

**Franklin County Children Services (FCCS)  
2019 3.10 Mill Replacement Levy Proposal  
HSLRC Meeting Minutes  
May 23, 2019**

The Human Services Levy Review Committee (HSLRC) meeting was called to order by Jim Bowman on May 23, 2019 @ 11:07 a.m.

**ROLL CALL**

HSLRC members present: Jim Bowman, Michael Curtin, Jean Carter Ryan, and Zak Talarek.

HSLRC members absent: Jerry Friedman, Rose Handon, and Jesse Hemphill.

Office of Management and Budget (OMB): Rachel Buske.

**FEEDBACK ON LEVY REPORT DRAFT**

Ms. Buske provided the Committee with an overview of the materials in the packet:

1. The DRAFT 2019 Franklin County Children Services HSLRC Report
2. A response memo from Franklin County Children Services reiterating concerns around policy and legislative changes that will impact finances

Ms. Buske discussed the response memo sent by FCCS in which the agency reiterated its concerns that a replacement will be necessary to sustain operations. She also discussed the attachments that FCCS sent with the memo that were forwarded electronically to the Committee. The attachments included information on a court case in Kentucky that will now require payments to kinship providers. Ohio is beginning to look into what this will entail, but the situation in Kentucky appears different because agencies were not providing any assistance. Ohio and specifically Franklin County, already have programs in place for kinship providers.

FCCS also sent several articles related to the new Family First Prevention Services Act that indicate that federal revenue will decrease under the new law and that most states are not ready to implement the new provisions and will delay implementation. This will be an issue for FCCS and other agencies that are currently recipients of Title IV-E waivers. It is unclear whether or not current legislation to extend these waivers will be successful.

Ms. Carter Ryan asked Ms. Buske and Mr. Talarek if there was any new information provided that they felt the Committee should consider in making its recommendations.

Ms. Buske stated that the arguments are centered on potential impacts that are difficult to predict at this time.

Mr. Talarek added that OMB and County Administration both met with FCCS staff to discuss their concerns and had reiterated that FCCS had done very well in maximizing federal revenue and being able to manage expenses without drawing down significantly from cash reserves. Although there was debate over the 2019 projections Ms. Buske developed, FCCS did agree that the budgeted amount was higher than what actual spending will end up being. The 2019 projection should be closer to \$205 million rather than the original \$211 million.

Ms. Buske explained that FCCS raised concerns that OMB was projecting Social Services expenses based on 3-year prior actuals that had increased at a rate of 1.6% per year. OMB explained that it used the same

placement cost rate increase of 2.75% that FCCS used to project expenses from 2020-2029, due to the issues related to policy and legislative changes.

Ms. Buske explained that prior to the meeting she ran actual spending year-to-date and Social Services expenses are still lower than they were in 2018. While OMB projections may be lower than the final 2019 actuals, FCCS agreed that it will be closer to \$205 million than the original \$211 million. Also, the projected decrease in federal revenue should be offset by the projected increase in State revenue and the anticipated decrease in federal revenue is only projected for the first few years under the new law and then revenue should rebound.

Mr. Talarek announced that the Board of Commissioners voted to approve a resolution today that allows the Department of Job and Family Services (JFS) to subgrant \$1.5 million to FCCS for kinship providers that will need to be expended by June 30<sup>th</sup> of this year. JFS has worked with FCCS to identify kinship families that will be able to immediately use these funds.

Ms. Carter Ryan asked if this was similar to back pay.

Mr. Talarek indicated that it was another example that Ohio does provide kinship support that is not technically a per diem but is a form of payment.

Ms. Buske reminded the Committee that FCCS does provide services for kinship providers such as material goods and an aftercare program.

Ms. Carter Ryan asked other Committee members if there was any compelling information provided by FCCS that would make them rethink recommending a renewal versus a replacement.

Mr. Curtin stated that he came into today's meeting still favoring a renewal recommendation, unless OMB provided any new analysis that would change his mind. He stated that he had been impressed by the level of detail in the financial analysis OMB had provided, and stated that with the Medicaid savings and the increase in State funding the projected cash balance appeared sufficient, with the understanding that many of the worst case scenarios that would necessitate a replacement at this time were what ifs.

