

*Policy Matters Ohio is a think tank dedicated to creating a more vibrant, equitable, sustainable and inclusive Ohio, through research, strategic communications, coalition building, and policy advocacy. This brief is one of a series that concisely gathers practical and viable recommendations on state policy. The series builds on more than a dozen years of research to provide policymakers and advocates with research-based solutions to some of Ohio's most pressing problems while creating an economy that works for all.*

### Thriving communities

Municipalities, villages, counties and townships provide the services we depend on to work, learn and live in our communities. The last two state budgets have cut funds for local governments dramatically. Recreation centers and swimming pools have been closed and emergency services have shrunk. Thousands of state and local jobs have been eliminated. A stubbornly high unemployment rate lingers across the state. But focused public investments can grow the economy. Ohio's communities can thrive again with smart strategies and restoration of investment that benefits all Ohioans.

Over the years, Ohio's leaders developed strategies to cushion communities from swings in the business cycle. When the sales tax was established in the 1930s, proceeds were used to create the Local Government Fund to help counties and communities. When the income tax was established in the 1970s, property tax relief (the 10 percent property tax rollback) was part of the deal. When local business taxes were eliminated, the state pledged tax reimbursements. Public investments also bolstered Ohio's strength. Faced with job loss in traditional sectors, Gov. James Rhodes invested in higher education. Gov. Richard Celeste invested in technology and innovation, laying a base for change and adaptation.

Since 2005, instead of investing, Ohio has focused on tax cuts. This has not yielded jobs – in fact, Ohio has lagged the nation in [job creation](#). As result of tax cuts, the state invests far less in local governments, schools, and other public services. Compared to the state's budget for fiscal years 2010-11, state funding for local government and locally delivered goods and services across 40 agency line items [has fallen nearly a billion dollars](#) (10 percent) in the current 2014-15 budget, according to the Office of Budget and Management. Revenue sharing has been cut in half; the estate tax, which affected only the wealthiest 7 percent of Ohio estates but provided hundreds of millions to communities, was eliminated; new sources from casino gambling have not replaced the losses. New strategies and investments are needed to restore communities. Here are some ways to get started:

**Restore revenue sharing** - The largest state budget cuts have been in flexible sources of local government aid. [In the summer of 2013](#) Bucyrus, hit with plant closure as well as state cuts, had one sheriff on duty at night in a town of 12,000. Mansfield and others dimmed streetlights to cut utility bills. Whitehall put plans for a recreation center on ice. Ohio needs to [restore the aid](#) taken from local governments so they can light neighborhood streets, reopen recreation centers and swimming pools, fix potholes, and rehire needed safety personnel.

**Support public schools** – Public schools get a half billion less for core funding in this two-year budget than four years ago. [There are fewer teachers, more crowded classrooms, fewer course offerings and increased use of “pay to play.”](#) Increased funding for charters and vouchers undercuts the public schools that serve most Ohio kids, and [often these charters have terrible results](#). Restoring adequate funding to public schools is critical to restoring faith in Ohio’s future.

**Refurbish neighborhoods** – Many neighborhoods have been hurt by foreclosure. A study by the Thriving Communities Institute notes that demolishing 8,300 vacant and fit-for-condemnation homes in Cleveland would cost [\\$83 million](#). This would reduce crime and increase safety. With more funding, we could fix the homes, boosting property values.

**Invest in infrastructure** –The [American Society of Civil Engineers](#) finds Ohio has \$12.6 billion in drinking water infrastructure needs and \$14.2 billion in wastewater infrastructure needs over the next 20 years and that nearly a quarter of of the 27,000 bridges in Ohio are either structurally deficient or functionally obsolete. Yet even the increase proposed for the Ohio Public Works Commission bond fund leaves the level of support below that of a decade earlier in inflation-adjusted dollars.

**Restore the safety net** – Ohio has dramatically [reduced its cash assistance caseload](#) since January of 2011 although unemployment has remained high for too many, depending on [where they live, their level of education, ethnicity and age](#). Temporary Aid for Needy Families (TANF) now helps 110,000 fewer Ohioans: more than 61,000 of this group are children. Ohio also rejected federal permission to continue providing nutritional aid to 134,000 able bodied adults without dependents. All needy families eligible for cash assistance should be helped while they build skills and find a new job and no hungry Ohioans should be denied food aid offered by the federal government. Sanctions in cash assistance should be reduced or averted. Ohio should accept the federal waiver to maintain food assistance for those in need. In addition, we need to reform our [overly stringent standards for unemployment compensation](#), which have left many jobless Ohioans unable to qualify.

**Boost funding for public health** – Public health programs support families, make the workforce more competitive, and control health care costs. Ohio is falling short. [Efforts to combat tobacco use remain far below recommended levels](#). Ohio’s [infant mortality](#) rate exceeds that of the nation and is shockingly high among some groups and in some communities. Investing in public health measures should be prioritized over tax cuts.

**Restore support for public transit** – Ohio’s [main operating budget](#) today provides 77.9 percent less for public transit than it did in 2002. It is harder and more expensive for those without a trustworthy car to get to work. Cleveland and Dayton, for example, have eliminated a quarter of their services and nearly doubled fares in the past decade. Ohio’s funding for public transit should mirror other densely populated states to get millions to work every day.

*To ensure a short, accessible list, we necessarily left off some great ideas. [Contact us](#) to learn more about helping the unemployed, ending discrimination, improving retirement, promoting higher wages, raising standards for public spending, limiting contracting out or encouraging employee ownership. Good jobs are essential to the Ohio economy. These ideas would create jobs, raise wages, reduce poverty, and improve our communities.*