



LOCAL GOVERNMENT FUNDS PROVIDING EVERYDAY SERVICES FOR ALL OHIOANS!

News Release
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State Budget Proposal Erodes Funding For Local Services

Ohio's local governments will see more reductions in funding beginning in January 2006, based on the 2006 – 2007 biennium budget proposed by Governor Bob Taft. These cuts come on top of a reduction of almost \$340 million over the past four years. The Taft proposal would reduce funding to counties, cities and parks by 20%, villages and townships by 10%, and public libraries by 5%. These cuts equal \$267 million from a freeze of the funds and \$682 million from the statutory formula for the funds.

Local governments in Ohio have had a long partnership with the state. Since the 1930's, a portion of tax revenue collected by the state has been returned back to local communities to provide local services. In recent state budgets, funding to local governments has been frozen and cut, while the state's general revenue expenditures have increased.

While some say that the hallmark of this state budget is to get Ohio back on track economically by focusing on how we as a state can create new jobs, retain existing jobs, and attract new businesses through constrained spending and tax reform, every job created and every new business established locates in a county and a municipality or township.

These businesses also look to local governments to provide needed services such as infrastructure, law enforcement & criminal justice administration, fire protection, emergency medical services, parks, libraries, and other services when they make decisions about locating and staying or leaving. We believe that the cuts to the LGF's are counter productive to some of the broad economic development goals that are the foundation of much of this budget.

Local government officials and supporters of libraries and parks urge the restoration of the local government funds and the formation of a study committee that would include representatives from the House, Senate, and the five organizations that represent the local government funds. The study committee would be charged with making recommendations on providing a stable, permanent and predictable funding formula for local government funds that provides for reasonable growth over time.

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