



Commissioner John O'Grady • Commissioner Paula Brooks • Commissioner Marilyn Brown
President

County Administrator
Kenneth N. Wilson

2017 RECOMMENDED BUDGET MESSAGE FROM THE FRANKLIN COUNTY ADMINISTRATOR

I am pleased to present the 2017 Recommended Budget for Franklin County. Under the Commissioners' direction, we present a budget that is fiscally responsible while addressing the needs of our most vulnerable and empowering the community.

As you shall see throughout today's presentation, we are focusing on the future of the County and laying the foundation for the provision of effective and efficient government services to meet the anticipated demands for service.

Part of our efficient response involves collaboration among the County's courts, agencies, and boards in order to maintain fiscally sustainable government operations. In addition, the County partners with other local governments, non-profit agencies, and private businesses to support the strong regional economy and remain a top community for good jobs and affordable housing.

The Commissioners govern in an environment of continual growth and must be mindful of the impact this will have when developing the annual budget.

Over the past 10 years, Franklin County's population has grown 14.2%. In 2015, the County added over 20,000 individuals. This is the largest annual population increase since 2009. Based on current trends, Franklin County is expected to be the largest county in Ohio when the Census Bureau releases its estimate next year.

The Mid-Ohio Regional Planning Commission projects in the Insight 2050 Report that the population in Central Ohio will grow 25.0% between 2010 and 2040. In contrast, the rest of Ohio will see a 3.0% decrease during the same time period.

In order to remain competitive at attracting new individuals to Franklin County, we must focus on addressing job creation in multiple sectors and at all wage levels through economic development efforts; ensuring the physical safety of the County's residents; and planning for future infrastructure needs.

Franklin County like other similarly situated counties nationally continues to see a large number of individuals and families living in poverty. The poverty rate for all people is 17.1%, which is 1.2 percentage points higher than 2006.

While certain segments of the community have seen improvements in their personal finances, almost one in four children in the County continue to live in poverty. The 2015 rate for those under the age of 18 is almost five percentage points higher than the pre-recession rates.

As we will see in the 2017 Recommended Budget, the Commissioners maintain a commitment to addressing the poverty rate that has remained above our expectations.

GENERAL FUND BUDGET

General Fund revenue in the 2017 Recommended Budget is expected to be \$444.9 million, which is approximately \$3.6 million less than the 2016 projected actuals.

The decrease is mostly related to revenue collected by the Board of Elections in 2016. In even numbered years, the Board of Elections receives fees charged to local governments to reimburse the agency for expenses related to the prior year's election. During 2016, the Board of Elections also received reimbursement from the state for the purchase of electronic pollbooks as well as reimbursement for the special elections held in the City of Columbus, City of Upper Arlington, and Village of Minerva Park.

This decrease was offset by the growth in County sales tax collections. In 2017, sales tax revenue is estimated to increase by \$4.1 million, or 1.3% more than the 2016 projections.

While estimates for 2017 reflect robust sales tax collections, the anticipated loss of revenue from the change to the sales tax on Medicaid Managed Care Organizations is reflected in the 2017 Recommended Budget. In July 2014, the Centers for Medicare and Medicare Services advised state Medicaid directors that taxing a subset of health care providers at the same rate as the statewide sales tax is not permissible. Ohio has until June 30, 2017 to comply. Franklin County received almost \$19.0 million in sales tax revenue from Medicaid Managed Care Organizations in 2015, or 6.6% of total sales tax collected. This amount is projected to increase to \$20.0 million in 2016. Since the County receives sales tax funding three months in arrears, the impact on the General fund will begin in the 4th quarter of 2017.

Investment Earnings are estimated at \$12.1 million, or \$1.2 million (10.9%) more than the projected actuals for 2016. However, this amount is 72.2% or \$31.4 million less than the actual pre-recession earnings received in 2007.

Although Franklin County will see year-over-year revenue growth from several sources, the potential loss of the Medicaid Managed Care tax revenue requires us to remain fiscally prudent as we move forward.

