

## Cuyahoga 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 Cuyahoga County?

The state cut the Local Government Fund to the county, forcing Cuyahoga 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 2012-2013, compared to 2010-2011, include, among others:

- Public Library Fund                                 -\$4.2 million
- Schools   -\$196.0 million
- County operations   -\$65.6 million

#### Losses to health and human service levies

- County mental health                                 -\$11.2 million
- County health   -\$22.7 million
- Local library levies   -\$9.2 million
- Parks   -\$6.4 million
- Community College   -\$10.6 million

#### Losses to selected communities

- Bedford   -\$1.2 million
- Cleveland   -\$45.5 million
- East Cleveland   -\$2.8 million
- Maple Heights   -\$1.8 million
- Parma   -\$3.6 million
- Westlake   -\$1.4 million

#### Notes and quotes

After deep budget cuts, the Cleveland school system has laid off staff and now has just 24 nurses to serve 40,000 students. The system now has no social workers. From "Cleveland school levy: District lacks nurses, social workers." *WKYC Cleveland*. October 2, 2012. <http://tinyurl.com/cjg767z>.  
Bridgeway Inc., which has provided "mental health services, counseling and treatment centers for the poor," shut down after "seven years of major budget cuts." From Beres, Tom. "Mental health funding cuts shut agency serving poor." *The Plain Dealer*. April 4, 2012. <http://tinyurl.com/cog2z58>.

Key findings
<ul style="list-style-type: none"> <li>• Cuyahoga County, its jurisdictions, services, levies and schools, will get about \$375.8 million less from the state over the current biennial budget compared to the last.</li> <li>• Health and human service levies will lose \$33.9 million.</li> <li>• Schools are cutting staff and course offerings.</li> <li>• Budget cuts require Cleveland's Legal Aid Society to cut \$1.4 million from its 2013 budget "at a time when poor clients are in greatest need of legal assistance."</li> <li>• Cleveland area MSA saw 8000 local government jobs vanish between the end of the recession and 2011.</li> </ul>

Richmond Heights voters were set to decide on November 6 whether to approve an income-tax hike to help close the city's anticipated \$1 million deficit in 2013. Price, Kyla, "Richmond Heights to close pool if tax hike fails," *The Plain Dealer*, Oct. 31, 2012. <http://bit.ly/Ui3vvO>.

William Denihan, president of the ADAMHS board, said cuts meant his agency would be able to help 400 fewer people. Johnson, Alan. "Counties lack funds to treat addiction." *The Columbus Dispatch*. March 9, 2012. <http://tinyurl.com/cfc4xwa>.

The Legal Aid Society of Cleveland faced the loss of 60 positions. Atassi, Leila, "Legal Aid Society of Cleveland must cut \$1.4 million from budget." *The Plain Dealer*, March 11, 2012. <http://tinyurl.com/d2w9b6c>.

"[Garfield Heights] has eliminated 20 teachers and four administrators in the last five years, officials said. Teachers are working longer hours and paying more toward their health insurance, and the pay-to-play fee for high school students is now \$350 a sport, according to district officials." From Davis, Dave. "19 Northeast Ohio school districts seek final support from voters in Tuesday's election." *The Plain Dealer*. March 3, 2012. <http://tinyurl.com/7cn58xb>.

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: 1) **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.) 2) **Local Government "Municipal Direct" allocation** from the Local Government Fund that the state gives directly to municipalities with an income tax. This is also shown in terms of funding provided in the calendar years 2012 and 2013 compared to 2010 and 2011. 3) **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.

