

Lake 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 Lake County?

The state cut the Local Government Fund to the county, forcing Lake 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 - \$440 thousand
- Schools - \$33.9 million
- County operations (including LGF for townships and parks) - \$12.5 million
- Mentor City - \$2.9 million
- Wickliffe City - \$1.7 million
- Painesville City - \$1.1 million
- Willoughby City - \$2.1 million
- Willowick City - \$1.3 million
- Lakeland Community College - \$3.6 million
- Metropolitan Park District - \$1.2 million

Loss to health and human service levies

- County mental health/developmental disabilities - \$5.6 million
- County children's services - \$613 thousand
- County seniors services - \$332 thousand

Notes and quotes

"...the Lake County Sheriff's Office was forced to eliminate five Deputy Sheriff positions due to cuts in the 2012 Road Patrol budget . . . These lay-offs bring the total number of full-time employees laid-off or not replaced to fifty-five since 2009." From "Lake County Sheriff announces layoffs." *19 Action News*. January 12, 2012. <http://tinyurl.com/9pv4s3h>.

In Eastlake, "the city plans to cut 25 current full-time positions . . . City policy numbers will be reduced from 40 to 25 and the fire department will lose five (from 31 to 26 employees). The city's

Key findings

- Lake County, its jurisdictions, schools, services and levies lost \$72.2 million in the current state budget
- Health and human services lost 6.5 million.
- Eastlake residents' garbage fees increased.
- Five Deputy Sheriffs were eliminated due to cuts in the 2012 State Road Patrol budget.
- The Cleveland Area MSA, of which Lake County is a part, saw 8,000 local government jobs vanish between 2005 and 2011.

recreation staff falls from 13 to 8, representing the largest employee loss percentage-wise of any city department.” From Worrell, Chris. “Eastlake cuts jobs and programs to salvage 2012 budget.” *The Plain Dealer*. December 12, 2011. <http://tinyurl.com/9pbmuos>.

“We’re looking at all kinds of things to try to save money. But this district already operates on a very frugal basis. We talk about the 300-pound guy can lose 50 pounds pretty easy, but the 100-pound guy can’t lose 50 pounds very readily.” – Cliff Reinhardt, Willoughby-Eastlake School District Treasurer. From Davis, Dave, “19 Northeast Ohio school districts seek financial support from voters in Tuesday’s election. *The Plain Dealer*, March 3, 2012. <http://tinyurl.com/7cn58xb>.

“The Ohio Families and Children First had to eliminate our 24-hour position and drop it down to 20 hours. Nobody is quite sure what is going to happen to the Help Me Grow program.” – Sally Klock, Coordinator for Ohio Family and Children Services in Lake County. From Klock, Sally. Personal interview. June 28, 2012.

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.); the **Local Government “Municipal Direct” allocation** from the Local Government Fund that the state gives directly to localities. 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. 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.

