

## **2023 RECOMMENDED BUDGET MESSAGE FROM THE FRANKLIN COUNTY ADMINISTRATOR**

I am Kenneth Wilson, County Administrator, and I am pleased to present to the Board of Commissioners the 2023 Recommended Budget for Franklin County, which builds upon the historic investments you have made during the past year. With me today to present the recommended budget are our three deputy county administrators. I can't start this address without sharing my appreciation for the work and dedication of Deputy Administrators Erik Janas, Kris Long, and Joy Bivens.

Like many others, we are facing the challenges of inflation, slowed supply chain disruptions, and increased employee healthcare costs. However, the County is in a strong financial position this year because of smart planning in the past. I'm excited to be able to present a forward-thinking and fiscally responsible budget proposal for next year, and to talk about how we're going to use that budget to help meet the commissioners' priorities for 2023 and beyond.

The County remains in a fiscally strong and sustainable position. The 2023 Recommended Budget includes a projected General Fund ending cash balance of 43% of the total 2023 Expenditures. This keeps the cash balance among the highest levels of other counties rated triple-A by Moody's and Standard & Poor's.

In recent years, the County has been able to maintain its General Fund cash balance with the help of federal support. Beginning with the CARES Act in 2020 and the subsequent support provided from the American Rescue Plan, the County has avoided the need to utilize approximately tens of millions in cash reserves while preserving service levels in critical health and human services agencies, as well as to fund policy initiatives that align with our strategic priorities. The funding from the American Rescue Plan also allows for the County to meet its targeted reserve levels throughout its long-term financial forecast.

## **GENERAL FUND BUDGET**

General Fund revenue in the 2023 Recommended Budget is expected to be \$598 million. The largest proportion of General Fund revenue remains the Sales Tax, which comprises nearly 62% of the General Fund revenue. Sales tax collections have continued to remain strong throughout 2022, with almost double-digit revenue growth seen during the first three quarters of the year. However, this level of growth is not expected to be sustained over the next year as the economic impact of the recent rate increases by the Federal Reserve are realized. Based on the forecast of retail sales from Moody's Analytics, the 2023 Recommended Budget expects collections of \$372 million, an increase of 1.7% from the amount projected for 2022.

While sales tax receipts are expected to be negatively impacted by the Federal Reserve, investment earnings are estimated to be \$18 million. While this is \$8 million more than was included in last year's recommended budget, it is still 40% below the \$30 million the county collected in 2019.

Real Estate tax collections remained strong during 2022. Along with state reimbursements, revenue increased 2% from the prior year as a result of new construction. The estimates from the Budget Commission show an additional 1% growth in 2023, with total General Fund revenue of \$54 million from this source.

Intergovernmental revenue includes \$28 million for reimbursement from the State Public Defender's Office. The state biennial budget for fiscal years 2022 and 2023, House Bill 110, included significant investment from the State of Ohio for the support of appointed counsel. During the first half of this year, 100% of the costs for providing indigent defense were being reimbursed. The State Public Defender's Office recently reduced this to 90% for state fiscal year 2023, in line with the County's budget estimates developed last year. For the 2023 Recommended Budget, County agencies and the courts agreed that it would be prudent to budget for an 85% reimbursement rate based on historical fluctuations.

The 2023 Recommended Budget contains \$594 million in General Fund appropriations, which is \$14 million or 2.5% more than the 2022 projected expenditures. A majority of the General Fund budget is related to personnel costs, with \$230 million allocated for salaries and wages, and \$104 million for fringe benefits.

During the 2023 budget process that began this spring, the Franklin County Office of Management & Budget, or OMB, 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. To account for inflationary increases, agencies were provided a 2.5% increase in non-personnel related categories. The estimated impact of this allowance was approximately \$6 million when compared to the 2022 budget that was approved last December.

In addition to the other budgeted expense categories, the 2023 Recommended Budget includes \$15 million in Contingency to meet unforeseen expenses during the year, which approaches the maximum 3% that is authorized by the Ohio Revised Code.

Over half (57% or \$341 million) of the General Fund Budget is allocated to the provision of Justice & Public Safety. More than half of that amount, \$185 million, supports the operations of the Franklin County Sheriff's Office.

The next largest component of the General Fund Budget at \$117 million is for the operations of General Government & Economic Development, which includes support of the various elected officials, as well as the \$12 million in Grants through the County's Department of Economic Development & Planning.

