



Rick Carfagna, Senior Vice President
Ohio Chamber of Commerce
Proponent Testimony – House Bill 33
April 20, 2023

Chairman Edwards, Vice Chair LaRe, Ranking Member Sweeney and members of the House Finance Committee. Thank you for allowing me to present proponent testimony on House Bill 33. My name is Rick Carfagna, and I am the Senior Vice President for Government Affairs for the Ohio Chamber of Commerce. For 130 years, the Ohio Chamber has served as the state's leading business advocate, and we represent over 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness, and growth for the benefit of all Ohioans.

When we at the Ohio Chamber canvass our members on their most immediate challenges, the universal response across all economic sectors continues to be workforce. That term, however, encompasses a broad spectrum of characteristics beyond merely job training and credentialing. We recognize that to have a qualified, reliable, and thriving base of employees available to Ohio businesses, any discussion of workforce must also include access to affordable housing, childcare, and transportation. To assist with this effort, the Ohio Chamber recently unveiled the [Blueprint for Ohio's Economic Future](#), a constructive look at policy areas where Ohio can better capitalize on opportunities and position itself as a leader in the coming decade.

We applaud the DeWine Administration, members of House Leadership, this Finance Committee, and the other members of the Ohio House of Representatives for providing numerous investments in this budget to make Ohio a safe and vibrant destination to live, work, study, raise a family and operate a business.

Accordingly, we wish to highlight a few of our top policy priorities for this General Assembly contained in this state operating budget that align with our *Blueprint*, while also listing additional measures we hope will either remain intact or be further bolstered throughout the legislative process.

INNOVATION HUBS

Our state's original Innovation Districts have incentivized new research and development, created tens of thousands of new jobs and STEM graduates, and have generated billions in annual economic impact. We believe this model should expand to include new industries and new private sector partners to attract increased investment in Ohio. We applaud the retention of funding to help stand up at least one

new Innovation Hub but ask that you consider restoring more funding for multiple mid-sized Ohio metropolitan centers to fully unlock the potential of their unique high-growth opportunities. Many of these areas are in varying stages of pulling together cooperative efforts and financial commitments among regional businesses, higher education, and economic development partners. Having a financial commitment from the state available over the next two years for additional Innovation Hubs will be critical to these continued efforts. **Please consider substantially augmenting the current appropriation for Innovation Hubs.**

SMART TECHNOLOGIES ASSISTANCE PROGRAM

Another Chamber priority that we ask this committee to reconsider is the establishment of a Smart Technologies Assistance Program, which would target small and medium-sized manufacturers otherwise lacking the capital and capability to modernize their machinery and facilities. Indiana has had great success with its own Manufacturing Readiness Grant Program launched in 2020, which has awarded \$22.8 million to support \$190.4 million in projects in 66 counties. Just as the Mega Projects Program in the previous state operating budget has lured significant large-scale manufacturing investments, this smaller grant program would serve those at the other end of the spectrum. Many small and medium-sized Ohio manufacturers, especially in Northeast Ohio, still use 20- to 50-year-old equipment and machinery. The one-time capital assistance provided by such a match would reward their ongoing state presence, stimulate modernization and private investment, and serve as a quality retention and growth tool. **Please reconsider our amendment to create a Smart Technologies Assistance Program for one-time assistance to Ohio's small and medium-sized manufacturers.**

OHIO WORKFORCE HOUSING STATE TAX CREDIT PROGRAM

Of Ohio's workforce challenges, our housing shortage is among the most pressing. Housing starts, whether single or multifamily, are still way down in Ohio and workforce housing stock for low-income renters in particular is short by over 270,000 units. We applaud the myriad of crucial housing initiatives introduced by the DeWine/Husted Administration, and further thank this body for amending House Bill 3 into the substitute bill, as this will provide the wherewithal to develop new, high-quality, and affordable workforce housing units. Additionally, the existence of a state tax credit program will allow Ohio to draw down approximately \$120 million of federal bond volume cap for multifamily development. Although we would strongly request the removal of county approval before the Ohio Housing Finance Agency can allocate funding, **we thank you for your inclusion of this critical program in the substitute bill.**

PROMOTION OF COMPUTER SCIENCE/STEM OFFERINGS AT THE K-12 AND POST-SECONDARY EDUCATION LEVELS

Ohio's economic competitiveness depends on having a technology-proficient workforce that is prepared with the skill sets for jobs that have yet to even be invented. Central to this idea is the continued integration of Computer Science (CS) educational offerings at the K-12 level. Unfortunately, 50% of Ohio's public school districts had zero offerings of CS at the high school level in 2020. We thank the DeWine/Husted Administration for incorporating several recommendations from the State

Committee on Computer Science into House Bill 33, especially those to create licensures for more CS teachers, create a council to drive more participation in CS, and to establish the CS Promise Program to provide course offerings to more Ohio students. The substitute bill, however, removed the \$18.5 million each fiscal year to stand up these in-school and virtual CS offerings, and also removed the “Teach CS” grant program to fund coursework, materials, and exams to professionally develop more CS teachers. **The Ohio Chamber thanks you for keeping the Computer Science education policy items and requests the restoration of appropriations for the CS Promise and Teach CS programs.**

AGE EXTENSION FOR MEDICAID BUY-IN FOR WORKERS WITH DISABILITIES (MBIWD) PROGRAM

Public assistance benefits cliffs are among the many workforce barriers affecting Ohioans and employers. The sudden and often unexpected decrease in public assistance based on a small and sometimes temporary increase in earnings creates disincentives to many Ohioans to work or accept workplace advancement.

