

**Ohio's Appalachian Local Development Districts**  
**Written Testimony of Boards of Directors**

---

Bob Proud, Chairman

Ohio Valley Regional Development Commission Board of Directors  
Senate Finance – Workforce Subcommittee

Chairman Beagle, Vice Chair Williams, and members of the Senate Finance Workforce Subcommittee, thank you for the opportunity to present this written testimony on House Bill 64. My name is Bob Proud and I serve as the Chairman of the Board of the Ohio Valley Regional Development Commission. I submit this testimony on behalf of the boards of the four local development districts that serve that Appalachian region in Ohio and receive funding through the State Operating Budget.

The four local development districts – Ohio Valley Regional Development Commission, Buckeye Hills-Hocking Valley Regional Development District, Ohio Mid-Eastern Governments Association, and Eastgate Regional Council of Governments – work closely with the Governor's office of Appalachia, the Office of Community Development in the Development Services Agency, and the Appalachian Regional Commission.

Our Boards are made up of local elected officials at every level of government. The LDDs work within their local communities to identify, prioritize and fund community projects that build out infrastructure, improve technology and spur economic development in the region. We are on the ground, meeting with businesses and local governments to determine projects that provide the largest return on investment for the region. We then help see those projects to completion through advice, guidance, grant administration, revolving loan dollars or direct funding.

Our funding is often viewed as “last-mile financing,” helping projects see completion. The projects we support are funded through a variety of sources including grants, loans, in addition to state dollars. In addition to the funding we receive through the State Operating Budget, the LDDs also utilize local dues paid by county and city members and Federal ARC dollars.

In 2014, Ohio's LDDs administered 63 Appalachian Regional Commission projects. These projects totaled over \$72 million in costs and resulted in 750 new jobs and 2,025 retained jobs in the Appalachian region. Projects range from infrastructure projects such as wastewater and sewage treatment, to commercial redevelopment and health care facility construction.

The LDDs receive state funding through the Operating Budget, under the Development Services Agency. In his executive budget, the Governor has proposed combining several line items – including what was previously a separate line item for the Local Development Districts – into a single unified line item – GRF 195455 “Appalachia Assistance.” We understand the interest in consolidating similar line items and streamlining the appropriation and support the Governor's efforts in this area. We also have some concerns, however, and would ask the committee to ensure that the total appropriation to this line item is sufficient to ensure the continued funding of economic development projects and meet growing demand in the Appalachian region. To that end, we worked with the House to separate the combined line items and maintain a separate line item for the administration of the Local Development Districts. We hope that this committee and

the Senate will also support maintaining these separate line items to ensure adequate funding for the Appalachian region. In addition, we hope you will support an additional allocation of funds both to the administration of the LDDs and for the projects we help to administer. For projects, we are requesting an additional \$1 million each fiscal year that will go directly to projects in Ohio's 32 Appalachian counties. For administrative costs, we hope you will support an additional \$150,000 in each fiscal year to make permanent development staff that are currently funded through short-term grants. We successfully worked with your colleagues in the House to include these increases in the "As Passed by the House" version of H.B. 64 and hope that you will also support this proposal. Please be assured that all the money will be utilized to benefit the region, directly, and increase the LDDs' impact for continued growth.

In addition, we are asking for uncodified language to clarify the relationship between the LDDs and the Development Services Agency in the selection and prioritization of projects. The LDDs work very closely with our communities and are the "boots on the ground" entities best able to engage in conversations with community organizations and leaders to identify the most critical and impactful projects for this region. With limited funding, it is critical that the process for review, approval, and distribution of funds is clear, efficient, and effective. We understand and appreciate the need for oversight, and hope to clarify the role of DSA to ensure that the requirements for funding are met, while allowing prioritization of projects to come from the community.

Local Development Districts provide a critical last step to funding many projects in the Appalachian region. We are proud of the work we do with our local partners and the improvements we have made in the region. With continued support from the Ohio General Assembly, we will be able to continue this good work towards economic growth.

Thank you for the opportunity to provide testimony and we invite you and your colleagues to visit our LDDs any time to see the tremendous benefit they provide our communities.