



City of North Royalton

Dan Langshaw

Ward 3 Councilman

Safety Committee, Chairman

*Storm Water Committee, Vice
Chairman*

*Review & Oversight Committee,
Member*

**North Royalton Ward 3 Councilman Dan Langshaw
Substitute House Bill 166 Testimony
Ohio Senate Finance Committee
June 17, 2019**

Chairman Dolan, Vice Chair Burke, Ranking Member Sykes, and committee members. My name is Dan Langshaw and I am the Ward 3 Councilman on the North Royalton City Council. Thank you for the opportunity once again testify on Substitute House Bill 166 the State Operating Budget this time in the Senate.

The residents I serve and all Ohioans wonder why there are so many communities having to put more levies, bond issues, and other ballot measures these days? Why are our highways, roads, bridges, and infrastructure falling apart in our state? The answer is local governments historically have not been getting the funding they desperately need to address these issues in our communities.

Repeatedly Columbus has raided the Local Government Fund (LGF). This is a complete betrayal against everything that this fund was established for dating back to 1930s. This funding is supposed to return money from Columbus back to the local governments who are the closest to ensuring the needs of the people that live in their respective communities. A study done by Policy Matters Ohio a few years ago reported that cuts in local government funds and tax changes made at the state level cost Ohio counties and communities an estimated \$1.2 billion dollars in 2017, as compared to 2010. Since 2011 the state has made deep cuts to the Local Government Fund (LGF) through slashing it in half from 3.68% to 1.66% today. As a result our own city of North Royalton has experienced approximately \$7 million dollars in state local government funding cuts. *(See attached is a chart of a breakdown of those cuts since 2011)*

It is disappointing that Substitute House Bill 166 that the House passed kicked down the road for another biennium budget to tackle the issue of the Local Government Fund by doing nothing. Again they did nothing to fully make up for the historic cuts that cities like mine have faced for close to a decade to their share of LGF. The state's rainy day fund is now at a record high of \$2.7 billion dollars while the needs of local governments like ours keep pouring down upon us. *(See attached Rainy Day Fund chart)*

This issue needs to be addressed now! My own city council recently passed a unanimous resolution reaffirming this position. *(See attached North Royalton City Council Resolution 19-50)* In my joint testimony before the House Finance Committee last month with my colleague North Royalton Ward 4 Councilman Paul Marnecheck we stressed the importance of consistency and predictability with funding because helps us in deciding how to address urgent needs in our communities. *(See attached May 6, 2019 HB 166 Joint Testimony)* I know many members of this Committee have previous local government service experience and understand first-hand what it is like to be in my shoes.

Today here in the Senate for the first time in about a decade I am hopeful about the State Operating Budget. Chairman Dolan represents my city for the 24th Ohio Senate District. After I testified last biennium budget before this very committee he made clear to me he would try to improve the LGF and work with local elected officials from Northeast Ohio to be better partners.

I want to thank you Mr. Chairman and Senators on this committee for increasing the Local Government Fund from 1.66% to 1.68% in Substitute House Bill 166. Which is a 2% increase for FY 20 and FY 21. Is this perfect? No. I still urge members of this Committee and the General Assembly to increase the investment in Ohio's communities by fully restoring the Local Government Fund back to pre-recession levels of 3.68%. However, I am also realistic if the current Senate version of the budget is the best deal that can be made this biennium it is a step in the right direction to help the Ohioans we all serve. I urge the General Assembly to continue to work together with local governments like mine to hopefully someday fully restore the Local Government Fund so by the time my sons Henry and Derek are adults this no longer an issue for municipalities in our state.

Thank you for the opportunity to advocate for my residents. I am happy to answer any questions you may have at this time.



