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House Bill 110 Interested Party Testimony April 15, 2021 House Finance Committee William Murdock, Executive Director Mid-Ohio Regional Planning Commission

Chair Oelslager, Vice Chair Plummer, Ranking Member Crawley, and members of the House Finance Committee: thank you for the opportunity to submit written interested party testimony regarding House Bill 110 (HB 110), the 2022-2023 state operating budget.

My name is William Murdock, and I am the Executive Director of the Mid-Ohio Regional Planning Commission (MORPC). MORPC is the regional council for Central Ohio and a voluntary membership association of 75 local governments from urban, rural, and suburban communities. We provide programs, services, and funding related to transportation, community development, data, sustainability, and economic prosperity. Our policy stances reflect the collective voice of this diverse group of communities.

MORPC's planning and policy work focuses on the future. For Central Ohio and all of Ohio to thrive tomorrow, we need to better invest in communities today. Local governments need reliable resources to prepare for growth and better serve their residents and businesses. The state of Ohio is a critical partner.

Central Ohio's local governments view this operating budget as an opportunity to collaborate with the state in finding solutions for our fast-growing region. By working together, we can ensure Ohio and its communities have the necessary tools to invest, improve, and compete. We have four recommendations for your consideration in helping to position our region—and the entire state—for prosperity.

## **Reinvesting in Local Communities**

Local communities are the heart of Ohio's success. They deliver critical services for residents and businesses. Ohio has long valued the role of local governments and has supported efforts statewide with Local Government Funds (LGF) as a way to invest in the local voice and strategy. The purpose of the LGF is to share revenue that local governments lost when the state began to impose its sales tax and to be more efficient by helping local governments meet local burdens, so state government does not have to do so. While more needs to be done, we appreciate that HB 110 continues funding for the LGF at current statutory levels. Based on current revenue estimates, the LGF and the Public Library Fund will each provide \$425 million in FY22 and \$440 million in FY23 in shared revenue.

To ensure a continued level of local services statewide and give our region the ability to deal with pressures of growth, we strongly advocate the LGF percentage of the GRF be restored to 3.68 percent. This investment in our communities will assist local governments in providing services such as working to retain and recruit new businesses, ensuring needed repairs and improvements to local infrastructure, or solving difficult issues with rural, suburban, and urban access to employment.

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We also support our partners at the Franklin Soil and Water Conservation District in their request that the state continue allocating non-mandated funding for Ohio's Soil and Water Conservation Districts (SWCDs). Each of Ohio's 88 SWCDs work with farmers and landowners on important agriculture conservation efforts and with urban districts to support valuable stormwater work, all to improve water quality in our state.

The Ohio Revised Code allows SWCDs to receive up to a 1:1 state match on local government funds. Currently, the rate of overall state match is 93 percent, with 72 percent going directly to SWCDs. As natural resource issues such as water quality become a larger priority statewide, Ohio's SWCDs face greater constraints on their ability to operate within allocated funding.

We support the bill's 6.3 percent increase in funding for soil and water district support in FY22, as well as maintaining the current level of direct funding to soil and water districts over the biennium.

MORPC also supports the community infrastructure funding proposed by the Development Services Agency. These funds can assist communities in investing in their water and sewer systems, roads, downtown revitalization programs, and demolition. Most importantly, it will help them advance projects during this economic recovery.

## Expanding Affordable Broadband Services

Ohio can't compete without better and more affordable broadband access. When looking at a map of unserved broadband locations in Central Ohio, it is no surprise that lack of access to broadband becomes more pronounced in our rural areas and smaller communities. Recent studies indicate that nearly one in ten Ohioans lacks access to reliable high-speed internet, with approximately 340,000 rural households having no broadband options at all. The COVID-19 pandemic amplified the disparities in access and the need for broadband for many of our neighbors to work remotely, apply for jobs or unemployment, and access health care. It's especially urgent for families with school-age children: in Central Ohio alone, 17 percent of these families lack broadband access.

