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President

County Administrator
Don L. Brown

2014 RECOMMENDED BUDGET MESSAGE FROM THE FRANKLIN COUNTY ADMINISTRATOR

I am pleased to present the 2014 recommended budget for Franklin County. Under the Commissioners' direction, we present a budget that is structurally balanced and lays the foundation to maintain fiscally sustainable government operations for the next 5-10 years. The budget also meets the essential needs of Franklin County residents by focusing on job creation, community safety, health and human services, and stewardship of our natural resources and the environment.

The County must maintain a prudent and sustainable long-range budgeting strategy in order to stay among the best managed counties in the nation. For several years, the County has reduced expenditures in response to declining revenues as a result of the 2008 economic downturn. However, we must now acknowledge that Franklin County is Ohio's fastest growing county. With that growth comes increased responsibilities and challenges, such as: addressing job creation in multiple sectors and at all wage levels and economic development efforts; ensuring the physical safety of the County's residents; planning for the future regarding infrastructure needs; and continuing to address the rising poverty rate in the County and the attendant health and human services needs.

Fully understanding that the County must live within its means while meeting the needs of its citizens, the 2014 Recommended Budget for comparable year-to-year continuous operations increases 0.3% when compared to 2013 projected actual expenditures.

Like other local governments, Franklin County's revenue has been negatively impacted by the 2008-2009 recession and subsequent slow recovery, resulting in stagnant property tax revenue, declining investment earnings, and sharply-reduced state shared revenue. Franklin County has absorbed more than \$41.0 million in budget reductions because of policy changes enacted by the State of Ohio in the previous biennial budget, including support for family safety-net programs, and a 50% decrease in state support through the Local Government Fund.

As revenues remained below their pre-recession levels, Franklin County has followed the Commissioner's fiscal sustainability principles in order to maintain core services and adhere to the General Fund balance policy. The County's General Fund expenditures remained relatively flat since 2008. The 2013 Approved Budget for the General Fund was \$303.9 million. That's almost \$4 million less, or 1.3%, than actual expenditures for 2008.

Actual General Fund personal services expenditures have decreased 1.9% from \$135.8 million in 2010 to \$133.3 million in 2012. The ongoing commitment to control payroll expenditures resulted in a 6.3% reduction in full time equivalents from 2009 to 2013 for all funds. This equates to nearly 400 FTEs. Franklin County's current policy of limiting health care benefit cost increases to 3 percentage points below the national trend has saved a cumulative \$65.9 million in the General Fund since 2009.

Discretionary grants within Community Partnerships and Economic Development and Planning were reduced by 32.2% between 2009 and 2013. Even after the Commissioners adopted policy changes to rein in expenditures in the face of declining revenues, the 2013 Approved Budget anticipated a drawdown of \$29.1 million in General Fund cash reserves.

Following adoption of the 2013 budget and in consideration of the factors outlined above, the Commissioners asked the County Administrator to review the County's long-term sustainable fiscal condition. In response, the County Administrator proposed that a County Budget and Economic Advisory Panel be created to support such a review. The Franklin County Budget and Economic Advisory Panel (the Panel) was created in February 2013 to review Franklin County's fiscal condition, determine whether a structural imbalance exists between the County's annual operating revenues and expenditures, and provide recommendations that would ensure that the County's services, financial stability, and Triple-A credit ratings are maintained.

From February to July 2013, the Panel held bi-weekly meetings and worked closely with County staff to conduct an examination of the County's General Fund finances. The Panel concluded that Franklin County was well managed as evidenced by the professional staff who constantly seek to maintain appropriate levels of service and operational efficiencies at the lowest level of taxation possible and its Triple-A credit ratings. The members agreed that the Board of Commissioners was correct to place a high priority on maintaining its Triple-A credit ratings and, in order to do so, must maintain an adequate cash reserve.

The Panel found that despite being well managed, Franklin County faced a projected structural deficit. Solving the projected structural deficit required the County to consider both targeted spending reductions and revenue increases from selected revenue sources. The Panel recognized that an increase in either the property tax or in the sales tax is a viable option to meet such need and protect the County's Triple-A

credit ratings if the Board of Commissioners determined that additional investment was warranted for major capital needs, economic development, community partnerships, and/or restoration of budget cuts previously implemented.

Based on the Panel's recommendations, the Commissioners identified that Franklin County – the fastest growing County in the state – had increasing needs and remained committed to ensuring the economic growth and security of the County. Facing the reality of declining revenue and trying to meet the needs of a growing community, the Commissioners held three separate public hearings during the month of September to discuss a change to the County's Sales and Use Tax rate.

In September, a permanent increase in the County's sales tax rate by one quarter of one percent was approved along with a one quarter of one percent temporary increase which will expire on December 31, 2018. The new combined rate will apply to all retail sales in Franklin County beginning January 1, 2014.

As a result of these actions, Franklin County is able to continue to support in the General Fund a wide variety of mandated services required by state law without relying on cash reserves to maintain service levels. This includes \$63.0 million for trial and appellate court services, \$27.4 million for criminal and civil prosecution and legal defense services, \$9.3 million for the administration of elections including the 2014 gubernatorial election, \$5.0 million for the mandated share of support for federal human services programs, \$5.1 million for support of veterans through the Veterans Service Commission, and \$1.8 million for the treatment and prevention of tuberculosis.

