

WRITTEN TESTIMONY BEFORE THE
HOUSE FINANCIAL INSTITUTIONS COMMITTEE
PROPONENT TESTIMONY ON H.B. 440

Chairman Jordan, Vice Chair Ferguson, Ranking Member Crossman, and members of the House Financial Institutions Committee, thank you for the opportunity to provide written remarks on H.B. 440, a bill that would make three new investment reforms that will help bolster support for Ohio's agriculture community, health systems, and institutions of higher education. On behalf of the Ohio Business Roundtable, I am testifying as a proponent of this legislation.

By way of background, OBRT is comprised of over 90 presidents and CEOs of Ohio's top companies, 70 of which are headquartered in the state and one third of which are Fortune 1000 companies. Collectively, our members employ nearly 500,000 Ohioans and generate a revenue totaling over \$1.2 trillion.

The Ohio Gains Initiative centers around reforms that ultimately will modernize the Ag-LINK program, reduce costs for Ohio's hospitals, and lower costs for Ohio's public universities. For example, when financing capital projects, many Ohio hospital systems utilize a borrowing tool called a Variable Rate Demand Obligation, which requires an entity to act as a "buyer of last resort," agreeing to purchase the debt if the market yields no other options. We believe the Ohio Treasury can leverage its strong liquidity position to step into this role on behalf of Ohio's hospital systems and lower their overall borrowing costs.

In addition, by enabling Ohio's public universities to leverage their State Share of Instruction when debt is issued to the State Treasury only, the university's credit is automatically enhanced, thereby making it a more attractive investment for the state of Ohio. This ultimately will bolster the state's investment portfolio while also reducing a participating university's interest costs.

The Ohio Business Roundtable applauds Representatives Swearingen and White, along with Treasurer Sprague and his team for putting forth innovative policy solutions that will benefit businesses and healthcare institutions in our state. These proposals will provide cost-saving opportunities to Ohio's world-class hospitals and

universities, all while ensuring the taxpayer's dollars are invested wisely and efficiently.

Chairman Jordan and members of the committee, thank you for allowing the Ohio Business Roundtable to provide input on this important issue.

Sincerely,

Michael McLean
Vice President of Policy
Ohio Business Roundtable