



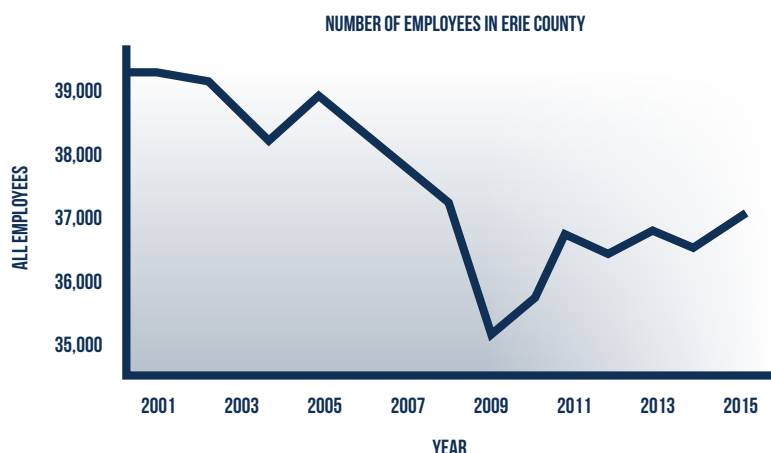
STATE OF THE STATE IN SANDUSKY

As we approach Governor Kasich's seventh State of the State address, Innovation Ohio is continuing its tradition of taking a close look at the community the speech will be given in to see how it has fared under the Governor's policies.

Sandusky is a great community with amazing amenities and wonderful people. Cedar Point, the famed amusement park, continues to be a considerable asset for the local economy. **The park typically hires 5,000 employees for seasonal work during the summer season and serves as a large revenue source for local governments.**

The area has made some great strides over the last few years, but it has done so with little support from state government. As we examined the data in Sandusky and Erie County, we found a theme consistent across Ohio – despite local efforts to do more with less, state policies are not helping to bring jobs back to pre-recession levels, many residents are in poverty, and recent changes to the tax code have not benefited most residents.

The median household income in Sandusky has fallen from \$35,054 in 2010 to \$33,786 in 2015 – the most recent city specific data available. Currently, **the unemployment rate for Erie County is 7.5 percent or 27th highest in the state.** That rate will certainly drop as Cedar Point begins to hire more employees for its summer season. Taking the long view, Erie County has not recovered the jobs lost since the Great Recession. In 2008, annual employment in Erie was 36,940. **The most recent annual BLS statistics place the number of employees in Erie County at 36,848.**



Alterations to Ohio's income tax structure have not significantly benefitted most of Sandusky's residents. **The median yearly income for a worker in Sandusky is \$21,827.** According to Policy Matters Ohio, under the Governor's most recent tax cuts, a worker in that income level tax bracket would only see an average tax break of \$44. Yet, funding for the community and schools have been drastically cut by the state.

Like all of Ohio's local governments, Sandusky has seen a reduced share of the Local Government Fund (LGF) from the state. In 2011, Sandusky received \$772,463 in LGF funds, by 2016 that number fell to \$403,972. At least in part due to the LGF changes, Sandusky raised its income tax rate from 1 percent to 1.25 percent in 2014. Also, the Cedar Point admissions tax was raised from 3 percent to 4 percent. Considering the volume of visitors to Cedar Point, this change has created a sizeable increase to local revenues. These increases have allowed Sandusky to expand its services and workforce.

Changes to the state's school funding formula have adversely affected the area as well. **Erie County schools have received \$13.5 million fewer dollars** than they would have if the funding levels set in Governor Ted Strickland's last biennial budget were maintained. Sandusky City Schools fared better than other schools due to the changes, receiving \$1.2 million more in funding under Kasich's biennial budgets. Local school property taxes have gone up in the area during the Kasich administration. In 2010, a homeowner in Erie County of a property valued at \$100,000 paid \$934.06 in school property taxes. In 2015, those same homeowners paid \$1000. For Sandusky City Schools, that same homeowner paid \$1,176 in school property taxes in 2010. By 2015, that number had increased to \$1,391.

Poverty is also an ongoing issue for Sandusky and Erie County. For example, 35.4 percent of Sandusky's children live below the poverty level. Additionally, 19.8 percent of adults in Erie County are currently on Medicaid. 10.8 percent of that number are on Medicaid because of the ACA expansion. Erie County has not been able to escape the opioid epidemic that has ravaged the state. **It has the 17th highest death rate for overdoses among Ohio counties at 23.3 per 100,000 population.** Infant mortality is also a local concern, as Erie County has the 9th highest rate of infant mortality of Ohio counties over the past ten years.

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As year seven of the Kasich administration is underway, many Ohio communities like Sandusky are still not back to their pre-recession levels for employment. The occurrence of high rates of poverty, addiction, and infant mortality across our state is a consistent one and will certainly be an integral theme as Ohioans start to reflect on the entirety of Governor Kasich's tenure as it winds down.