The 2014 Recommended Budget supports other essential services provided by the County's agencies, offices, and courts. At the same time, the 2014 Recommended Budget ensures that sufficient cash reserves are in place to protect the County's two triple-A bond ratings, which place Franklin County in the top 2% of all counties in the nation. This standing minimizes the interest expense paid to finance various construction and other capital projects. The County's cash reserves also allow the County to hedge against economic downturns or further reductions in state and federal resources that cannot be predicted as we have recently experienced.

While the new sales tax rate will apply to all retail sales beginning January 1, 2014, the County will not receive the increased sales tax revenue until April 2014. Therefore, due to the timing of collections, Franklin County will not realize a full year of revenue from this change until 2015.

Even though the new rate will not be fully realized in 2014, the Recommended Budget restores balance between operating revenues and expenses without reliance on General Fund cash reserves. Of the \$76.7 million in anticipated additional sales tax revenue, \$31.8 million will be used to fill the projected operating budget gap, \$15.4 million for additional investments, and \$6.0 million in Commissioners' contingency for unexpected expenses. The remaining \$23.5 million will increase the General Fund

balance to address present and future capital projects. This budget reflects an unyielding commitment to the County Commissioners' goal to advance the priorities of our community. The anticipated increase in revenue for 2014 allows for additional investments in the following core principles:

- \$5.0 million to Promote Job Creation, Strategic Economic Development, and Fiscal Security;
- \$5.4 million to Provide Community Safety, Security, and Effective Justice;
- \$2.5 million to Provide Supportive Health and Human Services; and
- \$2.5 million to Promote Good Stewardship of Natural Resources, Environmental Sustainability, and Civic Engagement.

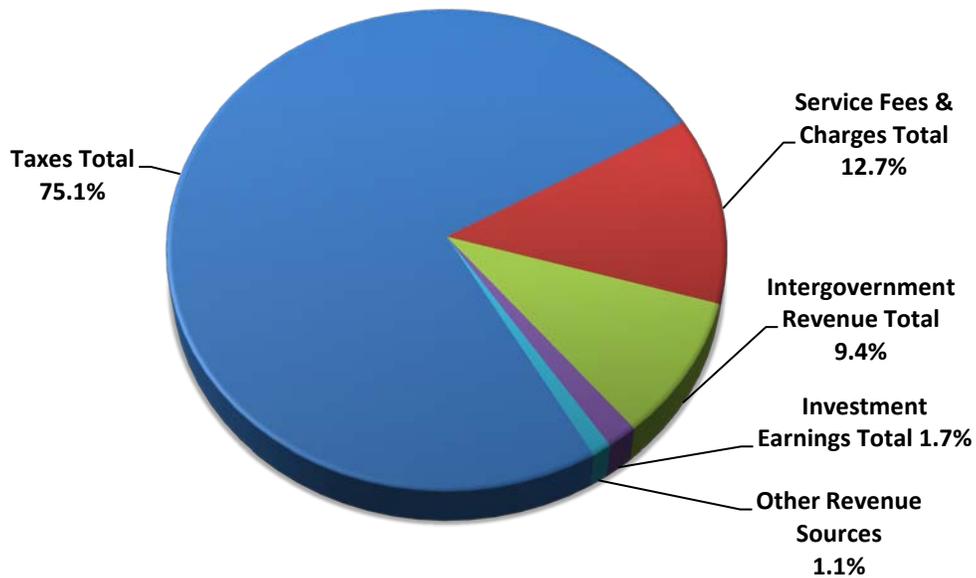
GENERAL FUND FISCAL CONDITIONS

General Fund revenue in the 2014 Recommended Budget is expected to be \$359.4 million, which is approximately \$72.9 million more than the 2013 projected actuals. **However, excluding the additional sales tax revenue from the rate change, all other revenue is expected to decline by \$3.8 million.** This is due to other sources of General Fund revenue remaining generally flat or continuing to decline in 2014, including the following major sources:

- Local Government Fund revenue is estimated to be \$11.6 million, or \$0.4 million (4.0%) less than the 2013 projected actuals. The 2014 Recommended Budget amount is \$14.8 million (56.1%) less than the \$26.4 million received by Franking County in 2008. This reflects the continuation of the 50% cut that was approved in the previous State Biennial Budget bill (H.B. 153).
- Investment earnings are estimated to be \$6.1 million, or \$1.4 million (18.7%) less than the 2013 projected actuals. This decline is a result of the continued decision of the Federal Reserve to keep interest rates low in an effort to stimulate the national economy.
- Real estate taxes (including state reimbursements) are estimated to be \$38.2 million, or \$0.4 million (1.1%) less than the 2013 projected revenue. Revenue has remained below the previous high of \$40.3 million in 2010 due to the increase in delinquencies driven by the Great Recession and the decline in property values following the sexennial reappraisal that was completed in 2011.
- Conveyance fees are estimated to be comparable to the 2013 projected actuals at \$8.9 million.
- Housing of prisoner revenues are estimated to be \$8.0 million, which is in line with the 2013 projected revenue.
- Casino revenue is estimated to be \$7.4 million in 2014. The 2013 projected actual collections will be \$6.8 million, or \$2.1 million (24.2%) less than anticipated for 2013. Initial estimates from the Ohio Department of Taxation and Office of Budget and Management in 2009 indicated that Franklin County would receive \$16.8 million in annual revenue once all four casinos were operating in the state.

