

2024 RECOMMENDED BUDGET MESSAGE FROM THE FRANKLIN COUNTY ADMINISTRATOR

With me today to present the recommended budget are our two deputy county administrators. I can't start this address without sharing my appreciation for the work and dedication of Deputy Administrators Kris Long and Joy Bivens, as well as the team from the Office of Management & Budget for their work through the budget process.

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; with special acknowledgment going to Zak Talarek, and his team in the Office of Management & Budget for their assistance in developing the 2024 Budget Recommendations.

The 2024 budget process began in the spring. Following the 1st quarter review, the Office of Management & Budget or OMB prepares an update to the County's long-term financial forecast. This document is used to develop the guidance provided to agencies when the budget instructions are released.

In May, the 35 agencies included in the budget identify strategic initiatives and operational performance measures, which are linked to the Board of Commissioners' Core Principles, for each program in their Strategic Business Plan. At the same time, agencies and OMB staff review baseline payroll information for the upcoming year.

Throughout the summer, agencies submit their budget requests for review. OMB staff meets with agencies to review the prior and current year expenditures, and what resources will be needed to accomplish their performance targets during the next year.

In the fall, OMB prepares budget briefs and presents them to County Administration to develop budget recommendations for each program, ensuring the most cost-effective use of available resources. This culminates in the Recommended Budget being presented to you today. Today's presentation will be followed by a series of public meetings later this month in which agencies present their budgets and performance measures.

Following any revisions, the budget resolution will be presented to you for final consideration and approval on the December 12th General Session agenda. Following approval, OMB analysts will monitor adherence to budget & performance targets throughout the year and will assist agencies if any budget adjustments are required.

This continuous oversight assists with keeping the County in a fiscally strong and sustainable position. The 2024 Recommended Budget includes a projected General Fund ending cash balance of 40% of the total 2024 Expenditures. This keeps the cash balance above the median levels of other counties rated triple-A by Moody's and Standard & Poor's.

At the end of October, Moody's reaffirmed the triple-A rating with a stable outlook. In the opinion, it notes that an expanding labor force and growing population will continue to support the County's strong economic profile; while the financial position will remain strong because of the County's prudent budget management and exceptionally strong liquidity. The stable outlook reflects their expectation that the regional economy will continue growing, supported by strong population trends and the notable institutional presence of the state capital and The Ohio State University. The county's financial position is also expected to remain very strong because of strong financial management and a resilient revenue base.

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 by the American Rescue Plan, the County has received nearly \$430 million in direct federal support. This includes \$8 million from the Federal Emergency Management Agency, \$76 million from the Coronavirus Relief Fund authorized by the CARES Act, \$89 million through the Emergency Rental Assistance Program, and \$255 million from the Coronavirus Local Fiscal Recovery Fund through the American Rescue Plan.

Through the end of 2023, the County will have utilized nearly two-thirds of this funding, providing rental, food, employment, and other assistance throughout the community, while avoiding the need to utilize cash reserves. The 2024 Recommended Budget will ensure that the full \$255 million from the Coronavirus Local Fiscal Recovery Fund is obligated by the required December 31, 2024 deadline.

The 2024 Recommended Budget includes nearly \$100 million in support from these sources, which leaves approximately \$50 million remaining from the Coronavirus Local Fiscal Recovery Fund to be expended before the end of 2026. While this funding has been crucial to preserving and funding policy initiatives that align with our strategic priorities within our health and human services agencies and non-profit partners, we must also prepare now for the time when these funds will no longer be available.

Under your guidance, we will continue to review and monitor our fiscal performance while delivering the results and outcomes to every resident, every day that this Board and the community have come to expect. We are 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 2024 and beyond.

GENERAL FUND BUDGET

General Fund revenue in the 2024 Recommended Budget is expected to be \$665 million. The largest proportion of General Fund revenue remains the Sales Tax, which comprises 60% of the General Fund revenue. Sales tax collections have continued to remain strong throughout 2023, with revenue coming in 4.4% higher than last year through October.

However, this level of growth is expected to decline over the next year as the economic impact of the rate increases by the Federal Reserve and policy decisions regarding Medicaid, food assistance, and student loan repayments are realized. Based on the forecast of retail sales from Moody's Analytics, the 2024 Recommended Budget expects collections of \$399 million, an increase of 1.5% from the amount projected for 2023.

