

Franklin County Board of Developmental Disabilities



Human Services Levy Review Committee Report November 2017



June 20, 2017

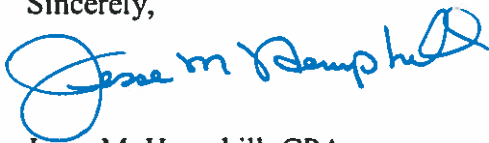
John O'Grady, President
Marilyn Brown, Commissioner
Kevin L. Boyce, Commissioner
Franklin County Board of Commissioners
373 S. High St., 26th Floor
Columbus, Ohio 43215-6314

Dear Commissioners:

After a thorough analysis of the Franklin County Board of Developmental Disabilities levy request, it is the recommendation of the Human Services Levy Review Committee that the Board of Commissioners place a ten-year 3.5 mill renewal levy effective for tax collections beginning January 1, 2019 on the November 7, 2017 ballot. Enclosed is a detailed levy review report that supports our recommendation.

Thank you for the opportunity to serve Franklin County in such a meaningful way.

Sincerely,



Jesse M. Hemphill, CPA
Chair, Human Services Levy Review Committee

Cc: Kenneth Wilson, County Administrator

2017 FCBDD

Human Services Levy Review Committee

Report

On March 30, 1999, the Franklin County Board of Commissioners passed Resolution No. 311-99 (see Appendix A) creating the Human Services Levy Review Committee consisting of seven (7) members to fulfill the following charge:

- ☑ Review social service levy requests
- ☑ Evaluate potential levy impact on service population, other social service providers, and the community
- ☑ Evaluate agency program performance on voted levy objectives
- ☑ Conduct ongoing financial reviews of levy funded social service agencies
- ☑ Provide recommendations regarding proposed millage amounts and the timing of levy requests

Current Committee members appointed by the Franklin County Board of Commissioners are (see Appendices A-G for appointment resolutions):

1. James A. Bowman, President and CEO
National Affordable Housing Trust
2. Denise Bronson, Ph.D., Professor
The Ohio State University
3. Jerome E. Friedman
Franklin County Resident
4. Jesse M. Hemphill, CPA, President and CEO
Hemphill & Associates, Inc. – **Chairman, Human Service Levy Review Committee**
5. Jean Carter Ryan, President
Columbus-Franklin County Finance Authority
6. Zachary T. Talarek, CPA, Director
Franklin County Office of Management and Budget
7. Nathan P. Wymer, Associate Vice President
Nationwide

The Committee is staffed by:

Heidi B. Hallas, Sr. Performance Analyst 2

Garrett Crane, Sr. Performance Analyst

Franklin County Office of Management and Budget (OMB)

**2017
FCBDD**

**Human
Services
Levy
Review
Committee**

Report

The Human Services Levy Review Committee evaluates levy requests from both a financial and programmatic perspective to assure that information provided by human services agencies that seek levy approved funding have demonstrated prudent program and financial planning.

Committee staff works with the various agencies to compile and analyze the data presented to Committee members. Committee staff also prepare issue-oriented analyses and presents their findings to Committee members.

Committee staff works with Franklin County Children Services (FCCS), Franklin County Board of Developmental Disabilities (FCBDD), Franklin County Alcohol, Drug and Mental Health (ADAMH) Board, and Franklin County Office on Aging (FCOA) to submit financial and program information for the Levy Review Committee's consideration, and to provide regular updates to the Levy Review Committee. This approach ensures the Levy Review Committee can knowledgeably evaluate each levy request, which facilitates its evaluation of future funding requests.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION.....	4
OVERVIEW	5
Franklin County Vision	5
Agency Mission	5
Franklin County Board of Developmental Disabilities.....	5
FCBDD Mandates.....	6
Current Services.....	7
Program Enrollment.....	8
Collaborations	10
Noteworthy Accomplishments.....	10
Changing Environment.....	12
FCBDD LEVY REQUEST	13
Levy History.....	13
Current Millage	13
Requested Millage.....	13
HSLRC REVIEW AND RECOMMENDATIONS.....	15
Review Process.....	15
Recommendations.....	15
OPERATIONAL AND PROGRAMMATIC RECOMMENDATIONS	18
OVERVIEW OF REVENUE.....	21
OVERVIEW OF EXPENDITURES.....	23
RECOMMENDED FISCAL PLAN	27
Ending Cash Balance Requirement.....	27
Recommended Fiscal Plan Through 2028.....	28
Tax Impact on Local Households	29
APPENDICES	30

EXECUTIVE SUMMARY

Background

The Franklin County Board of Commissioners, as the taxing authority for Franklin County, received a request from the Franklin County Board of Developmental Disabilities (FCBDD) on February 24, 2017. The request was to place a county-wide property tax issue on the November 7, 2017 ballot asking voters to renew a 3.5 mill levy for a period of 10 years. This request represents a renewal of the existing 3.5 mill levy expiring December 31, 2018. On behalf of the Board of Commissioners, Commissioner John O'Grady, President, forwarded FCBDD's request to the Human Services Levy Review Committee (HSLRC). The Commissioners asked the Committee to review the request and advise them of the Committee's recommendations.

After reviewing the FCBDD presentation and written levy proposal, the HSLRC and its staff formulated several follow-up questions for FCBDD staff. FCBDD was given the opportunity to address the Committee's questions in writing and during a follow-up face-to-face meeting.

Agency Overview

Since 1967, FCBDD has provided services to individuals of all ages who have developmental disabilities and their families. FCBDD is governed by a Board that consists of five members appointed by the Franklin County Board of Commissioners and two members appointed by the Franklin County Probate Court Judge. The number of individuals served by FCBDD has doubled over the past 15 years. In 2016, over 20,000 infants, preschoolers, children, adults, and seniors received services. Individuals can receive FCBDD services and supports for a lifetime, as long as they maintain a developmental disability and residency in Franklin County.

In order to provide and purchase services from community organizations for eligible individuals, FCBDD relies on funding from local, state and federal sources. Local sources from two 3.5 mill property tax levies (one continuous and one expiring December 31, 2018) represented 76.8% of the agency's revenue in 2016. Federal funds, including Medicaid reimbursements, were 13.6% of revenue. State sources represented 6.5% of revenue in 2016. Some of the funds generated from federal sources are paid directly to community providers from the state; therefore, they are not reflected in FCBDD's revenue. However, the Board provides local 'match' dollars to the state in order to draw down federal funds. According to FCBDD, \$60 million in local match and \$20 million in state match provides for \$120 million in federal Medicaid funds to support services to Franklin County families.

The levy FCBDD is seeking to renew on the November ballot was initially passed at 3.5 mills in 1992 as a replacement plus new levy for 10 years. In 2001, Franklin County voters approved a 3.5 mill replacement levy for a period of 10 years and again in 2011 for the period six years. As a renewal levy, the current request represents no new taxes for residents. The Board's continuous 3.5 mill levy was supported by voters in 2008.

Human Services Levy Review Committee's Recommendation

Based on the HSLRC's review of FCBDD's programmatic, operational, and financial information and additional research and analysis conducted by HSLRC staff, the Committee recommends a renewal of the 3.5 mill levy for a period of 10 years effective for tax collections beginning January 1, 2019. The HSLRC recommendation is based on the Recommended Fiscal Plan through 2028 (see page 28). The HSLRC concurs with FCBDD that a renewal levy will allow for the provision of continued quality services to children and adults of Franklin County who have developmental disabilities. The Committee also recommends that funds projected to remain in 2028 in addition to the 90 day ending cash balance requirement should be used to address any unanticipated need during the next 10 year levy cycle.

The recommendation is supported by the following:

- 1. The FCBDD levy request will allow the agency to address the projected demand for services while meeting the 90 days cash reserve criteria at the end of the levy cycle.** Since 2000, enrollment increases have averaged between 3.0%-5.0% per year. FCBDD projects net enrollment to remain at those levels throughout the 10 year levy period based on a number of trends. There is increased awareness among physicians who refer children for services at birth, as well as increased efforts to identify children and adults who will benefit from FCBDD supported programs. As a result of medical technology, the average lifespan of many individuals with developmental disabilities has increased. As life expectancy of the population being served continues to increase, the proposed levy projection takes into account the expanded service requirements of these individuals as they age. Finally, Franklin County is a growing community. 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.

Even taking into account the increase in service delivery along with stagnant revenue projections, the anticipated cash reserve at the end of the 10 year levy period will be approximately \$23.9 million above the 90 days cash reserve criteria. Assuming that state and federal statutes do not increase mandates or change the definition of developmental disabilities, this should be sufficient to address any unanticipated increased demand for services through 2028.

- 2. FCBDD's ability to leverage federal funding for services over the current six year levy cycle resulted in the agency submitting a fiscally prudent renewal levy request.** FCBDD staff successfully maintained the Medicaid Stability Fund during the current six year levy cycle. The success is largely a result of FCBDD staff securing additional support through Medicaid Waivers. When an individual receives a waiver, services that were once supported 100% with local levy dollars are now supported with federal funds at approximately 60% of the cost of services and only 40% of local levy funds to match the federal portion. As a result of their fiscally prudent management and ability to leverage federal funding, FCBDD is able to request a renewal levy rather than seek additional funding at the end of this

cycle. The proposed 3.5 mill renewal levy would be at no additional cost to Franklin County taxpayers.

3. **The request for a 10 year levy period will enable FCBDD to maintain funding stability in a changing environment.** The impact of the Centers for Medicare and Medicaid “conflict-free case management” ruling will result in significant changes in how Adult Services and Transportation are provided in Franklin County. FCBDD and ARC Industries have adopted a plan to transition Adult Services staff from FCBDD to ARC Industries in January 2019. FCBDD is also working on a long term plan to transition Adult Transportation services during the next levy cycle in order to comply with the CMS ruling. FCBDD has not only accounted for revenue reductions from the loss of Medicaid revenue in the proposed levy plan, but also the one-time and ongoing costs associated with the privatization of these services. In addition, the funds projected to exceed the ending cash balance and the 10 year time period of the proposed levy allows FCBDD to maintain financial stability during the transfer of Adult Services and Transportation to providers within the community.