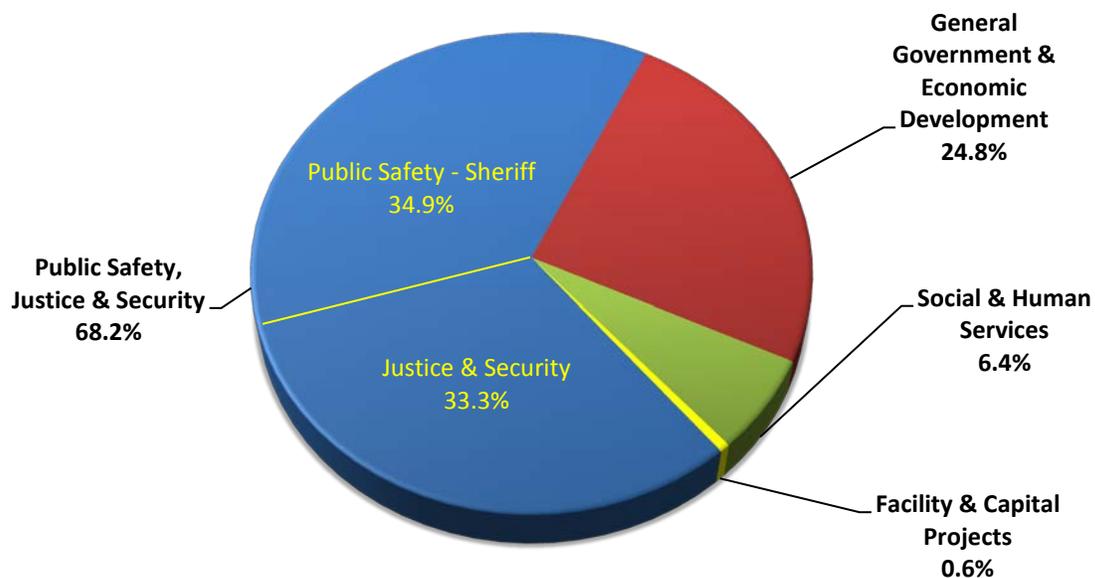
In addition, General Fund resources will be sufficient to increase cash reserves by \$23.0 million by the end of 2014. In addition to meeting the County's obligations for bond covenant pledges and managing property and casualty claim risks, these reserves have historically allowed the County to weather the impacts of the economic recession and state reductions. These funds will be necessary to address the growing needs of the community, replace the County jail and morgue, extend waterlines, and promote and foster job creation.

2014 General Fund Recommended Budget Total Revenues by Source \$359.4 million



Note: Other Revenue Sources includes Licenses & Permits, Fines & Forfeitures, Miscellaneous Revenue, Interfund Revenue, and Other Financing Sources.

2014 General Fund Recommended Budget Expenditures by Function \$281.5 million (excluding Reserves & Debt)



Note: The 2014 Recommended Budget includes \$54.4 million in Reserves & Debt.

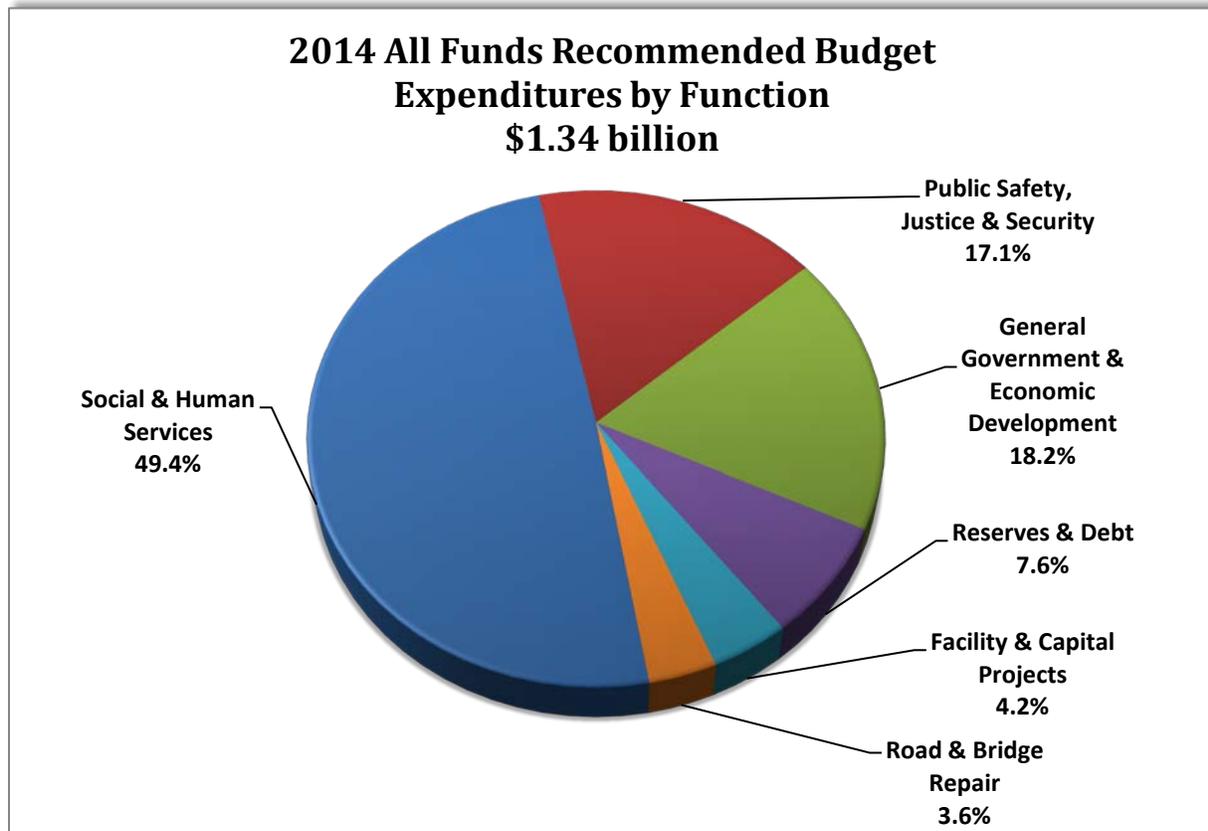
With respect to General Fund expenditures, a total of \$348.8 million was requested. During the 2014 budget process, the Office of Management and Budget fully assessed the budget request of every agency, office, and court within the context of the County's mandatory needs, statutory duties, and the demand for services. As a result of this analysis, the 2014 Recommended General Fund Budget of \$335.9 million is 3.7% less than the total amount requested. Within this amount is \$54.4 million set aside in Reserves and Debt, including \$24.9 million to meet General Fund debt service obligations in 2014.