While sales tax receipts are expected to be negatively impacted by the Federal Reserve, Investment Earnings are expected to remain strong at nearly \$35 million. This is nearly two-and-a-half times the amount collected in 2021.

Real Estate tax collections remained strong during 2023. Along with state reimbursements, revenue increased 2% from the prior year as a result of new construction. With the estimates from the new valuations, the 2024 Recommended Budget includes approximately \$71 million will be received from this source, which is \$15 million more than the 2023 projection.

Intergovernmental revenue includes \$50 million in reimbursements from the Coronavirus Local Fiscal Recovery Fund authorized by the American Rescue Plan Act. These funds will be used to reimburse a number of initiatives, including support of the Healthy Homes Program at Nationwide Children's Hospital to retain and expand affordable housing in the Linden neighborhood and the the pandemic floor at the OSU Wexner Medical Center that will include a dedicated exhaust system that will enable an increase in the number of beds operating as full airborne infection isolation rooms.

Intergovernmental revenue includes \$26 million for reimbursement from the State Public Defender's Office. The state biennial budget for fiscal years 2024 and 2025, House Bill 33, continued investment from the State of Ohio for the support of appointed counsel. While the first half of this year saw the reimbursement rate fall to 66%, the rate returned to 85% at the start of the new biennium. For the 2024 Recommended Budget, County agencies and the courts agreed that it would be prudent to budget for an 80% reimbursement rate based on historical fluctuations.

The 2024 Recommended Budget contains \$660 million in General Fund appropriations, which is \$22 million or 3.4% more than the 2023 projected expenditures. A majority of the General Fund budget is related to personnel costs, with \$261 million allocated for salaries and wages, and \$114 million for fringe benefits.

The next largest category is Materials & Services, covering nearly 20% of the General Fund budget. To account for inflationary increases, agencies were provided a 2.5% increase in various Materials & Services items. The estimated impact of this allowance was approximately \$2.6 million when compared to the 2023 budget that was approved last December.

The 2024 Recommended Budget includes nearly \$63 million in Grants expenditures, including \$37 million to Community Partnerships, \$16 million to Economic Development & Planning, \$4 million to the Office of Diversity, Equity, & Inclusion and \$4 million to the Veterans Service Commission.

In addition to the other budgeted expense categories, the 2024 Recommended Budget includes \$18 million in Contingency to meet unforeseen expenses during the year, which is the maximum 3% that is authorized by the Ohio Revised Code when excluding those expenses covered by the one-time.

As shown in the chart, 56% or \$373 million of the General Fund Budget is allocated to the provision of Justice & Public Safety. More than half of that amount, \$204 million, supports the operations of the Franklin County Sheriff's Office. The 2024 Recommended Budget includes the addition of 27 positions to support the new Recruitment, Diversity, Equity, & Inclusion Division within the Sheriff's Office. The creation of this new division will give the Sheriff's Office the resources necessary to increase outreach efforts and promote equity in future hiring.

Reserves and Debt total \$106 million, including \$36 million for the payment of the County's annual debt service obligations, the Commissioners' Contingency and other reserves to meet year-end payroll obligations as a result of termination and wellness payouts, and \$39 million in various inter-fund 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 \$2.5 million for the Drainage Engineer in support of the County's stormwater efforts.

ALL FUNDS BUDGET

While a majority of the General Fund budget supports Justice & Public Safety, this function accounts for 20% of the \$2 billion all funds budget recommended for all County funds in 2024. The largest portion of the all funds budget is dedicated to Social & Human Services.

At nearly \$870 million, Social & Human Services represent 40% 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.

The 2024 Recommended Budget includes \$255 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 more than 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 \$220 million of these expenditures support the work of Franklin County Children Services. The agency is projecting to conduct almost 17,000 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 42%.

The Recommended Budget includes \$172 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 Care 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.

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 \$64 million will support the nearly 15,000 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 expanding services provided in emergency departments and community centers 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 2024.