As a result of increased sales tax collections beginning in 2014, the County continues to maintain the balance between operating revenues and expenses without reliance on General Fund cash reserves. A permanent increase in the County's sales tax rate by one quarter of one percent was approved in September 2013, along with a one quarter of one percent temporary increase which will expire on December 31, 2018.

In 2015, the County added \$20.0 million to its General Fund cash reserves. The 2016 Projection indicates the County will add \$10.8 million to its reserves, while the 2017 Recommended Budget shows an additional \$3.7 million contribution. This aligns with the County's long-term financial forecast, and will allow for the County to continue to make contributions to its Economic Stabilization Reserve or "Rainy Day Fund," and allocate funds for the County's next 27th pay which will occur in 2020.

In addition to the contribution to reserves in 2016, stronger than anticipated sales tax growth has supported almost \$11.0 million in capital investments in the County's facilities.

The 2017 Recommended Budget contains \$439.7 million in General Fund appropriations. When the investments made possible by the temporary sales tax are excluded, this amount decreases to \$381.0 million, including \$6.0 million in contingency to cover unexpected expenditures.

During the 2017 budget process, the Franklin County Office of Management and Budget (OMB) fully assessed the budget request of every agency, office, and court within the context of the County's mandatory requirements, statutory duties, and the demand for services. OMB's reviews and suggestions were then used to develop the Recommended Budget. As a result of this analysis, the 2017 Recommended General Fund Budget is \$17.3 million, or 3.8%, less than the total amount requested.

Understanding the County's commitment to balance the cost of mandated services, needs of County residents, and other spending priorities with the directive to utilize public dollars in the most efficient and effective manner, the 2017 Recommended General Fund Budget for comparable year-to-year continuous operations increases only 0.7% when compared to 2016 projected actual expenditures.

When reviewing the General Fund Expenditures by Function, excluding the temporary sales tax investments, the percent of 2017 expenditures related to the Commissioners' core principle of Public Safety, Justice and Security is 4.7 percentage points higher than 2013. This core principle comprises 62.5% of the Recommended General Fund Budget in 2017.

Within this core principle, the 2017 Recommended Budget includes \$73.7 million in the General Fund to support the operations of the courts and \$31.3 million for criminal and civil prosecution and legal defense services.

The 2017 Recommended Budget includes a Case Manager position for the Court of Common Pleas, Domestic Relations and Juvenile Division to provide case management services to participants in the COMPASS program. In partnership with the Child Support Enforcement Agency, the COMPASS program is designed to provide job training and educational services to people who are at risk of being sent to jail for not paying child support. The new position will conduct assessments, coordinate services with providers, monitor compliance with court orders and provider rules, track and monitor the progress of the participants, and develop new contacts within the community for employment opportunities for the participants. The COMPASS program has served 270 participants to date, with 10 to 15 new cases added each month. The success rate has been at 65.0%, with less than 10.0% reoffending.

The 2017 Recommended Budget also includes a Language Access Coordinator position for the Court of Common Pleas, General Division. The position was requested to address the continued, increased need for assistance with Limited English Proficient individuals engaged with the Court as a party to a case, probationer, or the public. Supreme Court Rules of Superintendence 80 through 89 have placed an increased responsibility on Courts to manage this “access to justice” issue proactively. The position will require that the applicant be bilingual in English and Spanish.

As part of the 2017 Recommended Budget, the temporary sales tax is expected to yield \$61.3 million to support various investments in the Commissioners’ core principles:

- Under Community Safety – a transfer of \$46.0 million will be made to the Public Safety Center Fund to support construction of the new jail and forensic science center;
- Under Strategic Economic Development – \$4.8 million in Economic Development and Planning to support grants for the Smart Works suite of programs;
- Under Supportive Health and Human Services – \$5.4 million in Community Partnerships;
- Under Good Stewardship – \$2.5 million to support Sanitary Engineering projects to provide clean water and sanitary sewer systems; and
- Under Fiscal Sustainability – The balance of annual revenue received from the temporary sales tax will be added to cash reserves to meet any unanticipated needs.