As stated previously, the 2014 Recommended Budget for current operations increases 0.3%, or less than \$1.0 million when compared to the 2013 projected actual expenditures. However, the 2014 Recommended Budget includes an increase of \$2.2 million for the expected 6.9% increase in healthcare premiums effective April 2014. When adding the \$15.4 million in additional investments that address the Commissioners' core principles and the \$6.0 million in the Commissioners' Contingency for unexpected expenses, the 2014 Recommended Budget for the General Fund represents a \$22.3 million or 7.1% increase.

In addition to making the investments necessary to meet the Commissioners' key goals and objectives, some pending agency requests will be considered after the first quarter of 2014. The prudent decision to delay consideration of these requests is due to the County only receiving three quarters of the increased sales tax revenue in 2014 and will allow the Office of Management and Budget to compare actual revenue receipts in the General Fund to the budgeted estimates.

ALL FUNDS BUDGET

The total amount of budget appropriations recommended for all county funds in 2014 is \$1.34 billion, which represents a \$78.8 million (6.2%) increase from the 2013 projected actuals. The following table details these appropriations by function.



BUDGETING FOR POLICY RESULTS AND OUTCOMES

The Recommended Budget was developed through the County's *Budgeting for Policy Results and Outcomes* initiative, offering leadership, day-to-day management and performance management services to county agencies so they can make informed resource allocation decisions and achieve performance targets established in their strategic business plans. The County continues to utilize and improve upon this framework of outcome-based budgeting and policy goal-centered management. The 2014 Recommended Budget marks the first time in which all of the County's agencies, offices, and courts have participated in the County's *Budgeting for Policy Results and Outcomes* initiative.

JOBS CREATION AND STRATEGIC ECONOMIC DEVELOPMENT

Economic Development and Planning

The key to meeting community needs is investment in economic development and job creation initiatives. The 2014 Recommended Budget for the Economic Development and Planning Department includes \$5.0 million in additional investments for economic development incentives to foster job growth within Franklin County. In order to enhance the contribution that travel and tourism provide to our community, the budget includes \$1.9 million for Experience Columbus. Travel and tourism produces \$7.8 billion of additional spending to the local economy, and supports 61,000 jobs in Franklin County.

The 2014 Recommended Budget for the Economic Development and Planning Department includes a variety of other federal grants that support economic development and other job creation initiatives. This includes \$3.5 million in Affordable Housing grants through the County's allocation of HOME dollars, \$1.0 million from the Community Development Block Grant to support the final phase of the Neighborhood Stabilization Program, which provides funds to purchase, rehabilitate, and resell foreclosed or abandoned homes; and \$591,000 for economic development opportunity grants.

The Economic Development and Planning Department also collaborates with other agencies throughout Franklin County to assist emerging businesses. The 2014 Recommended Budget includes:

- \$150,000 for the Community Development Corporation, Inc. (CDCI) to provide Microenterprise Development Services to prospective low-income County Business Owners;
- \$30,000 for the United Way of Central Ohio (UWCO) to provide technical assistance to local convenience stores in order to increase access to fresh healthy foods in low-income communities that have limited access to healthy food choices; and
- \$35,000 for Rested Connections to support job placement services for developmentally disabled individuals.

In addition to these programs, the Economic Development and Planning Department collaborates with the Columbus-Franklin County Finance Authority, another important vehicle of job creation and strategic economic development. The Finance Authority is a political subdivision created under state law by the City of Columbus and Franklin County. The Finance Authority provides long term, fixed rate financing incentives for qualified industrial, commercial, and public projects, and works with traditional lending institutions. Credit worthy small and medium sized companies and

non-profit agencies can also apply for financial assistance. The Finance Authority has issued over \$340.0 million in bond financing closing on 25 projects that will invest more than \$447.0 million and create 1,640 jobs in Central Ohio. The 2014 Recommended Budget includes \$100,000 in operating support for the Finance Authority.

Emergency Shelter & Supportive Housing

The Recommended Budget continues support for the Community Shelter Board (CSB), which remains a national model of success. CSB assists the County by providing homeless prevention programs, emergency shelter, and supportive housing programs; the need for which continues to rise to record levels. A portion of the real estate transfer fee collections is dedicated to pay for the programs and supportive housing services provided by CSB. CSB continues to deal with an increase in the number of homeless in our community, especially women and children. The 2014 Recommended Budget includes continuation of the \$3.4 million in support of emergency shelter, supportive and permanent housing, Rebuilding Lives Program, and the second half of the commitment to the Navigator Pilot Program. The Navigator Pilot Program is a centralized case management approach to end homelessness, which will lay the foundation for the redesign of the single adult system.