Reserves and Debt total \$101 million, including \$37 million for the payment of the County's annual debt service obligations, the \$15 million in Contingency, and \$40 million in various interfund transfers. These transfers include nearly \$5 million for the "mandated share" of programs administered by the Franklin County Department of Job and Family Services, \$5 million set aside for the Sanitary Engineer, and almost \$2 million for the Drainage Engineer in support of the County's stormwater efforts.

**COMMUNITY SAFETY, SECURITY & EFFECTIVE JUSTICE**

The 2023 Recommended Budget for Justice & Public Safety also includes \$105 million in the General Fund to support the operations of the courts and \$42 million for criminal and civil prosecution and legal defense services.

The Recommended Budget maintains support for the Schedule of Fees for Appointed Counsel Reimbursement with the State Maximum Fee Schedule revised by the Office of the Ohio Public Defender in September 2021. This was the first increase in the hourly rate and maximum fees in over twenty years.

Building upon this, the 2023 Recommended Budget includes support for the Probate Court to increase the case rate for counsel in psychiatric cases from \$95 to \$119. Similar to appointed counsel, this rate had not been increased in over 20 years and doing so will help the Probate Court continue to attract and retain attorneys for these type of cases.

Likewise, the Recommended Budget will allow the Court of Common Pleas, General Division to increase juror fees for the first time since 2003. Increasing the fee from \$20 to \$30 per day is expected to alleviate the financial hardship associated with jury service; make it possible for more citizens to be able to serve; adequately reimburse jurors' out-of-pocket expenses; and better reflect in monetary terms the value of jury service to the justice system.

The 2023 Recommended Budget also includes approximately half a million dollars to support six assistant prosecuting attorneys. Three of these positions will assist the drug unit as a result of an increase in the number of cases, while the other three are needed to support the increase in utilization of digital evidence, including video from body-worn cameras, and public records requests.

In addition, the Recommended Budget includes \$490,000 in support of the Municipal Court Specialty Dockets and \$250,000 in support from the General Fund for the Guardianship Services Board.

## **ALL FUNDS BUDGET**

While a majority of the General Fund budget supports Justice & Public Safety, this function accounts for 20% of the \$2 billion budget recommended for all County funds in 2023. The largest portion of the all funds budget is dedicated to Social & Human Services.

At \$825 million, Social & Human Services represent 41% of the total Recommended Budget. Franklin County delivers a variety of Social & Human Services in order to meet the needs of its residents. The County and its agencies continue to integrate and collaborate in approaching this work.

### **HEALTH & HUMAN SERVICES**

The 2023 Recommended Budget includes \$246 million 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. This includes nearly 7,500 served in the Residential Support Program, who receive Home and Community Based Services such as housing, transportation, and employment services that are leveraged with federal Medicaid funding.

Another \$212 million of these expenditures support the work of Franklin County Children Services. The agency is projecting to conduct almost 19,000 intake-related assessments this year. Franklin County Children Services continues to improve the percentage of youth initially placed with kin. Research shows that youth who need to be removed from their home due to safety concerns reunify more quickly and are less likely to re-enter agency custody when they are initially placed with relatives or non-relatives with whom they have a bond or special relationship. Since 2017, the percentage of kinship placements has increased from 30% to an average of 44%.

The Recommended Budget includes \$174 million for the Alcohol, Drug, & Mental Health, or ADAMH, Board. ADAMH will continue to maintain and enhance its System of Care by addressing mental health and addiction system capacity to meet growing unmet needs and demand for services. ADAMH is working with community partners to build the new Franklin County Mental Health and Addiction Crisis Center to serve as the central, preferred destination in Franklin County for behavioral health crisis needs. When completed, the center will provide a complete crisis care continuum for adults that will offer a no-wrong-door philosophy to ensure that anyone who arrives at the facility receives or gets connected to services.

## **2023 Recommended Budget Message**

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The Franklin County Office on Aging provides centralized access to programs and individualized services for older adults and their caregivers so they can preserve their independence and quality of life. The proposed budget of almost \$50 million will support the nearly 10,000 seniors enrolled in the Senior Options program, which provides community-based services such as home delivered meals, homemaker services, adult day care, emergency response systems, and respite care. Included in this budget is support for implementing four pilots to test services that have been identified as priorities based on feedback from the 2021 Central Ohio Older Adult Needs Assessment and other outreach efforts as well as the continuation of free home meal delivery in 2023.

