



OHIO HOUSE FINANCE COMMITTEE TESTIMONY

House Bill 110 – State Operating Budget

May 18, 2021

Keary McCarthy, Executive Director

Chairman Dolan, Vice-Chairman Gavaron, Ranking Member Sykes, members of the Ohio House Finance Committee, thank you for the opportunity to provide input on Substitute House Bill 110, the state's biennial operating budget. On behalf of the Ohio Mayors Alliance, we appreciate the opportunity to testify on the state budget and provide feedback on select provisions from the perspective of our member communities.

Founded in 2016, the Ohio Mayors Alliance is a bipartisan coalition of mayors in over two dozen of Ohio's largest communities. Nearly 3 million Ohioans live within the city boundaries of our member communities. Additionally, our coalition is structured to ensure that there is bipartisanship. Our board members must be from opposite parties and include representation from different size communities. Earlier this year, the mayors unanimously adopted our 2021 policy agenda focused around three key pillars: recovery, resiliency, and equity. There are some promising areas of alignment around aspects of this budget proposal and our policy priorities.

We are encouraged about the prospect of recovery this year for our communities and our economy. As you know, the Local Government Fund (LGF) is an important revenue source for local governments and sustaining it is important to our recovery efforts. In past years, we have seen this fund cut under difficult economic conditions. It currently remains at a much lower rate than it was a decade ago, but we appreciate that this fund did not see any further reductions. Under the proposed budget, Ohio's LGF will remain generally flat funded in fiscal year 2022 (\$425 million) but will receive a slight increase in funding during fiscal year 2023 (\$440 million).

Governor DeWine's *Enhancing Our Communities* proposal allocates \$450 million for Ohio's local communities. From this amount, \$200 million would be allocated for infrastructure, including funding to help local governments address the important issue of underground infrastructure and ensuring residents have access to clean drinking water. The budget also earmarks funding for "brownfields" or blighted properties that many local governments are financially unable to demolish and revitalize. This is an important investment for our cities that will support Ohio's long-term economic recovery.

Our local communities have also been resilient throughout this pandemic as we have implemented much of the nationally supported, state-managed pandemic response. We appreciate the legislature's

unanimous passage of House Bill 197 last year, which included provisions that provided stability for our local governments during a time of great uncertainty. The Sec. 29 provision of HB 197 temporarily allows municipalities to continue withholding at the primary place of business until 30 days after Ohio's State of Emergency order ends. Had the legislature not acted, cities would have seen revenue losses that would have been sudden and dramatic. Additionally, businesses would have faced an administrative nightmare withholding in all the different communities their employees live at a time when employers were already facing significant disruptions. It is important for this provision to remain in place until at least the end of this calendar year. Senate Bill 22 effectively ends this protection on August 23, 2021. While an extension is not included in the As Passed by the House version, we remain hopeful the legislature will extend this provision to the end of the calendar year to prevent significant fiscal impacts to our cities.

We also appreciate the public safety measures included in the operating budget. This includes a \$10 million grant program to local law enforcement agencies across the state to implement or enhance body-worn camera programs, including the acquisition of body cameras and the ongoing expenses. There are still great needs to help equip and support local law enforcement agencies with this proven transparency and accountability measure. We also support the proposed \$8 million in flexible grant funding to help reduce violent crimes through state and local law enforcement agencies, as well as the \$1 million to support state and local law enforcement agencies in recruiting and hiring new peace officers. We know that an increase in violence has been a tragic byproduct of this pandemic and we must do more to support our communities and promote an equitable recovery.

One such effort that could be significant is a proposal to provide funding support for enforcement training across Ohio. Since last summer, we have been working to support our communities as they considered ways to improve policing practices and enhance trust between residents and our law enforcement professionals. The patchwork of police training across the state could be greatly enhanced by an increase in state and local cooperation and dedicated funding support. We have been working with our local government association partners, the Ohio Municipal League, the Ohio Association of Chiefs of Police and others to address issues of equity and improved police training. We support efforts to adequately fund the Law Enforcement Assistance Fund and other measures that will support improved training opportunities for local law enforcement agencies. To that end, we are pleased that the House Passed version of the bill includes provisions to create a training pilot program through the Attorney General's office. The bill also includes a \$15 million appropriation to fund the pilot program. We encourage the Ohio Senate to support this program and continue to evaluate best practices around police training.

Thank you again for the opportunity to provide input on the proposed state operating budget.