INTRODUCTION

Since 1967, the Franklin County Board of Developmental Disabilities (FCBDD) has supported services for individuals with developmental disabilities and their families. In 2009, the name of the Board was changed per Ohio Revised Code from the Board of Mental Retardation and Developmental Disabilities (MRDD) to the Board of Developmental Disabilities. Although the name was changed, the Board has provided the same quality services to Franklin County residents for 50 years.

In 2016, the Board provided services directly and through partnerships with many community organizations to over 20,000 infants, children, adults and seniors, many of whom have both intellectual and physical disabilities. This represents a 100% increase in the number of individuals served by FCBDD over the past 15 years alone. A developmental disability is a disability that originates prior to age 22 and is expected to last indefinitely. Some individuals have a specific diagnosis, such as Down syndrome, Cerebral Palsy, Autism, or intellectual disabilities. For many, the cause is unknown. While the disability must originate prior to age 22, individuals can receive FCBDD supported services for a lifetime as long as they maintain a developmental disability and residency in Franklin County.

The Franklin County Board of Commissioners, as the taxing authority for the County, received a request from FCBDD to place a county-wide property tax issue on the November 7, 2017 ballot asking voters to renew a 3.5 mill levy for a period of 10 years. This request represents a renewal of the existing 3.5 mill levy expiring December 31, 2018 (see Appendix H).

Commissioner John O'Grady, on behalf of the Board of Commissioners, forwarded the FCBDD request to the Human Services Levy Review Committee Chairperson, Jesse Hemphill. In the request, the Commissioners asked the Committee to review FCBDD's request and advise them of their recommendations (see Appendix I).

This report is the Human Services Levy Review Committee's response to the Board of Commissioners' request.

OVERVIEW

Franklin County Vision

The vision is to provide responsible, efficient, and effective government that delivers outstanding public services through innovative leadership and sound fiscal management, and improves the quality of life for the residents of Franklin County.

Agency Mission

The mission of the Franklin County Board of Developmental Disabilities is to ensure the availability of programs, services and supports that assist eligible individuals with developmental disabilities in choosing and achieving a life of increasing capability such that they can live, work, learn and participate in the community, and to assist and support the families of these individuals in achieving this objective. In summary, the mission is to help people live, learn and work in our community.

Franklin County Board of Developmental Disabilities

FCBDD was established in 1967, with passage of Amended Senate Bill 169. FCBDD is governed by a Board that consists of five members appointed by the Franklin County Board of Commissioners and two members appointed by the Franklin County Probate Court Judge. Board members may serve three, consecutive four year terms. At least three of the Board members must be parents or family members of children or adults who are eligible for or receiving services provided by the Board.

Historically, FCBDD has been a direct service provider, operating schools, workshops, transportation, and other support services on a daily basis. In order to provide these services, the Board had over 1,400 full and part-time staff at the beginning of 2011. Staff efficiencies were identified throughout the current levy cycle, resulting in a net decrease of over 200 staff members. In December 2011, a total of 1360 staff were on the payroll compared to 1156 staff in December 2016. The majority of staff are providing direct services, including instructors, therapists, bus drivers, and support training specialists. Support staff include maintenance, mechanic, clerical, supervisory, and administrative personnel.

The Board also has a long tradition of partnering with schools and community based organizations to provide direct services. FCBDD continues to partner with the sixteen Franklin County school districts for the provision of educational services for children with multiple disabilities. Throughout the past several years, services have expanded to include several interagency, collaborative working relationships. Today, the Board has established working relationships with over 100 organizations, such as the Association for Developmentally Disabled, Creative Housing, Easter Seals Rehabilitation Center, Franklin County Residential Services, Goodwill Columbus, Nationwide Children's Hospital, Nisonger Center at The Ohio State University, and Central Ohio YMCA.

Through Board contracts and the provision of funding for services supporting developmentally disabled individuals, it is estimated that FCBDD directly and indirectly supports employment for over 10,000 individuals in Franklin County.

FCBDD Mandates

Services provided by FCBDD and partner agencies are highly regulated by the State of Ohio. Several sections of the Ohio Revised Code impact the operational practices of County Boards of Developmental Disabilities, including Titles 1, 3, 17, 33, 41, 45, 51, and 57. The Board maintains compliance with rules and regulations of and receives state subsidies from the Ohio Department of Education and the Ohio Department of Developmental Disabilities.

The primary mandates of the Board are to:

- Administer and operate facilities, programs and educational services;
- Assess facility and service needs for residents of county and former residents presently living in state institutions;
- Plan and set priorities to meet the facility and service needs;
- Coordinate, monitor and evaluate existing services and facilities;
- Provide early childhood services, supportive home services, adult services, and special education programs, and case management services;
- Ensure that transportation and developmental and corrective services are available;
- To the extent resources are available, provide for or arrange residential services and supported living for eligible individuals; and
- Require individual habilitation plans for individuals and eligible unserved clients.

Current law defines a developmental disability as a severe, chronic disability that is characterized by all of the following:

1. Is attributable to a mental or physical impairment or a combination of mental and physical impairments, other than a mental or physical impairment solely caused by mental illness.
2. Is manifested before the person attains age 22.
3. Is likely to continue indefinitely.
4. Results in one of the following:
 - a) In the case of a person under age three, at least one developmental delay;
 - b) In the case of a person at least age three but under age six, at least two developmental delays; or
 - c) In the case of a person age six or older, a substantial functional limitation in at least three of the following areas of major life activity, as appropriate for one's age: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and, if the person is age 16 or older, capacity for economic self-sufficiency.
5. Causes the person to need a combination and sequence of special interdisciplinary, or other type of care, treatment or provision of services for an extended period of time that is individually planned and coordinated for the person.

While the majority of individuals served by the Board have intellectual disabilities, the expansion of the Board's mandate to serve persons with other developmental disabilities in the 1990s resulted in the increase of services to individuals who are disabled due to many other causes originating in their developmental years. In 1990, over 97% of the individuals served had some degree of intellectual disability. In 2016, approximately 51% of the individuals served had some degree of intellectual disability and 49% of the individuals served had developmental disabilities without intellectual disabilities. According to FCBDD, trends suggest that the percentage of individuals served without intellectual disabilities will continue to increase. Many individuals who do not have intellectual disabilities have severe physical or communication disabilities that require support in employment or housing.

Current Services

FCBDD plays a number of roles as a result of the law that created County Boards of Developmental Disabilities and subsequent statutory changes. Individuals are served in early intervention and preschool classes, school programs serving children from Franklin County School Districts who have multiple disabilities, ARC Industries Workshops and Centers, and through a variety of special services. Transportation is provided with a fleet of wheelchair accessible buses and vans, transporting individuals throughout Franklin County to school, work, and other programs. Most individuals receive services on a daily basis. The Board also operates a number of facilities located throughout Franklin County.

FCBDD services are divided into the following programs within their county organizational structure:

- *Education* provides life domain learning sessions and supports to eligible children and their families so they can live, work, learn, and participate more independently in their communities. Services include individualized education and family support plans, early childhood education, public school system providing special education, school district linkages, home visits, and transition planning services. In 2016, instructional programs were provided to 2,167 children, with 96.2% showing improvement in their educational skill development.
- *Adult Day Support and Vocational Habilitation* provides services that support habilitation learning and activities as well as teaches and reinforces concepts related to work. Services include social interaction sessions, work skills development, motor skills development, task completion and problem solving sessions, and recreation and leisure activities. In 2016, a total of 2,226 adults received services in a work and habilitation skills program.
- *Supported Employment* provides intensive, on-going supports that help adults perform work in a community employment setting. Services include on the job training, interview sessions, job placement, and long-term follow along services.

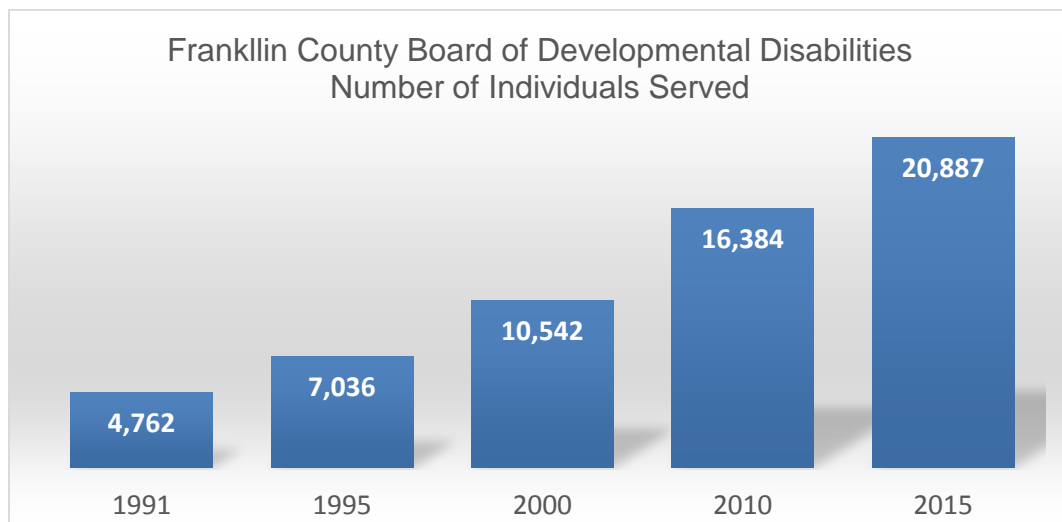
Since 2011, the number of adults receiving supported employment services increased 48.7% to 1,579.

