

Lawrence 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 Lawrence County?

The state cut the Local Government Fund to the county, forcing Lawrence 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 - \$118 thousand
- Schools - \$4.7 million
- County operations (including county undivided fund) - \$1.9 thousand
- Ironton - \$71 thousand

Loss to health and human service levies

- County mental health/developmental disabilities - \$208 thousand
- Lawrence county health district - \$15 thousand

Notes and quotes

"I am very concerned that these layoffs are going to reduce the services to the city of Ironton dramatically." – Rich Blankenship, Mayor of Ironton. From "Ironton firefighters facing layoffs could keep jobs," *WSAZ News Channel*, May 22, 2012. <http://tinyurl.com/8fzqsd9>.

Ironton Mayor Rich Blankenship says he had no other choice but to cut two Ironton city police officers. The department laid off two police officers, and a third accepted a voluntary lay-off. Six Ironton police officers in total have been laid off in recent months due to state budget cuts. From "Ironton firefighters facing layoffs could keep jobs," *WSAZ News Channel*, May 22, 2012. <http://tinyurl.com/8fzqsd9>.

"Other costs keep going up. We have about a \$500,000 hole in the budget to deal with. There are no easy answers. We need something to carry us into the future. The state took inheritance tax revenues from us. The money that used to go to us now flows to the state." – Rich Blankenship, Mayor of

Key findings

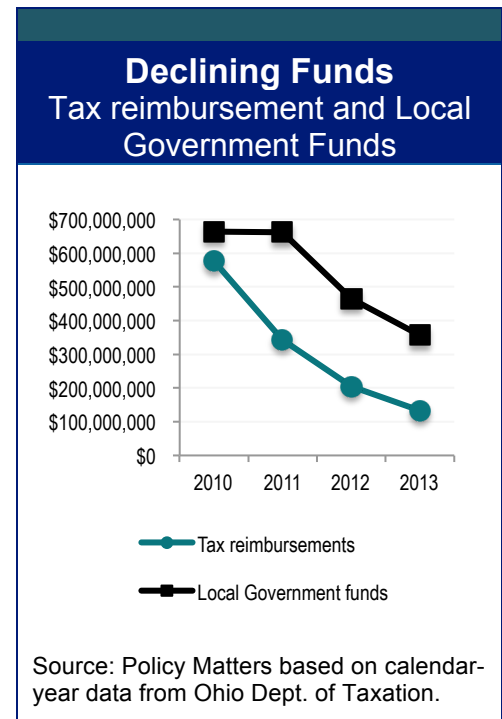
- Lawrence County, its jurisdictions, schools, services and levies, lost \$7 million in 2012-13 due to the current state budget.
- Health and human services lost \$223,000.
- The city of Ironton has left vacancies unfilled.
- Education, senior services, police coverage and other services have considered cuts because of the budget.

Ironton. From Malloy, David E., "Ironton city employees may face layoffs," *The Herald-Dispatch*, March 6, 2012. <http://tinyurl.com/8cc5295>.

The Sybene Senior Center ended its food services for senior citizens after a levy that would have replaced lost state revenue failed to pass in late 2011. "I really depend on it since I'm not able to cook," Smith said. "I'll have to find someone else to get meals from. I don't know." – Senior citizen Eileen Smith, Sybene Senior Center. From "Senior citizens suffer from budget cuts," *WSAZ News Channel*, December 30, 2011. <http://tinyurl.com/6sq68th>.

"We do have some music at the elementary level, but with these kind of budget cuts, you make decisions on core classes." -Scott Howard, Chesapeake Schools Superintendent. From "Lawrence County school superintendents brace for budget cuts," *Ironton Tribune*, July 10, 2011, <http://tinyurl.com/8nlmlj3>.

"Our true concern will be next year once the Education Jobs bill money goes away. That's going to be the big hit for our district." -Dennis DeCamp, Dawson-Bryant Local Schools Superintendent. From "Lawrence County school superintendents brace for budget cuts," *Ironton Tribune*, July 10, 2011, <http://tinyurl.com/8nlmlj3>.



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.