

Licking County Ohio

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 Licking County?

The state cut the Local Government Fund to the county, forcing Licking 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 - \$195 thousand
- Schools - \$17.6 million
- County operations - \$4.9 million
- Granville Township - \$163 thousand
- Heath - \$409 thousand
- Newark - \$1.9 million
- W. Licking Joint Fire District - \$407 thousand

Loss to health and human service levies

- County mental health/developmental disabilities - \$1.1 million
- County children services - \$328 thousand
- County seniors services - \$287 thousand

Notes and Quotes

"If the current trend continues of spending more than we take in, it is obvious to me that it is unsustainable" – Keith Alexander, Heath Auditor. From "Heath's loss of estate tax means less budget flexibility," *Newark Advocate*, May 16, 2012. <http://tinyurl.com/9zyxyea>.

On May 15, 2012, the Licking Heights school board approved a resolution to suspend the contracts of 4 teachers: one consumer and family science teacher, one physical education teacher, and two music teachers. The district anticipates budget deficits of \$2.1 million, \$5.5 million and \$10 million for the

Key findings

- Licking County lost \$27.5 million in the current state budget.
- Health and human services lost \$1.6 million.
- Licking Heights school district put a new levy on the November 2012 ballot.
- Multi-million dollar deficits were forecast for schools and teachers were laid off.
- County Ohio and Children First services were reduced to 10 percent of their previous capacity, serving 30 when they'd once served 300.

years of 2014, 2015, and 2016, respectively. From “Despite cutting teachers, new LH tax issue likely,” *Newark Advocate*, May 24, 2012. <http://tinyurl.com/9pau623>.

According to Kathy McLeish, Executive Director of the Licking County Families and Children First Council, this agency was at one point serving about 300 families in the county. That number has dropped to around 30 families due to state budget cuts. McLeish said that the two service areas most severely affected by budget cuts have been mental health and substance abuse. From phone interview, July 7, 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.);
- **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;
- **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.

