

Butler County

Impact of the Ohio 2012-13 state budget (HB 153)

Ohio's budget for 2012 and 2013 cut local government aid by a billion dollars. This means cuts in services we depend on, from road repair and emergency services to crossing guards, senior transportation and child protective services. What are the implications for Butler County?

The state cut the Local Government Fund to the county, forcing Butler County to make cuts to jurisdictions within the county. The state also cut direct funding to municipalities, and slashed reimbursements for taxes it had eliminated, taxes that businesses and utilities had paid to local governments. School districts and the public library fund were also cut. Losses in calendar years 2012 and 2013, compared to 2010 and 2011, include, among others:

- Public Library Fund - \$454 thousand
- County operations - \$14.4 million
- Schools - \$42.6 million
- Fairfield City - \$1.7 million
- Hamilton - \$2.1 million
- Middletown - \$3.4 million

Loss to health and human service levies

- County Senior Services - \$986 thousand
- County Child Services - \$1.7 million
- County Mental Health - \$3.1 million

Notes and quotes

The Lakota school district has cut its budget by \$35 million in the last 3 school years. Though it is one of the top school districts in Ohio, and the seventh largest in the state, 11 out of the 20 principals in the district have resigned or retired over the past two years. Voters rejected three proposed school tax hikes in the last two years. This month Lakota officials announced that the unknown funding levels from the next state budget have prompted them to skip a levy try this fall. From Clark, Michael D. "Lakota losing principals at high rate." *Cincinnati.com*. 20 June 2012. <http://tinyurl.com/9qyadbf>.

Lakota's schools are requiring students to pay \$550 for each sport in which they participate. This has rendered participation in school athletics unattainable for many students. Since implementation of Pay-to-Play, school sport participation has decreased. From "The price of pay-to-play: Lakota to have highest fees in region next school year." *Westchester Buzz*. June 1, 2012. <http://tinyurl.com/ca3cn7z>.

Key findings

- Butler County, its schools, jurisdictions, services and levies, lost \$27.3 million in the current state budget.
- Health and human service levies lost \$5.7 million.
- Butler County cut \$900 thousand from its budget in September; this may go up to \$1.5 million.
- The Enquirer reported that 82 percent of the 49 school districts in Southwest Ohio now charge pay-to-play fees for high-school sports.

County commissioners approved nearly \$900,000 in cuts from more than a dozen departments on Thursday. Commissioners hope a total of \$1.5 million can be cut by the end of the year.

- The Butler County Sheriff's Department is cutting more than \$200,000. "The message for the last five years has been cut, cut more, ok that's not enough, cut more," said Administrator Charles Young.
- "We may be able to avoid deficit spending, it is going to be very close. If not, it would be the fifth straight year of deficit spending," said Young.
- The coroner's office, veterans services and information services department have all made cuts and some departments have had to layoff personnel
- From "Butler County makes cuts to balance the budget." *Fox News* 19. September, 29, 2012. <http://tinyurl.com/8o67qlp>.

State budget cuts have reduced childcare subsidies in the county, slashing the average payment to care providers by 7 percent. This has raised the price of childcare for both providers and families, reducing the number of children that can receive such care. From Sweigart, Josh and Ted Cox. "Child care costs on the rise as subsidies are cut." *Middleton Journal*. October 10, 2011. <http://tinyurl.com/c8ts3w5>.

NOTES: The current state budget cuts the **Local Government Fund** to counties, municipalities and townships by 25 percent in the first year and by 50 percent in the second year. This 77-year old state revenue sharing program has, for generations, been essential to helping Ohio communities fund schools, provide services, and lift people out of poverty. The current state budget also phases out most of the **tangible personal property tax** and **public utility property tax reimbursements**, which were promised to local governments when the state cut taxes in recent years. These are not the only losses to local governments because of this budget. There are others in specific programs. Here we detail some of the bigger shifts. Change in revenues shown here include:

Local Government Fund "County Undivided Fund," which counties share with their cities, townships and villages. We show how much less money the counties are receiving under the current 2-year state budget (for 2012 and 2013) compared to the two years under the prior state budget (which was for 2010 and 2011). Here the funds are shown on a calendar year basis because that is how the tax department forecasts and records their distribution to local governments, and it is how local governments budget (The state budget is based on the fiscal year, July 1 through June 30.)

Local Government "Municipal Direct" allocation from the Local Government Fund that the state gives directly to localities. This is also shown in terms of funding provided in the calendar years 2012 and 2013 compared to 2010 and 2011;

Property tax reimbursements promised to local governments during tax reductions enacted earlier in the decade. The loss of funding in calendar years 2012 and 2013 is compared to the level of funding provided in 2010 and 2011.

The figures for changes in funding levels are based on data provided by and spreadsheets online at the Ohio Department of Taxation for local government funds and tax reimbursement distributions.

