



INTERESTED PARTY TESTIMONY ON HOUSE BILL 33
Keary McCarthy, Executive Director
March 30, 2023

Chair Edwards, Vice Chair LaRe, Ranking Member Sweeney, and members of the House Finance Committee, my name is Keary McCarthy and I am the Executive Director of the Ohio Mayors Alliance, a bipartisan coalition of mayors in Ohio's largest cities and suburbs. Thank you for the opportunity to submit testimony regarding House Bill 33. Our testimony details support for many provisions of HB 33, and we also have some suggestions for ways the budget can create synergy between the state and local governments and enhance our cities' efforts to build a stronger Ohio. We urge you to ensure that HB 33 prioritizes and encourages local innovation and statewide collaboration.

Strong Cities Make a Stronger Ohio

Ohio cities anchor networks of businesses, employers, local governments, and communities that power Ohio's economic success. In 2021, Ohio's metro economies generated 83.8% of Ohio jobs and accounted for 86.2% of real Gross State Product. When cities, villages, townships, counties, and the state work together, we all win. We are grateful for many of the provisions of House Bill 33 that promote and support our cities' fiscal health, which we will outline in more detail below. These provisions cover some of the policy areas that are most crucial to cities:

- Public safety
- Economic development
- Affordable housing

We also have a couple of recommendations for how the 2024-25 operating budget can work even better to ensure that Ohio cities remain strong anchors for our state's economy.

- A more robust Local Government Fund to help address critical public safety needs
- Continued funding for brownfield remediation to better support economic development

We believe that working together, across parties and regions, we can all achieve more. We thank you for your continued partnership in working with us to create a stronger Ohio.

HB 33's Public Safety Investments Are Critical To Cities

Public safety is a critical priority for our mayors and police chiefs, and we appreciate the investments that have been proposed in HB 33. For municipalities across the state, public safety is almost always the largest single budgetary expenditure. In some cases, particularly for larger cities, public safety accounts for between 55 and 65 percent—and in some cases more—of the total general revenue fund budget. In just Ohio's 30 largest cities, the collective amount spent on public safety on an annual basis totals **\$2.1 billion**. Personnel costs make up a significant share of these total costs and the demand on cities to attract, recruit, and retain law enforcement professionals has never been higher or more challenging.

In response to this challenge, our cities have increased pay and benefits to their law enforcement professionals. This includes utilizing federal resources provided directly to cities through the American Rescue Plan for hazard pay to first responders and retention bonuses to keep high-quality officers on the job. Our cities are also grateful for the funds provided to local law enforcement through various state grant programs, which have been funded by state American Rescue Plan funds. In 2020 and 2021, our cities received over \$35 million in state grants for body-worn cameras, first-responder wellness programs, and violent crime reduction.

We appreciate the partnership that our cities have had with the administration and the state legislature on these public safety grants. Given that public safety is by far our largest municipal expenditure, we are grateful for additional funds and encourage these targeted grants to continue. We also support the additional funding provided in HB 33, which will help to address the costs to cities to continue delivering effective and efficient public safety services. The investments we would like to highlight for you as most useful for cities include:

1. Law Enforcement Training Funding

The Ohio Mayors Alliance participated on the Law Enforcement Training Funding Study Commission, which concluded its work during the last General Assembly. We are pleased to see that HB 33 proposes \$80 million in funding over the next biennium to implement the recommendations of that commission and reimburse local law enforcement agencies across the state for training expenses. We fully support the funding for Continued Professional Training (CPT) and are pleased to see it in the budget. We support and encourage the committee to consider an expansion of the reimbursable hours for CPT from 24 to 40. We also believe that a dedicated funding stream for CPT remains a long-term need for our cities and local law enforcement agencies.

I want to highlight the feedback we've received from the police chiefs in our cities on training funding: they have clearly communicated to us that the less restricted that reimbursement is, the more useful it is to them. For example, the chiefs told us during a recent discussion that providing them reimbursement figures per officer for training and allowing them to use those funds to pursue their ongoing training programs would be the most useful form that funding could take. They pointed out that their agencies plan out training months and even years ahead

of time, and so applying for reimbursement to implement already planned training will have the most immediate impact on ensuring all of their officers and personnel can get the training they need.

2. Statewide Accreditation for Law Enforcement Agencies

Most OMA cities' police departments are already engaged with the Ohio Collaborative Community-Police Advisory Board and its certification programs, and some of our cities have achieved or are pursuing CALEA accreditation (Commission on Accreditation for Law Enforcement Agencies, the national gold star of accreditation). Even so, our cities support HB 33's provisions that will allow the Department of Public Safety and the Ohio Attorney General to make accreditation more broadly available and accessible to the departments they collaborate with both regionally and statewide. We support this provision because increasing standards for one law enforcement agency benefits all law enforcement agencies. Regional and statewide collaboration among agencies is crucial to our cities' law enforcement success.

