

City faces budget reality after COVID relief spending



Your Turn

Todd Zinser

Guest columnist

Recently, Cincinnati City Councilman Mark Jeffreys wrote an op-ed about the city's FY27 operating budget and how it needed to be "focused on basic services." Hallelujah, right?

We will see. "Basic services" is not self-defining.

Jeffreys credited COVID-19 relief funds with "enabling the city to balance our budget." He then added that "those days are over," meaning there is no more COVID money. COVID money indeed enabled the city to balance the budget. And while that is the party line, the reality is that once the city stabilized the budget, it used COVID relief funds to actually expand city government.

How COVID money reshaped City Hall

COVID relief funds were distributed through several congressional acts, including the American Rescue Plan Act. State and local governments were beneficiaries of a specific ARPA program known as the State and Local Fiscal Relief Funds. However, there are a number of misperceptions about the SLFRF.

The biggest misperception is that the SLFRF just helped state and local governments "keep the lights on." Jeffreys must know that the SLFRF did a lot more than that. He and the rest of City Hall spent approximately \$300 million of SLFRF money over the course of four years. Roughly, half of that was needed to "keep the lights on."

Another misperception is that the amount of SLFRF funding received by the city was based on careful analysis and projections of lost revenue as a result of the pandemic. Not at all. The federal government did not want to take the time to go through that type of process. Instead, a formula was used by the federal government to allocate SLFRF funds nationwide. That formula turned out to be very generous to Cincinnati.

A third misperception was that the SLFRF program provided specific guidance about the allowable uses of the SLFRF funds. Nope. That was not the case, either. The city, very "smartly," submitted regular reports to the federal government that categorized a significant percentage of its spending as "revenue replacement," the program's most nebulous category.

To top it all off, the SLFRF was a "use or lose" program. If the city did not obligate funds by a certain date, it would lose those remaining funds. We all know how reckless government spending can become in the face of an impending deadline.

The programs that must be reconsidered

In the end, the city did not just use SLFRF funds to replace its own revenue and stabilize its own budget. It did the same, and more, for many of the non-profit organizations in City Hall's orbit. In the city's 2025 COVID Performance Report to the federal government, on page 3, City Manager Sheryl Long reported that, "The ARPA funding allowed the City of Cincinnati to create over 60 new programs and contractual agreements with outside agencies assisting with the implementation of these programs."

To get back to basics, in the face of the nearly \$30 million projected deficit in the FY27 operating budget, Jeffreys and the council will need to examine those 60 new programs, highlighted by Long. If we were unable to afford those programs before COVID-19, we probably cannot afford them after COVID-19.

Todd J. Zinser is a Cincinnati native and resides in West Price Hill. He retired as the Inspector General of the U.S. Department of Commerce after 31 years of conducting audits and investigations of federal officials, programs and operations. He remains a certified fraud examiner. He is the founder and executive director of the Cincinnati Oversight Project and is the host of a podcast on iHeart Radio and YouTube, "Citizen Watchdog with Todd Zinser, which can also be viewed at www.cincinnatiwatchdog.com.