

Shelby 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 Shelby County?

The state cut the Local Government Fund to the county, forcing Shelby 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 - \$87.0 thousand
- Schools - \$8.1 million
- County operations (including LGF for townships) - \$2.5 million
- Sidney - \$1.0 million
- Anna - \$45.0 thousand

Loss to health and human service levies

- County health services - \$54.0 thousand
- County mental health/developmental disabilities - \$555.0 thousand

Notes and Quotes

"Everybody is in survival mode – there's no innovation going on; nobody's trying anything new." From Denny York, county auditor, interview, June 28, 2012.

"The general understanding is that if somebody leaves you don't replace them." – From Denny York, County Auditor, interview, June 28, 2012. According to York, impacts of cuts include:

- In past were funding at least a dozen local organizations such as the historical society, but the only thing left is some contribution to senior center and agriculture agents;
- No county employees had had pay increases in four years;
- County buildings had cut hours and were no longer open on Friday afternoons, which is both a service reduction and a pay reduction;
- Maintenance on county buildings had been deferred. Because of this, roofs were leaking;

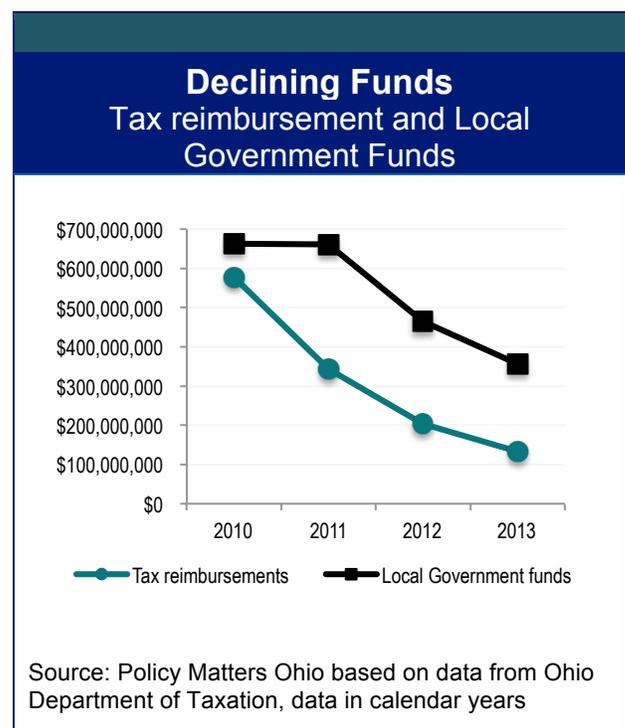
Key findings

- Shelby County, its jurisdictions, schools, services and levies, lost \$12.2 million in the current state budget
- Health and human services lost \$610 thousand

- The 911 dispatch equipment in the sheriff’s department was 30 years old and needed to be replaced;
- The county was delaying much-needed repairs to the foundation of the jail building. Not making these repairs created larger future costs;
- The county was down to two road deputies available at a given time, down from four in the past. Response times were slower because the officers were coming from farther distances;
- Shared services were not a solution to budget problems. Shelby County had been sharing many services for years, but this has produced minimal value compared to the extent of the budget cuts.

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.