These agencies are able to provide these resources primarily through the support of property tax levies approved by the voters. The \$858 million received from this source represents almost half of the \$1.8 billion in the total all funds revenue budgeted for 2023.

Intergovernmental Revenue, which includes state and federal funds, is the next largest source of funding at 29%. This is the primary source that supports the operations of the Franklin County Department of Job & Family Services and Child Support Enforcement Agency.

Also included in this category is the \$40 million that will be allocated from the Coronavirus Local Fiscal Recovery Fund to the General Fund in support of initiatives allowed under the American Rescue Plan. With this historic funding, we continue to address the short-term and urgent needs of our community, as well as invest in long-term strategies to emerge from this pandemic stronger and more resilient. Our growing community will not be successful until every one of our residents is able to share in its success. That is our challenge as we work to rebuild and recover. Our goal is to help the community to return better than it ever was before, and our promise is to continue to serve every resident, every day.

## POPULATION GROWTH

As Ohio's most populous County, one of every nine residents in the State of Ohio call Franklin County home. Since 2010, the County's population has grown by more than 13%, to over 1.3 million residents.

While Franklin County has seen population growth and increasing opportunities, not everyone in the community has benefited. According to the U.S. Census Bureau, the poverty rate for all people in Franklin County was 14.2% last year, slightly higher than the 13.5% before the pandemic. Even more distressing are the racial and other disparities—almost one in four African Americans and one in five children in Franklin County are living in poverty.

As the leading provider of safety net services, Franklin County agencies serve the many residents who struggle to make ends meet every day. Disrupting poverty in Franklin County requires a response from the entire Central Ohio community to bring residents out of poverty to share in the progress. Our social service agencies will continue to be challenged to meet these needs.

In order to serve our residents, we require the hard work and dedication of our County employees. Over 6,400 members of Team Franklin County work hard every day to deliver the best service possible and they have never wavered in their dedication to our residents. We are pleased to be able to recognize them for sticking with us throughout the pandemic.

The 2023 Recommended Budget includes significant investments in the staffing needs for our County agencies. In addition to supporting existing staff, the 2023 Recommended Budget includes added staffing across 15 agencies in order to meet a variety of needs for our residents. This includes positions at Job & Family Services to support the expansion of the County's One Door Initiative and the two new mobile units, the Office of Justice Policy & Program for the 24/7 operations of the Rapid Resource Center, and at the Data Center to support the technology needs of all of our Franklin County agencies.

Despite these additions, the trendline shows the number of full-time equivalent positions, or FTEs, has been on the decline over the last decade. The number of FTEs in the 2023 Recommended Budget is 2.5% less than the number from 2010, declining by more than 160 full-time positions.

## **EMPLOYEE ENGAGEMENT**

Franklin County's success depends on our ability to attract and retain qualified and committed individuals. This has especially been true during the COVID-19 pandemic. Our employees have been on the front lines every day since the beginning of this crisis, providing excellent service to the residents of Franklin County. During 2022, eligible employees were provided premium pay and a retention incentive funded through the resources provided by the American Rescue Plan.

Also during the year, the County completed a classification and compensation review for non-bargaining employees. The study included other elected officials and the courts, as we look to align pay structures countywide and assist with retention in this challenging environment. The 2023 Recommended Budget includes the annual cost of the implementation that was approved earlier this year.

The 2023 Recommended Budget includes a reserve within the General Fund for non-bargaining pay increases. This reserve includes two components. The first is an amount equivalent to three percent of budgeted payroll for non-bargaining employees. This amount is in line with the annual increases in the County's bargaining unit agreements to be authorized by the Board of Commissioners for 2023. The second component is an additional allocation, equivalent to one-and-a-quarter percent to provide tenure adjustments in the second half of the year.

As you will hear later this week, the Franklin County Health Improvement Program continues to be one of the best county health care programs in Central Ohio, and all employees and their families should be applauded for their efforts. It is always exciting to see the active participation of our members in a variety of wellness activities such as preventative health screenings, the ThriveOn Virtual 5K run-walk, and Weight Watchers Reimagined! The 2023 Recommended Budget includes an 8% increase as a result of increases in the national trend.