- *Service Coordination* provides individual plan development, implementation, coordination, and monitoring services to eligible adults and children so they can be assured their health and safety needs are met. Services include team service coordination meetings, Major Unusual Incidents (MUI) investigations and reports, intake and eligibility determinations, service referrals, roommate matches, and quality assurance reports. As part of the Board's MUI duties, FCBDD is responsible for investigating any allegations of abuse, neglect or other unusual incidents occurring to persons with developmental disabilities in Franklin County. In 2016, 9,000 individuals were served in the Service Coordination program.
- *Support Services* provides assessment, treatment, and consultation services to eligible children and adults so they can benefit from their individualized program. Services include occupational, physical, speech, and vision therapy, adapted physical education, psychological and behavioral sessions, and aquatic and recreation activities. FCBDD provided 136,100 support services sessions to individuals in Franklin County in 2016, with 98.7% of services provided within 30 days of referral.
- *Transportation* provides transportation services to eligible adults and children so they can arrive to their destination on time. In addition to contracting with transportation providers, FCBDD is a major transportation system providing door-to-door, wheelchair accessible transportation to and from their facilities and to services within the community with over 200 school buses and vans. In 2016, 305,197 trips were provided by FCBDD.
- *Residential Support* provides residential support, family resources, respite, and emergency services to eligible adults and children so they can fulfill their desire to safely live in the community. FCBDD is a residential system, placing and supporting people in their living situations, 24 hours per day, 365 days per year. Additional services include homemaker and personal care services as well as room and board subsidies. FCBDD served almost 7,800 individuals with developmental disabilities in the residential support program in 2016.

Program Enrollment

According to the FCBDD, estimates of the incidence of intellectual disabilities or other developmental disabilities range from 1.6% to 3.0% of the overall population. Historically, the incidence of intellectual disabilities in the overall population has been 3.0%. Some individuals who have mild intellectual disabilities may not be eligible for services based on their ability to function independently, while others who do not have intellectual disabilities may be eligible because they are unable to function independently. Young children who have just one developmental delay or who are "at risk" of having developmental delays, due to premature birth or low birth weight, may be eligible in their

early years. FCBDD also assumes that not all people eligible for services want or need the services offered by the Board. Some may have acquired the skills to live independently with the support of friends or family; and some families may not want the services from the Board at this time.



Since 1991, when the definition of developmental disabilities changed, the number of individuals served by FCBDD increased a total of 338.6% to 20,887 in 2015. From 1992 through 1995, enrollment increased an average of 10.5% per year. From 1996 through 2000, enrollment increased an average of 8.0% per year. FCBDD assumes that the extraordinarily high percentages in the 1990s can be attributed to the change in definition of developmental disabilities. From 2000 to 2016, enrollment increases stabilized at an average of approximately 3.0-5.0% per year.

FCBDD has identified a number of recent trends that have impacted the number of children and adults receiving services in Franklin County. There is increased awareness among physicians who refer children with developmental disabilities at birth. As a result of medical technology, the average lifespan of many individuals with developmental disabilities has increased. Many parents in their 70s and 80s are still caring for their disabled adult child in the home and need support. There has also been increased efforts to identify children and adults who will benefit from FCBDD supported programs. Finally, Franklin County is a growing community. Since 2006, Franklin County's population has grown 14.2%. In 2015, the County added more than 20,000 individuals, the largest annual population increase since 2009. 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.

When considering enrollment changes, it is also important to consider expanded service requirements of the individuals served over the lifespan. A person served today in a day program may require full residential services tomorrow. In this example, the overall number of individuals served has not increased, yet the service needs of this individual have increased from 40 hours per week to 24 hours per day.

The Board maintains waiting lists for certain services. Funding, state authorizations, and available personnel or facility resources in Franklin County cannot meet everyone's request for services. According to FCBDD, a total of 5,845 are on the waiting list for Medicaid Level 1 waivers and 9,903 for Medicaid Individual Options waivers. Many individuals are on both lists. These waivers are allocated from the Centers for Medicare and Medicaid Services (CMS) to Ohio, which in turn allocates them to County Boards of Developmental Disabilities. Many individuals on waiting lists are currently receiving services, but have additional service requests. Some refuse alternative services and prefer to wait until there is an opening in the specific program they want.

Collaborations

In addition to the organizations who provide direct services through contracts with the Board, FCBDD partners with various county agencies to meet the needs of individuals with developmental disabilities. FCBDD collaborates with Franklin County Children Services (FCCS) and the Alcohol, Drug, and Mental Health Board of Franklin County (ADAMH) to support eligible individuals in need of services from multiple systems. During the current levy cycle, FCBDD, FCCS, and ADAMH developed and implemented a residential pilot project for youth who otherwise may need to receive services outside of the county or state. In addition to local funding, the project received funding support from the Ohio Department of Mental Health and Addiction Services. It is hoped that this partnership will serve as a model for other counties.

Also during this levy cycle, FCBDD and ADAMH partnered with the Franklin County Probate Court to develop a guardianship services board. Pursuant to section 2101.026 of the Ohio Revised Code, the Franklin County Guardianship Service Board (GSB) officially commenced service as Ohio's first and only public guardian on October 1, 2015. The GSB was created to ensure the care and treatment of incompetent, mentally ill, and other vulnerable residents of Franklin County. The GSB consists of three citizens appointed by the Probate Court Judge, FCBDD, and ADAMH. The GSB's Director serves as the guardian of last resort for eligible Franklin County residents. The Probate Court Judge allocates funding from the Mental Health Fund, which includes funding from ADAMH and FCBDD, for the operation of the GSB. The Franklin County Board of Commissioners provide support through payment of the GSB employees' fringe benefits.

Noteworthy Accomplishments

FCBDD has achieved a number of noteworthy accomplishments during the current levy cycle (2013-2018). As recommended by the HSLRC during the previous levy request review process, the following items were addressed:

1. *Medicaid Stability Fund: FCBDD Forecasted Ending Cash Balance*

FCBDD staff maintained the Medicaid Stability Fund during the current levy cycle. As a result of their fiscally prudent management and ability to leverage federal funding, FCBDD is able to request a renewal levy rather than seek additional funding at the end of this cycle.

2. *Employee Healthcare Cost Containment*

In 2012, FCBDD looked into joining the Franklin County Healthcare Cooperative in cooperation with the Franklin County Board of Commissioners' staff. Based on an analysis by the County's consultant, the conclusion was it did not make financial sense to join the cooperative at that time. FCBDD also completed a dependent eligibility audit of its employee on its healthcare plan to ensure all participants were eligible for enrollment.

3. *Capital Planning Process*

FCBDD developed a formal long term capital improvements plan that is reviewed and approved annually by the Board and submitted to the Office of Management and Budget during Franklin County's annual budget process.

4. *Compensation Policy*

In January 2013, FCBDD updated the compensation policy to reflect compensation levels supported by objective comparable data as recommended by the HSLRC.

5. *Greater Operational Collaborations with Franklin County*

FCBDD explored the feasibility of taking greater advantage of county government centralized services. FCBDD is currently utilizing county mail services for several locations, staff training provided by Franklin County Human Resources, Intellivue for document management, assistance from Franklin County Purchasing, and information technology services in cooperation with the Franklin County Data Center.

6. *Greater Leveraging of Available Programmatic Resources*

FCBDD established a restructuring plan in 2012 and shared service agreements with all 16 Franklin County School Districts effective with the 2013-14 school year. The Board also explored opportunities to leverage non-levy dollars for targeted individuals, which resulted in the following:

- Over 5,300 individuals enrolled on Medicaid Waivers;
- Medicaid Administrative Claims funding;
- Targeted Case Management funding;
- Title 20 Individuals with Disabilities Education Act (IDEA) funding; and
- Contract with Opportunities for Ohioans with Disabilities/Bridges to Transition to secure Federal funding.

In addition to addressing the HSLRC recommendations, FCBDD programs and services received high ratings and accreditations during the current levy cycle. The Board's Early Childhood Education Services received a 5 Star Rating for "Step Up to Quality" from the Ohio Department of Education in 2016. The ARC Industries adult programs were rated by the Commission on Accreditation of Rehabilitation Facilities (CARF) in 2016 and received a 3 year accreditation, which is the highest possible rating. FCBDD also maintains the highest possible rating, a five year accreditation, from the Ohio Department of Developmental Disabilities.

Changing Environment

As FCBDD plans for the next 10 years, they need to be mindful of the changing environment in which they provide services. CMS recently issued a rule regarding “conflict free case management” which states that County Boards of Developmental Disabilities can no longer provide both service coordination and services that are funded by Medicaid waivers. FCBDD and ARC Industries have adopted a plan to transition Adult Services staff from FCBDD to ARC Industries in January 2019. The Board will contract with ARC Industries for those services that are not Medicaid funded and the Medicaid billing process will shift to ARC Industries. The goal of this plan is to maintain stability in services for individuals with developmental disabilities while achieving compliance with the ruling. Consistent with Ohio Revised Code regarding privatizing government services, former FCBDD staff members will continue to be members of the Ohio Public Employees Retirement System and FCBDD will be required to fund the 14% employer contribution. FCBDD is also working on a long term plan to transition Adult Transportation services during the next levy cycle in order to comply with the “conflict free case management” ruling.

Based on the projections of state officials, FCBDD anticipates that current initiatives will continue with future legislation and state budgets during the next levy cycle. These initiatives include movement from congregate settings to smaller, community based environments, greater emphasis on employment services, more inclusive early intervention and educational services in natural environments, transition services for youth, and continued lifelong supports. State budgets are expected to be conservative and the possibility of Medicaid block grants may result in capped Medicaid funding with greater state regulation. As in the past, FCBDD will be required to be flexible as regulations change.

FCBDD LEVY REQUEST

Levy History

The 3.5 mill renewal levy FCBDD is seeking to place on the November 7, 2017 ballot was initially passed in 1992 as a replacement plus new levy for a total of 3.5 mills for 10 years with 52% of voters in favor. In 2001, Franklin County voters approved a 10 year 3.5 mill replacement levy with 71% in favor and again in 2011 for the period six years with 68% in favor. The Board's continuous 3.5 mill levy was approved by voters in 2008.

Current Millage

Voted Millage	Effective Millage*	Year Collections Began	Duration (Years)	2017 Collection Estimates
3.5	3.490399	2009	Continuous	\$94,204,379
3.5	3.490399	2013	6	\$94,204,379

*Effective Residential Rate

The primary source of funding for FCBDD is two 3.5 mill property tax levies. FCBDD is currently operating with a continuous 3.5 mill levy that began collections in 2009 and a 6 year 3.5 mill replacement levy that began collections in 2013. Each levy is estimated to generate \$94.2 million in revenue for tax year 2016, collection year 2017. Both FCBDD levies currently have an effective residential/agricultural rate of 3.490399 mills and an effective commercial/industrial rate of 3.5 mills. The levy that began collections in 2013 ends in December 2018.

