



Mid-Ohio Regional
Planning Commission

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**William Murdock, Executive Director
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Interested Party Testimony – House Bill 49
Ohio House Finance Committee**

www.morpc.org Chairman Smith, Vice Chair Ryan, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to submit written testimony on H.B. 49, the 2018-19 operating budget.

My name is William Murdock and I am the Executive Director of the Mid-Ohio Regional Planning Commission (MORPC). As the regional council for Central Ohio, MORPC is a voluntary association of over 60 political subdivisions and regional organizations in our region. Our team works on behalf of these members to develop innovative and responsive public policies that foster economic prosperity, enhance the quality of life of our residents, and secure a competitive advantage for the region and state.

MORPC's membership consists of cities, townships, counties, villages, and other government entities. Our policy stances reflects the collective voice of a very diverse group of local governments in the 15-county region. We serve the fastest growing region in Ohio, which is expected to increase by up to one million people by 2050. To prepare for substantial growth and its future challenges, local governments urgently need predictability, resources, and adequate control of local finances to plan for growth.

MORPC's membership is concerned about preparing for growth, so we have pressing concerns about some sections of H.B. 49 and ideas to improve it further. A vital component of the state's success relies on healthy communities. We view this operating budget as an opportunity to collaborate with the state and also express our concerns. We hope to find solutions for our region and ensure all of Ohio's local governments have the necessary tools to thrive.

Proposed Centralized Collection Process

As an association of local governments, MORPC is concerned about the proposal that creates a centralized collection process for Ohio's business tax fillings. Cities are on the front lines of innovation and economic development. Our mayors and local economic development professionals are collaborating with businesses and entities like JobsOhio to attract development to strengthen our communities. A major municipal incentive job attraction tool such as income sharing agreements would be compromised and hamper state-wide economic development.

We appreciate the intention of this provision, which is to make Ohio more business friendly and therefore should spur economic growth. However, we believe this provision will not accomplish this goal, but instead will cause additional complications for the state, cities, and the business community.

Over 70 percent of municipalities are self-collectors. Moving to a centralized collection process would be a significant shift and an extraordinarily complicated transition. Furthermore, it is unclear if Ohio's Business Gateway is equipped to handle the volume and challenges a centralized collection process presents.

Throwback Rule

Central Ohio is major logistics and distribution hub and our member municipalities rely on revenue generated through the uniformly applied throwback rule, one component of the three factor formula for determining sales that originate from mainly warehouse, distribution, or fulfillment centers. In 2014, when the legislature debated and adopted HB 5, legislators determined better tax reform measures were available benefiting businesses and

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rejected a similar effort to repeal the throwback rule. We ask that this proposal to repeal the throwback rule be removed from the budget.

Local Government Fund

We are also concerned with a potential decrease in Local Government Funds (LGF) to some of our members based on the proposed taxation capacity formula. Such a proposal cannot truly measure the success of our local governments and could lead to instability on the local level. As you know, the purpose of the LGF is to share revenue that local governments lost when the state began to impose its sales tax. Ten years ago, LGF funding earmark percentage was 3.68 percent of the state General Revenue Fund (GRF). After a decade of transitional changes, the current funding percentage is 1.66 percent.

To ensure a continued level of local services statewide as well as giving our region the ability to deal with pressures of growth, we strongly advocate for the LGF be restored to its previous 3.68 percent level. This investment to 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 both rural and urban access to employment and access to senior services.

Water Quality and Quantity

MORPC also places a high priority on water quality and quantity. We support our partner and associate member Franklin County Soil and Water Conservation District and other SWCDs across the state in continuing to make a positive impact on our water resources. In order for SWCDs to fulfill their mission it is imperative that state funding be restored to a one-one match with localities. Historically, the legislature strived to meet this match level each budget cycle. However, when the state began facing some financial challenges, SWCD funding declined. The current proposal in the budget stands at 69 percent state funding.

Transit Funding

In a region that could add up to one million people and 300,000 jobs by 2050, it is essential that we continue to invest in our transit system. We commend Governor Kasich and Director Wray for putting together a forward-looking transportation budget, which MORPC supported. However, this proposed operating budget, as is, would cause a loss of \$9 million annually for the Central Ohio Transit Authority (COTA) due to the discontinuation of sales and use tax on Medicaid Managed Care Organizations (MCO's) beginning later this year. It is critical that we find a long-term solution to a major impending revenue loss for Ohio's local transit agencies.

Public Library Funding

We also support maintaining the Public Library Fund at 1.7 percent of the state GRF. This will ensure that members of our region will continue to have access to the breadth of educational resources, job search assistance, and workforce development support provided by our state's public libraries.

Data Sharing

With data collection and analysis being a key service to the public and our communities, MORPC serves as an information hub for the Columbus Region. We provide demographics, maps, and tools to inform everything from business expansion decisions to local government safety investments. We know advances in technology can increase efficiency, heighten safety, and provide better public services.

Therefore, MORPC supports a provision in the budget that utilizes advanced data analytics by requiring all state agencies, boards, and commissions to share the data they now store in more than 1,600 separate databases. By better connecting and correlating these individual data resources and applying advanced analytical technologies, the state can better tackle complex problems with solutions that improve Ohioans' health, security and well-being. We look to further our partnership with state agencies as this endeavor begins.

Making Ohio More Age-Friendly

Central Ohio's population over 65 is expected to double in the next 35 years. This poses a great opportunity and several challenges. In 2016 MORPC, the City of Columbus and AARP Ohio launched Age-Friendly Columbus. Over the course of two years, the project will assess the age friendliness of Columbus.

Last year, MORPC and Columbus conducted a survey to learn the strengths and weaknesses of older residents in Columbus. The Findings Report outlines the need for new and improved sidewalks. 52 percent of older adults indicated sidewalks are uneven or unsafe, while 40 percent reported sidewalks were not present in areas they wished to walk. This is a personal issue for many of us with loved ones whose freedom and safety in their own neighborhoods are threatened as they age.

We seek a \$5 million appropriation, over the biennium, that would be distributed by the Ohio Department of Transportation for the purpose of awarding grants through a Safe Sidewalks for Seniors Initiative to eligible age-friendly cities or metropolitan planning organizations serving eligible cities. The initiative will identify neighborhoods with a high population of older adults and lack the sidewalk infrastructure to services, amenities, and opportunities. Such an investment in a community will make our region an even better place for older adults and everyone else.

Thank you for your consideration of these items of concern and opportunity. We look forward to continuing our important work together.

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