Other benefits that will be part of the compensation package for 2023 is continued participation in the COTA Downtown C-Pass program, which provides a COTA transit pass for each employee as a general benefit at the County. Employees are also encouraged to participate in professional development opportunities, such as training programs through the Human Resources Department's Office of Learning & Staff Development, tuition reimbursement for continuing undergraduate and graduate education, emerging leaders programs, John Glenn College of Public Affairs' Management Advancement for the Public Services seminars at The Ohio State University, and the National Association of Counties' High Performance Leadership Academy.



## COMMUNITY PARTNERSHIPS

In addition to our employees, the County relies on a variety of non-profit partners to help deliver services to our residents. Examples include support for Physicians CareConnection to provide screenings for Franklin County residents and addressing conditions contributing to poor health outcomes; and Cancer Support Community of Central Ohio, which launched an initiative to identify and meet the needs of cancer patients, survivors, and caregivers in the Black community. Research shows that African Americans have the highest death rate and shortest survival of any racial and ethnic group in the U.S. for most cancers.

The 2023 Recommended Budget for Community Partnerships also includes \$8.5 million in COVID-19 Recovery Grants supported by the Coronavirus Local Fiscal Recovery Fund authorized by the American Rescue Plan. Two of these grants are for the Mid-Ohio Food Collective to continue the work of providing healthy foods to residents across Franklin County.

During a critical time where food needs were at an all-time high, The Board of Commissioners approved a \$7 million grant in 2021 to the Food Collective to assist them in building more capacity to their facility, particularly for frozen foods. The Food Collective is in the process of building a 19,000 square-foot addition to its existing warehouse which will house a 14,000 square-foot freezer that will provide more than 1,000 additional pallet positions, roughly doubling their current storage and picking locations. With a growing population in Franklin County along with a growing need, this project is imperative to the residents of Franklin County.

Earlier this year, the Commissioners provided an additional grant of \$2.5 million to the Mid-Ohio Food Collective for emergency food needs and support of the local food system infrastructure across Franklin County.

The 2023 Recommended Budget maintains a total of \$4 million in Community Partnerships funding for the Greater Columbus Arts Council. This funding is awarded to artists, arts organizations, and organizations who support profession artists, as well as supports the Grater Columbus Arts Council's Big Arts Night where arts organizations and artists receive awards for their creative works. This support ensures that the arts in Columbus/Franklin County continue to thrive and become a point of interest for residents and visitors from across the globe.

## **CORE PRINCIPLES**

The Board of Commissioners has established six core principles to provide more clarity about why the programs the County offers exist, what value they offer to residents, and how they benefit the community. The Office of Management & Budget has worked with each of the agencies throughout the budget process to link each of the 139 programs in the 2023 Recommended Budget with the County Core Principle that it is most related to. We discussed earlier how this budget relates to the core principles of Community Safety & Security and Health & Human Services, and want to highlight the remaining core principles before we conclude today's presentation.

## **RACIAL EQUITY**

The Rise Together Blueprint pointed out the role of racism as an underlying factor in poverty, and the Commissioners continue to take actions to re-envision the county's approach to racial equity as we continue on a journey to engrain racial equity in our county's DNA. We were the first county in the state to declare racism a public health emergency, and as such, racism is a root cause resulting in disparate outcomes in health, education, employment, housing, and criminal justice. This was followed by the Commissioners establishing racial equity as a core principle with a pledge to commit to creating and sustaining an organizational culture that applies equity principles both internally and externally.

The Office of Diversity, Equity, and Inclusion, working with the Racial Equity Council comprising representatives from each county agency that falls under the Board of Commissioners, has developed an equity framework that will be delivered to Franklin County employees through agency engagement, operations, and resource groups. The Office will also continue its efforts in supplier diversity by expanding access and opportunity to connect, educate, and bring vendors to Franklin County. In order to implement this work in 2023, the Recommended Budget includes a \$5 million increase from last year's budget.

## **JOB CREATION & ECONOMIC DEVELOPMENT**

Under job creation and economic development, the 2023 Recommended Budget includes \$2.8 million for Experience Columbus to support the travel and tourism industry in Franklin County. Visitors make 42.7 million trips to Greater Columbus annually, spending \$6.6 billion and supporting nearly 75,000 jobs. Part of the funding to Experience Columbus will be used for the promotion of the Professional Convention Management Association, or PCMA, Convening Leaders Conference in January of 2023 and the United States Conference of Mayors Annual Meeting in June of 2023.