In House Bill 33, this committee can address one specific benefit cliff. The Medicaid Buy-In for Workers with Disabilities Program (MBIWD) provides Medicaid coverage to employed individuals with disabilities between 16 and 64 years of age. These disabled Ohioans are then able to work and earn a living, while paying a monthly amount to receive their needed Medicaid coverage. At age 65 however, these individuals are no longer eligible to participate in the MBIWD. They either continue to work and pay significantly higher premiums for healthcare, or completely retire and then rely even further on public assistance. At least 17 states have filed state plan amendments with the U.S. Centers for Medicare and Medicaid, and many have had their age caps lifted.

The Ohio Chamber has heard many heartbreaking stories from those with developmental disabilities who are able-bodied, who eagerly want to work, and have generated purpose, friendships, and other support systems from being able to work while paying to receive their Medicaid coverage. At a time when Ohio can ill-afford to turn away workforce, we ask this committee to **please reconsider our amendment to remove this age cap for disabled workers 65 and older.**

In addition to the Ohio Chamber’s abovementioned top policy priorities, we also wish to direct your attention to the following important issues:

Commuter Benefits Tax Credit

The Ohio Chamber fully supports the creation and inclusion of a Commuter Benefits Tax Credit to incentivize companies to provide transportation as an employee benefit. There are many examples of private mobility providers working in tandem with public transit agencies to address workforce challenges. In several areas across Ohio, these mobility providers contract with employers to transport workers to their operations with great efficiency and often over great distances. These options complement, rather than duplicate, public transportation since they can reach Ohioans that do not reside near existing bus routes or that need to cross county lines. Employers that contract with these mobility providers can increase the value of jobs without increasing wages, improve workforce access, help reduce roadway costs, and provide increased buying power for their employees. These

innovative mobility efforts should be encouraged, and we believe providing a Commuter Benefits Tax Credit of up to \$2,500/year per employee when providing chartered transportation is a prudent way to spur more employers to adopt these solutions to their workforce challenges. **Please consider adopting in the omnibus bill a one-year, Commuter Benefits Tax Credit of \$2,500 per employee, per year with the overall tax credit capped at \$10 million.**

Childcare Scholarships

One of the biggest workforce dynamics of late is childcare. 60% of rural Ohioans and 39% of overall Ohioans live in a childcare desert – a census tract containing more than 50 children under age 5 where no child care providers are available or any tract in which there are more than three times as many children as licensed child care slots. We applaud this committee for supporting the increase in the Federal Poverty Level for publicly funded childcare to 160%, as this eligibility expansion for working families strengthens Ohio’s employee base. However, we caution of the access bottlenecks in place as Ohio still lacks a corresponding increase in provider workforce to accommodate the FPL increase and follow proper ratios. Key to creating more capacity is to increase the staffing base for childcare facilities, but unfortunately the \$150 million in ARPA funds for this effort proposed in the as-introduced version was removed in the substitute bill. **The Ohio Chamber urges this committee to reconsider funding for childcare scholarships and to increase infant and toddler childcare capacity in communities throughout the state.**

Pole Replacement and Undergrounding Program

Our state’s ongoing investments in broadband expansion are noteworthy, but in many areas this deployment is dependent upon replacement of outdated poles, construction of new poles, and assorted other make-ready costs involved with accommodating this infrastructure along utility routes. Thanks to this committee, the substitute bill contains an appropriation of \$10 million in FY24 to create the Ohio Broadband Pole Replacement and Undergrounding Program. These funds are critical, as the size and scope of this needed work is delaying broadband construction in many areas. In our conversations with assorted broadband providers, the Ohio Chamber has learned that at least one has identified 57,000 poles in need of work with an average cost per pole of \$3,500. While we are grateful for this critical program and the initial infusion of funding, **the Ohio Chamber respectfully asks for consideration of an increased appropriation to make a deeper impact in this necessary field work.**