These agencies are able to provide these resources primarily through the \$491 million in support from the property tax levies approved by the voters. Due to the tax reduction factors, levy agencies will not receive additional revenue due to the new valuations during their current levy cycles. These agencies will only receive an increase in revenue in 2024 due to new construction, which is projected to be an increase of 1% from the prior year. These property taxes are part of the overall \$952 million received from all taxes, which represents almost half of the \$1.9 billion in the total all-funds revenue budgeted for 2024.

Intergovernmental Revenue, which includes state and federal funds, is the second largest source of funding at 27%. This is the primary source that supports the operations of the Franklin County Department of Job & Family Services and Child Support Enforcement Agency.

The next largest category is Service Fees & Charges, which represents 14% of all funds revenue. This is the primary source of revenue for the chargebacks to county agencies for healthcare as well as workers' compensation coverage, which total nearly \$130 million.

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. These are:

- Providing Supportive Health and Human Services
- Providing Community Safety, Security, and Effective Justice
- Promoting Good Stewardship of Natural Resources, Environmental Sustainability, and Civic Engagement
- Promoting Racial Equity in All Areas of Government, Education, Criminal Justice, Health, Housing, and Economic Success
- Promoting Job Creation and Strategic Economic Development
- Providing Efficient, Responsive, and Fiscally Sustainable Government Operations

The Office of Management & Budget has worked with each of the agencies throughout the budget process to link each of the 134 programs in the 2024 Recommended Budget with the County Core Principle that it is most related to. In the

overview, we covered how this budget relates to the core principle of Fiscally Responsible Operations. For the remainder of today's presentation, we want to highlight various initiatives related to the other five core principles.

In addition to the levy supported agencies discussed earlier, the Commissioners make significant investments in Health & Human Services through the Community Partnerships program. Community Partnerships engages with non-profit partners across Franklin County to assist with providing high-quality services to residents. This includes support for Charitable Pharmacy of Central Ohio to provide low-income residents free prescriptions, drug education, health education, resource referrals, and healthy food access from Mid-Ohio Food Collective and the Linden Market located at two Charitable Pharmacy locations in Franklin County. PrimaryOne Health is also receiving support to continue to provide comprehensive, high quality, and affordable healthcare and supportive services to meet the health needs of women and their families, and eliminating racial inequities to improve maternal/infant birth outcomes and women's reproductive health.

In 2022, the Commissioners allocated nearly \$3.5 million dollars to 21 nonprofit organizations in Franklin County. This includes All THAT-Teens Hopeful About Tomorrow, which focuses on meaningful mentorship for teens, preparing the next generation for the ever-changing workforce, and empowering teens by using evidence and research-based tools to break the poverty cycle. Also included is Community Mediation Services of Central Ohio. Their Housing Stability and Homelessness Prevention Program works in close collaboration with the Franklin County Municipal Court, Columbus Legal Aid and a number of other community partners to reduce the staggering eviction rates of about 18,000 annually among the neediest individuals and families in Franklin County. The 2024 Recommended Budget includes funding to support the third and final year of support for these programs.

During a challenging period for nonprofits, marked by financial uncertainties and increased demand for services, the Board of Commissioners demonstrated a commendable commitment to the welfare of the community. Recognizing the vital role played by local nonprofit organizations, this Board allocated American Rescue Plan Act or ARPA funds in the amount of \$8 million for a capital improvement grant specifically designed to support these vital institutions. This strategic decision not only bolsters the resilience and sustainability of nonprofits but also underlines the Board's understanding of the enduring impact these organizations have on the well-being of the community. By investing in capital improvements, the Board of Commissioners has not only provided a lifeline to struggling nonprofits but also positioned them for long-term success, ensuring they can continue their essential work and meet the evolving needs of the community during these trying times.

In the 2024 budget recommendation, ARPA funds will continue to be invested in the community, with \$1 million set aside to assist Lutheran Social Services' CHOICES to expand their Domestic Violence Shelter. There is also \$3 million to support the launch of the Eastland Prosperity Center by the Mid-Ohio Food Collective in southeast Franklin County. This exciting project will feature a full-fledged food pantry and potential collaborations with partners like PrimaryOne Health, Franklin County Job and Family Services, and more.

The 2024 Recommended Budget for Justice & Public Safety includes \$111 million in the General Fund to support the operations of the courts and \$46 million for criminal and civil prosecution and legal defense services.

