



## Montgomery County Impact of the 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 Montgomery County?

The state cut the Local Government Fund to the county, forcing Montgomery 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 - \$1.4 million
- Schools - \$66.3 million
- County operations - \$29.0 million (including LGF for townships and parks)
- Dayton - \$12.3 million
- Huber Heights City - \$1.2 million
- Kettering - \$1.8 million
- Miamisburg - \$922.0 thousand
- Moraine - \$566.0 thousand
- Trotwood - \$910.0 thousand
- Vandalia - \$731.0 thousand
- Five Rivers Metro Parks - \$1.4 million
- Sinclair Community College - \$3.6 million

### Loss to health and human service levies

- County Child Services - \$5.0 million
- County Mental Health - \$7.0 million

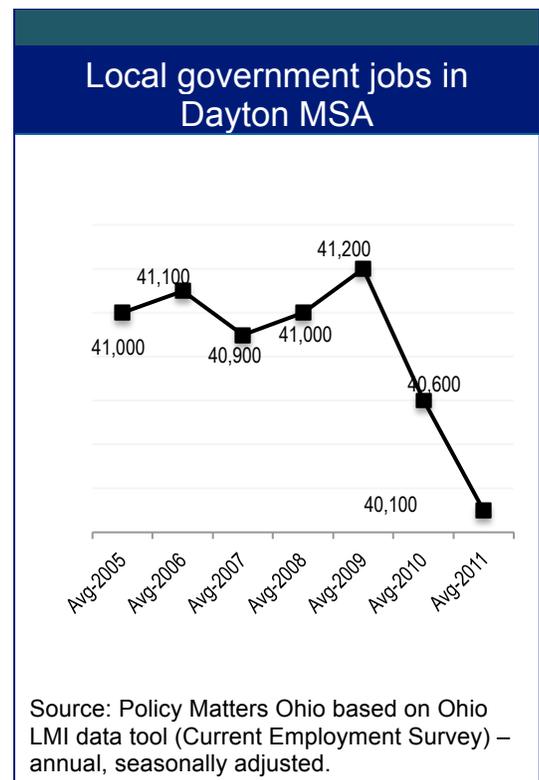
### Notes and Quotes

"I haven't found the tools yet. They must have sent the toolbox to a different address." – Tim Riordan, Dayton City Manager, speaking in reference to the state government's promise to provide local governments with tools to encourage shared services. From "Local governments prepare to cut services," *Springfield News-Sun*, July 3, 2012. <http://tinyurl.com/8p7fg3b>.

Key findings
<ul style="list-style-type: none"><li>• Montgomery County, its jurisdictions, schools, services and levies, lost \$127.3 million in the current state budget.</li><li>• Health and human services lost \$12 million.</li><li>• 1100 local government jobs cut since the recession ended.</li></ul>

“We don’t think there is a lot left to cut. You are going to get to the point where there will be reduction of services that people are used to unless alternative revenue sources are found.” – Donnie Jones, Huber Heights Finance Director. From “Local officials brace for state fund reductions,” *Springfield News-Sun*, April 11, 2012. <http://tinyurl.com/cm2jfx>.

“We have 500 fewer employees than we did three years ago. We now ask our own employees to clean their own offices, take out their own trash.” – Deborah Feldman, Montgomery County administrator. From “Local officials brace for state fund reductions,” *Springfield News-Sun*, April 11, 2012. <http://tinyurl.com/cm2jfx>.



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.