

Hancock 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 Hancock County?

The state cut the Local Government Fund to the county, forcing Hancock 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 - \$164.0 thousand
- Schools - \$9.4 million
- County operations, (including county undivided fund) - \$4.6 million

Loss of tax reimbursement

- Allen Township - \$80.4 thousand
- Findlay - \$700.0 thousand
- McComb Corp. - \$57.0 thousand
- Hancock County Park - \$137.0 thousand
- PMP Joint Ambulance District - \$24.0 thousand

Losses to health and human service levies

- County mental health/developmental disabilities - \$841.0 thousand
- County seniors services - \$79.0 thousand

Notes and quotes

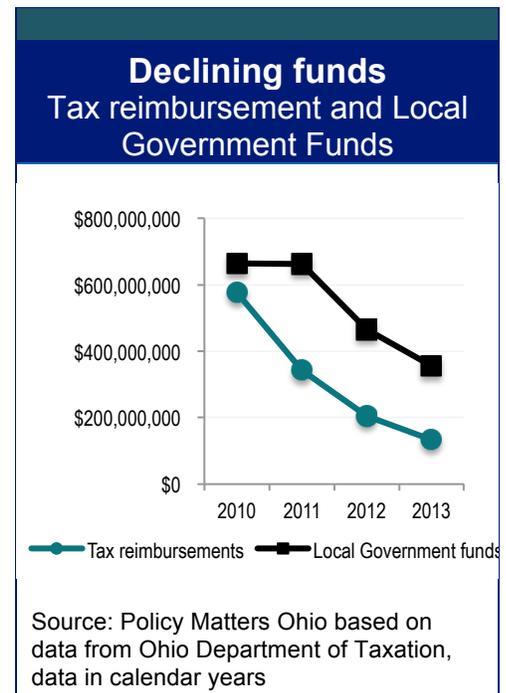
"This budget has been cut as tight as possible and may be too tight in some areas in order to accommodate that loss in revenue." —Pete Sehnert, (then) Mayor of Findlay, from "Findlay faces big budget gap in 2012," *The Courier*, December 10, 2011. <http://bit.ly/OAaylp>.

Key findings

- Hancock County, its jurisdictions, schools, services and levies, lost \$15.9 million in the current state budget.
- County health and human services lost \$920,000.
- Juvenile court funding dropped by \$150,000.

The Juvenile Court will receive \$30,050 in the 2013 fiscal year, a drop from the \$182,099 received in the 2012 fiscal year. From “Juvenile court faces budget cut,” *The Courier*, May 31, 2012. <http://bit.ly/Llh371>.

Planning for reduction in LGF began in 2009; spending cuts and local tax increases were phased in as state reduced support: “Elected officials in Hancock County took a proactive approach and reduced the estimated LGF revenue in 2010 and 2011. By taking such an approach, the County made revenue reductions and corresponding spending cuts over the course of two years, thus softening the impact of the LGF revenue reduction that materialized in mid-2011. In addition to these spending cuts, the Board of County Commissioners asked Hancock County voters to approve a sales tax levy of an additional one-quarter percent for general fund operations. The additional sales tax was approved by the voters. The joint efforts of the County Commissioners, the other County elected officials, and the voters provided a plan of action in the face of the anticipated LGF revenue reductions. Through its aggressive, proactive planning, Hancock County continues to provide valuable, efficient services to the public.” From “2011 Comprehensive Annual Financial Report for Hancock County,” 2011. <http://tinyurl.com/9mkenaj>.



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. (The state budget is based on the fiscal year, July 1 through June 30.) **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. **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.