Affordable Housing

The 2014 Recommended Budget continues support for the Columbus/Franklin County Affordable Housing Trust Corporation (AHT) which remains a national model program. AHT is a not-for-profit organization dedicated to the production of affordable homes and apartments, investment in affordable residential development, and construction in older and overlooked areas throughout Franklin County. The AHT facilitates the development and rehabilitation of affordable housing by making loans which enable builders and developers to construct housing with much less financial risk. Over the last five years of operation, the AHT has partnered in financing and generating 4,544 affordable units, 1,253 of which were created in 2010-2011.

The Recommended Budget includes \$2.2 million from real estate transfer fees. In 2014, AHT anticipates production of at least 600 additional units. AHT will continue its commitment to environmentally sensitive measures by including “green” building features in its project award conditions.

COMMUNITY SAFETY AND EFFECTIVE JUSTICE

Public Safety, Justice, and Security

The greatest and most basic priority in this budget is Community Safety and Effective Justice. **Over 68% of the county's General Fund budget will be spent on Public Safety, Justice, and Security for Franklin County residents, including 35% for the Sheriff's Office alone.** In the Sheriff's Office, the 2014 Recommended Budget supports the continuation of civil enforcement activities, criminal investigations, responses to calls for service, patrols, and safety education services in our community. Also in the Sheriff's Office, the budget supports the jailing of convicted adult offenders. The custody/jail operations program in the Sheriff's Office is the County's largest single General Fund program.

Based on the commitment of the Commissioners to provide additional investments for community safety and security, the Sheriff's Office created a full-time 17 member SWAT Team. As recommended in the Franklin County Sheriff's Office Management Assessment Study, the creation of the full-time SWAT Team will help reduce overtime within the Sheriff's Office by not pulling deputies from their normal duty stations to handle SWAT assignments. The SWAT Team will be responsible for handling a number of activities that are currently handled by the Warrants Division, along with their strategic and tactical initiatives. The 2014 Recommended Budget also endorses the civilianization of certain positions based upon job duties which will provide long range operational savings for the County.

The Sheriff's Office will direct Courthouse Security beginning in 2014. As a result, the Recommended Budget includes the addition of 18 deputies to supervise the courthouse security officers which are currently managed by Public Facilities Management. This change will allow for at least one Sheriff's Deputy to be located at each entry point into the Courthouse Complex. This will increase the security and confidence of all Franklin County citizens who enter the Courthouse Complex.

The Sheriff's Office will also be adding 33 replacement vehicles to its fleet. Due to cost containment measures to address declining revenue in recent years, a number of Sheriff's Office vehicles having high mileage and need replaced to ensure the safety and security of all Franklin County citizens.

Administration of Justice

The 2014 Recommended Budget includes \$63.0 million from the General Fund for operations of the courts. Of this amount, \$57.2 million or 90.7% is related to the operation of the Court of Common Pleas, which handles approximately 75,000 cases across the Domestic and General Divisions. This includes \$28.3 million for the operation of the Domestic Division, \$20.0 million for the General Division and \$8.9 million for the Clerk of Courts. In addition, the 2014 Recommended Budget provides

\$3.7 million for the operation of the Probate Court and \$1.9 million for the County's 40% share of the expenses for the Franklin County Municipal Court and Municipal Court Clerk.

The 2013 Recommended Budget also provides \$28.5 million from the General Fund for criminal and civil prosecution and legal defense services. This includes:

- \$16.1 million to the Prosecuting Attorney's office for the processing and prosecution of almost 47,000 cases;
- \$11.4 million to the Public Defender Commission to provide representation in approximately 60,000 cases; and
- Approximately \$1.0 million to the Columbus City Attorney's office for the prosecution of state code cases in the Franklin County Municipal Court.

Improved Public Records Access and Information

With completion of the e-Filing Project in 2013, the members of the eGovernance board authorized to amend the e-Filing Project Charter in order to expand its scope and membership. The ultimate goal of this expansion is the implementation of a robust integrated criminal justice system. Data will be integrated within the various criminal justice and social service entities in Franklin County and the Columbus Metropolitan Area and then eventually exchanged with other counties.

Before the long-term objective of an integrated data exchange can be realized, the primary court case management system, Franklin County Justice System (FCJS), must be replaced or upgraded (modernized). The e-Filing Project Charter has provided a successful governance model for the implementation of the e-Filing project. The expansion in scope will provide for the modernization of FCJS and its related interfaces to other systems (case management, financial, and reporting). The revised scope and mission should be finalized by the end of 2013.

In 2014, the Franklin County Justice System (FCJS) modernization project will kick-off. A request for qualifications (RFQ) will be issued, and a vendor will be selected to gather requirements, create a Request for Proposal (RFP) for the system, and manage the project throughout the implementation phase. This will be a multiyear project, and the RFP creation and vendor selection will be the two primary milestones within 2014.

The 2014 Recommended Budget includes \$1.5 million to complete development and implementation of a new electronic case management system for the Prosecuting Attorney's Office. This system will improve the work flow for processing cases, reduce paperwork, and improve efficiency by interfacing with the Common Pleas Court's e-Filing system. The new system is expected to be completed in late summer 2014.

