Franklin County Children Services
2014 1.9 Mill Renewal Levy with .4 Mill Increase Proposal

HSLRC Meeting Minutes
June 5, 2014

The Human Services Levy Review Committee (HSLRC) meeting was called to order by Chair Jesse Hemphill on Thursday, June 5, 2014 @ 3:33 pm.

ROLL CALL

HSLRC members present: Jesse Hemphill, Jerry Friedman, Denise Bronson, and Ken Wilson

HSLRC members absent: Jean Carter Ryan, Nathan Wymer, James Bowman

A committee quorum was present.

Office of Management and Budget (OMB): Heidi Hallas Warren and Zak Talarek

WELCOME AND INTRODUCTION

Mr. Hemphill placed a motion on the floor to approve the May 22nd meeting minutes. Ms. Hallas Warren added that the copy in front of the committee was a red line copy that included a few grammatical changes. The motion was moved by Ken Wilson and seconded by Jerry Friedman. The motion was approved.

COMMITTEE DISCUSSION

Mr. Hemphill then stated that the next item of business was to discuss the report draft. He then asked OMB about the suggested benchmarks that were to be developed by the committee and included in the report.

Ms. Hallas Warren explained that she included a handout in the packet distributed for the current meeting which covers the OMB Budgeting for Policy Results and Outcomes (BPRO) measures and how they link to the Federal CFSR Standards. The missing link appears to be not including this information in the levy fact book and connecting it to the request and needs. She then asked the committee to review and provide suggestions. She suggested that since the committee would be having a separate meeting to discuss how to standardize agency requests, maybe one of the items to look at is to ensure outcome reporting is linked to the fact books going forward.

Mr. Hemphill stated that he was hoping for a half dozen specific benchmark items that could be used at the end of the levy cycle to assist with assessing progress of success. He then asked the committee to review and provide feedback.

Dr. Bronson stated that she would be okay with going with the CFSR measures and adding screened referrals to Alternative Response (AR). This would be helpful since the report discusses the possibility of increasing AR to 65%.

Ms. Hallas Warren asked the committee for their thoughts on the presentation of these benchmarks in the report.

Mr. Hemphill responded that the eight (8) benchmarks could be placed in the appendix and referenced in the body of Issue 2. He then commended Ms. Hallas Warren for a well written report and added that he had no other revisions.

Both Dr. Bronson and Mr. Friedman agreed that the report was well written and captures the committee discussion. Mr. Friedman then asked for an editorial correction on page 3 to bold the different categories of children to ensure they stand out. He also questioned verbiage on adoption on page 9.

Ms. Hallas Warren responded by stating that the language was actually an agency term but she had already changed it based on feedback from another member.

Mr. Friedman then asked if language on the original request is still needed since there is a new request.

Ms. Hallas Warren responded that referencing the original request follows the timeline of the process and there is an initial request and official action.

Dr. Bronson added that the initial request was public and included in the Dispatch, so it should be included.

Mr. Friedman then questioned if a point he previously raised in an earlier discussion had been looked into regarding the availability of third party resources due to the expansion of Medicaid and insurance. He stated that many services such as behavioral health services are going to the broader family and questions if there is potential for third party payment to come back due to new Medicaid eligibility or insurance coverage. He feels that leveraging in third party payers as a general theme will ensure the county is not the only one at the table and other sources are being utilized.

Ms. Hallas Warren stated that a paragraph could be added to Issue 1 with the cost savings and efficiencies. The agency previously mentioned that they want to keep the family intact, which means that the counselor or psychiatrist is needed immediately. So, there are private providers on contract that are not certified in the ADAMH system to bill for local funds or Medicaid.

Dr. Bronson stated that this is a good time to explore this as an option due to the expansions.

Mr. Friedman then asked if anyone that FCCS employs directly such as caseworkers are doing any behavioral counseling and could possibly establish themselves as a Medicaid provider.

