

## Ross 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 Ross County?

The state cut the Local Government Fund to the county, forcing Ross 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 - \$126.2 thousand
- Schools - \$5.3 million
- County operations (including LGF for townships) - \$2.4 million
- Chillicothe - \$1.1 million

#### Loss to health and human service levies

- County Health Services - \$80.0 thousand
- County child services - \$103.0 thousand
- County mental health developmental disabilities - \$519.0 thousand
- Paint Valley mental health district - \$266.0 thousand
- Ross County seniors levy - \$45.0 thousand

#### Notes and Quotes

Bad end of the year budget projections could leave Chillicothe with a nearly \$100k budget deficit, even taking into account the proposed \$300k cut. City Auditor Tom Spetnagel projects a \$2 million deficit in 2013, and a \$6 million deficit in 2014. The Auditor's plan to dip into the Safety Levy Capital fund may further delay the scheduled acquisition of five new police cruisers and an ambulance. From Ison, Jona, "City Auditor wants \$300,000 cut from general fund," *Chillicothe Gazette*, August 24, 2012, <http://tinyurl.com/8hfpnzb>.

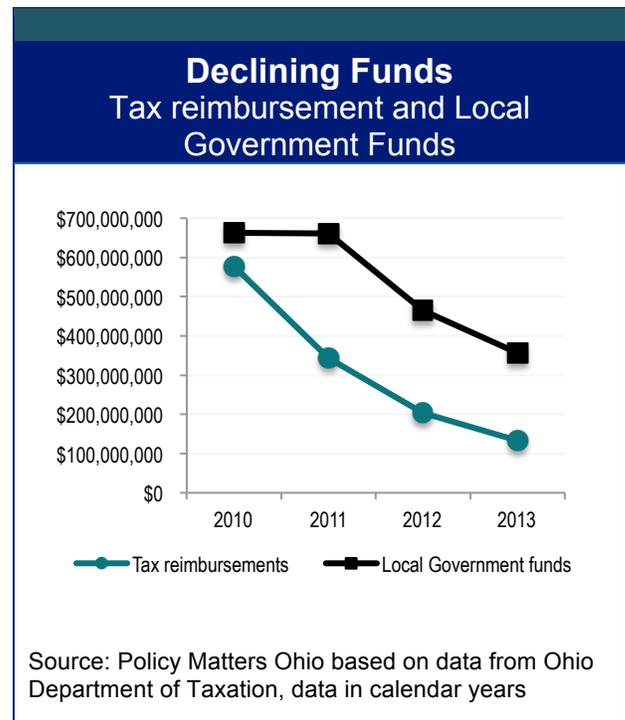
#### Key findings

- Ross County, its jurisdictions, schools, services and levies, lost \$9.8 million in the current state budget
- Health and human services lost \$748 thousand
- Chillicothe faces a \$1.4 million budget deficit; looks at raising fees and lodging tax

One of the ways the city considered to avoid fiscal peril was a \$5 increase in the fee for garbage collection. From “Chillicothe Auditor: Finances Alarming,” *ChillicotheGazette.com*, July 27, 2012, <http://tinyurl.com/96duly5/>.

“Mayor [of Chillicothe] Jack Everson is hoping to avoid layoffs by increasing lodging taxes, pursuing ambulance fees with insurance companies and the government, increasing fees for contractors and building permits and taking advantage of planned and anticipated retirements.” From Jones, Marvin, “Lodging and contractors could feel the effects of the Mayor’s budget plan,” *Chillicothe Ross County Chamber of Commerce Newsletter*, <http://tinyurl.com/9zhp385>.

The passage of a levy prevented the closure of the Northside Library, Chillicothe’s largest library branch. The levy also provided funding for “restoring hours in the small county branches and restoring the materials budget - which was nearly nonexistent for a while.” From McKell, Jennifer, “Chillicothe and Ross County Public Library Passed,” *The News (State Library of Ohio)*, January 2011, <http://tinyurl.com/9zv24j2>.



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;
- **Local Government "Municipal Direct" allocation** from the Local Government Fund that the state gives directly to municipalities with an income tax, 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.