

## Fulton 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 Fulton County?

The state cut the Local Government Fund to the county, forcing Fulton 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 - \$76 thousand
- Schools - \$8.3 million
- County operations (including undivided fund) - \$3.0 million
- Clinton Township - \$96.0 thousand
- Archbold - \$512.0 thousand
- Wauseon - \$78.0 thousand

#### Loss to health and human service levies

- County health services - \$79.0 thousand
- County mental health/developmental disabilities - \$345.0 thousand
- County seniors services - \$99.0 thousand

#### Notes and Quotes

Pike-Delta-York Local Schools cut 8 positions, including the district's only librarian, to adjust to Local Government Fund cuts. From Feehan, Jennifer and Jule M. McKinnon. "Local districts cut librarians to help save costs." *The Toledo Blade*. May 20, 2012. <http://tinyurl.com/7ff5bej>.

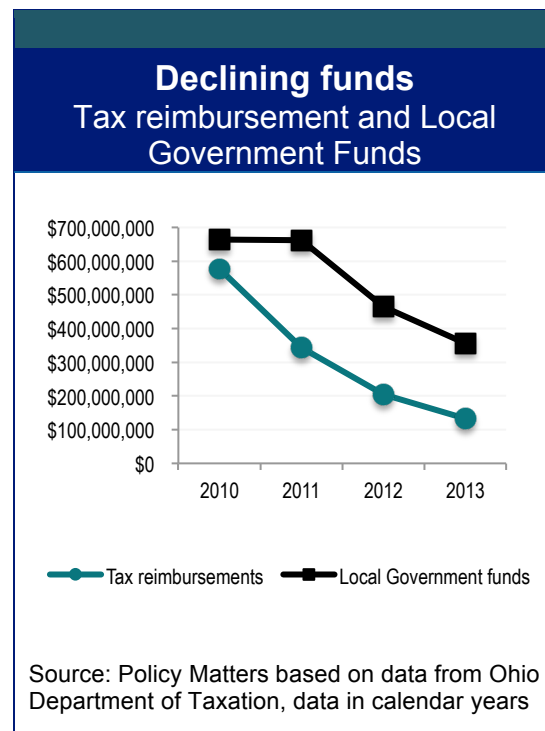
Wauseon Exempted Village Schools ratified wage agreement with Ohio Association of Public School Employees (OAPSE) for school bus drivers with a hard freeze on salaries for the first two years and a high deductible health plan. From "Wauseon School Board Ratifies Wage Agreement for Bus Drivers." *Wauseon Reporter*, May 25, 2012. <http://tinyurl.com/crbxqx9>.

#### Key findings

- Fulton County, its jurisdictions, schools, services and levies, lost \$12.5 million in the current state budget.
- Health and human services lost \$522,000.
- The Pike-Delta-York Local School District cut the district's only librarian.
- Bus drivers at Wauseon Exempted Village Schools agreed to a two-year hard freeze on salaries.

Ways of dealing with local government cuts included this from Fulton County: "... county would lose close to a half million dollars from the Local Government Fund, a big hit to its general fund budget of just more than \$9 million.... To ease the effect of the financial loss, Mr. Barnaby said, he wants the state government to help by letting counties do away with mandated services for which they receive no or little state funding. As an example, he cited legal defense for those unable to pay for it." From Boyd-Barrett, Claudia, "Lucas County officials probe budget for cuts' impact," April 4, 2011. <http://tinyurl.com/d2zj4ef>.

Casino revenues won't bail out local government from the budget cuts: "Fulton County anticipates \$677,000 in LGF funds this year, a significant decrease from \$948,000 in 2011. The amount is expected to drop to \$352,000 next year, then fall to zero in 2014. 'You can do the math. The casino money is not going to replace the Local Government Fund,' said Commissioner Genter. From "Casino money falls short of replacing LFG funds." *FCNews.org*. August 7, 2012. <http://tinyurl.com/bv77jqg>.



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.