



**OHIO HOUSE GOVERNMENT OVERSIGHT COMMITTEE
OPPONENT TESTIMONY ON SENATE BILL 158
OCTOBER 10, 2023**

Chair Peterson, Vice Chair Thomas, Ranking Member Humphrey, and members of the House Government Oversight Committee, thank you for the opportunity to submit testimony on Senate Bill 158. While we agree with the bill sponsor's concerns about the policy at issue in SB 158, we disagree on the solution, which is why we are submitting this testimony as an opponent.

As you know, SB 158 proposes to prohibit a charter city from having a charter provision or ordinance that requires the legislative authority to appropriate, allocate, or draw money from the treasury for the funds to be disbursed by a vote of the residents.

This bill is in response to a proposed citizen-initiated charter amendment in Cleveland that would require the city to set aside 2 percent of the general revenue fund, or in this case, \$14 million annually, for "participatory budgeting." The charter amendment has qualified for the ballot and will be before Cleveland voters this November.

Many of Cleveland's city leaders agree with SB 158's sponsor that this policy is a bad idea that will have significant adverse fiscal impacts on public safety, public health, emergency medical services, and other essential services that the city provides. Local leaders are communicating these potential impacts to the voters of Cleveland with a goal of defeating this measure at the ballot box.

While state and local leaders are generally united in opposition against the substance of the proposed charter amendment, we strongly disagree that state intervention is needed to preempt such a measure. This is because doing so would undermine charter cities' constitutional right to home rule, as outlined in Section 3, Article XVIII of the Ohio Constitution.

Charter cities have the constitutional authority to exercise all powers of local self-government, and local budgeting authority is inherent to that power. The Ohio Constitution grants the General Assembly authority to limit a municipal corporation's authority to tax, assess, borrow money, incur debt, and loan its credit. However, none of these state powers are specific to the budget limitations contemplated under SB 158. Thus, it is a clear violation of the Ohio Constitution to preempt the authority of the City of Cleveland and its voters to make this budgeting decision for themselves.

In the City of Columbus in 2021, a private group petitioned to put an initiative on the ballot in the city that would have given that group control over a significant portion of the city budget for "green initiatives." City officials opposed the measure and Columbus voters soundly rejected it. The following year, city officials proposed charter changes to safeguard against future abuse of the charter initiative process, and voters approved those changes.

This is how local self-governance works and we believe it will work again in Cleveland without state intervention and the further erosion of home rule authority for Ohio cities. We greatly appreciate that the bill sponsor shares our concerns about the fiscal health of Cleveland and all of our cities. We hope to continue to work with the General Assembly to help ensure that our cities remain fiscally strong and our constitutional right to home rule remains intact. Thank you for your time, and I would be happy to answer questions.