As previously mentioned, the temporary sales tax will expire on December 31, 2018. Since the County receives the revenue from the sales tax three months after the sale, the final collections from the temporary sales tax will be received during the first quarter of 2019.

ALL FUNDS BUDGET

While a majority of the General Fund addresses the core principle of Public Safety, Justice and Security, the primary driver of the all funds budget are Social and Human Services. The total amount of budget appropriations recommended for all County funds in 2017 is \$1.5 billion, which represents a \$40.2 million, or 2.7%, increase from 2016 projected actuals. However, the 2017 Recommended All Funds Budget is \$29.9 million, or 2.7%, less than requested by County agencies.

The social and human services category is the largest in the all funds budget, comprising 47.0% of the total 2017 Recommended Budget. Franklin County delivers a variety of health and human services which are mostly supported by property tax levies, as well as state and federal funds.

As seen in the chart, almost one third of these expenditures are for the Franklin County Board of Developmental Disabilities. The Board serves over 20,000 individuals with developmental disabilities so they can live, work, learn, and participate in the community. In 2016, the Board received the highest possible rating from the Commission on Accreditation of Rehabilitation Facilities and “Step Up to Quality” from the Ohio Department of Education.

Within the 2017 Recommended Social & Human Services Budget are General Fund dollars for a “mandated share” of \$4.6 million for programs administered by the Franklin County Department of Job and Family Services, an almost \$2.2 million subsidy to the Franklin County Child Support Enforcement Agency, and funding for various Community Partnerships.

ASSISTING OUR MOST VULNERABLE

In order to review the 2017 Recommended Budget in more detail, we will now highlight major initiatives and achievements associated with assisting our most vulnerable and empowering the community.

The services provided through Franklin County agencies are often targeted at the most vulnerable individuals among us. This social safety net, such as senior services, access to nutritious food, and addiction treatment programs prevent individuals from falling further into poverty.

The Franklin County Office on Aging continues to provide centralized access to diverse programs and individualized services for older adults and their families so they can preserve the independence and quality of life of our seniors. The agency is projecting the number of seniors enrolled in Senior Options through the end of 2016 to be 9,750, a 4.3% increase from the previous year and a 31.8% increase from 2011. The 2017 Recommended Budget of almost \$41.3 million is a 5.9% increase from the 2016 projected actuals. The current Senior Options property tax levy expires December 31, 2017.

The number of seniors requesting services from the Office on Aging is expected to grow as the number of Franklin County residents age 60 and older continues to increase. In 2010, the number of individuals 60 and over represented 14.7% of the population in Franklin County. The Scripps Gerontology Center at Miami University projects that this number will increase to 18.1% in 2020.

As you are aware, the Franklin County Board of Commissioners, Columbus City Council, Columbus Public Health, Franklin County Economic Development and Planning, Local Matters and more than 1,000 residents have worked for the past two years to develop a Local Food Action Plan (LFAP) designed to improve residents' access to quality, nutritious, and affordable food. The effort addresses the underlying social issues of poverty, underemployment and unemployment that contribute to food inequality.

Highlights of the Local Food Action Plan that was approved last week include strategies to:

- Improve how people access food, grow food and prevent food waste;
- Increase the availability and affordability of healthy and local food while teaching people convenient and healthy ways to feed themselves and their families;
- Support a stronger market for local food businesses, creating jobs and fostering community revitalization; and
- Bolster food waste prevention efforts and supporting strategies that decrease the amount of food-related waste going to local landfills.

A joint County/Council Local Food Team, along with an advisory board, will be formed early next year to guide the plan's implementation. In addition to overseeing its implementation, it will issue annual progress reports and updates to you and to the community.

The County continues to face an unprecedented opiate epidemic. According to the Franklin County Coroner's Office, 339 people died of an opiate overdose in Franklin County in 2015, more than double the rate from 2012.

In the same year, the Columbus Fire Division delivered 2,250 naloxone doses, or more than six doses per day. In the first half of 2016 alone, that number is almost 1,400. Naloxone is a medication that reverses the effects of opioids on the brain and respiratory system to prevent death. Columbus Public Health reports that through the first six months of 2016, 6.0% of the 1,740 people who presented at local emergency rooms with complaints of drug overdose and/or withdrawal were heroin-related.