Requested Millage

The Franklin County Board of Commissioners received a request from FCBDD to place a countywide property tax levy of 3.5 mills on the November 7, 2017 ballot for the provision of services to the developmentally disabled. This request is a renewal of the current 3.5 mill levy for a period of 10 years. Commissioner John O'Grady, President, forwarded the FCBDD request to the HSLRC Chairperson on behalf of the Board of Commissioners. In the request, the Commissioners asked the Committee to review the request and advise them of their recommendations.

The Franklin County Auditor's Office estimates that FCBDD's levy request of a renewal of the existing 3.5 mill levy expiring December 31, 2018 for a period of 10 years would generate \$94.9 million annually. This renewal will not raise property taxes. The levy would maintain the cost to the owner of a \$100,000 home at \$106.89 per year.

According to FCBDD, as the Board observed other recent levy requests and the community environment, they made the decision several years ago that they should plan for a renewal levy, rather than an increase, when the levy expires. The Board decided that a renewal offers the best chance of passage and continued stability for individuals

with disabilities and their families. This shift required adjustments to budgeting, including some reductions in staff through attrition, higher ratios, and longer waits for some services. The Board has also been successful in securing additional support through Medicaid and efforts to increase efficiencies through the use of technology and other means.

FCBDD indicates that passage of this levy will allow the agency to maintain the basic services required by the growing number of people with developmental disabilities in Franklin County. All of the agency's services have a common goal: to help persons with disabilities achieve their personal best by "helping people to live, learn and work in our community." These services include:

- Early childhood services for children ages birth to 6 years.
- School services for children who have multiple disabilities, ages 6 to 21 years.
- Adult services providing job training and jobs for adults.
- Special services including Special Olympics, therapies, and home-based services.
- Supported living and service coordination services for individuals and their families.
- Services for senior citizens who have developmental disabilities.

HSLRC REVIEW AND RECOMMENDATIONS

Review Process

The goal of the HSLRC was to review the levy proposal submitted by FCBDD and to fully understand the request, confirm the needs expressed by FCBDD staff, and validate the financial, consumer, and community impact of the proposed service levels. Committee staff began this levy review with the formation of a Levy Review Plan that identified the initial scope of the review through objectives. Each objective also included sub-objectives. The main objectives were as follows:

- What circumstances have led to FCBDD's current levy request?
- What are the levy options?
- Does FCBDD's 10 year forecast reasonably and logically project revenues to provide a reasonable assurance of accuracy?
- Does FCBDD's 10 year forecast reasonably and logically project expenditures to provide a reasonable assurance of accuracy?
- Will resources be sufficient to support FCBDD's services through the life of the levy?
- What will the passing of the levy accomplish?

After reviewing FCBDD presentation and written levy proposal, the HSLRC and its staff formulated a series of follow-up questions for FCBDD staff. FCBDD was given the opportunity to address the Committee's questions in writing and during a follow-up face-to-face meeting. As a result of this process, the levy review involved significant information sharing between the HSLRC, Committee staff, and FCBDD. Individuals were involved in periodic meetings throughout the process to discuss key issues impacting selected areas and proposed recommendations.

Recommendations

In evaluating the FCBDD request, the HSLRC spent a significant amount of time reviewing the operational and programmatic aspects of the agency, availability of services, and demand for services in the future, as well as performing an in-depth financial analysis.

Based on the HSLRC review of FCBDD's programmatic, operational, and financial areas, the Committee concurs with the request for a renewal of the 3.5 mill levy for a period of 10 years. The HSLRC recommendation is based on the Estimated Revenue and Expenditures Schedule for Calendar Years 2019-2028 scenario as submitted by FCBDD (see page 28 for the Recommended Fiscal Plan Through 2028). The request will maintain adequate funding for services in response to the increasing number of individuals with developmental disabilities seeking services and provide funding stability for the Board during a period of substantial change.

It is the recommendation of the HSLRC that the Franklin County Board of Commissioners place a 10 year 3.5 mills renewal levy on the November 7, 2017 ballot. The proposed levy would be effective for tax collections beginning January 1, 2019.

The recommendation is supported by the following:

- 1. The FCBDD levy request will allow the agency to address the projected demand for services while meeting the 90 days cash reserve criteria at the end of the levy cycle.** Since 2000, enrollment increases have averaged between 3.0%-5.0% per year. FCBDD projects net enrollment to remain at those levels throughout the 10 year levy period based on a number of trends. There is increased awareness among physicians who refer children for services at birth, as well as increased efforts to identify children and adults who will benefit from FCBDD supported programs. As a result of medical technology, the average lifespan of many individuals with developmental disabilities has increased. As life expectancy of the population being served continues to increase, the proposed levy projection takes into account the expanded service requirements of these individuals as they age. Finally, Franklin County is now the largest county in Ohio. 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.

Even taking into account the increase in service delivery along with stagnant revenue projections, the anticipated cash reserve at the end of the 10 year levy period will be approximately \$23.9 million above the 90 days cash reserve criteria. Assuming that state and federal statutes do not increase mandates or change the definition of developmental disabilities, this should be sufficient to address any unanticipated increased demand for services through 2028.

- 2. FCBDD's ability to leverage federal funding for services over the current six year levy cycle resulted in the agency submitting a fiscally prudent renewal levy request.** FCBDD staff successfully maintained the Medicaid Stability Fund during the current six year levy cycle. The success is largely a result of FCBDD staff securing additional support through Medicaid Waivers. When an individual receives a waiver, services that were once supported 100% with local levy dollars are now supported with federal funds at approximately 60% of the cost of services and only 40% of local levy funds to match the federal portion. As a result of their fiscally prudent management and ability to leverage federal funding, FCBDD is able to request a renewal levy rather than seek additional funding at the end of this cycle. The proposed 3.5 mill renewal levy would be at no additional cost to Franklin County taxpayers.
- 3. The request for a 10 year levy period will enable FCBDD to maintain funding stability in a changing environment.** The impact of the Centers for Medicare and Medicaid "conflict-free case management" ruling will result in significant changes in how Adult Services and Transportation are provided in Franklin County. FCBDD and ARC Industries have adopted a plan to transition Adult Services staff from FCBDD to ARC Industries in January 2019. FCBDD is also

working on a long term plan to transition Adult Transportation services during the next levy cycle in order to comply with the CMS ruling. FCBDD has not only accounted for revenue reductions from the loss of Medicaid revenue in the proposed levy plan, but also the one-time and ongoing costs associated with the privatization of these services. In addition, the funds projected to exceed the ending cash balance and the 10 year time period of the proposed levy allows FCBDD to maintain financial stability during the transfer of Adult Services and Transportation to providers within the community.

OPERATIONAL AND PROGRAMMATIC RECOMMENDATIONS

Issue 1: School Integration Opportunities

According to FCBDD, classroom options for children with developmental disabilities range from self-contained to inclusive settings where children with special needs experience learning with their typically developing peers. The current trend is to place greater emphasis on serving children in a natural environment in integrated settings. During the current levy cycle, FCBDD consolidated its school locations and focused on supporting students with developmental disabilities within their school districts.

Human Services Levy Review Committee Recommendation 1: Identify and Implement School Integration Opportunities

The HSLRC supports FCBDD's efforts to identify and increase opportunities for children with developmental disabilities to learn and interact with their peers who are developing typically. While FCBDD and their collaborative partners provide a number of Early Childhood Education programs located throughout Franklin County, they should determine if additional integrated programs are needed in underserved areas. The agency should also continue collaborative efforts and maintain positive relationships with school districts in Franklin County, including initiatives to support students in local school district buildings and regular classrooms as well as out of school activities. Including children with disabilities in the regular classrooms can have better outcomes for both students with and without disabilities.

Issue 2: Employment Opportunities

Based on current state and federal policy, the focus of adult services is to provide employment opportunities for individuals with developmental disabilities in the community. Consistent with the State of Ohio Employment First Initiative, FCBDD's emphasis during the current levy cycle was to train adults for community employment settings versus workshop settings while still maintaining individual choice.

Human Services Levy Review Committee Recommendation 2: Increase Employment Opportunities for Adults

Based on the strategies discussed by FCBDD in their levy proposal, the HSLRC supports the Board's work towards increased employment opportunities in the community for adults with developmental disabilities. They should continue collaborative, transitional services for young adults transitioning from school to work to better prepare them for their roles in the community based work. In addition to training, FCBDD staff should identify more employers willing to provide integrated, meaningful employment opportunities for these individuals.

Issue 3: Emerging Need for Senior Services

FCBDD has a lifelong commitment to provide services to individuals with developmental disabilities who live in Franklin County. As a result of medical technology, the average lifespan of individuals with developmental disabilities has increased. In 2015, 7% of those served by FCBDD were age 55 and older. Many parents in their 70s and 80s are still caring for their disabled adult child in the home and need support. This demographic shift will have an impact on the FCBDD service delivery model.

Human Services Levy Review Committee Recommendation 3: Expand Services for Seniors with Developmental Disabilities

The HSLRC believes FCBDD services for adults will need to expand to better respond to the needs of the growing population of seniors with developmental disabilities. This includes increasing supports to accommodate specialized needs related to aging, such as dementia. In addition, as elderly parents who serve as the primary caregiver of disabled adult children become unable to care for them, FCBDD will need to address issues such as emergency residential and supported living needs of eligible older adults.

Before developing new programs, opportunities for collaboration with agencies already providing senior services in the community should be explored. FCBDD should partner with the Franklin County Office on Aging (FCOA) to provide access to and coordination of senior services that may be available and of value to FCBDD eligible older adults. Also, the two agencies should collaborate to identify seniors previously undiagnosed with developmental disabilities and who may be eligible for more comprehensive FCBDD services.