Mr. Talarek reiterated that he was comfortable with Ms. Buske's projections and that if additional payments for kinship providers are necessary, the FCCS estimate may be high. He noted again that Social Services are down from 2018 to 2019. Under a worst case scenario, if FCCS expends its \$130 million cash balance in six years, it will be possible to address these issues before the next levy expires.

Mr. Curtin agreed and stated that the Committee has previously discussed that FCCS does not have to wait until 2024 to address the 1.9 mill levy. He acknowledged that there are things you cannot predict and if a new reality presents itself, the Committee would be prudent and would look at moving up the levy.

Ms. Carter Ryan affirmed that the bottom line for her was that there is an additional levy in five years and that she is comfortable staying with the renewal recommendation.

Ms. Buske asked if the Committee had specific feedback related to the report.

Ms. Carter Ryan asked for a clarification in the cost savings and efficiencies recommendation related to the OPERS contribution.

Ms. Buske and Mr. Talarek explained that FCCS pays for 8.5% of the employee OPERS contribution and that the recommendation is that they negotiate in the next labor contract to phase out this practice. With the turnover, most people look at salary not fringe benefit perks. Mr. Talarek noted that the City of Columbus phased this out and that FCCS had attempted to do so during the last collective bargaining agreement.

Ms. Carter Ryan reread the section of the report and stated that she now understands its intent. Overall she shared her opinion that the report was very good. She asked Ms. Buske if other members had reached out with questions or feedback.

Ms. Buske stated that she had not yet heard from other members but would reach out again. She asked Mr. Bowman if he had any feedback based on the information shared by FCCS.

Mr. Bowman stated that he agreed with the assessment of Mr. Curtin and Ms. Carter Ryan.

### **NEXT STEPS-OMB**

Ms. Buske stated that if there were no additional comments, she would discuss the timeline moving forward.

Ms. Buske asked the Committee to review the existing draft one more time and submit questions, concerns, or edits to her. She explained that she would revise the report based on any feedback and would send out the final draft by June 7, 2019.

After the report is finalized by the Committee, it will be sent to Public Affairs for its review and then it will be sent to the Print Shop. She will send the final report to the Board of Commissioners (BOC) and County Administration electronically, then will deliver hard copies to the BOC.

There will be two resolutions that the BOC will need to pass: The Auditor's Certification of Estimated Resources resolution which verifies the tax amount generated by the levy and the Ballot Language resolution that will place the issue to the voters. Once both are passed, the Board of Elections needs certified copies by August 7, 2019 to place the issue on the ballot for November 5, 2019.

Ms. Buske reviewed the process for the resolutions as indicated on the timeline. She stated that the Committee usually has a representative attend to present the resolution to the BOC at both the briefings and the General Sessions. She informed members that Mr. Talarek will be there to assist with questions and that she would be in the audience to provide assistance as needed.

Ms. Buske, after informing the Committee of the dates and times proposed for the resolution, asked members to review their calendars so that they could finalize attendance at the next meeting.

Ms. Buske stated that she did not have any additional information to discuss with the Committee.

Ms. Talarek recommended that additional comments be sent to Ms. Buske by June 5<sup>th</sup> so that she would have time to incorporate them into the draft before it is sent out on June 7<sup>th</sup>.

Ms. Carter Ryan asked if the report will be sent to the Children Services Board and Mr. Talarek confirmed that it would be.

Ms. Buske stated that the only additional item to discuss at the next meeting was the ADAMH mid-levy review that is scheduled for September. She asked if there were any additional questions or comments.

Mr. Curtin thanked staff and remarked that it had been a very good process.

### **CLOSING REMARKS**

**The next HSLRC meeting is scheduled for Thursday, June 13, 2019 for further discussion related to the levy request.**

Mr. Talarek made a motion to adjourn the HSLRC meeting and Ms. Carter Ryan seconded.

The meeting was adjourned at 11:33 am.