



Mercer County

Impact of the 2012-13 state budget (HB 153)

The state 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 Mercer County?

The state cut the Local Government Fund to the county, forcing Mercer 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 - \$78 thousand
- Schools - \$7.1 million
- County operations (including undivided fund) - \$2.4 million
- Granville - \$30 thousand
- Fort Recovery - \$39 thousand
- Celina - \$83 thousand
- Tri-county mental health - \$147 thousand

Loss to health and human service levies

- County mental health/ Developmental disabilities - \$364 thousand
- County seniors services - \$45 thousand

Notes and Quotes

“That’s not a trimming, that’s an amputation.”— June Scott, Celina Council member in response to \$1.18 million reduction in city electric fund. From “Administrators cut over \$1M from budget,” *The Daily Standard*, January 17, 2012, <http://bit.ly/wJYGIL>.

Cuts in Public Schools across Mercer County: Marion Local School District canceled summer school, cut several teaching positions, and began contract negotiations. St. Henry School District cut several

Key findings

- Mercer County, its jurisdictions, schools, services and levies, lost \$9.9 million in the current state budget.
- Human services lost \$409,000.
- Schools across county enact widespread staff and service cuts.
- Social service agencies ax administrative positions in merger.

positions and no longer allowed professional leave time or field trips paid from district's general fund. "Schools prepare for cuts," *The Daily Standard*, July 15, 2012. <http://bit.ly/LVyCLZ>.

Mercer County maintained "No raise, no hire" policy: County Auditor Randy Grapner reported that the policy has been retained since 2010. From phone interview, June 28, 2012.

"Celina social service agencies merge: Administrative positions will be axed when a pair of local social service agencies merge in November to cut costs. Officials from Foundations Behavioral Health Services and Gateway Outreach Center, both based in Celina, announced the move to Mercer County Commissioners. The merger was effective Nov. 1." From "Celina social service agencies merge to maximize funding," *The Daily Standard*, September 12, 2012.

<http://tinyurl.com/9sphcwq>.

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.

