



# PRESS RELEASE

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## Experts, officials say Ohio's cities need relief Senate should provide more support for local governments in the next aid package

Today, the mayors of Athens and Chillicothe joined the Ohio Municipal League and Policy Matters Ohio to highlight the fiscal pressure small cities are under during the COVID-19 pandemic and the recession it's causing. In a [virtual press call](#), the group appealed to U.S. Senators Brown and Portman for more flexible, longer-term federal aid and Policy Matters [released a new report](#) detailing the pandemic's impact on 16 Ohio cities.

"About two-thirds had a budget shortfall that they couldn't fill with reserves or carryover, and had already imposed a hiring freeze, furloughs or layoffs," said report author, Policy Matters Senior Project Director Wendy Patton. "They can't use the federal aid because of restrictions in use. Officials are using the federal aid for installation of plexiglass barriers and for PPE, but they can't use it for critical needs, like the gaps in funding for water utilities that have emerged as laid-off residents have been unable to pay their water bills."

Congress provided Ohio's state and local governments \$4.5 billion through the CARES Act, but these funds can only be used for new costs related to COVID-19. Kent Scarrett, Executive Director of the Ohio Municipal League (OML) said \$1.2 billion of that is earmarked for local governments and so far, only about \$350 million has been distributed to communities. Because Congress restricted the use of the funds, local governments cannot use the money to help with budget shortfalls, Patton said.

The U.S. House of Representatives passed the \$3 trillion HEROES Act in June to deliver a new round of federal aid. When the Senate reconvenes, Scarrett pointed out that Sen. Rob Portman sits on the finance committee and will likely play a major role in crafting the next relief package.

Sharon Cassler, Clerk of Council for the city of Cambridge, said she wants the next aid package to include longer-term, flexible aid for small cities like hers. Due to drops in tax revenue, Cambridge couldn't open the municipal swimming pool and had to cancel the 4<sup>th</sup> of July celebration. The city has received \$301,000 in CARES Act funds, but has a projected deficit of \$500,000. "Loosening the restrictions on how these funds can be expended and putting trust in the local officials is a must," said Cassler, who is also president of the Ohio Municipal League.

Mayor of Athens Steve Patterson said as a college town that is home to Ohio University, his community faces unique challenges. Three-quarters of Athens' population comes from OU students. With fewer people and businesses closing, Patterson said the city coffers will take a hit. "We are where the rubber hits the road," Patterson said. "At the state and national level, they don't really know what the true impacts are. We do."

Mayor of Chillicothe, Luke Feeney said local governments boost the economy in Southern Ohio by providing good-paying jobs. Because Ohio cities rely heavily on income tax, they immediately lose money during an economic downturn, he said. Even though Chillicothe

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.*

received \$600,000 in CARES Act funds, he projects a \$1 million deficit in the general fund. The city had to lay off some employees and cut time and pay for others.

“Planning for next year has become increasingly difficult,” Feeney said. “What I’m asking for of our senators is help with that uncertainty. Help us plan. Help me work with our auditor to plan for the future of our community, for Southeastern Ohio, for all of Ohio, so that we are able to do our jobs responsibly.”