Animal Care and Control Fee Modification

A review of user fees that the County has the permissive authority to adjust was conducted in 2013 in order to determine if a change was needed to sufficiently sustain operating service levels for Non-General Fund agencies. The Commissioners adopted a modified fee schedule for boarding, impounding, and licensing fees for 2014 in an effort to maintain existing services provided by the Department of Animal Care and Control. Franklin County has supported the operations of the agency through General Fund subsidies. The continued support of animal welfare and public safety are critical for the community. The 2014 Recommended Budget includes a reduction to the operating subsidy for Animal Care and Control from \$2.4 million in 2013 to \$1.7 million in 2014 which was made possible through the establishment of modified service fees.

Coordination Among Systems

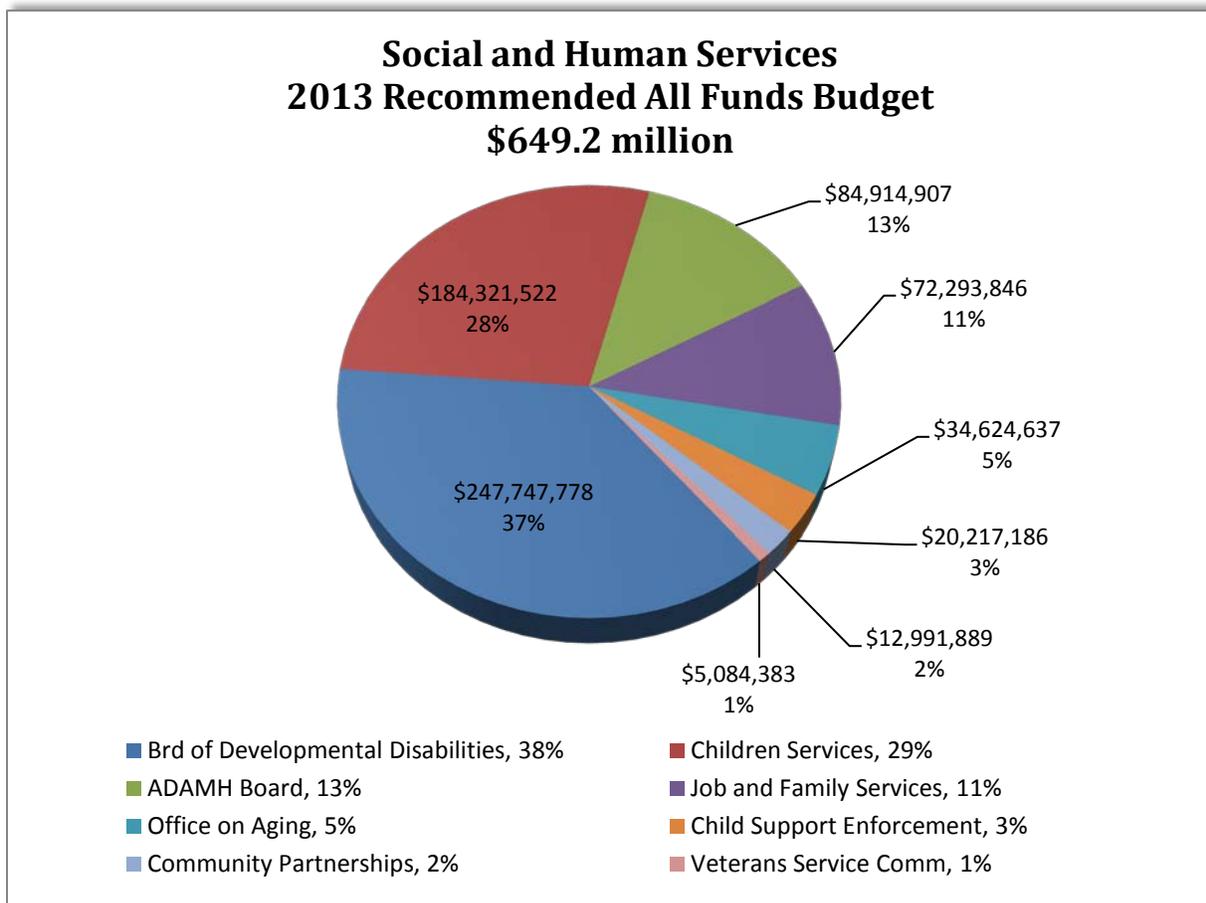
In order to provide cost effective and efficient County services to the citizens of Franklin County, coordination between the criminal justice and health and human services systems must exist. In the spring of 2013, a collaborative volunteer guardianship training program was established between the Franklin County Probate Court, Franklin County Board of Developmental Disabilities (BDD), and the Alcohol, Drug and Mental Health Board (ADAMH). The program was developed to change the guardianship relationship from an attorney based to a social services based indigent guardianship standard with the intent of lowering costs associated with indigent guardianship and civil commitments. The Probate Court established a Mental Health Fund to defray costs associated with the volunteer guardianship training program and services. BDD and the ADAMH have agreed to provide \$250,000 each, annually, to the Fund.

Another example includes the collaboration between the Franklin County Municipal Court and ADAMH to address human trafficking. The Municipal Court specialty docket CATCH Court (Changing Actions to Change Habits) is a voluntary, two-year program to help women trapped in human trafficking address the unique trauma they have experienced and develop individualized plans for recovery. With an initial investment of \$133,333 in 2013, ADAMH is providing support to women in the CATCH Court through a comprehensive treatment approach within a sober living congregate environment. The 2014 Recommended Budget includes \$400,000 in levy support for this collaboration.

