

Good morning/afternoon- Thank you for the opportunity to testify today. My name's Joe Calabrese and I am the CEO and General Manager of the Greater Cleveland Regional Transit Authority. Our transit authority is the largest in the state: we employ 2,400 Ohioans and provided 47 million rides to our customers in 2015. At RTA, 60% of all trips are work related, 23% are to school and 9% of trips are to healthcare.

I have been the General Manager of RTA since 2000. In that time we have faced and overcome many challenges, but the challenge facing us regarding the MCO sales tax is one of the most significant we've ever faced. And I know that county leaders feel similarly.

RTA collects \$18 million because of the MCO sales tax. If the sales tax were eliminated without a fix we would have an \$18 million hole in our budget and would need to make significant reductions in service. These reductions would greatly diminish our ability to get Greater Clevelanders to work, school and medical appointments.

The loss of \$18,000,000 means we would have to layoff 300 dedicated public servants.

The loss of \$18,000,000 could mean that we may not be able to transport 5,400,000 customers annually who need to get to work, school or for healthcare.

The loss of \$18,000,000 could mean that we may not be able to transport 514,000 customers with disabilities annually to wherever they need to go.

The loss of \$18,000,000 annually means that employers will have even greater difficulty in recruiting and retaining the workforce they desperately need to drive our economy. (GCP)

The loss of \$18,000,000 annually means that critical services would be lost, making Ohio less public transit friendly, and less attractive to millennials.

The loss of \$18,000,000 annually could mean that we lack "local share" dollars to match \$72 million in needed Federal capital dollars, to purchase replacement buses, fix aging infrastructure or to upgrade rail stations to ADA compliance. 80% of all Federal dollars for public transit go to private contractors.

The loss of \$18,000,000 annually would be devastating to the economy of Northeast Ohio.

GCRTA is one of 8 transit systems in the State that rely directly on Sales Tax. The many others rely on funding from Counties, also stressing from the MCO sales tax issue.

I am heartened that many in the legislature recognize the significance of this issue and are working to address it. Transit and MCO sales tax won't just affect large urban areas like I come from. It will impact nearly every part of our state.

There are several potential fixes available and one I think has significant merit is resetting the franchise fee in July 2018 to keep the state, counties and transit authorities whole while retaining

the one-time allocation for counties and transit authorities in the first year of the coming state budget.

The MCO sales tax is a significant challenge for RTA and transit authorities across Ohio. I encourage the legislature to find a permanent solution.

Thank you for recognizing the issue and working to solve it.