The Recommended Budget provides support for the Domestic Relations and Juvenile Court to add three full-time positions to ensure youth processed through its One Door program are given proper care by providing adequate 24/7 operations. This program is part of the Court's Juvenile Detention Alternatives Initiative working to address the needs of justice-involved youth so they can avoid time in detention. The recommended budget also includes the addition of one Liaison with the Child Support Enforcement Agency to assist with a growing caseload in order to provide timely case processing.

As a result of a new magistrate added this year within the Domestic Court, the 2024 Recommended Budget includes an additional attorney in the Prosecutor's Office to handle the additional caseload within its Juvenile division. However, caseloads have been increasing in other divisions, and the 2024 Recommended Budget includes additional positions to address these as well. These include an attorney in the Civil division to handle additional requests from County Agencies, an additional Victims Witness Assistant who will help address the rising number of strangulation and domestic violence cases, and a Legal Secretary to help reduce the backlog of over 300 Grand Jury cases.

In addition, the Recommended Budget provides support for an additional position within the Arson Unit to deal with the increasing complexity and number of such cases, as well as two attorneys in the Special Victims Unit. This unit handles a wide range of high-level felonies that require a significant amount of time devoted to investigation and preparation for trial. In addition to prosecuting all of these cases through trial and sentencing, these prosecutors also practice what is known as "vertical prosecution," in that they review, determine the appropriate charges, and present all of their own cases to grand jury, and are then assigned to each case they present.

To support the sustainability of these positions, the Prosecutor's office will be using its asset forfeiture funds to reimburse the General Fund for the first year cost of the Arson and Special Victims Unit positions. In addition, the Prosecutor's Office will be using

additional resources in its Delinquent Tax Assessment Collection Fund to mitigate the impact on the General Fund.

Along with the amounts noted in the chart, the Recommended Budget includes continued support of the Municipal Court Specialty Dockets in the amount of \$490,000 as well as \$250,000 in ongoing support from the General Fund for the Guardianship Services Board.

Utilizing the \$5 million transferred from the General Fund for the support of various water and sewer projects, the 2024 Recommended Budget includes funding for the Kanawha/Rosslyn Sewer Project in Sharon Township. This \$7.8 million project will construct 5,222 linear feet of gravity sewer main, a 200-gallon-per-minute pump station, and 480 linear feet of sanitary force main that discharges into the City of Columbus sanitary sewer system just east of the Olentangy River. This project will serve approximately 120 homes that do not have access to centralized sanitary sewers and rely on home sewage treatment systems to dispose of their wastewater.

For those areas that are not served by sanitary sewer, the 2024 Recommended Budget includes \$1 million to partner with Franklin County Public Health for an Illicit Discharge Compliance Program. This program will secure grants and other public funding to assist property owners with the elimination, upgrades, or replacements of home sewage treatment systems, including the costs of connecting to sanitary sewers. In addition, \$2 million from the Coronavirus Local Fiscal Recovery Fund would be provided to the County Engineer's Office to support stormwater infrastructure by purchasing needed equipment and providing the local share of the Zuber Road drainage project.

These environmentally sustainable initiatives will be in addition to the \$2.5 million included in the Recommended Budget for support of the Stormwater Management Program. This is a partnership between the County Engineer's Office, Franklin County Public Health, and the Franklin Soil & Water Conservation District to invest in Water Quality. 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 Phase II Permit in order to address Illicit Discharge Detection and Elimination.

Related to Civic Engagement, the Recommended Budget includes nearly \$16 million for the Board of Elections to cover the 2024 Presidential Election. This is \$3.5 million more than the amount approved last year to take into account the additional staffing costs and election supplies necessary for the expected increase in turnout. The budget supports the conversion of four positions from seasonal to full-time employees. These positions are assigned to critical election tasks within the registration services and election operations programs to support our residents in exercising their right to vote.

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. 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.

One of the first action steps from the Blueprint was to provide training to county staff to discuss the role of race and racism in poverty. In order to create and sustain an organizational culture that applies equity principles both internally and externally, these efforts must and do continue. This approach has been embraced not just within the Board of Commissioner agencies, but throughout the County among the various elected officials, courts, and independent boards.

The Clerk of Courts' Office is promoting DEI trainings on topics that will include unconscious bias, microaggressions, respecting ethnic/racial differences, using an equity and inclusion lens, disability etiquette, civil treatment of workplace leaders, and generational differences.

