

**Written Testimony of Shelley Dickstein, City Manager,
Representing the City of Dayton,
Opposing House Bill 157**

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki and members of the committee, I appreciate the opportunity to provide testimony regarding the as-introduced version of House Bill 157, repealing Section 29 of HB 197.

If this critical section of HB 197 is repealed, both municipalities and businesses would immediately experience substantial impacts. For many municipalities, like Dayton, it would be an immediate and catastrophic financial impact. I am urging the legislature to give these entities adequate time to prepare for these substantial impacts.

The COVID-19 pandemic has ravaged our communities, our nation and the world. For Dayton, the pandemic hit on the heels of the worst year in decades. In 2019, Dayton suffered the Memorial Day tornadoes, a hate rally, a horrendous mass shooting, and the tragic death of a beloved detective. As a result, we have been operating in crisis mode for two straight years.

For the first two months of 2020 we hoped we had turned the corner only to be confronted by the worst global health crisis in a century. When the governor instituted the stay-at-home order, the City's critical frontline services - EMS, Fire, Police and Public Works, reoriented their operations to continue to provide quality, safe services during the pandemic. We continued to conduct emergency transports for the ill, especially those that fell victim to COVID-19, protect our neighborhoods and businesses, pick up refuse and recycling, repair pot holes, pave streets and mow vacant lawns.

This was all possible despite a pandemic-related \$7.4 million decline in General Fund revenues, as the City took extraordinary measures to live within our means. One-time General Fund refunds of \$5.7 million from the Bureau of Workers Compensation was also very helpful. However, with an estimated 30% to 40% of the City employment base working from home during the pandemic, the most important action by the state legislature was the commuter income tax provision in HB 197. Without this important legislation, the City could have lost an estimated \$45 million or more. This is almost 25% of the City's General Fund budget.

Recovery from a sudden and precipitous decline of \$45 million would have been catastrophic, requiring massive layoffs, including hundreds of Public Safety and Public Works employees. Without these critical services, neighborhood safety would decline, emergency response times would rise and the City's bond rating would be downgraded substantially. The City organization's solvency would be an open question.

If HB 157 becomes law, we will be confronted with these realities in the very near future. Although we do expect some employees to return to their business locations, we still estimate a permanent loss of revenue that could be as high as \$25 million annually, resulting in the same detrimental impacts listed above. It is our request that the legislature not enact HB 157, and instead provide municipalities and businesses the necessary time to thoughtfully address changes and impacts of permanent work-from-home policies without creating cataclysmic consequences that would cripple our ability to continue to provide necessary services to our communities. I appreciate the opportunity to present opponent testimony and thank you for giving the above points consideration.