

Darke 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 Darke County?

The state cut the Local Government Fund to the county, forcing Darke 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 - \$109 thousand
- Schools - \$4.2 million
- County - \$2.5 million (including LGF undivided fund)
- Greenville Township - \$159 thousand
- Greenville City - \$634 thousand
- Arcanum Joint Ambulance District - \$22.0 thousand
- Darke County Park District - \$29.7 thousand

Loss to health and human service levies

- County Mental Health - \$292,088

Notes and quotes

Officials in Darke County created a budget that includes no state funding in the second half of 2011. "We're going to do everything we can to stay within the means of the tax dollars we're given to maintain the services we provide in the community." – Greenville Mayor Mike Bowers. From Leis, Stephanie, "County bracing for budget cut impact." *Daily Advocate*. April 2, 2011.

<http://tinyurl.com/c7bqh84>.

Staffing cuts were made in the village of Arcanum, and three years ago, the city fiscal officer asked departments to cut their budgets by 10 percent. From Leis, Stephanie, "County bracing for budget cut impact." *Daily Advocate*. April 2, 2011. <http://tinyurl.com/c7bqh84>.

"We knew there wasn't anything else coming, and we didn't forecast anything else coming... We've balanced our budget without it: anything else that comes in is a windfall." - County Commissioner

Key findings

- Darke County, its schools, jurisdictions, services and levies, lost \$7.9 million in the current biennial budget compared to the previous one.
- Cities in Darke County have made staffing cuts and reduced building hours.
- Greenville, Union City, Versailles and Arcanum reducing staff due to budget restrictions.
- County mental health to lose \$292 thousand.
- Parks to lose \$29,000.

Mike Rhoades. From Leis, Stephanie, "County bracing for budget cut impact." *Daily Advocate*. April 2, 2011. <http://tinyurl.com/c7bqh84>.

To help balance their city budgets, several employees in Union City are working less than 40 hours a week. The village of Versailles is thinning staff by attrition. From Leis, Stephanie, "County bracing for budget cut impact." *Daily Advocate*. April 2, 2011. <http://tinyurl.com/c7bqh84>.

Due to reductions in state funding and the tangible personal property tax, there are likely to be more staffing reductions and there may be reduced hours in the Greenville City Building. Already, the city has laid off city employees, reduced staff by attrition, and implemented a hiring freeze. From "Greenville to make further budget cuts." *County News Online*. <http://tinyurl.com/bu8h5pl>.

To help balance the budget in Greenville, a total of nine local government positions were eliminated. City Hall also implemented reduced hours on Fridays. Two-thirds of the city's street paving budget was cut, and the parks department and city pool lost \$250,000 in funding. From "More Cuts, Layoffs Proposed to Balance Greenville Budget." *Whiotv.com*. 30 June 2011. <http://tinyurl.com/cjkn9w2>.

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.