HEALTH AND HUMAN SERVICES

Social and Human Services

The social and human services category is the largest in the “all funds” budget, comprising 49.4% of the total. Franklin County delivers a variety of health and human services which are for the most part supported by property tax levies, and by state and federal funds. The General Fund supports the Veterans Service Commission, a “mandated share” of \$5.0 million for programs administered by the Franklin County Department of Job and Family Services, a \$2.0 million subsidy to the Franklin County Child Support Enforcement Agency, and various Community Partnerships. These and other health and human services programs will be discussed in more detail in a moment. The following chart breaks out these 2014 Recommended All Funds expenditures:



Veterans Service Commission

The 2014 Recommended Budget of \$5.1 million in General Fund appropriations for the Veterans Service Commission (VSC) reflects the county's commitment to the men and women of Franklin County who have served in the armed forces. VSC's Recommended Budget includes a 5.4% increase over the projected actuals for 2013. This is due to the increasing demand for food vouchers, dental health care, housing assistance, utility payments, and medical transportation services for Franklin County veterans who could otherwise not meet these basic needs. The number of veterans provided food assistance also increased due to the Ohio Attorney General's Opinion (2013-07) issued in March 2013 that a county VSC may not consider the dollar value of Supplement Nutrition Assistance Program (SNAP) benefits when determining the applicant's need for financial assistance.

In addition to immediate financial assistance, VSC provides consultations and benefits claim submissions for active duty personnel, veterans, and their dependents so they can obtain eligible entitlements and benefits from the Department of Veterans Affairs. VSC projects that the number of veterans and their family members provided this service will increase to 7,590 through the remainder of 2013 and 8,000 in 2014.

Child Support Enforcement Agency

The mission of Franklin County Child Support Enforcement Agency (CSEA) is to provide for the establishment and enforcement of child support orders in order to enhance the economic security for children in Franklin County. The agency estimates that it will collect approximately \$171.0 million in child support payments in 2013. Of the six largest metro counties in the state, the agency ranks third in collections on current support and first in collections on arrears.

In recent years there have significant changes in federal law that have impacted the funding level of CSEA. Two years ago, CSEA was completely reliant on federal and state funding, and for a time was available to draw on supplemental state and federal resources to maintain its funding level, which supplemental resources are now exhausted. In 2013, the General Fund provided a subsidy of \$1.7 million to assist the agency in meeting its program needs. The 2014 Recommended Budget includes \$2.0 million, a 17.6% increase in subsidy from the General Fund. In 2014, the agency will continue implementing changes in its business processes, particularly in its imaging management initiative.

Children Services

During the previous decade, Children Services' placements were trending down before leveling off in 2010 and 2011. Currently, Children Services is seeing an increase in placements, with a 5.8% increase in agency placements and a 10.0% increase in paid placements from December 2012 to August 2013. Placement costs represent almost 50% of the agency's budget and are influenced by several factors, including the number of children in care, level of care required, placement setting (foster home, group home, or residential center), average length of stay, and placement rates.

Children Services is starting to see a shift in the case types. More children require a higher level of structure in their placement, which results in a higher placement cost rate. On average, placement in a group care setting costs \$188 per day more than foster care. As a result, the 2014 Recommended Budget for Children Services' Special Levy Fund is 6.5% higher than the 2013 projected actuals.

Early Childhood Learning

The 2014 Recommended Budget for Job and Family Services includes \$545,000 to support early childhood learning readiness through two new programs, Franklin County Kids and Supporting Partnerships to Assure Ready Kids (SPARK). Franklin County Kids replicates an already successful program, Columbus Kids, which provides Learning Checkups to preschoolers for early detection of developmental delays and speech or hearing problems. SPARK helps get children from low-income families, who are not already enrolled in a preschool program, ready for kindergarten by building reading, language, and social skills through family-focused activities. The program provides support from parent partners and structured lesson plans, activities, and learning materials.

Access to Health Care

The ability of Franklin County residents to receive care and treatment for their health needs remains a high priority of the Board of Commissioners. The budget for Job and Family Services includes an increase of \$1.7 million in non-general fund revenue and expenses to support the expansion of Medicaid administration. The funds from the State and Federal governments will support additional staff who will be responsible for assisting the expected 70,000 new recipients of Medicaid starting January 1st.

In order to address the health of our community's children, the Commissioners entered into five-year collaboration with Nationwide Children's Hospital in 2010 to reduce the rate of infant mortality in Franklin County. Entitled the Ohio Better Birth Outcomes (OBBO), this local health initiative will aggressively seek to reduce the rate and number of premature births in Franklin County. With a preterm birth rate of 13%, almost double the U.S. public health goal of 6.9%, infant mortality as well as the

potential of suffering immediate and long term medical conditions associated with preterm birth are a significant issue facing Franklin County.

A reduced infant mortality will also lead to cost savings for business and government. Costs associated with preterm births average over \$100,000, with care exceeding \$1 million for some. Therefore, improved access to prenatal care provided under the OBBO Initiative will lead to a reduced preterm birth rate as well as decrease health care costs. Franklin County's \$7.0 million investment in OBBO, including a \$2.3 million installment in 2014, is projected to realize long-term corporate and government savings in excess of \$25 million. In total, the 2014 Recommended Budget includes \$5.0 million dollars for Access to Health Care initiatives.

