



**Senate Bill 88 Sponsor Testimony**  
Senator Lou Terhar  
Senate Government Oversight and Reform Committee  
March 15, 2017

Chairman Coley, Vice Chair Uecker, Ranking Member Yuko, and members of the Government Oversight and Reform Committee, thank you for allowing me the opportunity to testify today on behalf of Senate Bill 88.

The Local Government Services (LGS) division of the Auditor of State's office has recommended revisions to Ohio's current fiscal emergency procedures for local government entities. The LGS found that cities and other local governments have difficulties utilizing their Financial Planning and Supervisory Commission for the intended purpose of helping the entity to become fiscally sound. The proposed legislation will adopt many of the LGS recommendations in order to make the procedures more efficient, the commissions more effective, and give the local government more input into the process. This will allow for more control and support in the local entity's pursuit of fiscal stability.

Senate Bill 88 changes the composition of the commissions depending on which type of entity is in fiscal emergency. Under current law, the financial planning commissions consist of four ex-officio members, and three local governor appointees, selected from five mayoral nominees. The bill includes specific language to eliminate confusion for chartered counties when designating ex-officio members, and changes the appointment process for the three local members. The table included with my testimony shows the specific composition of the commissions for each type of local entity. The proposal strengthens the commissions by placing more objective decisionmakers at the table, while still protecting local involvement in the commissions.

Senate Bill 88 gives the commissions power to accept or reject financial information submitted by the local government entity to ensure the commission receives accurate financial data. It also expands what is to be included in the financial recovery plan filed by the local government entity; under SB 88, the entity would be required to include all available funds in the financial plan, including those funds upon which restrictions had previously been placed by the local entity. Funds that are restricted by the constitution or state law are exempt from this requirement. As under current law, the local entity will be required to file the financial recovery plan with the commission within 120 days of the commission's first meeting.

Senate Bill 88 will improve Ohio's current local government fiscal emergency procedures, making them more effective and giving our local entities the tools they need to return to financial stability.

Chairman Coley, I thank you once again for the opportunity to testify on behalf of Senate Bill 88. If there are any questions, I would be happy to answer them at this time.

