



Fayette 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, seniors' transportation and child protective services. What are the implications for Fayette County?

The state cut the Local Government Fund to the county, forcing Fayette 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	-\$53.0 thousand
• Schools	-\$3.1 million
• County operations (includes LGF for townships)	-\$909.0 thousand
• Jefferson Township	-\$49.0 thousand
• Union Township	-\$50.0 thousand
• Washington Courthouse	-\$598.0 thousand

Key findings

- Fayette County, its jurisdictions, schools, services and levies, lost \$4.8 million in the current state budget.
- Health and human services were cut by \$306,000.
- Washington Courthouse eliminated its recreational services contract with the YMCA.
- Fayette County schools sought \$5 million in cuts and considered closing 5 schools.

Loss to health and human service levies

• County health services	-\$98.0 thousand
• County mental health/ Developmental disabilities	-\$208.0 thousand

Notes and quotes

To adjust to the new budget, the school district is eliminating its contribution to life insurance, long-term disability policies and other benefit supplements. Such measures shift the “burden for a balanced budget on lower-paid employees who are least able to afford those reductions,” said Bob Todd of the Board of Education. From Nelms, Ben, “Fayette BoE splits 3-2 on budget.” *The Citizen*. June 6, 2012. <http://tinyurl.com/cf4xj6t>.

Fayette County Superintendent, Jeff Bearden, predicted that to make up for the \$13.2 million shortfall in budget, the school district will have to reduce the number of staff as well as possibly close up to 5

schools and outsource custodial and transportation services. From Nelms, Ben. "Fayette BoE splits 3-2 on budget." *The Citizen*. June 6, 2012. <http://tinyurl.com/cf4xj6t>.

"Our budget is 91 percent people. There's no question that we'll have to look at staffing across the board and tuitioning students (from other school systems)" – Jeff Bearden, Fayette County Superintendent." From Nelms, Ben, "Fayette BoE splits 3-2 on budget." *The Citizen*, June 6, 2012.

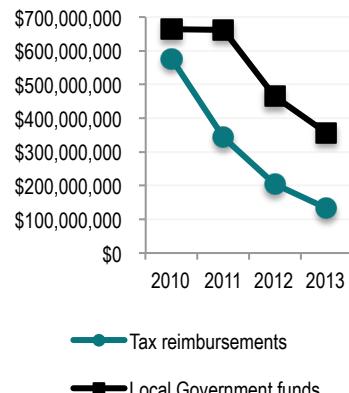
<http://tinyurl.com/cf4xj6t>.

School cuts: "Sweat said the committee has met three times to date and has a goal to recommend up to \$5 million in cuts for the current school year to help offset the cuts that will be needed to balance the 2013-2014 budget that takes effect in July." From Nelms, Ben, "Fayette school's budget committee: No 'sacred cows.'" *The Citizen*, September 18, 2012. <http://tinyurl.com/cyhgvp>.

Recreational services were cut when Washington Courthouse ended its contract with the YMCA; other cuts were also being considered to balance budget in 2012 and 2013. From "City Officials Bracing For The Storm...Again." *Fayette Advocate*. August 29, 2012. <http://tinyurl.com/dxura4y>.

Declining Funds

Tax reimbursement and Local Government Funds



Source: Policy Matters Ohio based on calendar year data from Ohio Department of Taxation.

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;
- **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, and
- **Property tax reimbursements** promised to local governments during tax reductions enacted earlier in the decade; 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.