3. Continuing funding for local law enforcement agency grant programs

As I mentioned earlier, the total cost for public safety among just Ohio's 30 largest cities is over \$2.1 billion. Most of that money comes from the municipal income tax, which is by far the largest revenue source for most municipalities. We also support continuing the targeted public safety grant funding in the next biennium for, in particular, crime reduction, recruitment and retention, and body-worn cameras. In fact, we urge you to consider making these grant programs permanent. Ongoing, permanent state funding for specific public safety programs that we all support will ensure our public safety forces and first responders have the tools, support, and equipment they need to do their jobs effectively and to keep our streets safe.

Enhancing the Local Government Fund Will Benefit the Entire State

We are grateful for additional state funding that comes to our cities through the Local Government Fund (LGF) and the public safety grants and other economic investments. In the "as introduced" version of HB 33, the LGF increases slightly from 1.6 to 1.7 percent of the total state general fund. This results in an increase of the total LGF to \$505 million in FY 24 and \$530 million in FY25, which is dispersed to counties, cities, villages, and townships. Given the significant cost to cities to support public safety, economic development, and other initiatives on which there is broad bipartisan agreement, we urge the committee to consider an additional increase in the total LGF allocation to at least 2.5 percent of the state GRF. Additional LGF funds will benefit every municipality, township, and county in the state and ensure that every local government can meet its obligations to our public safety personnel and retirees.

Economic Development and Job Creation Rely on Robust Regional and Statewide Collaboration

HB 33's proposed All Ohio Future Fund will help ensure that all of our cities—and the regions they anchor—will benefit from future and upcoming economic development. Many of our cities have both small and larger plots of land that would benefit greatly from funds to help them be ready to support new businesses, new entrepreneurs, and new jobs. Moreover, many of the townships and other municipalities surrounding our cities have the same needs—and when one part of a region becomes a site for new development and new jobs, the entire region and state benefit. We recognize and support the interconnectedness of our development projects, while at the same time we also support the need for such development to occur throughout the state, in all of our cities and regions.

We are grateful for the investments HB 33 makes in ensuring economic growth in Ohio is shared equally among our diverse regions, and we urge the committee to reinforce that growth and the Governor's investments by ensuring that Ohio does not miss out on any potential federal funding via the CHIPS Act, the Inflation Reduction Act, and the Infrastructure Investment and Jobs Act, all of which require open and transparent collaboration among the state and local governments to ensure that we can bring as much funding and opportunity to Ohio as possible.

HB 33's proposed funding for Innovation Hubs outside of the successful efforts in our member cities of Cleveland, Columbus, and Cincinnati is a needed provision to ensure that development and collaboration across academia, businesses, and cities is robust in all of our cities. We look forward to engaging on the details of many of these initiatives as they develop, and we urge you to ensure that these investments are fully supported as you consider HB 33.

Adding Continued Funding for Brownfield Remediation to HB 33 Will Ensure Development In Ohio Communities That Need it Most

HB 33 does not include an investment in the Brownfield Remediation Fund that has fueled redevelopment in some of our cities' most underserved and vulnerable communities. We urge you to remedy this by including at least \$350 million for the Brownfield Remediation Fund in HB 33—this would provide level funding for the program based on the previous operating budget.

Over the past two years, the Brownfield Remediation Fund has provided over \$41 million in funding to our cities and their surrounding communities to spur crucial development in blighted and polluted areas. This expensive redevelopment is often not financially feasible without state support, and our communities and the Ohioans who live and work near these sites benefit immeasurably from this state support. This funding is a win/win for businesses, residents, local governments, and the State. We strongly urge you to restore a level funding allocation for this crucial fund in HB 33.

Affordable Housing Is Critical to Our Cities' Residents and Businesses

Ohio families cannot maximize their access to education, career training, and jobs if they can't find safe, healthy housing for their families. All of our cities need more housing at all price points, and the need for affordable housing for working families has never been more acute. HB 33's restoration of crucial affordable housing tax credits and other supports for the development of affordable housing in our communities is one crucial piece of the puzzle available to mayors and their administrations as they work regionally and statewide to ensure that Ohioans have safe homes that are accessible to transportation and jobs. We also support efforts to make the rehabilitation of homes more affordable and effective. We urge you to ensure that HB 33's affordable housing provisions remain intact and are enhanced to best benefit working Ohio families.

Conclusion

The provisions and suggestions outlined above support stronger cities and a stronger Ohio economy. We believe that all Ohioans benefit from a pragmatic, bipartisan approach to allocating and prioritizing our state's resources in ways that serve our common interests and foster local and statewide collaboration. We are grateful for the opportunity to continue to work with the state to support our cities and the millions of Ohioans who live and work within them.

Thank you for the opportunity to testify before you today. I would be happy to answer any questions.