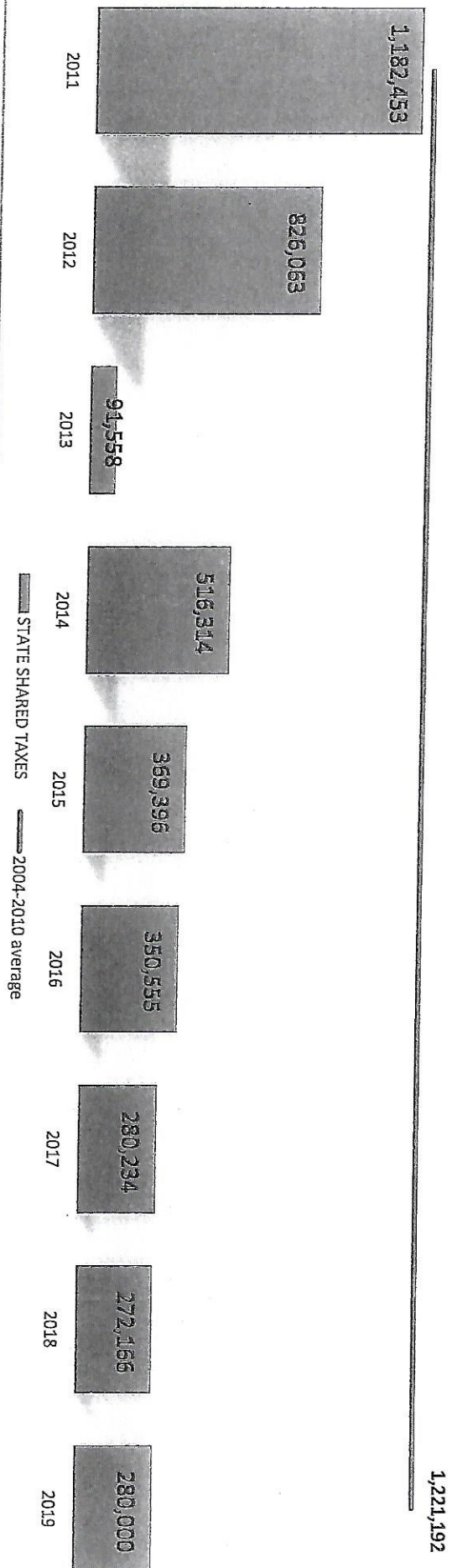
NORTH ROYALTON CITY COUNCIL
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Ward 3 Councilman

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CITY OF NORTH ROYALTON - GENERAL FUND - STATED SHARED TAXES BY YEAR



Dept	Object Name/Department	2011	2012	2013	2014	2015	2016	2017	2018	2019
STATE SHARED TAXES	Local Gov't - County	557,521	378,240	6,099	238,743	262,924	297,272	270,202	272,166	280,000
STATE SHARED TAXES	Local Gov't Rev Assist	100,210	69,698	56,804	56,116	44,096	20,715	7,515	-	-
STATE SHARED TAXES	Local Gov't - State	524,722	378,125	28,655	221,455	62,376	32,568	2,517	-	-
STATE SHARED TAXES	Estate Tax	-	-	-	-	-	-	-	-	-
STATE SHARED TAXES		1,182,453	826,063	91,558	516,314	369,396	350,555	280,234	272,166	280,000
	Difference	(222,794)	(356,391)	(734,505)	424,756	(146,918)	(18,841)	(70,321)	(8,068)	7,834
	% change	-16%	-30%	-89%	464%	-28%	-5%	-20%	-3%	3%

