

## Jefferson 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 Jefferson County?

The state cut the Local Government Fund to the county, forcing Jefferson 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 - \$175 thousand
- Schools - \$8.2 million
- Mingo Junction - \$303 thousand
- Steubenville - \$369 thousand
- Jefferson Community College - \$391 thousand
- Steel Valley Regional Transit - \$104 thousand

#### Losses to health and human service levies

- County mental health/  
Developmental disabilities - \$657 thousand
- County Children Services - \$165 thousand
- County seniors services - \$95 thousand

#### Notes and quotes

"It's going to be a difficult year. We have to cut \$1 million from the budget of 2011 spending...80 to 84 percent of your budget is in personnel. Unfortunately, that could mean a reduction in hours or it could be personnel laid off. It's not a pretty year in terms of the budget." – Tom Graham, Commissioner, Jefferson County. From Del Rosso, Adam. "Jefferson County faces big-time budget cuts." *WTOV9*. January 10, 2012. <http://tinyurl.com/9q5m33h>.

"The new activity we're seeing everywhere is a good piece of it... really, it's a year-over-year change. 2011 was not a fantastic year, so this is a real shot-in-the-arm." – Dave Maple,

#### Key findings

- Jefferson County, its jurisdictions, schools, services and levies, lost \$16.7 million in the current budget.
- County health and human services lost \$917,000.
- The oil and gas industry has pumped millions into the county and employment is up; but tax revenue has not been restored.
- Wells Township considered turning off some streetlights to save money.

Commissioner, Jefferson County. From Harris, Linda. "Jefferson County sales revenues up." *Herald-Star*. June 23, 2012. <http://tinyurl.com/8elb44n>.

These budget cuts have specifically affected Wells Township. Residents have complained about the state of the roads and trustees are reviewing street lights to see if any can be turned off to save money. There have also been complaints stemming from the \$65,000 cut that has limited the township's ability to maintain public lawns. From "Budget cuts having effect on Wells." *Herald-Star*. June 25, 2012. <http://tinyurl.com/9sy6fwq>.

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.

