

Facts about LGF

Posted On: Jun 10, 2013 (10:20:10)



FACTS ABOUT OHIO'S LOCAL GOVERNMENT FUND

- The Ohio sales tax took effect in 1935 as a way to raise revenue for the state and help local governments provide essential services to their residents.
 - In their first budget (FY 2011-12), Gov. Kasich and his allies in the General Assembly cut state funding to local governments (roughly \$1 billion).
 - HB 119, which was passed by the 127th General Assembly in 2007, restructured state revenue; tying local government funds to state funds, ensuring that everyone shared in the sacrifice during the subsequent recession, with the promise of benefitting from good times as well.
 - The 129th General Assembly passed HB 153, the first budget under Governor Kasich. In HB 153 LGF was no longer set as a percentage of revenue and was instead cut significantly.
 - HB 153 limited LGF funding in FY 2012 to 75% of FY 2011 distributions and this amount was lowered to just 50% in FY 2013
 - Governor Kasich's second budget, HB 59, currently pending in the General Assembly, does not restore any of his previous cuts to local government funding
 - Local governments receive \$200 million less in the FY2014-2015 than they did in FY12 and FY13
 - After looking at all of the cuts from the Kasich administration, **\$1.4 billion less revenue in FY 2013-14 than in FY 2010-11** is realized
 - At the same time, GRF Tax Revenues, which fund the Local Government Fund, are forecasted by the Legislative Service Commission to increase 30.8% in 2014 from their levels in 2010.
 - Since Governor Kasich took office, voters in communities across Ohio have been asked to approve over 220 new and/or additional local ballot measures specifically to increase funding for public safety services.
 - Since 2010 the number of State employees has decreased by 2200 (1.4% of workforce) and the number of local government employees has decreased by 29,200 (5.7% of workforce).
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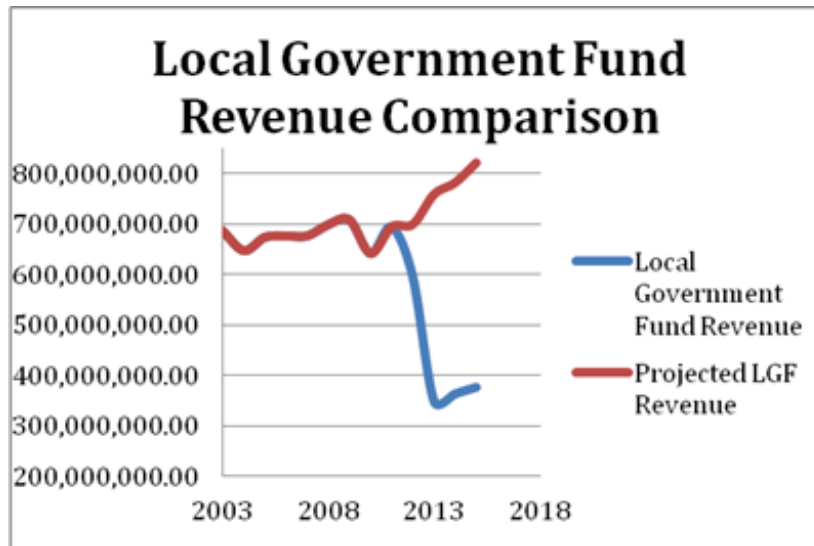
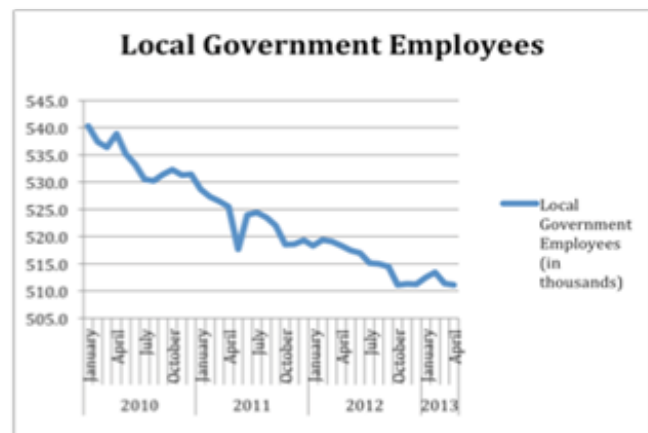
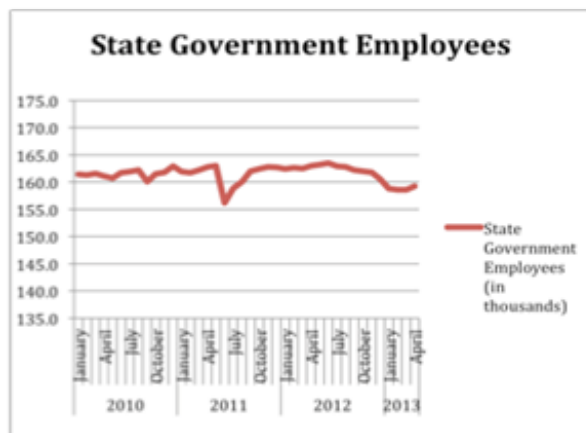


Chart 1: Lost Local Government Funds

Year	Appropriated	LGF Formula	Difference
2012	\$594,483,565	\$699,392,464	\$104,908,899
2013	\$348,000,000	\$758,248,912	\$410,248,912
2014	\$363,000,000	\$781,440,640	\$418,440,640
2015	\$376,000,000	\$820,680,480	\$444,680,480
Total:			\$1,378,278,931

Chart 1 compares the actual funding for the Ohio Local Government Fund with the funding levels that the LGF would have experienced had revenues continued to be a percentage of GRF tax revenues, as adopted by the 127th General Assembly. This analysis reveals that the LGF

would have received \$1.38 billion over four years in additional funding had it been allowed to grow with GRF tax revenues. These funds, which were anticipated by local government officials after they survived the great recession, would have allowed them to fund important functions such as police and fire protection.



Since 2010 the number of State employees has decreased by 2200, while the number of local government employees has decreased by 29,200.

In terms of percentage of workforce, the state of Ohio workforce has decreased by 1.4% while the local government workforce in Ohio has decreased by 5.7%. This trend is likely to continue for

local governments, making it difficult to provide basic services, such as public safety. Local governments will be forced to increase local taxes or continue to cut employees.

Data for these calculations was obtained from the Bureau of Labor Statistics
Current Employment Statistics Survey for Ohio.

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