



LOCAL GOVERNMENT TESTIMONY IN SUPPORT OF SB 357 September 22, 2020

The Ohio Municipal League, the Ohio Mayors Alliance, the County Commissioners Association of Ohio and the Ohio Township Association write in support of Senate Bill 357, which would disburse Ohio's remaining federal funds to local governments that did not receive a direct distribution of funds in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Ohio's local governments are appreciative of the DeWine administration's and General Assembly's efforts thus far to distribute CARES Act funds to assist with local coronavirus relief efforts. SB 357 follows House Bill 481, which earlier this year distributed \$350 million of CARES Act funds, and the recent Controlling Board authorization to disburse an additional \$175 million of federal funds.

SB 357 would disburse \$650 million to qualifying Ohio counties, municipalities and townships on a per-capita basis. This is a change in method for how these funds had been allocated thus far. The previous two allocations utilized a formula based on the Local Government Fund, which was the preferred allocation method for many of Ohio's larger cities.

Like previous distributions, these funds are to be used only for non-budgeted COVID-19-related expenses per the guidelines provided by the U.S. Department of the Treasury. Similarly, park districts would not receive any of this allocation, nor would the five counties and one municipality with populations over 500,000 that received the CARES Act's direct distributions.

CARES Act funds are being put to good use by Ohio's local governments. Funds have been used to support local health and safety efforts, provide assistance to small businesses and individuals facing hardship, acquire supplies of PPE and to fund other relief efforts. The influx of funds provided by SB 357 would further bolster these initiatives.

Local governments are serving Ohioans on the front lines of the COVID-19 pandemic while enduring revenue challenges due to the ensuing economic disruption. Local resources are strained at a time of growing demand. To sustain Ohio's locally-implemented frontline response, available federal resources must be distributed to the local level where they can directly benefit Ohioans. SB 357 will assist counties, municipalities and townships with COVID-related

expenses, which is welcome. However, federal regulations do not allow local governments to utilize these funds for budget stabilization or revenue replacement, which is critically important for many local communities throughout Ohio.

The Senate included several amendments to SB 357, which local governments support. Current state statute requires that unused CARES Act funds be redistributed beginning October 15, 2020. SB 357 extends this deadline to allow additional time for local utilization before funds are redistributed amongst local entities. The end-of-year deadline established in federal law still presents challenges, and local advocacy efforts on this issue with the U.S. Congress continue. Local governments are also supportive of a Senate-added amendment that would ensure, in limited circumstances, a balanced redistribution of unspent CARES Act funds as a part of the statutory redistribution process. Finally, local governments are supportive of Senate-added language clarifying that a resolution/ordinance be adopted by a local government to accept the funds if they have not already done so.

We sincerely appreciate Sen. Dolan's continued efforts to ensure federal assistance is distributed to local governments as they continue their battle against coronavirus. We believe that the partnership between the state and its local governments is critical in addressing the ongoing public health crisis and spurring the economic recovery.

We thank the House Finance Committee for your consideration of this legislation and we urge the committee to take swift action to continue its support of Ohio's local governments.