The PCMA Convening Leaders Conference and the U.S. Conference of Mayors Annual Meeting will bring a total of approximately 8,000 attendees to Columbus and \$8 million in direct visitor spend. Over 1,000 different associations and business event strategists will be traveling to Columbus for PCMA giving us the opportunity to showcase our region and secure Columbus' reputation as a premiere destination for their next meetings and conferences. The U.S. Conference of Mayors will be bringing approximately 1,400 Mayors and chief elected officials, Mayor's staff, corporate partners, industry experts and national leaders to Columbus to see what our city has to offer. PCMA and the U.S. Conference of Mayors will put a global spotlight on Columbus in 2023 with over 25 countries represented, increased virtual attendance, web presence and National press coverage.

Other General Fund investments in economic development included in the 2023 Recommended Budget are the \$2.5 million annual commitment for the development agreement with the City of Columbus and Crew SC Stadium Company for the support of Confluence Village and a Community Sports Park, and \$1 million to One Columbus. One Columbus, the economic development organization for the 11-county region, has set forth a vision for the Columbus Region to be the most prosperous region in the United States. Working in partnership with state and local partners, One Columbus will be focused on helping existing businesses grow and compete, diversifying the economy through the attraction of new businesses, and supporting newly formed high-growth enterprises.

## **ENVIRONMENTAL SUSTAINABILITY**

Utilizing the \$5 million transferred from the General Fund for the support of various water and sewer projects, the 2023 Recommended Budget includes funding for the Kanawha/Rosslyn Sewer Project. This project will provide the infrastructure to remedy the last remaining pocket of pollution identified by the Water Quality Partnership. This was created to protect Franklin County's water quality by targeting key areas of non-point source water pollution, a major contributor of which is on-lot home sewage disposal systems. The engineering and construction of the Kanawha/Rosslyn sanitary sewer system impacts 114 users and stands to provide greater protection for Franklin County's water quality.

The 2023 Recommended Budget also includes additional support for Water Quality Enforcement. This includes additional support to Franklin County Public Health and the Franklin Soil & Water Conservation District, as well as two additional positions in the Stormwater Management Fund. These investments are needed as a result of the increased workload as part of expanded stormwater projects and reporting requirements in support of the County's National Pollutant Discharge Elimination System (NPDES) Phase II Permit in order to address Illicit Discharge Detection and Elimination.

## **FISCALLY RESPONSIBLE GOVERNMENT OPERATIONS**

In order to support the upcoming reappraisal of all real property in the upcoming year, the 2023 Recommended Budget includes the addition of three full-time positions in the Auditor's Office. These positions are necessary to ensure that the in-house appraisals team has sufficient resources to complete fair and equitable reappraisals, as well as support the increase in the expected number of applications regarding property tax reduction programs, including the homestead and owner-occupied exemptions

The 2023 Recommended Budget also includes funding for the operations review to provide a long-term plan to address the staffing and technology needs of the Coroner's Office. While we await the results of that study, the budget includes the addition of three Pathologist Assistants to help the Pathologists by performing medical examinations, as well as other duties, in order to support the goal of completing pathology cases within 60 calendar days, as well as two Morgue Attendants to assist with the intake and release of bodies and will allow for more efficient and effective scheduling and processing.

## **SUMMARY**

The budget we present today places Franklin County on the path to ensuring that every resident's needs are met on the fundamental social, wellness, economic, and environmental levels. As a result of the Board of Commissioners' vision and actions, the 2023 Recommended Budget maintains the County's strong financial position while providing for innovative programming to enable all residents to share in the progress and growth of our community.

Budget hearings have been scheduled to provide additional details that we were not able to cover today. You will hear from agencies on how they will continue working to address poverty, increase access to affordable housing, implement smart justice initiatives, and ensure an inclusive economy in collaboration with other governments, nonprofits, the faith community, and businesses. County Administration looks forward to working with the Board of Commissioners as it deliberates and takes action to finalize the budget.

I would also like to thank all of the elected County officials and agency directors for their cooperation and commitment to the residents of Franklin County. Special acknowledgment goes to Zak Talarek, and his team in the Office of Management & Budget for their assistance in developing the 2023 Budget Recommendations.

The late Nelson Mandela reminds us that "It always seems impossible until it is done." Through the dedication of our employees and the many partners who offer their time and talents to collectively address our challenges, we continue to identify the opportunities to make our community even better.

**Kenneth N. Wilson, M.P.A., CTA**

County Administrator

Franklin County Board of Commissioners