Issue 4: Technology Utilization

For FCBDD, technology plays a role in the delivery of services, operations management, and enabling individuals with developmental disabilities to be more independent. FCBDD staff stay informed of the latest advances in medical and professional technology that will improve internal work processes for staff and meet the needs of their consumers while providing secure access to sensitive data.

Human Services Levy Review Committee Recommendation 4: Increase Technology Utilization for Client Services and Internal Operational Efficiencies

The HSLRC supports FCBDD strategies to continue information technology system development and implementation to expand efficiency, improve accountability, and enhance consumer services to better meet the complex needs of individuals and their families. During the next levy cycle, FCBDD should increase the acquisition of appropriate assistive technology and adaptive devices for individuals, such as those with orthopedic and speech/language needs. FCBDD should also improve the use of technology internally to provide and manage services. This includes developing technology and data analysis resources that can be used for assessment and programming.

Issue 5: Reliance on Property Tax Levy Revenues

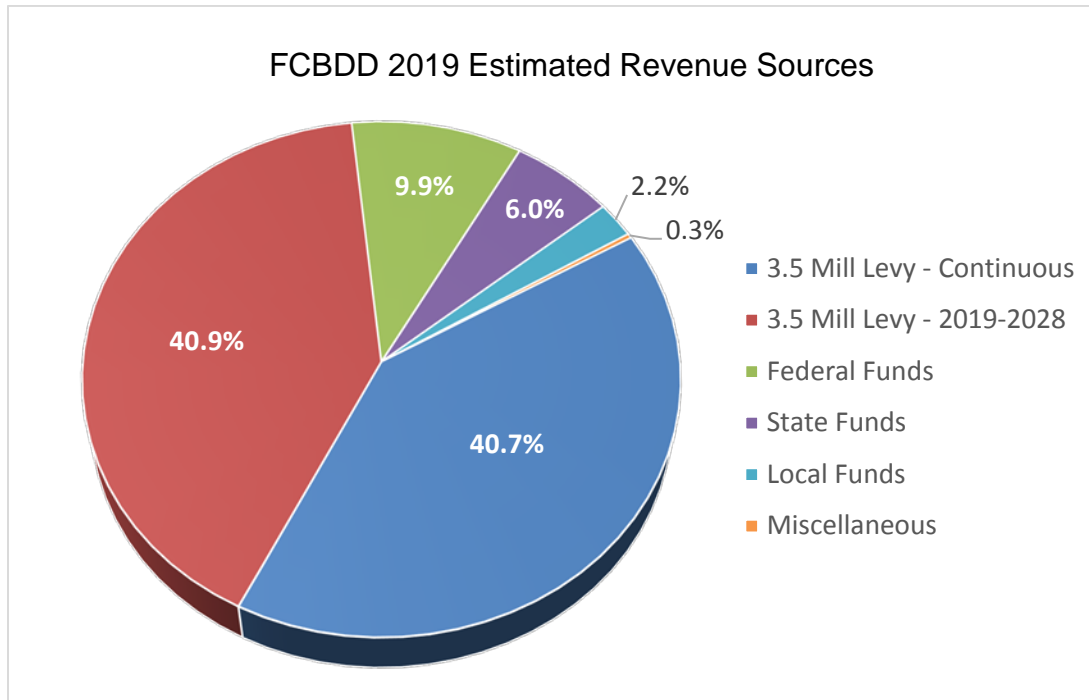
Historically, the large majority of FCBDD funding is based on the passage of property tax levies. In 2016, revenue from two 3.5 mill property tax levies (one continuous and one expiring December 31, 2018) represented 76.8% of the total available agency resources. This funding strategy places a heavy burden on the local tax payers. As the population of Franklin County and the number of individuals with developmental disabilities continue to increase, the Board may find it difficult to pass levies at larger millage amounts.

Human Services Levy Review Committee Recommendation 5: Identify and Pursue Opportunities to Reduce Dependency on Local Levy Funds

The HSLRC commends FCBDD staff for securing additional support through Medicaid Waivers during the current levy cycle. This enabled FCBDD to maintain an adequate cash balance in the levy fund as well as request a renewal levy for the next cycle. The Committee encourages FCBDD to continue seeking the maximum benefit of federal funding opportunities, including Medicaid Waivers, HUD funds, and other appropriate federal programs, in order to reduce dependency on local levy funds.

FCBDD should also increase collaboration with FCCS, ADAMH, and FCOA to support eligible children and adults in need of services from multiple systems. An excellent example of this effort during the current levy cycle was the development and implementation of a residential pilot project by FCBDD, FCCS, and ADAMH for youth who otherwise may need to receive services outside of the county or state. In addition to local multi-system funding, the project received financial support from the Ohio Department of Mental Health and Addiction Services. The delivery of collaborative services should increase cost effectiveness and improve outcomes for the individuals served.

OVERVIEW OF REVENUE



FCBDD has six primary sources of revenue: Two 3.5 mill levies, Federal funds, State funds, Local funds, and Miscellaneous. As presented in the FCBDD 2019 Estimated Revenue Sources chart above, the primary source of revenue for FCBDD is from two 3.5 mill levies at 81.6% of the total resources. The proposed 3.5 mill renewal levy is estimated at \$94.6 million, or 40.9%, and the 3.5 mill continuous levy is estimated at \$94.2 million, or 40.7%. The next largest source of revenue is Federal funds at \$22.8 million, or 9.9%. State funds are estimated at \$13.8 million, or 6.0%, of the estimated resources in 2019. While Local funds are \$5.2 million, or 2.2%, and Miscellaneous at less than \$1.0 million, or 0.3%. Each of these sources was considered in the Committee's review of FCBDD revenue estimates.

The amount of local millage needed to support FCBDD service delivery priorities must be approached carefully, taking into consideration the loss of the Tangible Personal Property Tax (TPPT) Reimbursement and stagnant property values during the current levy cycle. Estimates for future year levy revenues are calculated using the assessed property valuation as of January 1st of the year the levy is voted. Accordingly, voter approved levies do not gain the benefit of property revaluations until the levy is replaced. Currently, the Franklin County Auditor's Office has established the 2017 real and personal property valuation at \$27.1 billion. This translates into one mill generating approximately \$27.1 million in levy revenues. The actual amount collected is impacted by the collection rate, i.e., the number of residents who pay their taxes.

FCBDD's Proposal Assumptions

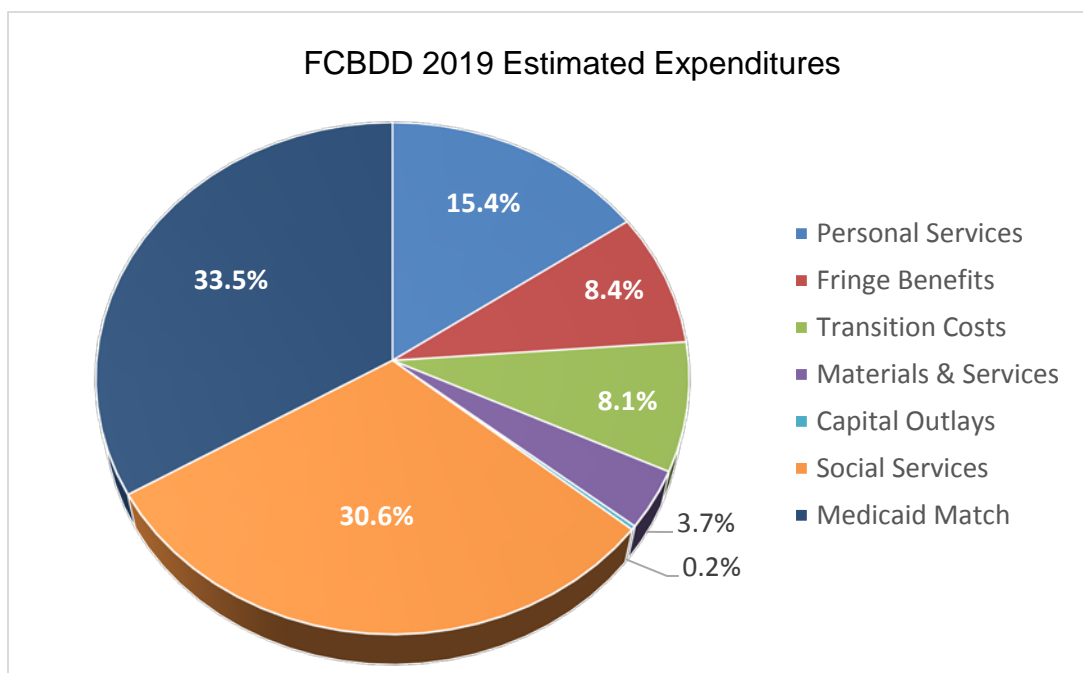
The following assumptions by budget category were made in FCBDD's levy proposal for revenue:

- **Levy Revenue:** Levy revenues do not increase as a result of property reappraisals when they are renewed; however, agencies can expect a slight increase as a result of new construction of homes or businesses. According to FCBDD, levy revenue growth has averaged less than 1.0% over the past three years. Therefore, an average annual increase of 0.7% was used in the levy forecast.
- **Federal Funds:** FCBDD acknowledges that projecting federal revenue is difficult, especially over a 10 year period. Medicaid reimbursement rates and waivers are influenced by the state through the Ohio Department of Developmental Disabilities and the Ohio Department of Medicaid, as well at the federal level at the Centers for Medicare and Medicaid Services (CMS).

Ohio's protocol for payment of federal funds indicates that the County Boards of Developmental Disabilities pay match to the state and the state pays the providers directly based on authorization of the Boards. This impacts the federal revenue projections in the levy proposal due to the FCBDD transition plan for Adult Services and Transportation to ensure compliance with the CMS "conflict-free case management" rule. For example, Medicaid revenue is reduced between 2018 and 2021 based on the new service providers directly billing for services they will provide as part of the transition. Additional Medicaid revenue reductions are expected in 2024 and 2025 as revenue from cost report reconciliations decline and phase out due to the transition of billing services to the direct service organizations.

