairman and members of the committee for your time and consideration. Rep. Boggs and I would be happy to answer any questions you might have.