Weakened State: Ohio Falls Short on Basic Services

Executive Summary

With a looming gap between revenues and expenditures in the upcoming budget, there has been significant attention to likely spending cuts. It is easy to forget that Ohio’s state budget already has been squeezed, with major reductions to basic services that Ohioans expect from government. This paper reviews some state services that have eroded, explicitly focusing on cuts not related to human services and education documented elsewhere. This is not comprehensive, it is merely a review of several areas that have been starved for funding in recent years, including:

- **Board of Tax Appeals:** Homeowners and businesses that appeal property-tax valuations now have to wait more than two years for a hearing because of staff cuts and the rising volume of cases. Between Fiscal Years 2005 and 2010, cases nearly tripled, from 1,608 to 4,679, yet the state sliced funding by $815,847 or 41 percent in Fiscal 2010 from FY09. Funding for FY11 slipped another one percent, to $1,149,715. The board was forced to lay off 60 percent of staff in 2009, leaving just three examiners, compared to 10 three years ago. The last full year that the BTA kept up with its caseload was FY2006. In February 2011, the examiners were hearing cases filed more than two years earlier.

- **Division of Weights and Measures:** This division ensures honest commerce by helping ensure that scales weigh items properly and that counties adequately monitor supermarket scanners, gas pumps and other measuring devices. Over the past five years, General Revenue Fund (GRF) funding for Weights and Measures in Ohio dropped precipitously by 81.4 percent, from $1.074 million to $200,000. Field services provided by the state have been slashed, and spot checks in some instances have replaced the previous regular inspections. Ohio and its counties share responsibility for these services, and the state’s retreat leaves hard-pressed counties struggling to pick up the responsibilities in the face of their own budget shortfalls.

- **Division of Parks and Recreation:** Seventy-four state parks in 60 counties encompass 174,212 acres of land and water, attract more than 50 million visitors annually, and generate over a billion tourism dollars per year. According to the November 2010 budget request letter, the funding request for FY2012-13 matches the 1988 GRF request. Over the last decade, funding for parks and recreation has declined in inflation-adjusted dollars by 23.5 percent. The parks have deferred maintenance projects, including EPA-mandated sewer and water upgrades. We’ve seen a 45 percent staffing reduction, a $556 million backlog in maintenance, and a decline in perceived safety by visitors. Ohio is considering selling Jefferson Lake State Park to Jefferson County for one dollar. The County would sell timber and drilling rights to pay for dam repair and campsite upgrades. Locally, bike trails and parks have been closed; at the state level, the discussion has turned from preservation of recreational assets to use of state parks for drilling. Years of investment in a system of parks and recreational facilities could be lost, hurting tourism, too.

- **Ohio Civil Rights Commission:** In FY 2000, the Ohio Civil Rights Commission had 199 employees; there are now 94. GRF funding of $10.6 million in 2000 was hacked to $4.6 million in FY 2010, a decline of 54 percent. Flat or ten percent reduced funding is expected to result in the elimination of an additional 17 to 23 positions. A loss of 23 individuals would mean 1,600 fewer investigations per year, a 36% decline. More cuts could bring quality problems, negative press, even lawsuits, as in the mid 1990s, when a burst of activity and lack of capacity undermined service provision.

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• **Ohio Ethics Commission:** Ethics cases have risen an average of 18 percent each year since 2000 and ethics filings are up 30 percent over the past 15 years, but the budget hasn’t kept up. During the first year of the Strickland administration, funding for the Ethics Commission rose by about 16 percent, inflation-adjusted. But by FY2010, GRF funding had fallen by 19 percent after inflation from a high in 2007. As a result, ethics education was reduced by 19 percent; staffing fell from 25 to 21; the operations budget was cut by 30 percent; and equipment has not been updated for the past three fiscal years.

• **Environmental Review Appeals Commission:** GRF funding for Environmental Review Appeals Commission has fallen by 20 percent over the past decade after inflation. Staffing has fallen from 14 to 2 since the agency was founded in the mid 1970s. Length of time in investigations has caused legislation and litigation.

• **Public libraries:** Historically, Ohio libraries have dominated the ranks of the nation’s top libraries. Over the past two years, state support for library funding has been chopped by nearly 23 percent. Overall, libraries received $347.9 million from the state Public Library Fund last calendar year, compared to $450 million in 2008, despite a successful grassroots effort that reduced the cuts. In response, libraries reduced hours, closed branches, reduced purchasing, cut programming and shed staff. Overall, Ohio public libraries cut hours by more than 10 percent in 2009. The slashed state support has meant a huge increase in proposed property-tax levies. According to a recent analysis by Driscoll & Fleeter, the 71 library levy proposals that appeared on the ballot across the state in 2010 were twice as many as in any previous year since 1980, except in 2009, when there were 45. Greater dependence on local levies will result in disparity of service.

Our recommendations include:

• **Protect taxpayer return on investment.** Our parents and grandparents invested billions of dollars in libraries, parks, fair appeals processes, and services to ensure an honest market place and fair work places. We must protect, not undermine, this investment.

• **Restore capacity to public services eroded by inflation.**

• **Increasing dependence on fees leads to politicization of services.** Regulated interests opposed fee hikes for Weights and Measures and the Environmental Review Appeals Commission. A growing dependence on fees exposes critical public services to political pressures.

• **Keep public services affordable.** Dependence on fees can lead to disparity in quality and availability of services.