The Alcohol, Drug and Mental Health Board of Franklin County, or ADAMH, indicated that "the rising toll of death and damages attributable to addictions, most notably from the opiate epidemic, demands attention and the overall need to increase prevention, awareness and treatment options for individuals and families struggling with all

addictions.” The 2017 Recommended Budget includes \$58.4 million in support of ADAMH provider contract services for the provision of mental health treatment, substance abuse treatment, and prevention services.

According to the Public Children Services Association of Ohio, half of children taken into custody last year had parental drug use identified at the time of removal. Among infants in care, 70.0% are there due to a parent’s addiction. Parents who cannot recover from their addiction within 12 of 22 consecutive months may permanently lose custody of their child. The 2017 Recommended Budget includes \$200.3 million for Franklin County Children Services, which is a 4.2% increase from the 2016 projected actuals.

While addressing the needs of our most vulnerable in the community, the Commissioners have made it a priority to identify those individuals in need of assistance while in the custody of the Franklin County jail. In May 2015, the Commissioners adopted a resolution supporting the Stepping Up Initiative, a national initiative to help advance the County’s efforts to reduce the number of adults with mental illness and co-occurring substance use disorders in the jail.

In 2016, the Franklin County Sheriff’s Office began implementing an Objective Classification System that allows the corrections staff to effectively classify inmates housed at Franklin County Correctional Facilities to ensure they are placed and housed in a safe manner. Also, the Sheriff’s Office now conducts the Brief Mental Health Screen at booking to better identify those with mental illnesses and in need of follow up assessment and treatment services.

The ADAMH Board embedded a three person Jail Liaison team from Southeast Inc. within the Franklin County Correctional Center to provide in-reach services and connect people to community based services upon release from jail. As originally constructed, it was anticipated the program would annually serve approximately 600 individuals screening as medium or high risk on the Brief Mental Health Screen. However, an average of 250 per month are being referred for assessment and in-reach services. Despite this volume, Southeast Inc. has completed 220 Level of Care assessments as of October 31, 2016. Efforts to scale the program to size through leveraging of additional funding is underway for 2017.

In partnership with the Franklin County Sheriff’s Office, Columbus Division of Police and Fire, ADAMH, Southeast Inc., Franklin University and Mighty Crow Media, the Pathways to Women’s Healthy Living Program was launched in the Franklin County Correctional Center II on March 1, 2016. Pathways targets female offenders with a confirmed mental health and/or co-occurring diagnosis and a significant history of criminal justice involvement. The goal of the program is to reduce the number of individuals with a mental health diagnosis in the jail by increasing their access to quality pre- and post-

release services, thereby reducing their likelihood of return to incarceration. Since launching the program in March 2016:

- 18 females successfully completed the program, meeting all strict program requirements, and nine received achievement certificates for completing a significant portion of the program offering;
- 31 Transition/Re-entry plans were created prior to participant's release;
- 17 females received a full risk assessment utilizing the Ohio Risk Assessment System instrument; and
- As of November 1, 2016, only two of the 43 female participants have recidivated based on preliminary evaluation. A detailed analysis of 2016 activities will be released in early 2017.

The Franklin County Municipal Court, with support from the state of Ohio's Probation Improvement and Incentive Grant, established a pretrial services program which includes both pre-trial assessment and supervision. The goals of the program include: (a) reducing the number of individuals who spend more than three days in jail by 20.0%; (b) reducing the average length of stay for the Severely Mentally Ill population from 32 to 26 days; and (c) reducing the Bail Failure Rate by 15.0%. Since launching the program on January 11, 2016:

- 1,012 pre-trial interviews have been conducted through Sept. 30, 2016;
- 63.0% of individuals arraigned through Municipal Court were released within three days; and
- The average length of stay for defendants self-reporting as severely mentally ill and receiving pre-trial services was two days, as compared to 11 days for those individuals not receiving pre-trial services.