Social Services Budgetary Category

In order to better articulate social services initiatives within the County's budget reports, County Administration recommends creating a new budgetary category in 2014 to separate the expenditure for purchased Social Services from the budgetary category for Materials & Services. This new category would include expenditures made by a Non-General Fund Social Services agency to a third-party vendor for services and supplies that are provided directly to the agency's clients in order to improve each client's health, safety, or welfare. The Non-General Fund Social Services agencies impacted by this change would be Job and Family Services, Office on Aging, ADAMH, Children Services, and the Board of Developmental Disabilities. At this time, OMB has identified \$357.8 million within Materials & Services that may potentially be reallocated to the new Social Services budgetary category. OMB is working with the agencies to determine the proper allocation into the new category, and it is recommended that this reallocation take place in the Approved Budget for 2014.

STEWARDSHIP OF NATURAL RESOURCES AND THE ENVIRONMENT

Storm Water Management Investments

The 2014 Recommended Budget includes continued support for the County's Storm Water Management Control Program, including development and implementation of a storm water discharge control plan.

The Recommended Budget includes \$1.6 million to continue General Fund support for a comprehensive storm water management program that will strategically benefit water quality, drainage management, stream corridor protection, and wetlands and floodplain protection. This is a partnership program that includes the County Commissioners, the County Drainage Engineer, the Economic Development and Planning Department, the Sanitary Engineer, the District Board of Health, and the Soil and Water Conservation District. This program also administers illicit discharge testing and sampling efforts, conservation easements, storm-water mapping, and support of the MORPC Greenways program. The Recommended Budget increases support for the District Board of Health's illicit discharge detection and elimination program.

Water Quality Partnerships

The Water Quality Partnership program addresses health concerns caused by raw or inadequately treated sewage entering waterways. The major contributor of this pollution comes from homes built 50 to 60 years ago that rely on failing on-lot home sewage disposal systems. This program targets 21 unincorporated areas of Franklin County that have on-lot septic and aeration systems that have failed or have the potential to fail.

Since 2004, the Water Quality Partnership program has provided 1,394 homes with access to sanitary sewers, with an additional 1,260 homes expected to gain access to sanitary sewers through this initiative.

The 2014 Recommended Budget includes \$7.5 million to support water and sewer capital projects, including support for Leonard Park water lines, the EPA-mandated Capacity, Management, Operations, and Maintenance (CMOM) project, and the Cherrydale Pump Station. This budget supports the Commissioners commitment to expanding access to safe drinking water to areas that did not have this opportunity prior to an intergovernmental agreement reached with the City of Columbus pursuant to Resolution No. 0989-10. Of this amount, \$2.5 million represents new investments from the General Fund to support these and other critical infrastructure needs.

SUMMARY

Local governments throughout the country have struggled to maintain service levels in the face of declining revenues following the 2008 recession. Franklin County was faced with significant reductions in local government funding by the state, federal program cuts, declining interest earnings, and decreased real estate collections. This resulted in four years of expenditures exceeding revenue even after cost control measures were implemented. In order to maintain core services during this time, the County had to utilize cash reserves. These funding challenges made it difficult to sustain the economic development and invest in other programs that communities require for the growth and vitality they deserve.

After the enactment of the 2013 budget, Franklin County projected budget shortfalls for the foreseeable future. The concurrent outcome would be continued declines in the County's cash balance, leading to the loss of financial soundness and a downgrade of the County's Triple-A ratings. The Commissioners proactively addressed this concern by soliciting feedback from the County Budget and Economic Advisory Panel through their review of the County's finances, and from the public during three separate public hearings. The passage of the sales tax increase ensures that Franklin County continues to be a strong regional economy, a welcoming and safe community for families, a top community for good jobs and affordable housing, and a forward thinking leader in our state.

As discussed in the previous sections, the increased and growing revenues in the 2014 Recommended Budget provides support for mandatory services and meets the needs of a growing community with additional investments that are aligned with the County's core principles. The Recommended Budget reflects the county's fifth core principle by presenting a structurally balanced, results-oriented approach to delivering essential services to the public that is efficient, responsive, and fiscally sustainable.

Our focus remains on providing the citizens of Franklin County with the most cost effective government possible while continuing to make necessary investments in human capital and physical infrastructure. Due to the Franklin County Coroner's Office proximity to The Ohio State University Medical Center, the expanding hospital campus will require the relocation of the Coroner's Office. A new facility will need to be built in order to meet the requirements of the specialized services provided by the Coroner. Additionally, the County will need a new jail facility to meet the state-approved capacity for the number of jail beds in use and to promote supervision and operational efficiencies recommended in the Detention Center Master Plan. The long term budget projections allow for the purchase of these facilities utilizing cash reserves to be built from the temporary sales tax rate increase of one quarter of one percent.

Budget hearings have been scheduled so that an open public discussion may take place concerning these 2014 Budget Recommendations. I look forward to working with the Board of Commissioners as it deliberates and takes action to finalize the 2014 budget.

I would also like to thank all other elected county officials and agency directors for their continued cooperation and service to Franklin County. Special acknowledgement goes to Deputy County Administrator Kenneth Wilson and the team of professional staff in the Office of Management and Budget for their support in developing these budget recommendations.

Don L. Brown, C.G.F.M., C.G.M.A., CPA (inactive)

County Administrator

November 18, 2013