



**Ohio Statehouse**  
1 Capitol Square, Room 057  
Columbus, Ohio 43215  
(614) 466-8285  
schiaivoni@ohiosenate.gov

**Joe Schiavoni**  
State Senator  
33rd District

June 7, 2017

The Honorable Sherrod Brown  
United States Senate  
713 Hart SOB  
Washington, D.C. 20510

*Re: Support S.1117, the Consumer Financial Choice and Capital Markets Protection Act of 2017*

Dear Senator Brown:

Enclosed please find our letter from last Congress urging your support of legislation that would remedy an unintended consequence of money market reform. A Securities and Exchange Commission (SEC) rule, which required money market funds to switch from a fixed net asset value to a floating net asset value, had the negative effect of eliminating \$1.2 trillion of capital markets financing for state and local infrastructure projects. As long as the money stays parked in the federal government funds, it is not available to fund facility and capital improvements for: local schools, hospitals, universities, sewer and clean water facilities, roads and bridges, airports, public transit, affordable public housing, and other job creating infrastructure projects, all of which finance these projects through prime and tax-exempt municipal money market funds. Because there has been a large reduction in money market funds as a direct result of the rule, these entities have experienced a substantial increase in the cost of financing our capital projects.

The issuers and investors in prime and tax-exempt funds continue to be negatively impacted by higher borrowing costs through increased short-term borrowing interest rates and limited returns on surplus cash because of this rule. Moreover, many public entities are limited and/or prohibited from investing in instruments that do not have a stable value.

To keep Ohio's economy growing, we strongly urge you to support the re-introduced legislation, S.1117, and advocate for its adoption.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Schiavoni".

Joe Schiavoni  
Ohio Senate, District 33



**SENATOR  
JOE SCHIAVONI**  
MINORITY LEADER  
33RD DISTRICT

The Honorable Sherrod Brown  
United States Senate  
713 Haft Building  
Washington, DC 20510

October 8, 2015

Dear Senator Brown,

I respectfully request that you support Senate Bill 1802, the "Consumer Financial Choice and Capital Markets Protection Act of 2015," which is currently under consideration before the Senate Banking, Housing, and Urban Affairs Committee. This bipartisan measure is crucial to preserving the livelihood of our local governments and their ability to access cost-efficient financing for essential infrastructure projects.

I am concerned that recent changes made by the Securities and Exchange Commission (SEC) pertaining to Money Market Funds and net asset values (NAV) will hurt Ohio's schools, colleges and local governments. When these changes go into effect in October of 2016, Money Market Funds will become less attractive to investors which in turn will limit the amount of Money Market Funds purchasing these tax-exempt bonds. The result will be higher interest rates that drive up the cost of local infrastructure projects.

These funds currently provide high-quality, short-term debt that the majority of our local communities rely on to finance public work projects such as: roads, bridges, and water and sewer treatment facilities. Ohio in particular has significant infrastructure needs totaling \$15.5 billion in wastewater infrastructure and \$12.191 billion in drinking water infrastructure, according to the latest finalized assessments done by the U.S. Environmental Protection Agency and state agencies.

These changes would come at a time when our local governments are already struggling to operate after years of state funding cuts orchestrated by Governor Kasich and Republicans in the General Assembly. With State and federal grant dollars so scarce, the need for stable financing for infrastructure projects in Ohio has never been greater.

Senate Bill 1802 is a rational approach to help preserve this market for investors and local governments, while still ensuring adequate safeguards and regulation. Thank you for your time and consideration on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Joe Schiavoni".

Joe Schiavoni  
Senate Minority Leader  
Ohio Senate, District 33