

## Clark County

### Impact of Ohio's 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 Clark County?

The state cut the Local Government Fund to the county, forcing Clark 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 - \$297.0 thousand
- Schools - \$15.7 million
- County operations (including county undivided fund) - \$7.7 million
- Bethel Township - \$91.0 thousand
- German Township - \$81.0 thousand
- Springfield - \$830.0 thousand (does not include county undivided fund share)
- Springfield township - \$205.0 thousand

#### Loss to health and human service levies

- Clark County Health District - \$207.0 thousand
- County Child Services - \$279.0 thousand
- County Mental Health - \$2.0 million
- County Seniors Services - \$214.0 thousand

#### Notes and quotes

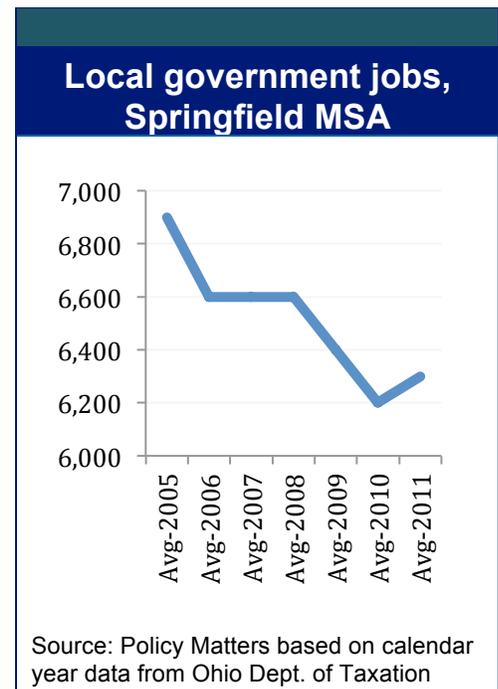
"Bethel Twp., Clark County's most populous, faces a \$170,000 deficit and cuts in services next year unless voters approve a 1.5-mill tax levy in November." From Latta, Tiffany. "Township seeks levy to avoid projected \$170,000 deficit." *Springfield News-Sun*. August 5, 2012.

<http://tinyurl.com/c7tqt77>.

#### Key findings

- Clark County, its jurisdictions, schools and services, lost \$25.2 million in the current state budget.
- Health and human services lost \$2.7 million.
- 600 local government jobs were eliminated between 2005 and 2011.
- Springfield and Bethel Township may face budget deficits.
- Childcare is being cut, hurting working families.

“We project an operating deficit of \$1,095,886 for 2012, reducing the General Fund reserve balance to \$3.5 million going into 2013. The fund balance at the end of 2011 is roughly \$2,000,000 more than originally anticipated due to improved income tax collections as well as expenditure reductions during the course of the year. The fund balance (reserve) at the end of 2011 should be slightly in excess of \$4.5 million or approximately 12.2% of General Fund expenditures. This positions the City to enter the 2012 and 2013 budget years with an acceptable level of reserve balance. This is particularly important in light of the large cuts in the Local Government Fund that the State has put forth. While the General Fund is balanced, our most pressing areas of concern involve maintaining appropriate staffing and services and growing the Permanent Improvement Fund with limited resources. This budget was prepared without staff reductions but anticipates additional staff reductions through combinations/reorganizations and job attrition.” – Budget message for the City of Springfield, November 1, 2011. <http://tinyurl.com/btslj63>.



Childcare cuts hurt Clark County residents. It is now more difficult to qualify for subsidized childcare programs, which will hurt families as well as business. “It’s a Catch-22 because if we increase our rates to get the full amount the county offers, and we increase that for our private families, we’re going to lose them because they won’t be able to afford it” – Theresa Marlow, Director of A Little Place to Grow Inc. in Kettering. From Sweigart, Josh. “Childcare subsidy costly in area.” *Springfield News-Sun*. October 6, 2011. <http://tinyurl.com/cng4fa5>.

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, in 2012-13, compared to the two years under the prior state budget, 2010-11;
- **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 Year 2012-13 budget compared to Calendar Year 2010-11.
- **Property tax reimbursements** promised to local governments during tax reductions enacted earlier in the decade in calendar year 2012-13 compared to calendar year 2010-11.

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.