- **State Funds:** The Ohio Department of Developmental Disabilities provides some funding for adults, supported living, service coordination, and family resources. Based on trends over the past four years and the proposed State of Ohio budget for State Fiscal Years 2018 and 2019, FCBDD assumes this revenue will decrease at a rate of 3.3% per year for the next levy period. The Ohio Department of Education provides funding for preschool and school-age services and transportation assistance. The levy proposal assumes flat funding.
- **Local Funds:** FCBDD has three primary sources for local revenues: active treatment services, student services provided on behalf of school districts, and "excess costs" as administered by the Ohio Department of Education. An estimated 50 individuals are expected to convert from residing in intermediate care facilities to waiver-funded residential services. Revenue for the related active treatment services will decrease and a corresponding increase in waiver match will result. FCBDD expects the downsizing to stabilize in 2018 and beyond, based on current known conversion plans. Thereafter, the annual increase in this category is based on the CPI-U as projected by Moody's Analytics (see table on page 25).

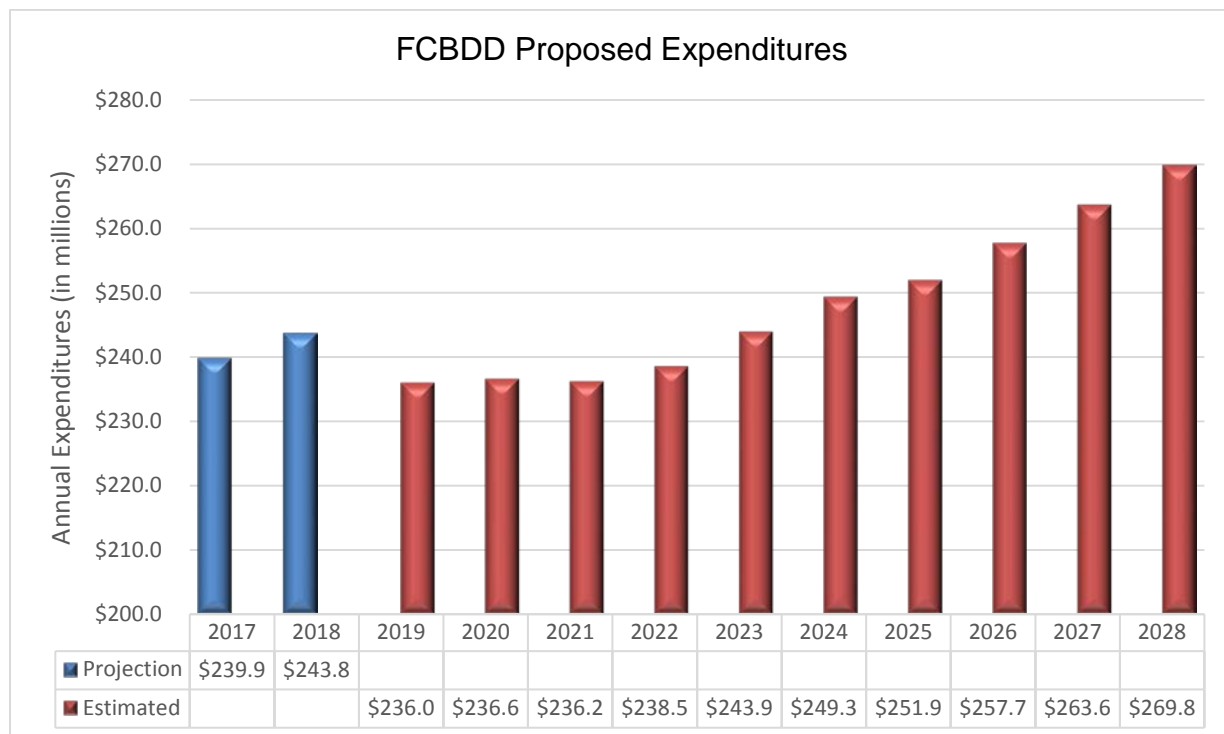
OVERVIEW OF EXPENDITURES



FCBDD's estimated expenditures are divided into seven categories that will drive the agency's annual budget during the next levy cycle: Personal Services, Fringe Benefits, Transition Costs, Materials & Services, Capital Outlays, Social Services, and Medicaid Match. As presented in the FCBDD 2019 Estimated Expenditures chart above, the largest category, Medicaid Match, is \$79.0 million, or 33.5% of the budget. A close second is Social Services at \$73.2 million, or 30.6%. A majority of these expenses are related to contracts with organizations for the provision of early learning programs, housing, residential services, vocational rehabilitation, transportation, employment training, and physical and occupational therapy.

Transition Costs are estimated at \$19.2 million, or 8.1% of the 2019 expenditures, and have been separated out from the others due to the unknown number of categories from which they may be expended. These expenditures are related to FCBDD's plan to transition Adult Services and Transportation to other providers during the next levy cycle in order to comply with the CMS "conflict free case management" ruling. They will be assigned to the county's budgetary categories during the annual budget process as determined during the transition process.

Personal Services and Fringe Benefits, the next largest categories, are \$36.4 million, or 15.4%, and \$19.9 million, or 8.4% of the 2019 expenditures, respectively. These expenses include FCBDD staff salaries and wages, retirement plans, and healthcare benefits. Materials & Services, mostly related to the operations of FCBDD facilities, administration, and information technology, is \$8.8 million, or 3.7% of the budget. Finally, Capital Outlays related to the anticipated purchase of capital equipment, capital improvements to FCBDD facilities, buses, and vans is \$578,000, or 0.2%.



HSLRC members and staff performed a thorough analysis of the expenditures contained in FCBDD's proposal. As shown in the FCBDD Proposed Expenditures chart above, the estimated expenditures do not follow a traditional pattern of annual increases in order to meet the increasing demand for services during every year of the next levy cycle. This is a result of the impact of the privatization of both Adult Services and Transportation, specifically during the transition period of 2019-2022. For example, Personal Services, Fringe Benefits, Material & Services, and Capital Outlay costs are reduced in 2019 for the projected privatization of Adult Services on January 1, 2019. However, to accomplish the transition required for Adult Services and Transportation, both one-time and ongoing costs must be incurred. One-time costs include the termination payouts of vacation and sick leave previously earned by FCBDD employees. Ongoing costs include the requirement to provide public employer match to the Ohio Public Employee Retirement System for transitioned FCBDD employees.

FCBDD's Proposal Assumptions

Assuming that the statute does not increase mandates or change the definition of developmental disabilities, the Board is projecting that net enrollment increases will continue at 3.0-5.0% per year between 2019 and 2028. In addition to projecting that more people will need services based on recent trends, FCBDD is assuming that individuals with developmental disabilities currently receiving services will need more services in the future and the cost to provide these will increase with inflation. The annual baseline increase applied to services is the Consumer Price Index for all Urban Consumers (CPI-U) forecasted by Moody's Analytics for the Columbus, OH Metropolitan Statistical Area (see table on the following page).

Consumer Price Index for all Urban Consumers (CPI-U) Columbus, OH Metropolitan Statistical Area	
2019	2.5%
2020	2.1%
2021	2.1%
2022	2.1%
2023	2.1%
2024	2.0%
2025	1.9%
2026	1.9%
2027	1.9%
2028	1.9%

Source: Moody's Analytics, 7/25/2016

The following assumptions by budget category were made in FCBDD's levy proposal for expenditures:

- Personal Services:** Five year expenditure trends in the Service Coordination and Supported Employment Departments show average annual growth of 5.0%, which is consistent with the increased demands imposed on both of these functions. That trend is assumed to continue throughout the 10 year levy period. Salaries and wages also includes projections for the 27th pay in 2020.
- Fringe Benefits:** FCBDD correlated the costs of benefits other than healthcare, such as employer contribution to retirement systems and Medicare, with Personal Services costs. This includes the corresponding costs associated with the 27th pay in 2020. The Board has projected a long-term increase of 6.5% annually in health insurance costs. FCBDD employees contribute 10.0% of the total health insurance costs and several initiatives, such as higher deductibles, have been instituted to reduce future increases.
- Transition Costs:** In addition to the previously discussed one-time and ongoing costs related to the transition for Adult Services and Transportation, costs may be incurred to phase in the necessary compensation systems and fiscal operations for the new service providers.
- Materials & Services:** After the initial reduction for Materials & Services in 2019 for the projected costs transferred to the new service providers during privatization, FCBDD uses CPI-U for the projected annual increases.
- Capital Outlays:** After the initial reduction for Capital Outlays in 2019 for the projected costs transferred to the new service providers during privatization, FCBDD uses CPI-U for the projected annual increases.
- Social Services:** FCBDD will continue to provide funding through direct service contracts for the provision of services to individuals who are not enrolled in Medicaid waiver programs or for additional services needed to provide adequate levels of care. In 2018, a decrease in this category occurs due to the "privatization"

of contracted services provided by Goodwill Columbus. While adjustments were made to reflect the necessary reductions in FCBDD expenditures as a result of the planned privatization of Adult Services and Transportation, the need to formally contract for the above mentioned services for which no Medicaid funding exists is an offsetting expenditure increase.

- **Medicaid Match:** Medicaid Match is impacted not only by the anticipated growth in demand for services but also by the need to provide local matching funds for those services newly provided or billed by providers, including Goodwill Columbus, ARC Industries, and transportation services. For 2018 to 2021, as the transition of Adult Services and Transportation occurs, a corresponding increase in Medicaid Waiver Match will be required. In addition, the baseline growth trend for the past five years has been an average rate of 4.8%. FCBDD's proposal assumes a gradual reduction in the rate through 2021, then utilizes CPI-U for 2022 and beyond. Most of Medicaid Match funding is used for Medicaid Individual Options (IO), SELF, and Level 1 Waivers. When an individual receives a waiver, federal funds represent approximately 60% of the cost of services and local match is approximately 40%.

RECOMMENDED FISCAL PLAN

The HSLRC recommendation concurs with the 3.5 mill renewal levy assumptions used by FCBDD for the projected revenues and expenditures in the levy request. The Committee agrees with the conservative projection in the collection of levy revenues, which is consistent with rates in recent years. As a result of levy income remaining relatively constant throughout the 10 years of the proposed levy, FCBDD will need to manage the Medicaid Stability fund to meet the increase in expenditures in the later years of the levy cycle.