Work associated with the planning, design, and construction for Phase I of the new Franklin County Correctional Facility to be located at 2551 Fisher Road in Columbus is underway. The new 345,000-square-foot jail, projected to open in 2019, will provide approximately 850 beds. The facility will be designed to be expandable to 2,800 beds and a total of 897,500 square feet. The new facility will replace the aging Downtown Jail at 370 S. Front St. and eventually the county's Jackson Pike jail.

The new facility will be designed as a national model for a direct supervision county jail, which will include specialty housing for inmates with behavioral and mental health issues, a medical clinic, and a 300-person orientation or intake center in addition to maximum security housing.

In preparation for moving into a new jail, the Commissioners approved in 2016 a \$1.8 million contract for the provision of a new jail management system. By August 2017, Franklin County Sheriff's deputies will be able to track booking and release, prisoner housing, visitation and inmate movement throughout the jail, and inmate mental health history within one system.

EMPOWERING THE COMMUNITY

We will now highlight major initiatives and achievements associated with empowering the community. Many services provided by Franklin County agencies enable individuals to increase control over their lives by addressing the social and economic determinants related to their success and well-being.

Related to the Stepping Up Initiative is the County's targeted effort to assist those individuals who are re-entering the community following incarceration.

Franklin County has the third highest population of ex-offenders being released from incarceration in the state. The Franklin County Re-entry Coalition is charged with creating safer neighborhoods and more productive residents by increasing the success rates of ex-offenders transitioning from correctional and rehabilitative institutions back into the community.

The Office of Homeland Security and Justice Programs hired two re-entry staff in 2016. A Re-entry Social Services Specialist provides assessment and direct services to individuals with a mental health diagnosis incarcerated in the Franklin County Correctional Center. The Re-entry Support Specialist is charged with community outreach and linkage, capacity building and aftercare services.

The Veterans Service Commission provides assistance to the men and women who reside in Franklin County and have served in the armed forces. The 2017 Recommended Budget of \$6.2 million in General Fund appropriations for the Veterans Service Commission reflects the County's commitment to veterans. This amount is a 9.3% increase over the 2016 Projected Actuals.

Between 2012 and the 2017 Recommended Budget, expenditures for contracts and grants have increased 46.1%. Services provided include immediate financial assistance for food and rent, transportation, home repairs and burial assistance. Veterans Benefit Specialists provide consultations for 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.

In 2017, \$9.2 million in Economic Development grants will be supported by the General Fund. These investments will be made throughout the County. This includes approximately \$2.0 million for Experience Columbus to support their efforts to attract tourism to our community. Visitors to Franklin County are estimated to generate over \$1.0 billion in tax revenue, which saves the average Franklin County household \$2,271 annually in taxes. The Recommended Budget also includes \$1.0 million for Columbus 2020 for the purposes of business attraction and retention, developing entrepreneurship, and regional economic development collaboration efforts, among others.

The largest investment of General Fund dollars in 2017 is Smart Works, the suite of programs which includes Infrastructure Works, People Works, and Energy Works.

Infrastructure Works invests in infrastructure projects that support economic growth and is a revolving loan program, so the same dollars can be used for additional projects as the loans are paid back. Approved Infrastructure Works projects to date include road improvements for the city of Whitehall, construction of a fiber optic network in the city of Upper Arlington, expansion of water service in the village of Marble Cliff, and the Goodale Boulevard improvements project in the city of Grandview Heights.

People Works is focused on helping solve the persistent employment challenges facing both area employers and the unemployed/underemployed clients of Franklin County's social service agencies by facilitating employment and training of low-income County residents.

Finally, the Commissioners approved committing \$1.5 million each year to the Energy Works program for at least five years in order to offer a low-interest revolving loan fund to businesses, local governments, schools, and non-profits in Franklin County for energy efficient upgrades. These upgrades could include renewable power generation, fuel cells, waste energy recovery, high efficiency HVAC, smart lighting, or anything else that benefits the environment and community, and is feasible. The program is administered by the Columbus-Franklin County Finance Authority, and as a revolving loan fund, the funding available will grow and continue in perpetuity.

