

Senate Finance Committee Interested Party Testimony, House Bill 96 (Stewart) Aaron Clapper, Director of Outreach and Projects, Greater Ohio Policy Center Tuesday, May 27, 2025

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson and members of the Senate Finance Committee, my name is Aaron Clapper, and I am the Director of Outreach and Projects at the Greater Ohio Policy Center (GOPC). GOPC advocates for policies that revitalize Ohio. I appreciate the opportunity to share with you today our thoughts on the main operating budget.

Ohio has the 7th largest GDP in the nation, and all communities across the state contribute to this strong position. However, the <u>Ohio Department of Development's</u> population projections anticipate Ohio will lose nearly 6% of its population by 2050, with most of the state's legacy cities and surrounding metros expected to experience shrinking populations.

Earlier this year, GOPC <u>published a white paper that concluded</u> that 59% of Ohio's GDP production comes from counties that are expected to decline in population.

If Ohio wishes to maintain its position as a major GDP producer, Ohio must continue to invest in its legacy communities—those places that have lost population and industry and are reinventing themselves.

It is for these reasons that GOPC strongly believes Ohio must continue to prioritize investment in the clean-up of brownfield sites throughout Ohio.

Recommendation #1: Retain House-passed Funding for Brownfields Assessments and Clean-Up

Ohio has hundreds of blighted industrial and commercial sites with utility infrastructure, transportation access, and nearby workers, that are currently unusable. Environmental contamination from previous use is the only barrier to their future use.

In the last four years, Ohio has invested \$700 million to assess and clean-up a portion of these brownfield sites through the Brownfield Remediation Program (BRP). These funds have leveraged millions of additional private and public dollars, with clean-up work underway statewide. GOPC is proud to have championed this investment, working with policymakers to reactivate land that will house new businesses, homes, and recreation spaces. However, thousands of brownfields still exist across Ohio.

The House-passed budget re-allocates \$250 million in GRF funds for the BRP over the biennium. We appreciate that the House has continued to prioritize this investment and urge the Senate to retain this funding as you craft proposed changes to the budget.

We are aware that some Senators have reservations about the House's plan to fund the BRF using unspent dollars from the All Ohio Future Fund.

Our position is that we are neutral on the source of revenue to fund the BRP over the next two years – we just ask the Senate to maintain this important program at current or past levels of funding.

Recommendation #2-Make Three Small Adjustments to Program Rules

Many at the local level and here at the Statehouse, have expressed a strong desire to modify the program, specifically: changing the current "first come, first served" structure to a more competitive one. GOPC has come to recognize that changes of the scale needed to truly level the playing field cannot be accomplished within the budget process alone. We at GOPC do have ideas on how to make the project more effective and accessible and we will pursue our programming recommendations through stand-alone legislation.

However, we do believe that there are three small corrections the Senate could bring to the BRP as part of the budget process. These provisions ensure submitted projects are truly ready to receive state investment.

Correction i: *Reinstate Match Requirement:* Changes made late in 2024 eliminated the local match requirement on grant requests. We believe that it is important for brownfield revitalization to be a joint effort between the state, local government, and private sector - who has access to the program. Therefore, we would ask the Senate to re-insert the previous language that requires a 25% local match for grants beyond the \$1 million set-aside each Ohio county is entitled to under the current BRP.

Correction ii: Reinstate County Lead Applicant Role and

Correction iii: *Provide Permissive Authority to Explicitly Allow Them to Prioritize Projects:* Changes made late in 2024 eliminated the role of a Lead Applicant for each county. We believe state funding will be more effectively deployed if one applicant per county has a "bird's eye view" of assessment and redevelopment projects. In this same vein, some lead applicants would like legislative assurance that they may have discretion over the order in which project applications are submitted into ODOD's application portal. We are asking for permissive language that local lead applicants can choose to utilize or not. These complementary provisions will help prevent the application portal from 'jamming' and create more opportunities for all counties to access funds.

Conclusion

Chair Cirino and members of the Senate Finance Committee, thank you for the opportunity to provide interested party testimony. I would be happy to address any questions the committee may have.