Broadband is an essential utility for 21st century commerce, education, and healthcare. That's why MORPC strongly supports the critical investments to broadband expansion and affordability in HB 110. For example, HB 110 appropriates \$20.0 million in each fiscal year for grants to expand broadband service, including \$125.0 million in FY 2022 and FY 2023 for grants for broadband infrastructure. The Governor's \$40 million biennial commitment for the residential broadband expansion program is a good start, and the one-time \$250 million additional investment is critical to curb the digital divide.

The Ohio Association of Regional Councils (OARC) is proposing the state designate and fund regional councils as "Regional Broadband Councils" that would work in alignment and in partnership with BroadbandOhio to coordinate broadband deployment and provide technical and planning support to local entities in their respective regions. By relying on regional councils, the state can leverage neutral, multi-jurisdictional entities to facilitate collaboration and more efficiently share services.





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As part of this budget request, MORPC is supportive of OARC's proposal of \$30 million for a state matching fund, \$4.5 million per year to fund broadband teams at OARC regional councils to provide project oversight, coordination, and technical assistance and \$3.6 million for low-income subsidies. This recommendation addresses the joint challenges of availability and affordability beyond the Governor's initial investment that are shared by our constituents.

## Housing Affordability

MORPC advocates for policies and funding that to support a broad spectrum of housing options—in alignment with Central Ohio's Regional Housing Strategy and the LinkUs corridor investment approach—that meet our growing residential and workforce needs. The COVID-19 pandemic exacerbated the hardships too many Ohioans face, especially with increasing need for housing and rental assistance programs that help our most vulnerable neighbors stay in their homes.

MORPC strongly supports the current level of funding (\$55.25 million) per year for Housing Trust Fund for various housing programs aiming to assist low- and moderate-income persons through grants to nonprofits and related housing agencies for the construction of new housing, renovation of existing housing, supportive services, and other homelessness and housing programs

## **Brownfield Investment**

Finally, MORPC supports and advocates for policies and funding for a timely cleanup and redevelopment of brownfields—vacant, blighted, or abandoned land—and historic buildings in order to revitalize and reinvest in local communities. It is for this reason we support the \$2.5 million per year for the Brownfields Revolving Loan Program, which provides low-interest loans to private and public entities for demolition, cleanup, and remediation projects on brownfield sites

While this critical investment is important, it is not enough to spur the recovery needed in communities of every size and type. That's why MORPC strongly encourages reactivating the Clean Ohio Brownfields Program as part of the Clean Ohio Revitalization Fund. Clean Ohio provided grant assistance to communities to remediate and redevelop brownfield sites. Every corner of Ohio benefitted, as the program was particularly impactful in small cities and county seats, urban neighborhoods, and Appalachian communities. The program successfully led to the environmental remediation and economic redevelopment of over 380 environmentally contaminated sites throughout Ohio from 2002 through 2013. Although other efforts by JobsOhio and the State are appreciated, since the program paused in 2013, nothing has been as effective as Clean Ohio at repositioning brownfield sites for development and jobs with the same rate of success.

Restarting Clean Ohio's Brownfields Program would provide patient capital investment in cleanup and site development, and it would significantly benefit rural industrial communities. Ohio has the potential to leverage millions of dollars in additional investment, create jobs, and foster development. With an allocation of \$25 to \$30 million annually, derived from excess state liquor profits or state excise taxes on alcoholic beverages, and a reactivation of now-dormant ORC sections, the program could create a





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pipeline of future development sites in impacted communities and leverage local, federal, and private sector investments. Put simply, investing in the Clean Ohio Brownfields Program, a proven model for success, would secure a redevelopment and a jobs pipeline for Ohio communities for years.

During a very uncertain time for our state and country, we commend Governor DeWine for his leadership in crafting a budget that addresses the state's urgent needs. We strongly advocate for solutions to help all of Ohio's rural, suburban, and urban communities and each region's unique needs. We sincerely appreciate the committee's work and willingness to navigate such important and critical issues, and we look forward to continuing our important work together.

Please do not hesitate to contact me, at 614-233-4101 or at <u>wmurdock@morpc.org</u>, with any questions or whenever MORPC can be of service.

Kind Regards,

Jellen Mudele

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