



**WRITTEN INTERESTED PARTY TESTIMONY ON SUB HOUSE BILL 33
SENATE FINANCE COMMITTEE
JUNE 8, 2023**

Chair Dolan, Vice Chair Cirino, and Ranking Member Sykes, on behalf of the Ohio Mayors Alliance, a bipartisan coalition of mayors in Ohio’s largest cities and suburbs, we respectfully submit this written interested party testimony on Sub. H.B. 33, the FY 2024-25 operating budget. We are supportive of many of the Senate’s proposed changes to the bill. We also have some concerns and suggestions for ways the budget can further foster collaboration and support our cities in their efforts to strengthen that state of Ohio at large. Our priorities and areas of concern are outlined below.

We represent the 30 largest cities, by population, in the state of 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. Some budget policy areas that are most crucial to cities include:

- Public safety training and support;
- Economic development, including projects related to the local government fund;
- Affordable housing incentives for a diverse range of housing types; and
- Enhancing the local government fund to help ensure our public safety forces have the resources they need to keep our cities safe.

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

SUB HB 33 PROVISIONS WE SUPPORT:

We are grateful that the Senate’s proposed sub bill maintains funding for law enforcement training and enhances support for brownfield remediation and site demolition costs. We are also glad to see that the Senate sub bill increases the allocations to Ohio’s innovation hubs and the All Ohio Fund.

Sub HB 33’s Public Safety Investments Are Critical To Cities

Public safety is a top priority for our mayors and police chiefs, and we appreciate the investments that have been proposed by the Governor, the House, and the Senate in Sub HB 33. The Ohio Mayors Alliance

participated on the Law Enforcement Training Funding Study Commission, which concluded its work during the last General Assembly, and fully supports that committee's recommendations for further state support for law enforcement training. Such funding is vital to our cities' safety and wellbeing, as well as the safety of our cities' police forces. We fully support the funding for Continued Professional Training (CPT) and are pleased to see it remain in the budget.

Increased Funding for Brownfield Remediation and Site Demolition Fund

Similarly, we are thrilled to see the Senate increase the funding allocation for brownfield remediation and site demolition. We support housing developments to meet the growing needs of our cities and surrounding regions. This funding is a win/win for businesses, residents, local governments, and the State. We strongly urge you to maintain and make permanent the funding allocation for this crucial fund in HB 33.

That said, we are joining with other partners who support brownfield remediation funding to ask the committee to return to the substantive bill language from the previous operating 22-23 budget to ensure continuity of administration and funding for brownfield remediation in Ohio. In particular, we are concerned about provisions limiting funding applicants to county commissioners only, as preventing our private partners from applying for and taking the lead on brownfield redevelopment could significantly delay and complicate crucial redevelopment in our cities.

Increased Innovation Hub and All Ohio Fund Allocations Will Continue to Spur Economic Development in Cities

We are grateful for the investments Sub HB 33 makes in protecting the fiscal health of our cities and the surrounding regions, including the increased funding for Innovation Hubs and the All Ohio Fund. When one locality welcomes new jobs and developments, the whole region benefits. This proposed funding for Innovation Hubs is a needed and beneficial allocation, and will contribute to the ongoing spirit of innovation, growth, and collaboration that our cities aim to facilitate through these developments. The All Ohio Fund is an important factor to this collaborative effort, as it will ensure that development comes to every corner of Ohio and not just our largest cities.

SUB HB 33 PROVISIONS THAT WE URGE YOU TO REMOVE/REVISE

Specific Project Funds Support Needed Development Projects

There were many projects included in the House version of the budget that were removed in its Senate reincarnation, and we have some concerns regarding the effects of this decision on our cities. These projects include funding for the Cleveland Lakefront Land Bridge, the Downtown Development Grant Fund, Cultural Centers Grant Fund, Connect4Ohio Grant Fund, and the Airport Development Grant Fund. We urge you to restore these funds.

Increase the Local Government Fund

We project that the Senate's \$1.5 billion income tax cut and a nearly \$1 billion sales tax holiday will result in an approximately \$60 million reduction in the total Local Government Fund distribution over the biennium. During this time of extremely positive revenue projections for the state, we strongly urge the Finance Committee to reconsider keeping the Local Government Fund at the 1.6% rate that was implemented during the extreme fiscal crisis of the early 2010s. The General Assembly's refusal to share its revenue with local governments continues to make cities more dependent than ever on municipal income tax revenue, and imperils our investments in public safety. At a time when our cities are increasing their already significant public safety investments—on average, our cities allocate over half of their municipal budgets to police and fire departments—to recruit, retain, and provide improved technology and safety equipment to their first responders, it is irresponsible to continue a fiscal policy toward local governments that was developed during a recession and a time of extreme fiscal austerity. We strongly urge you to increase the Local Government Fund to at least 2.5%, or, better, the 3.68% it was prior to 2011.

Affordable Housing Financing and Tax Incentives Are an Absolutely Crucial Tool for Building the Housing Ohio Needs

The Low Income Housing Tax Credit policies that the Governor included in the executive budget and which the House expanded are absolutely critical to our cities' plans to ensure that we are building enough housing to ensure every Ohio family has a safe place to call home. We strongly urge you to restore these tax incentives and financing options.

There is an increased demand for housing at all price points across the state of Ohio, and that need is most acute for working and middle class families. Access to safe and affordable housing is crucial to the wellbeing of our cities and their residents, and this issue is relevant to other sectors of public life including education, public safety, and the workforce. Our cities cannot effectively recruit and retain teachers, police officers, and service employees if those workers cannot find or afford housing. The Senate's extreme changes to the LIHTC and other housing policies will materially damage our cities' efforts to combat the housing shortage, and disproportionately negatively affect those in need of affordable housing. The expansion of the existing prohibition on stacking the LIHTC and the historical rehabilitation tax credit further complicates efforts to create low income housing where it is needed. We cannot understate the need for you to take urgent action to restore such funds in the operating budget.

We are, in contrast, supportive of the Senate's Welcome Home Ohio Program, which would provide \$50 million in grants each fiscal year for land banks to purchase properties and rehab/construct new housing. We would be happy to see this provision retained in the budget, but not at the expense of the many other crucial housing funds that were cut.

Increase Funding For Child Care and Public School Districts

Our cities' success is irrevocably bound together with the success of our public school districts. We urge the Finance Committee to consider increasing funding in Sub HB 33 for traditional public school districts and to ensure that the child care funding that was included in the executive version of the budget is restored. Ohio families cannot obtain the education they need to get good paying jobs, and they can't maintain those good paying jobs, without robust public education funding and affordable and ubiquitous high quality child care.

Moreover, the City of Dayton alerted us that both the House and Senate budgets significantly reduce funding for a pupil transportation pilot program that would shift responsibility for transporting charter and private school students from the district to the ESC in the region. Our cities support this pilot program, and some were planning to execute it in the coming academic year. School bus transportation has been a growing expense and logistical nightmare for all school districts in Ohio, and this pilot program would allow cities to explore a potentially helpful solution to transporting children effectively and efficiently. We urge you to restore that executive budget provision.

Conclusion

The points 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 provide this testimony. If committee members have any questions or would like additional information about any of the issues discussed, please contact our Policy Director, Sarah Biehl, at sarah@ohiomayorsalliance.org.