

Date: June 14, 2017

To: Members of the Ohio Senate Finance Committee
From: William F. Hutson, Medina County Commissioner
Re: Substitute HB 49 – State Biennial Budget

Chairman Oelslager, Vice Chair Manning, Ranking Member Skindel, and members of the Finance Committee, my name is Bill Hutson, Medina County Commissioner. Thank you for allowing me the opportunity to testify today regarding some critical issues contained in Sub House Bill 49 which impact county government.

Medina County is one of the fastest growing counties in Ohio and currently has a population of 177,221 residents. However, with our continued growth we are seeing increased budget pressures on the County, townships, cities and villages.

Prior to 2007, Medina County had general fund revenues of \$38,299,783. Over the next few years, this revenue decreased by 11%. Revenues lost included the elimination of the personal property tax, cuts to local government funding, reduced property and sales tax revenues. In addition, there were cuts made by the State for social services and transportation services that had to be covered by local monies. In order to balance the budget, the County cut their budgets by a minimum of 10%, departments were eliminated, services were cut, and 101 full-time and 97 part-time positions were eliminated.

Sales tax revenues make up 34% of general fund revenues, with property taxes making up the second largest source of revenue at 28%. Medina has a 6.75% sales tax, but only a half of a percent is used for county operations and the other half percent fund capital improvements for school districts located within the County.

As we continue into 2017, general fund revenues are flat. The loss of Medicaid sales tax revenue will negatively impact County revenue by \$500,000, and we are being asked to increase spending due to State mandates and increasing needs for services. Over the next few years, Medina County is faced with the following financial needs:

- Voting Machines
 - This purchase will most likely take place in 2019 at a cost of \$4,500,000. While we anticipate State support, it is likely that the cost to Medina County will be upward of \$1,000,000.
- Indigent Defense Reimbursement
 - We ask that the Senate provide additional funding to replace the \$6.5 million in non-GRF funding that will be lost each year because the percentage share of the Indigent Defense Support Fund which had been allocated to reimbursement has been decreased by 5% and diverted to supporting the operating budget of the State Public Defender Commission.

- Job and Family Services
 - Between 2012 and 2016, there was a 91% increase in the number of intakes and investigations performed by the Children Services. In order to fill necessary positions, their budget needs to be increased by \$384,100.
- ADAMH Board
 - An additional \$885,766 is needed to meet the needs of the community and effectively fight the opiate epidemic.
- Capital Expenses:
 - Due to budget constraints, the Medina County Maintenance Department has only been able to perform basic maintenance on County buildings. To make the needed repairs and to do it correctly, the County would need to expend \$24,000,000 over the next five years. If these repairs are not made, the conditions will exacerbate and the expense to fix these issues will increase.
- Courthouse
 - The County was unable to move forward with a 2007 plan to expand the County Courthouse. We are currently at the point where we need to move forward with the \$25,000,000 project as the situation has only worsened with the opiate issues and population growth.
- Transportation
 - County vehicles are in need of replacement due to their condition. Reasonable life cycle costs to replace them approaches \$500,000.
 - The Medina County Transit Department has cut services every year since 2013 in an attempt to reduce costs, but again ended 2016 with a \$101,000 operating deficit.

With the looming issues before us, Medina County cannot afford additional cuts to its revenues such as the loss of the Medicaid Sales Tax revenue, nor can it afford to cover costs mandated by the State, such as the housing F4 and F5 offenders, indigent counsel, or new voting equipment.

Again, thank you for allowing me to speak today. I would be happy to answer any questions that you may have.