In 2016, the City of Columbus was awarded a Smart Cities grant of up to \$40.0 million in federal funds from the U.S. Department of Transportation, along with up to \$10.0 million in matching funding from Vulcan, Incorporated to assist in implementation of the City's proposal to create advanced data and intelligent transportation systems (ITS) technologies and applications. The grant will leverage an additional \$90 million from public and private sector partners to:

- Improve access to jobs through expanded mobility options in major job centers;
- Better connect our visitors to transportation options;
- Compete globally through smart logistics;
- Connect Columbus residents to safe, reliable transportation that can be accessed by all; and
- Become more environmentally sustainable.

Franklin County is an important partner in achieving the strategies of Smart Columbus and has committed to providing assistance, up to a total of \$4.0 million over four years - with a combination of in-kind resources, cash, partnerships, and policies, by supporting county projects and initiatives such as Geographic Information System-Automated Mapping upgrades, smart traffic control devices, electric fleet vehicles and charging facilities, targeted transportation strategies aimed at reducing poverty and increasing employment opportunities, complimenting infrastructure technologies, and social service smart card transportation payment access.

As good stewards of public dollars, Franklin County strives to keep staffing expenditures in control. Despite increases in demand for services driven by population growth, the 2017 Recommended Budget includes almost 284 fewer full-time equivalent positions than the 2009 Approved Budget. This decline is the result of strategic decisions throughout the County to eliminate positions through retirement and attrition.

The Commissioners have long been committed to seeing that all residents of Franklin County are paid a living wage for the work that they do. In 2016, they adopted a living wage for non-bargaining Commissioner agency employees by increasing the amount of the lowest paid employees to \$13.69 per hour and allowing for the renegotiation of union contracts so that the changes could apply to bargaining unit employees as well. According to resources developed by the Massachusetts Institute of Technology, the living wage in Franklin County is \$13.69 per hour. "Living wage" is defined as a wage that allows a family of four, including two working adults, to maintain a normal standard of living within the community in which they work.

SUMMARY

As identified throughout the presentation, the 2017 Recommended Budget of \$1.5 billion aligns with the Board of Commissioners' five Core Principles. While not all were addressed in detail today, the following remain at the forefront of our annual budget process:

- Provide Community Safety, Security & Effective Justice
- Promote Job Creation, Strategic Economic Development, & Fiscal Security
- Provide Supportive Health & Human Services
- Promote Good Stewardship of Natural Resources, Environmental Sustainability, & Civic Engagement
- Provide Efficient, Responsive & Fiscally Sustainable Government Operations

Due to the Commissioners' proactive assessment of the County's finances, the County has maintained the balance between operating revenues and expenses since 2014 while adding to the General Fund cash reserves. The 2017 Recommended Budget will allow the County to sustain our economic development efforts and invest in other programs that assist our most vulnerable and empower the community.

While acknowledging our accomplishments, we must remain cognizant of the forecasted \$20.0 million reduction in annual General Fund revenue related to the loss of sales tax collected on services purchased by Medicaid Managed Care Organizations that will begin to impact the County's budget in the 4th quarter of 2017. Even with the impending loss of revenue, we must remain committed to reducing the number of mentally ill in the County jail, increasing individuals' access to nutritious food, and decreasing the number of families facing poverty. Under the Commissioners' leadership, County

agencies and community partners will be collaboratively addressing these over the next year.

Budget hearings have been scheduled so that an open public discussion may take place concerning these 2017 Budget Recommendations. County Administration looks forward to working with the Board of Commissioners as it deliberates and takes action to finalize the 2017 budget.

I would like to thank all of the elected County officials and agency directors for their continued cooperation and service to Franklin County. Special acknowledgement goes to Zak Talarek and his team of hard working professionals in the Office of Management and Budget for their assistance in developing these budget recommendations.

Finally, I would like to thank the Board of Commissioners for your continued support and leadership.

Kenneth N. Wilson, M.P.A.

County Administrator

Franklin County Board of Commissioners