

## Local Government Fund Coalition



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*For Every Ohioan*

### **FOR IMMEDIATE RELEASE**

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### **Local Government Groups Collaborate to Preserve Public Services for Ohioans**

COLUMBUS – Leaders of municipalities, townships, park districts and Ohio's 88 counties have formed the Local Government Fund Coalition ([www.everyohioan.com](http://www.everyohioan.com)) to help preserve vital services provided to every Ohioan.

The Coalition is dedicated to informing legislators and Ohio residents about the impact of large-scale and disproportionate reductions in the Local Government Fund as the state addresses its large budget deficit. Taxpayers, the Coalition says, will face significant service reductions or will have to make up the difference with additional local taxes and fees.

Ohio returns a portion of state taxes collected to taxpayers in each county, township, city and village through the Local Government Fund. The \$590.2 million in tax revenue sent back home in 2010 paid for a wide range of vital services from police, fire and ambulances, to parks and recreation to public health clinics, homeland security and natural disaster response.

Services supplied only at the local level, such as fire protection, police, senior and child welfare programs, are endangered.

"The amount of state taxes returned to local communities has been decreasing the last several years," says Susan Cave, Executive Director of the Ohio Municipal League and member of the Coalition. "With the economic downturn, the entire shared fund is now in jeopardy," she said.

The Fund distributed \$698.6 million in 2007, which means local governments have already sustained a loss of \$108.4 million in revenue over the past two budget cycles.

"We believe providing local services ranging from prosecuting criminals and putting them in jail to metropolitan park programs that keep kids off the street, services for seniors and abused children, 4-H, and road maintenance, is a shared responsibility of state and local governments," says Larry L. Long, Executive Director, County Commissioners' Association of Ohio. "Local officials know all Ohioans and local governments will share in the pain of the budget balancing process, but maintaining the LGF at an equitable and sustainable level will reduce the need for local governments to turn back to residents for new property, sales and income taxes and increased fees to maintain critical services," he said.

Coalition members emphasize every Ohioan is impacted when cuts are made in the Local Government Fund allocation each budget cycle because of the depth and broad variety of local services supported by the revenue sharing. The LGF represents up to 60 percent of the budget in some small townships and villages.

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Local Government Fund Coalition

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Franklin County, for example, used \$73.6 million from the LGF in 2010 to fund 25 local agencies as well as the court system, county jail, sheriff's department and the Metropolitan Park system. Wayne Township in Southwest Ohio received \$109,975 from the Local Government Fund in 2010 – representing 63 percent of its overall budget – to provide services to more than 6,000 residents in the unincorporated area. The township says it will have to cut all safety services, including its contracted fire service, if the LGF were reduced significantly.

Cuyahoga County leads Ohio in revenue sharing, receiving \$113.4 million back from the state in 2010 (See 2010 state revenue sharing by county – link: [www.everyohioan.com](http://www.everyohioan.com)).

Furloughs and layoffs have touched many counties, townships and municipalities since the LGF reductions began. From 2007 to 2009 county job and family service agencies eliminated more than 3,200 jobs, or about 13 percent of the workforce. County child support enforcement and child welfare agencies have also reduced jobs to bring the total to 4,000 of the 20,000 caseworker positions statewide at a time when Ohio's families are struggling more than they have in two generations.

Coalition members expect to spend the next two months meeting with legislators from all corners of the state to make sure the LGF's historic role in the funding of public services is understood and to assure lawmakers that local communities are aggressively building collaborations to share more services and equipment.

The Coalition understands the sacrifices necessary in the process of balancing the state budget. The group will work collaboratively with officials to explore all possible solutions, such as regulatory reform and mandate relief, to ensure local governments can provide necessary services to protect the safety and welfare of Ohioans.

Seventy years ago state leaders recognized that certain public services are more efficiently delivered at the local level, and created the Local Government Fund. During Ohio's and the nation's greatest economic challenge of the Depression, the state created local government funding as real estate tax revenue – the prime source of local government revenue in the 1930s – plummeted.

Ohio lawmakers in 2007 streamlined the local funding process by establishing a fair formula that traces economic conditions. When the economy is good communities benefit. But when the economy is bad, communities must tighten their belts, just like the state.

“As the state has slipped into its largest economic downturn since the Depression, reduced revenues were expected and fair,” according to Matt DeTemple, Executive Director of the Ohio Township Association. “Further disproportionate cuts or an alteration of the 2007 formula are unfair and threaten the viability of local communities.”

*Members of the Local Government Fund Coalition include the following statewide organizations: County Commissioners Association of Ohio, Ohio Association of Regional Councils, Ohio Municipal League, Ohio Parks and Recreation Association, and the Ohio Township Association.*

*The effort is also supported by: Coalition of Large Ohio Urban Townships, Hamilton County Municipal League, Licking County Planning Commission, Mid-Ohio Regional Planning Commission, Northeast Ohio Mayors' and Managers' Association.*

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