Ms. Hallas Warren stated that OMB has discussed this as an option because the cost is high for private psychiatrists and psychologists. The agency could probably get two (2) to three (3) staff members or work with Nationwide Children's to do the services.

Mr. Talarek added that the Commissioners just approved a Resolution for a contract between Domestic and Juvenile Court to contract the hours for those assessments.

Dr. Bronson stated that this should fall into the cost savings and efficiencies and would allow the agency to think outside the box.

Mr. Talarek then asked the committee where they would prefer this information to fall in the report.

Mr. Friedman stated that he raised questions when looking at the sources of revenue. This would be the opportunity to look at unrecovered third party financing. He then provided information on a small group that developed creative models for leveraging Federal and Medicaid dollars with local resources.

Mr. Hemphill then asked if a draft has been shared with FCCS yet.

Ms. Hallas Warren and Mr. Wilson responded by stating that the information is being presented to the committee and any input will be integrated and forwarded to FCCS by Friday, June 13 in hopes of the report being finalized on June 19th.

Mr. Hemphill then asked if there will be a need for the committee to react or respond to any FCCS revisions.

Mr. Talarek responded by stating that the committee would only need to be involved if there is a technical change.

Dr. Bronson stated that after reviewing the draft, it appears to be a fair representation and is mostly in the agencies own words. Therefore, she does not foresee the agency coming back with any changes since the request has already been changed once.

Mr. Hemphill then advised OMB that any changes FCCS needs the committee to react on can be sent via email or discussed over the phone and he did not anticipate an additional meeting would be needed.

Ms. Hallas Warren stated that she does not anticipate any additional feedback from the agency that will require major changes at this time.

Mr. Friedman then asked if there is a recommendation or if the agency has been asked to deal with the turnover issue.

Ms. Hallas Warren stated that the recommendation to develop and implement a clear plan to reduce the high case worker turnover rate is listed on page 18.

Mr. Wilson added that there was an article in the paper regarding a mentoring program to assist with the reduction in turnover.

Ms. Hallas Warren stated that the recommendation addresses the issue and what it means for the budget and the impact on the children.

Dr. Bronson noted that the agency should be looking at best practices. The intake worker turnover is greater than the case worker turnover.

Ms. Hallas Warren stated that she will add language regarding identifying best practices available and implementing them.

Ms. Hallas Warren then advised the committee that the 2.5% cap per year on expenditure increases is reflected in the budget model on page 29. OMB would like to include in the appendix what it would look like taking into account the bargaining unit agreement and placement cost contracts which is 60-70% of their budget for the next 3 years and what it would mean keeping within the 2.5%.

She added that placement cost could be something the agency mentions since their scenario was CPI plus growth, which was about 3% to 4% annually. In order to get this into the 2.5% cap, it is about 2.5%.

Mr. Talarek added that as part of the placement contracts, there was about a 3% increase in the first year, effective July 1. Then, a 1% increase the next 2 years. So, for the next 2 years, they would have to be below CPI which would be an impact. So, we are looking at a percentage to smooth this out and fit within the 2.5% category and see what it would look like.

Ms. Hallas Warren added that the FCCS contract agreement is 3% beginning June 1. This was already taken into account in 2014. Then, there would be 1% and 1%. So, every year beginning with 2015 would be budgeted at 2.5%, which is above what the cost would be. This allows a little room for growth in the number of children. Other than this, everything else is on par with the percentages included in the agency request.

Ms. Hallas Warren and Mr. Talarek explained that this helps OMB during the annual budget submission process. OMB looks by category and does a levy comparison as part of the budget briefs each year to assist in planning and point out any differences. This is a holistic look and provides an explanation for any changes.

Mr. Hemphill asked for the County's fiscal year end.

Mr. Talarek advised that the County's fiscal year end is December 31. He added that the placement contracts begin June 1st for a 3-year period.

