

Stark 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, seniors' transportation and child protective services. What are the implications for Stark County?

The state cut the Local Government Fund to the county, forcing Stark 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 -\$805 thousand
- Schools -\$48.2 million
- County operations -\$15 million
(including LGF for townships and parks)
- Alliance -\$783 thousand
- Canton -\$5 million
- Louisville -\$247 thousand
- Massillon -\$1.2 million
- North Canton -677 thousand
- Tri-Division Joint Ambulance -\$57 thousand

Loss to health and human service levies

- County Child Services -\$995 thousand
- County Mental Health -\$4.1 thousand

Notes and Quotes

In Stark County, "Jackson Local School District will lose 22 percent of its state funding by fiscal 2013, the hardest hit Stark County district. Alliance City School District is the only local district that will see an increase — of 2.6 percent. Aid to the Canton City Schools will decline by 0.4 percent. The losses for other Stark County districts over two years range from 1 percent to 9.3 percent." From Wang, Robert, "Winners, losers in \$112 billion Ohio budget bill," June 30, 2011, <http://tinyurl.com/972nl9e>.

Key findings

- Stark County, its jurisdictions, schools, services and levies, lost \$77.1 million in the current state budget
- Health and human services lost \$5.1 million
- 800 local government jobs lost between 2005 and 2011

In Canton, the mayor expects that the surprisingly high revenue from income tax will help mitigate the effects of the decreased local government fund for the city. However, in Jackson they were not so fortunate and were looking to cut staff and merge departments to adjust to the decrease in budget. From Wang, Robert, "Winners, losers in \$112 billion Ohio budget bill," June 30, 2011, <http://tinyurl.com/972nl9e>.

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.

