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Auditor Kilgore Urges Congress to Eliminate Barriers to Local Government Participation in Climate-Oriented Projects

COLUMBUS — **City Auditor Megan Kilgore** was invited to testify before the first hearing of 2024 for the United States Senate Committee on the Budget today. She was joined by others to discuss the \$4 trillion municipal bond market and the risks climate change presents to the nation’s economic stability.

In her testimony, **Auditor Kilgore** informed the committee that she has never issued, nor has she advised a client issue, bonds that are designated as “green” because there is a lack of financial benefit. And the federal programs that are available to municipalities to assist with funding are difficult to navigate, even for Columbus - [the largest Triple-A city in the country](#). To remedy this, **Auditor Kilgore** suggested Congress should consider eliminating barriers to local governments’ participation in more climate-oriented projects by:

- 1) Provide clear financial incentives for both local governments and investors.** For instance, Congress could broaden the definition of municipal bond tax-exemption for projects that reach certain climate metrics and growing climate-related opportunities with Private Activity Bonds (PABs).
- 2) Help local governments overcome human capacity barriers by creating a federal office to serve as the single point of knowledge.** There are over 50,000 local governments that issue debt, making it incredibly difficult to generate transformational change using a one-size-fits-all approach. Similar to President Eisenhower’s Public Roads Administration, **Auditor Kilgore** sees a need for a one-stop-shop to help local governments with project analyses, regional design, implementation, as well as a place to collect, analyze, and communicate information regarding grant, loan, and financing sources and uses.
- 3) Help smaller and lower-credit communities achieve total funding needs.** She suggests using the Super-BAB-type structure (the Recovery Zone Economic Development Bonds created by the American Recovery and Reinvestment Act of 2009) as a model to help local governments — especially those seeking last mile funding — use bonds to spread the costs of projects over a reasonable number of years, while keeping affordability in check.

“The solutions I see are big, transformative, and require our federal government to take action at a scale commensurate with the opportunities before us,” **Auditor Kilgore said.**

Other witnesses before the committee today include: Thomas Doe, President and Founder, Municipal Market Analytics; Dr. Chris Hartshorn, Advisor, Zeus AI; Dr. Matthew Kahn, Provost Professor of

Economic and Spatial Sciences, University of Southern California; and Dr. Eric Leeper, Paul Goodloe McIntire Professor in Economics, University of Virginia.

A recording of today's hearing can be found at budget.senate.gov/hearings.