

## Youngstown and Mahoning County

Youngstown is working with \$2.1 million less in state funds in 2017 compared with 2010. This is a 30.4 percent decrease in the funding sources shown (Table 1).

Table 1: Youngstown and Mahoning County				
Youngstown lost \$2.1 million a year – a loss of 30.4% of state aid and taxing authority - as a result of state policy changes				
	CY 2010	CY 2017	\$ change	% change
<b>Change in tax laws</b>				
Elimination of Estate tax	\$936,564	\$0	(\$936,564)	-100.0%
Phase-out of tax reimbursements	\$402,027	\$402,027	\$0	0.0%
<b>Local government funds</b>				
County undivided Fund	\$2,530,078	\$1,475,056	(\$1,055,022)	-41.7%
Municipal Fund	\$550,902	\$242,958	(\$307,944)	-55.9%
<b>Dedicated source funds</b>				
Casino revenues	\$0	333,978	\$333,978	n/a
<b>Dedicated purpose funds</b>				
Motor fuel	\$1,956,542	\$1,824,738	(\$131,804)	-6.7%
Auto license	\$527,897	\$523,299	(\$4,598)	-0.9%
<b>TOTAL</b>	<b>\$6,904,008</b>	<b>\$4,802,056</b>	<b>(\$2,101,952)</b>	<b>-30.4%</b>
Source: Policy Matters Ohio, based on Ohio Department of Taxation, Ohio Casino Commission, Ohio Legislative Service Commission, Ohio Department of Public Safety, Ohio Department of Transportation.				
Notes: Auto license permissive tax collections are not shown. Estimate for 2017 Auto license distribution applies growth in state budget line 762901 between FY 2015 and FY 2017 (8.65%) to 2015 auto license revenue received by Youngstown,				

The largest loss to the city was from cuts to local government funds. Elimination of the estate tax contributed to the loss. Negative growth in transportation-related tax revenues reduces capacity to deal with road and street repair. Casino revenues contributed modestly to offset those losses.

Mahoning County is working with about \$2.9 million less in 2017 than in 2010, a loss of 17.8 percent (Table 2). Loss to the county has been mitigated by strong growth of sales tax revenue. Counties and transit agencies “piggyback” the state sales tax. The state sales tax base includes Medicaid providers, and Medicaid expansion has driven expansion of local sales taxes as services have increased. The sales taxes collected from this part of the base are distributed to counties based on share of Medicaid recipients residing in each county. Mahoning County received \$3.7 million in these funds in 2015, which offsets the loss to the county from other cuts.

The state’s treatment of Medicaid providers within the sales tax base has been deemed out of compliance with federal law. The base must be widened, or reconfigured. If the “fix” to the Medicaid tax takes it out of the sales tax base, the county loses this sales tax revenue. The cushion that made the state cuts less painful to counties would vanish.

Table 2: Youngstown and Mahoning County				
<b>Mahoning County has lost \$2.9 million – before inflation</b>				
	<b>CY 2010</b>	<b>CY 2017</b>	<b>Change</b>	<b>% change</b>
TPP tax reimbursement	\$3,623,692	\$28,369	(\$3,595,322)	-99.2%
Local government funds	\$4,828,561	\$2,814,763	(\$2,013,797)	-41.7%
Casino revenues	\$0	\$1,494,512	\$1,494,512	n/a
Motor fuel taxes	\$2,366,745	\$2,372,647	\$5,902	0.2%
Auto license	\$5,497,474	\$6,695,916	\$1,198,442	21.8%
<b>TOTAL</b>	<b>\$16,316,471</b>	<b>\$13,406,207</b>	<b>(\$2,910,264)</b>	<b>-17.8%</b>

Source: Policy Matters Ohio, based on Ohio Department of Taxation, Ohio Legislative Service Commission Budget in detail, Ohio Department of Transportation, Ohio Department of Public Safety, Ohio Casino Commission.

Notes:

1. TPP tax reimbursement includes levies for county operations, debt and health and human service levels.
2. Casino revenue estimate applies share of county distribution received by Mahoning County in fiscal year 2016 to statewide county casino tax appropriation for fiscal year 2017 in the current budget bill.
3. Auto license registration does not include permissive tax. Estimate for 2017 auto license tax takes growth in ALI 762901 between FY 2015 and FY 2017 (8.65%) and applies to the 2015 revenues for the county.

Mahoning County’s losses are mostly attributable to loss in human service levies. For example, Mahoning County Children’s services lost \$767,070 in state tax reimbursement funds by 2017 compared with 2010 (Table 3).

Table 3				
<b>Mahoning County levies lost \$2.9 million a year – before inflation</b>				
<b>Mahoning</b>	<b>CY 2010</b>	<b>CY 2017</b>	<b>Change</b>	<b>% change</b>
Children’s services	\$781,255	\$14,185	(\$767,070)	-98.2%
Mental Health	\$448,806	\$0	(\$448,806)	-100.0%
TB Hospital	\$33,245	\$0	(\$33,245)	-100.0%
MH/DD	\$1,662,244	\$0	(\$1,662,244)	-100.0%
<b>TOTAL</b>	<b>\$2,925,549</b>	<b>\$14,185</b>	<b>(\$2,911,364)</b>	<b>-99.5%</b>

Source: Policy Matters Ohio, based on Ohio Department of Taxation