All Ohio Future Fund

In the last state operating budget, the General Assembly increased Ohio’s ability to attract large economic development proposals through creation of the “Mega Projects” Program. This move has yielded four major job creation announcements in 2022, with many more under negotiation. In the same manner, the Ohio Chamber celebrated the next ambitious step to enhance Ohio’s competitiveness through the proposed “All Ohio Future Fund”, which would ensure shovel-ready site availability across the state. Governor DeWine’s initial investment proposal of \$2.5 billion to prepare infrastructure for economic development sites would ensure all Ohioans reside within commuting distance of at least one such site. We were disheartened to see this figure reduced to \$40 million in FY24, with a

commitment of up to \$500 million in any remaining surplus GRF revenues leftover from FY23. Across the Buckeye State, our communities hold many blank canvasses waiting to be leveraged to lure companies from around the globe. Site development costs to bring roadways, water, sanitary sewer, electric, natural gas, telecommunications and broadband access are steep, but significantly enhance the marketability of communities outside of our metro regions while bringing immediate spillover benefits to residents and businesses in those areas. **The Ohio Chamber requests this body to consider funding the “All Ohio Future Fund” at both higher and more definitive levels to replenish Ohio’s inventory of large sites and bring economic opportunities to more areas.**

Recruitment and Retention of Nonprofit Critical Workers

Ohio’s business leaders have a significant stake in the health of Ohio’s general population and the equity of health services. Additionally, the Ohio Chamber’s *Blueprint* seeks to improve health outcomes by enhancing delivery systems and “introducing incentives and partnerships with educational institutions to encourage additional access to care...” Professional development and continuing education of our frontline direct care workers will be instrumental in the effort to both recruit and retain staff. Therefore, we support the proposal put forward by Ohio Jewish Communities for employees in nonprofit childcare facilities and nonprofit home health or senior living facilities to access state funded professional development and higher education programming. **The Ohio Chamber supports their request for \$1.4 million per year, or \$2.8 million over the biennium.**

Post-Secondary Financial Aid

Post-census, Ohio’s population growth has lagged several states to the point of us losing a congressional seat. Over the past decade, the median United States growth rate was just over a half percent while Ohio struggled to grow by even a quarter of a percent. The Ohio Chamber believes policymakers should aggressively consider recruitment campaigns, incentives, and advocacy to grow our population and retain top talent. Chief among these should be stronger investments in financial aid for post-secondary education or job training. The substitute budget bill removed the “Governor’s Merit Scholarship”, a new, targeted measure to keep our brightest students in-state while equipping them with the financial means to continue their learning pathways. The awards would involve individual merit-based scholarships of \$5,000 per academic year to students in the top 5% of their high school’s graduating class, for up to four academic years at a public or private institution of higher education. This type of financial assistance, combined with increases to the Ohio College Opportunity Grant (the state’s need-based college tuition assistance program), would place Ohio on a trajectory to compete with Michigan and Indiana, both of which offer robust financial aid to grow their talent bases. **The Ohio Chamber thanks the House for increasing the investments in the Ohio College Opportunity Grant and requests the restoration of the Governor’s Merit Scholarship.**

988 Suicide and Crisis Lifeline

The Ohio Chamber would like to thank the House for maintaining the \$46.5 million funding over the biennium for the 988 Suicide and Crisis Lifeline. It serves as an important resource for employers and employees; the 988 line is saving lives. It connects Ohioans in a mental health or addiction crisis with

an appropriate behavioral health response. The suicide death of employees or a family member of an employee can have an immense impact on the workplace. Investing in mental health and safety is critical to building solid workplaces, a strong workforce, and strong communities.

Hospital Relief

The Ohio Chamber would like to thank the House for their leadership in addressing an oversight of HB 45 of the last General Assembly. HB 45 was to support rural and critical access facilities in the state. While the markets Fairfield Medical serves are significantly rural and do not include Columbus suburbs, it was excluded because it is not designated as “rural” under federal guidelines. As a result, Fairfield Medical did not receive any support. A provision in the House substitute budget bill appropriates a one-time funding of \$4 million to Fairfield Medical to support personnel needs.

Newborn Screening for Duchenne Muscular Dystrophy

The Ohio Chamber is grateful to the House for adding Duchenne Muscular Dystrophy - a rare and fatal pediatric disease - to Ohio’s Newborn Screening panel. Not only does increased access to preventative care lead to healthier outcomes, in this instance it will delay or outright halt the terrible manifestations of this disease. Biopharmaceutical companies such as Sarepta Therapeutics, with operations in Central Ohio, are leading the way with innovative research, development, and deployment of gene therapies to treat Duchenne, improve quality of life, and extend lifespans. Our *Blueprint* calls for eliminating disparities among at-risk communities, and the broad adoption of newborn screening for Duchenne shortens the time to diagnosis, helps close the gap in racial and ethnic disparities, and empowers families to make earlier and better-informed treatment decisions. Your support of this lifesaving screening also encourages and enables more biopharmaceutical companies like Sarepta to make private investments in Ohio-based facilities and faculty.

Chairman Edwards, Vice Chair LaRe, Ranking Member Sweeney and members of the House Finance Committee, we know that it takes strong leadership and a cooperative effort to craft a productive state operating budget. Thank you for your diligence thus far in providing a variety of economic opportunities for individual Ohioans and Ohio businesses. I will gladly supply any of you with amendment language mentioned here upon request, and at this time I welcome any questions from the committee.