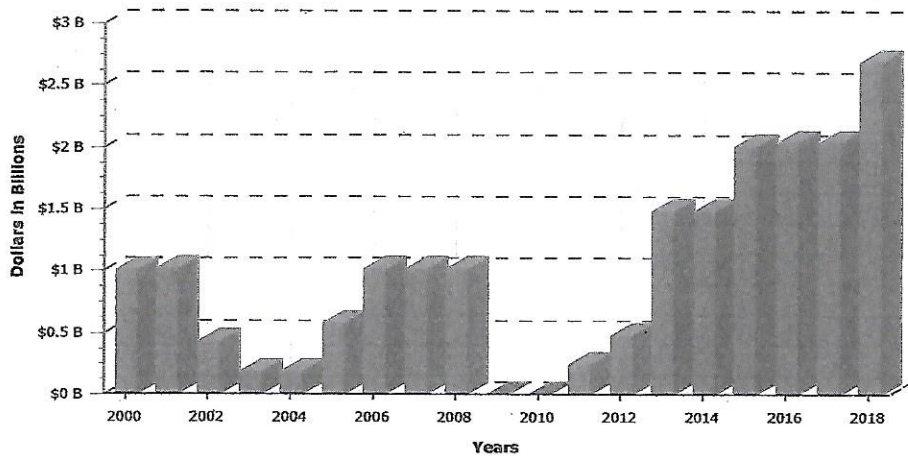
2004-2010 average	2011	2012	2013	2014	2015	2016	2017	2018	2019	
1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,190	1,221,191	1,221,192
Lost Revenue per year	(395,126)	(1,429,691)	(704,875)	(851,792)	(870,633)	(940,955)	(949,025)	(941,192)		
Cumulative Loss of Revenue Since 2010 (cuts Enacted in 2011)	(395,126)	(1,524,758)	(2,229,632)	(3,081,425)	(3,952,058)	(4,893,014)	(5,842,038)	(6,783,230)		

Ohio's Budget Stabilization Fund

The Rainy Day Fund

Current account balance: **\$ 2,691,554,191**

July 11, 2018,
OBM Deposits \$657.5 Million in the Budget Stabilization Fund,
Boosting Ohio's Rainy Day Reserves to \$2.7 Billion



For more information, contact:

Ohio Office of Budget and Management
Front Desk: 614-466-3813
Email: Contact@obm.ohio.gov

THE CITY COUNCIL OF NORTH ROYALTON, OHIO

RESOLUTION NO. 19-50

INTRODUCED BY: Antoskiewicz, Nickell, Petrusky, Langshaw,
Marnecheck, Hannan, Kasaris, Mayor Stefanik

A RESOLUTION IN SUPPORT OF AMENDING SUBSTITUTE H.B. 166 AND STRONGLY URGING
THE OHIO GOVERNOR AND MEMBERS OF THE OHIO GENERAL ASSEMBLY TO RESTORE THE
LOCAL GOVERNMENT FUND TO PRE-RECESSION LEVELS

WHEREAS: The Local Government Fund was reduced in 2011 by 50% during the Kasich Administration, from 3.68% of General Revenue Funds to its current level of 1.66% of General Revenue Funds; and

WHEREAS: Past Ohio General Assemblies have repeatedly decreased funding and revenue sharing in recent years in addition to significantly reducing the Local Government Fund, including eliminating the Estate Tax and phasing out the Tangible Personal Property Tax; and

WHEREAS: These reductions have resulted in a loss of revenue for the City of North Royalton of more than \$7 million since 2011; and

WHEREAS: This sudden revenue loss has made it increasingly difficult to provide basic services, rebuild infrastructure, and bolster public safety services to fight the opioid epidemic; and

WHEREAS: When municipalities experience success in fostering safe communities, building sound infrastructure, and increasing economic development, the State of Ohio reaps the benefits as well.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORTH ROYALTON,
COUNTY OF CUYAHOGA AND STATE OF OHIO, THAT:

Section 1. The Ohio General Assembly should restore the Local Government Fund to pre-recession levels, ensuring that these local communities are able to provide crucial services and improvements in infrastructure and public safety.

Section 2. This Council does hereby declare its opposition to any further cuts to the Local Government Fund or the future diversion of revenues from the Local Government Fund.

Section 3. The Council Office shall send a copy of this Resolution to the Ohio General Assembly, Senator Dolan, Representative Patton, House Speaker Householder, Senate President Obhof, Senate Minority Leader Yuko, and House Minority Leader Sykes.

Section 4. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

THEREFORE, provided this Resolution receives the affirmative vote of a majority of all members elected to Council, it shall take effect and be in force from and after the earliest period allowed by law.