In the Franklin County Coroner's Office, 40% of new hires this year are people of color and 60% female or non-binary. The Coroner's Office is also currently developing an agency DEI plan that will be released in the first quarter of 2024. It will include emphases on employment and recruitment; internships and career pathways; purchasing; staff training; and community outreach.

The Probate Court has earmarked funds in 2024 for a court-specific training; while the Domestic Relations and Juvenile Court has requested the addition of a Director of Diversity, Equity, and Inclusion to lead the development and implementation of strategic initiatives, policies, practices, programs, training and best practices concerning matters in the Court.

The Common Pleas Court - General Division's Access to Justice committee, working in conjunction with the Court's Executive Team, recently created an Action Plan that establishes goals throughout the Court and Probation Department. The Action Plan provides a roadmap to ensure DEI efforts are intentional and accomplished in an effective manner. Successful implementation of the Action Plan will ensure Court staff are more knowledgeable when interacting with one another and the public.

The Alcohol Drug and Mental Health Board engaged internal and external facilitators to develop trainings on themes and topics using feedback from staff engagement surveys; amended its strategic business plan with the goal to diversify service provider network; increased equity related advocacy; and is using data analysis to assure equity in access, utilization, and outcomes.

These are just a few examples as we continue on a journey to engrain racial equity in our county's DNA.

The Emergency Rental Assistance Program or ERA was established by the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act provided additional funding to continue the program. Franklin County JFS and other contracted partners dispersed over \$38 million of this funding in direct rental and utility assistance for our most vulnerable residents through the end of 2022. Because of our good stewardship of ERA funds, the US Treasury saw fit to award Franklin County nearly \$51 million in new and reallocated ERA funds in April of this year.

With this funding, the County has been able to serve over 11,000 households with funding from the ERA1 and ERA2 programs. Nearly 6,500 of these had incomes at less than 30 percent of area median income, while just under 2,500 had incomes between 30 percent and 50 percent. These vital resources came at a time when eviction filings are at a five year high. As you can see on the map, the areas of highest need align with those concentrated areas of poverty noted in the Rise Together Blueprint.

While the Emergency Rental Assistance funding addresses the short-term need to avoid eviction, longer-term solutions are needed to address the deficit of affordable housing in our community.

The Board of Commissioners partnered with the Affordable Housing Trust of Columbus and Franklin County in 2022 to establish the Emerging Developers Accelerator Program with support from the Coronavirus Local Fiscal Recovery Fund. The program provides training, educational, and networking opportunities in order to increase the financial capacity of minority developers to increase the number of affordable units and transform neighborhoods. The inaugural cohort, which graduated earlier this year, has already created or preserved 19 affordable housing units to date with 48 additional units in the pipeline. The Recommended Budget includes \$2 million as part of that initial commitment for continued support of the program in the upcoming year.

In 2023, a commitment for the development of 572 affordable housing units was made through the County's Magnet Fund. Supported by conveyance fee revenue, this program partners with developers to leverage low-income housing tax credits for the construction of affordable housing units. The recommended budget includes sufficient appropriations in the Affordable & Emergency Housing Fund to support these commitments as well as a new round of funding in the upcoming year.

To better focus these efforts, the 2024 Recommended Budget also includes a new position under the Board of Commissioners. This position along with the assignment of a senior policy analyst, will focus on research and coordinating all of the County-

supported initiatives in the critical area of affordable housing and other initiatives that align with the Commissioners' Core Principles.

SUMMARY

The late Nelson Mandela reminds us that "What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others." As a result of the Board of Commissioners' vision and actions, the 2024 Recommended Budget presented to you today is able to make that difference, by maintaining 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. Through the dedication of our employees and the many partners who offer their time and talents to collectively address our challenges, we continue to ensure that every resident's needs are met on a fundamental social, wellness, economic, and environmental level.

Budget hearings have been scheduled to provide additional details that we were not able to cover today. On November 28th, you will hear from your health and human services agencies; while on November 30th, you will hear from your agencies providing centralized services. County Administration looks forward to working with the Board of Commissioners as it deliberates and takes action to finalize the budget.

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

County Administrator

Franklin County Board of Commissioners