



LOCAL GOVERNMENT TESTIMONY IN SUPPORT OF SB 310 May 19, 2020

The Ohio Municipal League, the Ohio Mayors Alliance, the County Commissioners Association of Ohio, the Ohio Township Association, the Northeast Ohio Mayors and City Managers Association and the Cuyahoga County Mayors and City Managers Association write in support of SB 310, which would disburse federal funds to Ohio’s local governments that did not receive a direct distribution of federal dollars in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

SB 310 would disburse \$350 million through the Local Government Fund (LGF) formula in a separate distribution fund to be used only for non-budgeted COVID-19-related expenses per the guidelines provided by the U.S. Department of the Treasury. Under the bill, park districts would not receive any of this allocation, nor would the five counties and one municipality with populations over 500,000 that received the CARES Act’s direct distributions. The remaining funds, up to \$850 million, would be held in reserve by the state for future disbursement.

We believe allocating a substantial portion of the CARES Act funds to Ohio’s local governments will provide immediate and much-needed relief. Local governments across the state have been hit hard by lost revenue due to the economic downturn caused by the pandemic. Should the U.S. Congress or U.S. Treasury provide greater flexibility to state and local governments for the use of CARES Act funds or future funds, we recommend the second phase of funding to also allow for local government revenue replacement based on specific community needs.

We urge the Ohio General Assembly to ensure all of the remaining \$850 million is dedicated to and used exclusively by local governments. As local budgets continue to suffer the economic impacts of COVID-19 over the coming months, those remaining funds will play a critical role in ensuring that local governments can continue to deliver quality services Ohioans need and deserve.

Local governments are serving Ohioans on the front lines of the COVID-19 pandemic while experiencing steep revenue loss due to the ensuing economic fallout. Quite simply, the costs of providing quality local services are increasing, but local tax revenue continues to sharply decline. To sustain Ohio’s locally-implemented frontline response, there must be a fast, fair and effective

distribution of CARES Act funds to Ohio's local governments. SB 310 will help ensure municipalities, counties and townships get the immediate relief they desperately need.

SB 310 will help invest in our state's economic future by distributing critical federal relief to local communities. We sincerely appreciate Sen. Dolan's efforts to create a fast and equitable distribution formula for these critical federal funds and we look forward to a continued partnership that rebuilds a strong, vibrant economy in Ohio and assists local governments in achieving stable fiscal footing in the coming months.

We thank the House Finance Committee for your consideration of this legislation and we urge the committee to take swift action to support Ohio's local governments.