The \$23.9 million in funds projected to remain in 2028 in addition to the 90 day ending cash balance requirement should be used to address unanticipated increases in demand for services or expanded services for individuals over their lifespan.

The HSLRC requests that FCBDD provide a mid-levy update to the Committee in 2022. The review should include a complete analysis and discussion of the agency's financial and programmatic status to date compared to the levy plan in this report. Any concerns regarding the updated financial forecast and anticipated ending fund balance should be discussed at that time.

Ending Cash Balance Requirement

The HSLRC ending cash balance requirement is for FCBDD to have cash equal to three months of expenditures at the end of 2028. The disbursement of property tax revenues does not occur until March annually; therefore, it is necessary for levy agencies to carry forward a cash balance to fund operations until the levy funds for the new fiscal year are received. The HSLRC recommends that FCBDD end the 10 year levy cycle with a three month cash reserve of at least \$67.5 million (as indicated in the following "Recommended Fiscal Plan through 2028"), which will enable FCBDD to have some flexibility in meeting unexpected needs and maintain stability during the transfer of Adult Services and Transportation to community providers during the next levy cycle.

In the event that the increase of any line item expenditure exceeds the recommended assumptions in this report, other expenditures should be managed so that total expenses do not result in the amount of the ending balance being lower than recommended.

Recommended Fiscal Plan Through 2028

	<u>2016 Actuals</u>	<u>2017 Projection</u>	<u>2018 Projection</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>2021 Estimate</u>	<u>2022 Estimate</u>	<u>2023 Estimate</u>	<u>2024 Estimate</u>	<u>2025 Estimate</u>	<u>2026 Estimate</u>	<u>2027 Estimate</u>	<u>2028 Estimate</u>
Beginning Cash:	289,279	294,673	289,646	279,350	274,595	265,688	256,445	246,650	233,039	213,288	188,996	160,734	128,197
Revenue:													
Levy Funds													
3.5 Mill Levy - Continuous	92,247	92,894	93,544	94,199	94,858	95,522	96,191	96,864	97,542	98,225	98,913	99,605	100,302
3.5 Mill Levy through 2028	92,247	92,894	93,544	94,563	95,225	95,892	96,563	97,239	97,919	98,605	99,295	99,990	100,690
Federal Funds	32,625	28,880	26,743	22,839	17,948	15,948	16,238	16,541	14,458	11,190	11,538	11,902	12,283
State Funds	15,630	13,900	13,913	13,782	13,795	13,668	13,680	13,557	13,569	13,450	13,461	13,347	13,358
Local Funds	6,194	5,674	5,154	5,199	5,246	5,294	5,343	5,394	5,446	5,499	5,554	5,611	5,669
Miscellaneous Funds	1,262	652	652	652	652	652	652	652	652	652	652	652	652
Total Revenue	240,205	234,894	233,550	231,234	227,724	226,976	228,667	230,247	229,586	227,621	229,413	231,107	232,954
Expenditures:													
Personal Services	59,139	61,016	63,136	36,369	37,688	37,542	38,841	40,193	41,579	43,001	44,482	46,024	47,630
Fringe Benefits	10,971	11,279	11,625	6,888	7,351	7,047	7,254	7,471	7,695	7,926	8,169	8,423	8,690
Health Insurance	18,989	20,603	21,942	12,975	13,819	14,717	15,674	16,692	17,777	18,933	20,164	21,474	22,870
Transition Costs				19,200	13,144	8,808	5,698	5,563	5,434	2,328	2,212	2,101	1,996
Materials & Services	15,859	15,784	16,194	8,804	8,989	9,178	9,370	9,567	9,759	9,944	10,133	10,325	10,522
Capital Outlays	1,016	1,037	1,064	578	590	602	615	628	641	653	665	678	691
Social Services	67,830	66,352	61,816	72,154	73,237	74,335	75,450	76,582	77,731	78,897	80,080	81,281	82,501
Medicaid Match	61,007	63,850	68,069	79,021	81,813	83,990	85,560	87,162	88,721	90,231	91,770	93,338	94,936
Total Expenditures	234,811	239,921	243,846	235,989	236,631	236,219	238,462	243,858	249,337	251,913	257,675	263,644	269,836
Ending Cash Balance:	294,673	289,646	279,350	274,595	265,688	256,445	246,650	233,039	213,288	188,996	160,734	128,197	91,315
<i>Amounts expressed in thousands</i>											90 Days of Cash		67,459
											Remaining		23,856

Tax Impact on Local Households

Cost to Franklin County Homeowner

	Current 3.5 Mill Levy	Proposed 3.5 Mill Levy Renewal
Market Value	\$100,000.00	\$100,000.00
% of Market	35%	35%
Assessed Value	\$35,000.00	\$35,000.00
2017 Effective Millage	3.490399	3.490399
Gross Tax	\$122.16	\$122.16
less 10% Rollback	(\$12.22)	(\$12.22)
less 2.5% Rollback	(\$3.05)	(\$3.05)
Net Tax (Annual Cost to Homeowner)	\$106.89	\$106.89
Increased Annual Cost to Homeowner		\$0.00

In evaluating the levy plan, the Committee considered the immediate impact of the 3.5 mill renewal levy on the households in Franklin County and the total homeowner support that would be provided to FCBDD if this levy is approved.

As enacted in the State of Ohio 2014-2015 Biennial Budget (H.B. 59), the 2.5% and 10.0% real estate property tax rollbacks may not be applied to reduce the taxes due on new or replacement levies approved at the November 2013 election for tax year 2013, 2014, or any later tax year, or to levies approved at any later election. Due to the impact of H.B. 59, Franklin County homeowners now pay 100.0% of the gross tax on a new levy, a replacement levy, or the increased portion of a levy. This impact was considered by FCBDD when determining the type and amount of their levy request.

The table above breaks down the impact of the renewal of the existing 3.5 mill levy compared to the current levy on Franklin County households. The renewal levy would retain the effective millage at the time of the passage of the levy as well as the rollback being paid by the state. Therefore, **there will be no additional cost to taxpayers** if this levy is approved by voters. According to this analysis, the Committee determined that a homeowner of a \$100,000 house would continue to pay \$106.89 annually for the recommended 10 year 3.5 mill renewal levy that supports services to individuals with developmental disabilities.

APPENDICES

- A - Resolution No. 311-99, authorizing creation of a Human Services Levy Review Committee and appointed member, Denise Bronson
- B - Resolution No. 1254-00, appointment of Jesse Hemphill
- C - Resolution No. 307-05, appointment of Nathan Wymer
- D - Resolution No. 728-06, appointment of James Bowman
- E - Resolution No. 88-07, appointment of Jerome Friedman
- F - Resolution No. 0239-10, appointment of Jean Carter Ryan
- G - Resolution No. 0242-15, appointment of Zachary Talarek
- H - FCBDD Levy Request – Submitted by Superintendent/CEO
- I - Letter from Board of Commissioners asking the Human Services Levy Review Committee to review the FCBDD levy request and provide recommendations

RESOLUTION NO. 311-99

MARCH 30, 1999

RESOLUTION AUTHORIZING THE
CREATION OF THE HUMAN SERVICES
LEVY REVIEW COMMITTEE, AND
APPOINTING ITS MEMBERS
(COMMISSIONERS)

WHEREAS, the Franklin County Board of Commissioners, as the taxing authority for the County, is responsible for certifying to the Board of Elections tax levies in excess of the ten mill limitation pursuant to ORC 5705.19; and

WHEREAS, the Franklin County Board of Commissioners desire to create a Human Services Levy Review Committee to conduct ongoing financial reviews of social service agencies, evaluate program performance to voted levy objectives, to review social service levy requests and provide recommendations regarding proposed millage amounts and the timing of levy requests, and to provide a holistic review of levy impacts on the community; and

WHEREAS, the Human Services Levy Review Committee will be comprised of seven (7) members appointed by the Franklin County Board of Commissioners; now, therefore, upon the motion of Commissioner Teater, seconded by Commissioner Shoemaker,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, OHIO:

- 1) That a Human Services Levy Review Committee is hereby created to conduct ongoing financial reviews of social service agencies and to provide recommendations to the Board of Commissioners regarding proposed millage amounts and the timing of levy requests for certification to the Board of Elections.
- 2) That the Human Services Levy Review Committee shall be comprised of seven (7) members appointed by the Board of Commissioners. Such membership shall be subject to change by resolution of the Board of Commissioners.
- 3) That the following persons are appointed to the Human Services Levy Review Committee:

William K. Willis, Jr., Chair
Franklin County Community Planning Council
1715 Franklin Park South
Columbus, Ohio 43205

Denise E. Bronson
Professor, College of Social Work
The Ohio State University
Stillman Hall
1947 College Road
Columbus, Ohio 43210

Chad Jester, Director of Public Affairs
Nationwide Insurance Company
One Nationwide Plaza
Columbus, Ohio 43215

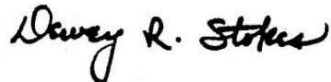
Linda J. Siefkas
Vice President and Manager – Columbus Office
Edward Howard & Company
50 West Broad Street, Suite 2200
Columbus, Ohio 43215

Matt Kallner, Director of Governmental Affairs
The Limited Company
Three Limited Parkway
Columbus, Ohio 43230

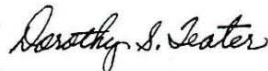
Charlene Powell, Finance Director
Franklin County Commissioners
373 S. High Street, 26th Floor
Columbus, Ohio 43215

Marvin G. Gutter, PhD., CPA
Vice President for Business and Administrative Services
Columbus State Community College
550 E. Spring Street
Columbus, Ohio 43215

Voting Aye thereon:



DEWEY R. STOKES, PRESIDENT



DOROTHY S. TEATER



ARLENE SHOEMAKER

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, OHIO

RESOLUTION NO 1254-00

December 5, 2000

RESOLUTION APPOINTING
 JESSE M HEMPHILL, CPA, TO THE
 HUMAN SERVICES LEVY REVIEW COMMITTEE
(COMMISSIONERS)


