

Seneca 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 Seneca County?

The state cut the Local Government Fund to the county, forcing Seneca 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 - \$130.0 thousand
- Schools - \$7.1 million
- County operations (including LGF for townships) - \$2.0 million
- Fostoria - \$488.0 thousand
- Tiffin - \$622.0 thousand

Loss to health and human service levies

- County mental health/ Developmental disabilities - \$404.0 thousand
- County senior services - \$31.0 thousand
- County health services - \$28.0 thousand

Notes and Quotes

"In order to keep the staff we have and the services we provide, we're going to need an increase." – Paul Elchert, Tiffin City Council President, discussing the need for a local tax increase in order to offset the \$1 million in state budget cuts Tiffin is facing. From Post, Aaron, "Council to seek tax hike," *The Advertiser-Tribune*, August 7, 2012. <http://tinyurl.com/8owo9lv>.

"Right now, unless a person is in crisis, if they don't have insurance or Medicaid, they are put on a waiting list that has been starting at eight weeks." – Nancy Cochran, Board Director, Mental Health and Recovery Board of Seneca, Sandusky, and Wyandot Counties. From Tower, Mark, "Mental health levy back on ballot," *The News-Messenger*, February 28, 2012, <http://tinyurl.com/8cthbfp>.

Key findings

- Seneca County, its jurisdictions, schools, services and levies, lost \$10.9 million in the current state budget
- Health and human services lost \$464 thousand.

Wage freezes have been common for public employees in Seneca County, and it was initially thought that casino revenues may be sufficient to provide funds for raises once again. Yet a drop in casino revenues from July to June of 2012 indicated that this may be more difficult than some initially assumed. From Weaver, Rob, "See the increase, but beware of raising the stakes." *The Advertiser-Tribune*. August 7, 2012, <http://tinyurl.com/9tyzn9s>.

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.