Mr. Hemphill then asked if the projected cost will be less than the levy budget as what occurred during the previous levy cycle.

Mr. Talarek confirmed and stated that this is an opportunity to take advantage of the data since an additional six (6) months of information is available and can be incorporated into the request to ensure the levy is properly sized and all of the numbers are in line.

Ms. Hallas Warren added that page 29 of the report compares the requested scenario with the 2.5 % and it nets to a $27-28 Million difference over 5 years, if they are able to cap expenses at 2.5%. There is also a recommendation in the report that addresses if something does happen the agency will work with OMB to justify and present reasoning for spending above the cap. She added that over the past five (5) years, there has been an average of 1% growth annually, with the exception of costs last year associated with the new building.

Mr. Wilson stated that every year except 2019 is in line with CPI, with the exception of any projected change in placement. This is why there is a recommendation to find cost efficiencies using AR and other tools available to move placement cost down and control growth.

Ms. Hallas Warren added that trying something new does not always mean more money is needed. So the Committee is asking what can you do with the existing dollars?

Mr. Wilson then stated that if things do change and their environment is closer to the other scenario presented, there is cash available to move contingent funds by working with OMB during the budget process. This information can be found on page 28.

Mr. Friedman then asked why the fringe benefits appear to be so high.

Mr. Wilson responded by stating that as healthcare begins to increase and you have positions under $18 per hour each year, this drives up the fringe benefit cost. For example, if you take the benefit year that just began April 1st, you're looking at over $16,000 per employee per year. The second item that is driving the fringe benefits is that FCCS employees have a portion of their PERS picked up.

Mr. Talarek added that in addition to the 14% employer share, the agency also picks up 8.5% of the 10% employee share.

There was further discussion on the FCCS employee share pickup and it was noted that ADAMH picks up 5% of the 10% employee share. Generally, other county agencies do not pick up any of the employee portion, but there are a few exceptions here and there.

Mr. Friedman then asked in terms of turnover, what happens as people leave the system and are not vested.

Mr. Talarek stated that the employee portion would stay with OPERS if the employee is not vested.

Mr. Hemphill added that most fringe benefits in the private sector are running 24-30%.

Mr. Wilson stated that in attending some of the National Association of Counties (NACO) meetings, he has found that historically public sector wages have been lower than the private sector. One of the things that was done to attract more individuals to the public sector, were more generous benefit packages. When you look at things such as the excise tax that will be implemented in 2018, it has a lot of public sector employees thinking about the value of their healthcare plan and fringe benefit packages. So, the question is do you move wages up since the excise tax requires us to lower our benefit level, which means changes to healthcare plan designs that will cause negotiations with bargaining units and increase wages to remain competitive and stay in balance.

Mr. Friedman then asked what percentage of the medical premium is paid by the agency.

Mr. Talarek stated that it is about 88% and depending on the family situation could be about 11.7%. Going forward, FCCS has an 88/12 split.

Mr. Wilson added that this does not include out of pocket expenses or deductibles.

Mr. Hemphill asked about the State employee/employer split.

Mr. Wilson replied that the State of Ohio split was 85/15 and is now 80/20.

Mr. Friedman added that The Ohio State University is 85/15.

Mr. Talarek stated that last year during the Budget Panel review, Franklin County was in the median for employee contribution and deductibles. There are several smaller sized government entities that still have no employee contribution or deductible and has not mirrored the private sector.

Ms. Hallas Warren stated that she would make the suggested changes, share with FCCS and share any agency feedback and the final draft with the committee. The Committee is scheduled to have the final vote and approval on June 19. The next step would be to develop the Resolutions for the Commissioners.

CLOSING REMARKS

Mr. Hemphill placed a motion on the floor to adjourn, Dr. Bronson moved and Mr. Friedman seconded. The meeting was adjourned at 4:22 pm.

The next meeting will be held at 3:00 pm on June 19th at 373 South High St, 26th Floor in the East Conference Room.