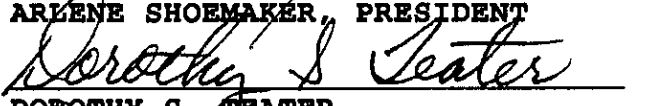
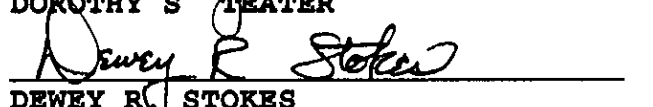
WHEREAS, a vacancy exists on the Human Services Levy Review Committee due to the resignation of William K Willis, Jr , now, therefore, upon motion of Commissioner Teater, seconded by Commissioner Stokes,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, OHIO

That the following person is hereby appointed to the Human Services Levy Review Committee, replacing William K Willis, Jr , to serve for an indefinite term

Jesse M Hemphill, CPA
 Hemphill & Associates, Inc
 471 East Broad Street, Suite 1306
 Columbus, Ohio 43215
 O - 461-6110

Voting Aye thereon


 ARLENE SHOEMAKER, PRESIDENT

 DOROTHY S TEATER

 DEWEY R STOKES
 BOARD OF COUNTY COMMISSIONERS
 FRANKLIN COUNTY, OHIO

Voting Nay thereon

ARLENE SHOEMAKER, PRESIDENT

DOROTHY S TEATER

DEWEY R STOKES
 BOARD OF COUNTY COMMISSIONERS
 FRANKLIN COUNTY, OHIO

GVW syb

cc Journal
 Board Member

RESOLUTION NO. 307-05

April 12, 2005

RESOLUTION APPOINTING
NATHAN WYMER TO THE
HUMAN SERVICES LEVY
REVIEW COMMITTEE
(COMMISSIONERS)

WHEREAS, pursuant to Resolution No. 311-99, adopted by the Board on March 30, 1999, the Human Services Levy Review Committee was created pursuant to ORC 5705.19 for the purpose of conducting ongoing financial reviews of social service agencies; and

WHEREAS, due to the resignation of Chad A. Jester, a vacancy exists on the Human Services Levy Review Committee; now, therefore, upon motion of Commissioner Stokes, seconded by Commissioner Brooks,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, OHIO:


That the following person is hereby appointed to the Human Services Levy Review Committee, replacing Chad A. Jester, to serve for an indefinite term:

Nathan Wymer
3835 Wedgwood Place Drive
Powell, OH 43065
614-249-7041

Voting Aye thereon:


MARY JO KILROY, PRESIDENT


DEWEY R. STOKES


PAULA L. BROOKS
BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, OHIO

RESOLUTION NO. 728-06

September 19, 2006

RESOLUTION APPOINTING JAMES A. BOWMAN
AS A MEMBER OF THE HUMAN SERVICES LEVY
REVIEW COMMITTEE EFFECTIVE IMMEDIATELY
(COMMISSIONERS)

WHEREAS, Resolution No. 311-99 was adopted by the Franklin County Board of Commissioners on March 30, 1999, creating the Human Services Levy Review Committee pursuant to ORC 5705.19 for the purpose of conducting ongoing financial reviews of social services agencies; and

WHEREAS, the committee is comprised of seven (7) members who serve for an indefinite term; now, therefore, upon motion of Commissioner Kilroy, seconded by Commissioner Stokes,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, OHIO:


That the following person is hereby appointed to the Human Services Levy Review Committee to replace Wade Steen, effective immediately:

James A. Bowman
National Affordable Housing Trust
2335 North Bank Drive
Columbus, Ohio 43220
614-451-9929

Voting Aye thereon:


Mary Jo Kilroy


Dewey R. Stokes


Paula Brooks, President
Board of County Commissioners
Franklin County, Ohio

RESOLUTION NO. 88-07

January 30, 2007

RESOLUTION APPOINTING JEROME FRIEDMAN
AS A MEMBER OF THE HUMAN SERVICES LEVY
REVIEW COMMITTEE EFFECTIVE IMMEDIATELY
(COMMISSIONERS)

WHEREAS, Resolution No. 311-99 was adopted by the Franklin County Board of Commissioners on March 30, 1999, creating the Human Services Levy Review Committee pursuant to ORC 5705.19 for the purpose of conducting ongoing financial reviews of social services agencies; and

WHEREAS, the committee is comprised of seven (7) members who serve for an indefinite term; now, therefore, upon motion of Commissioner Brown, seconded by Commissioner Brooks,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, OHIO:

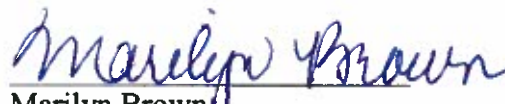
That the following person is hereby appointed to the Human Services Levy Review Committee to replace Amie Preston, effective immediately:

Jerome Edward Friedman
370 West Ninth Avenue
200G Meiling Hall
Columbus, Ohio 43210-1238
614-292-3856

Voting Aye thereon:


Mary Jo Kilroy, President


Paula Brooks


Marilyn Brown
Board of County Commissioners
Franklin County, Ohio

Resolution No. 0239-10

March 16, 2010

Resolution appointing Jean Carter Ryan to the Human Services Levy Review Committee effective immediately

(COMMISSIONERS)

WHEREAS, Resolution 311-99 was adopted by the Franklin County Board of Commissioners on March 30, 1999, creating the Human Services Levy Review Committee pursuant to ORC 5705.19 for the purpose of conducting ongoing financial reviews of social services agencies; and

WHEREAS, the Committee is comprised of seven (7) members who serve for an indefinite term; now, therefore

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, OHIO:

That, effective immediately, the following individual is hereby appointed to the Human Services Levy Review Committee to replace Marvin G. Gutter, Ph.D. who has resigned:

Jean Carter Ryan
Executive Director
Columbus-Franklin County Finance Authority
150 South Front Street, Suite 200
Columbus, Ohio 43215
614-225-6068

DLB:skm

Resolution No. 0242-15

March 10, 2015

Resolution appointing Zachary T. Talarek as a member of the Human Services Levy Review Committee

(Board of Commissioners)

WHEREAS, Resolution No. 311-99 was adopted by the Franklin County Board of Commissioners on March 30, 1999, creating the Human Services Levy Review Committee pursuant to ORC 5705.19 for the purpose of conducting ongoing financial reviews of social service agencies; and

WHEREAS, the committee is comprised of seven (7) members who serve for an indefinite term; now, therefore

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, OHIO:

That the following person is hereby appointed to the Human Services Levy Review Committee to fill the unexpired term of Kenneth Wilson:

Zachary T. Talarek
Director
Franklin County Office of Management & Budget
373 South High Street, 26th Floor
Columbus, Ohio 43215
(614) 525-2519

Prepared by: Erik Janas



Franklin County Board of Developmental Disabilities

Helping people to live, learn and work in our community

2879 Johnstown Road • Columbus, Ohio 43219 • 614-475-6440 • www.fcbdd.org

Jed W. Morison
Superintendent/ CEO

February 24, 2017

The Honorable John O'Grady, President
Franklin County Board of Commissioners
373 S. High Street, 26th Floor
Columbus, Ohio 43215-6314

Dear President O'Grady:

The Franklin County Board of Developmental Disabilities has met and adopted a resolution to request the Franklin County Board of Commissioners to submit to the electorate in the election to be held on November 7, 2017, a renewal tax levy, representing no new taxes.

This renewal levy will allow for continued basic, quality services to the children and adults of our community who have developmental disabilities. We are proud of our early childhood services, the school classes serving children with multiple disabilities, the employment and support services for adults, and the many special services, including Special Olympics, Therapies, Service Coordination and Transportation.

As you will see, our Board has maintained the financial discipline to plan for the long term, allowing this request to be for a renewal, rather than an additional tax. We thank the Commissioners for your ongoing budget guidance to make this possible.

Enclosed please find the Board resolution and levy proposal. We have also provided a fact sheet summarizing the request.

We appreciate your consideration of this request and the continued support and guidance we have received from the Commissioners and your staff. We look forward to working with the Human Services Levy Review Committee on the details of this proposal and are also happy to meet with you or the other Commissioners individually or collectively to answer questions. Thanks again for your consistent support of the individuals in our community who have developmental disabilities.

Sincerely,

Jed W. Morison
Superintendent/ CEO

c: Commissioner Kevin Boyce
Commissioner Marilyn Brown
Kenneth Wilson, County Administrator
Heidi Hallas, Senior Performance Analyst, Office of Management and Budget

Enclosures

Commissioner John O'Grady

February 24, 2017

Jesse M. Hemphill, CPA, Chairman
Hemphill & Associates, Inc.
4449 Easton Way, 2nd Floor
Columbus, OH 43219

Dear Chairman:

The Franklin County Board of Developmental Disabilities (FCBDD) has submitted to the Board of Commissioners a request to seek voter approval of a 3.5 mill, 10-year levy in November 2017. The request is a renewal of the existing 3.5 mill levy due to expire in 2018. The proposed 3.5 mill renewal levy is for the benefit of providing for community developmental disabilities programs and services pursuant to Chapter 5126 of the Ohio Revised Code.

Pursuant to Resolution No. 311-99, the Board of Commissioners is submitting FCBDD's levy request to the Human Services Levy Review Committee (HSLRC) for a thorough financial and policy analysis. Attached are materials prepared by FCBDD staff for your review. The Board of Commissioners is requesting that the HSLRC provide final recommendations regarding FCBDD's levy request by June 30, 2017.

Please review this request and advise the Board of Commissioners as to your committee recommendations. Thank you in advance for your assistance.

Sincerely,



John O'Grady, President
Franklin County Board of Commissioners

Enclosure

Cc: Commissioner Marilyn Brown
Commissioner Kevin L. Boyce
Human Services Levy Review Committee members
Jed W. Morison, Superintendent/CEO, FCBDD
Kenneth Wilson, County Administrator
Erik Janas, Deputy County Administrator
Heidi Hallas, Sr. Performance Analyst 2, OMB