/s/ Larry Antoskiewicz
PRESIDENT OF COUNCIL

APPROVED: /s/ Robert A. Stefanik
MAYOR

DATE PASSED: May 21, 2019

DATE APPROVED: May 23, 2019

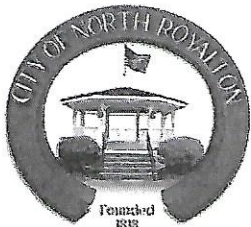
ATTEST: /s/ Laura J. Haller
DIRECTOR OF LEGISLATIVE SERVICES

First reading suspended
Second reading suspended
Third reading May 21, 2019

YEAS: Antoskiewicz, Petrusky, Langshaw,
Marnecheck, Hannan, Kasaris

NAYS: none

ABSENT: Nickell



City of North Royalton

Dan Langshaw
Ward 3 Councilman

Paul F. Marnecheck, II
Ward 4 Councilman

**North Royalton Ward 3 Councilman Dan Langshaw & Ward 4 Councilman Paul Marnecheck
House Bill 166 Joint Testimony
Ohio House Finance Committee
May 6, 2019**

Chairman Oelslager, Vice Chair Scherer, Ranking Member Cera, and committee members. My name is Dan Langshaw and I am the Ward 3 Councilman on the North Royalton City Council. I am also accompanied by my colleague North Royalton Ward 4 Councilman Paul Marnecheck. Thank you for the opportunity for us both to testify on House Bill 166 the State Operating Budget.

The residents we both serve and all Ohioans wonder why there are so many communities having to put more levies, bond issues, and other ballot measures these days? Why are our highways, roads, bridges, and infrastructure falling apart in our state? The answer is looking you in the mirror. It is the leadership in Columbus for almost a decade that has caused this mess. Local governments historically have not been getting the funding they desperately need to address these issues in our communities.

Repeatedly Columbus has raided the Local Government Fund (LGF). This is a complete betrayal against everything that this fund was established for dating back to 1930s. This funding is supposed to return money from Columbus back to the local governments who are the closest to ensuring the needs of the people that live in their respective communities. A study done by Policy Matters Ohio a few years ago reported that cuts in local government funds and tax changes made at the state level cost Ohio counties and communities an estimated \$1.2 billion dollars in 2017, as compared to 2010. Since 2011 the state has made deep cuts to the Local Government Fund (LGF) through slashing it in half from 3.68% to 1.66% today. As a result our own city of North Royalton has experienced approximately \$7 million dollars in state local government funding cuts. (See attached is a chart of a breakdown of those cuts since 2011).

Governor DeWine's proposed budget includes a 9.1% increase to the Local Government Fund (LGF) in FY 2020 and a 1.8% increase in FY 2021. However, the Governor does not go far enough especially in FY 2021 to fully make up for the historic cuts that cities like ours have faced for close to a decade to their share of LGF. The state's rainy day fund is now at a record high of \$2.7 billion dollars while the needs of local governments like ours keep pouring down upon us (See attached Rainy Day Fund chart). This issue needs to be addressed now and not kicked down the road for another biennium budget to tackle.

The late Congressman Ralph Regula once said that people underestimate the impact they can have by contacting their legislators. We hope our participation today can help bring about positive change and we do wish to highlight some brighter notes as progress is being made. The recently passed state transportation budget, Substitute House Bill 62 contains such examples.

Specifically, as a result of the gas tax adjustment, communities can expect an increase in state funding for road repair and maintenance. North Royalton's increase is forecasted to be \$730,000 – an increase of over 64%. (See attached breakdown from Ohio Municipal League and North Royalton Finance Director). To add context, this would equate to the cost of repairing 66,000 linear feet, or 12.2 miles, of concrete roadways. These additional funds could allow our very talented service department to increase our preventative infrastructure maintenance work and put the City in the driver's seat to take full advantage of favorable material costs. I know many members of this Committee have previous local government service experience and know infrastructure repairs are a clear example of tax dollars being used for community improvement.

We urge members of this Committee and the General Assembly to increase the investment in Ohio's communities by amending HB 166 to restore the Local Government Fund back to pre-recession levels of 3.68% by FY 2021. We understand that this won't fully restore all the cuts the state has made since 2011 but it would be a step in the right direction to help the Ohioans we all serve. We know that investing these funds back into our local communities will only yield positive results.

Thank you for the opportunity to advocate for our residents. We are happy to answer any questions you may have for us.