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## **Cuyahoga County Council Unveils and Passes Amendments, as County Budget Process Winds Down**

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## **Introduction**

Over the past six weeks, Cuyahoga County Council has heard testimony from department leaders and Budish Administration officials on the 2018-2019 Biennial Budget. The Center for Community Solutions has been closely following the process, including presentations on issues important to health and human services and the overall budget process. The meeting of Cuyahoga County Council on Monday, November 27, 2017, was the first opportunity for the general public to read recommended changes being proposed by Council. Council President Brady called the process “rigorous,” but concluded that the final outcome of the budget is “satisfactory.”

The Cuyahoga County Council approved amendments to the county budget on Tuesday, November 28. The county will hold two more hearings, before the amendments are considered for a vote on December 12, 2017.

The November 27, 2017, Committee of the Whole meeting opened with testimony from three advocates requesting increases in funding for the ADAMHS Board: one from Elizabeth Newman, president and CEO of Circle Health System and The Centers for Family and Children; another from a private citizen, Jenita Simmons, who spoke of how mental health support helped to save her life when she went through a rough time; and finally, a testimony from Kate Gill and Johnbuck Creamer, who lost their 22-year-old son, Rin, as a result of a heroin overdose.

Trevor McAleer, budget advisor for County Council, was called to go line-by-line through the County Council changes to the budget. While there were 45 different line items with increases, restorations, and cuts, there were several which are worth highlighting because of their impact on the short-term and long-term financial outlook of the county. The following sections are organized according to the type of change to the budget.

## **Proposed Increases by County Council**

### *Public Defender*

A few weeks ago, the public defender for Cuyahoga County provided testimony about the work that his office does, and the necessity to increase staff, training, and technology to do his job effectively. Cuyahoga County Council heeded his call and provided an additional \$1.3 million (with nearly half of that amount being reimbursed by the State of Ohio), in order to meet those needs.

### *MetroHealth Remains Medical Provider for County Jail*

In previous *County Budget Matters*, CCS covered how the Budish Administration was proposing to [outsource the medical](#) providers in the jail system, in an effort to cut costs. That proposal received substantial pushback from County Council members who noted that they worked hard to connect the county-backed health system with the county jail system. Council proposed to retain MetroHealth as the medical provider for the jail.

*Starting Point Contract Restored*

For at least the second consecutive time, the Budish Administration proposed curtailing the contract for Starting Point, the nonprofit that is charged with aiding child care centers in complying with state quality certification requirements. In this year's proposed budget, administration officials proposed cutting \$500,000 from the contract. However, this decision was reversed by Council. According to Rebekah Dorman from Invest In Children, the county is still in the process of aiding child care facilities in meeting the current standards, before they will require even more resources to get to "high quality" early childhood goals set forth by the State.

*10-Day Voluntary Furlough*

One of the unforeseen outcomes of this budget is a county-wide 10-day voluntary furlough program. Employees would have the opportunity to take the 10 days, in coordination and consultation with their supervisors in their department. This program is scheduled to save the county \$500,000 each year over the biennium. The county did a similar furlough policy back in 2012, where employees were mandated to take a five-day furlough. During the Q&A portion of the meeting, Councilwoman Conwell asked if there will be any impact on county business for employees taking furlough days. McAleer replied that employees will work with their supervisors on scheduling to ensure there is no service delivery interruption.

*Senior and Adult Services Receives an Increase*

As reported in the previous *County Budgeting Matters*, Council members were particularly interested in the rapidly aging population of County residents and inquired of Richard Jones what he would do with any additional monies he received. One of the first things that he mentioned was to increase staff related to Adult Protective Services, as well as to move forward with a proposal from the Cleveland Clergy Alliance to raise awareness of reporting abuse, through messaging distributed to the faith-based community. Those requests were granted by Council; DSAS will receive an additional \$385,000 in 2019 and \$385,000 in 2020.

*Office of Homeless Services Moves from FrontLine to YWCA, Receives Additional Money for Staff*

For the past several years, homeless advocates have raised concerns about the state of the Norma Herr women's shelter, and have criticized Frontline Services. As a result, the county released an RFP related to management of the center. The YWCA's application was approved, and they will now be responsible for oversight of the shelter. To assist with the transition, as well as with the need for additional staff, County Council increased the Office of Homeless Services budget by \$2.9 million in 2018 and \$2.3 million in 2019.

**Additional Changes***Mixed Results on Advocacy regarding Housing Demolition and Housing Funds*

One of the most controversial aspects of the executive's budget was the reallocation of \$17 million from the Housing Demolition Fund to the General Operating Fund. Housing advocates and local public officials advocated strongly for its complete restoration. In the end, Council restored half (\$9 million) and put the remaining \$8 million into a fund to further evaluate how

to maximize its impact. Additionally, Council deferred \$3 million from going into a Housing Fund, an effort focused on house rehabilitation that ran parallel to the Housing demolition program.

#### *Rental Registry Fee Gets a Cap*

Another recurring discussion was enforcement of a fee on rental registry, which would range between \$50 and \$150. The administration had hoped that this fee would bring in approximately \$3 million per year. Council, however disagreed with the amounts and capped the fee at \$50, which would bring in a projected \$2,000,000 per year.

#### **Proposed Reductions**

##### *Enterprise Resource Planning (ERP) Project*

The testimony submitted by Scott Rouke related to the IT staffing levels in order to successfully implement the electronic tracking system, Enterprise Resource Planning ([ERP](#)). From the beginning, Council was skeptical about the request for increased staffing. Over 30 new employees were requested. Council capped the number of new FTEs at 15. The ERP transition has experienced staffing support difficulties, RFP delays, and issues in aligning differing data systems, which have contributed to the delay in full implementation.

#### **Unchanged**

The Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board did not see any increases to their budget after County Council deliberated. It appeared that some Council members initially expressed concern that the agency was flat-funded despite the opioid epidemic, but in the end, it chose to keep funding levels at the same level that was proposed by the administration. As the debate on approach and treatment of this topic continues at the county, state, and federal levels, this is something to keep an eye on in the future.

#### **Looking Ahead**

At the conclusion of Tuesday's meeting, Councilman Dale Miller, shared a message about the future of the county's financing. He explained that, at the end of 2019, the county projects to have a 16 percent Health and Health Services Reserve Balance. This result is largely from a drawdown of Public Assistance (PA) funds. "By the end of 2019, PA fund drawdown will be depleted. The access of expenditures over revenues, is somewhere around \$15 to \$20 million." He went on to say that the county is "OK in the short term, but we have a definite sustainability problem farther out. We need to be aware of that."

As CCS described in previous publications, this budget relied heavily on one-time use funding, including the housing demolition funds, PA funds, and withdrawals from a number of "reserve" accounts. This included depleting a \$2 million contingency fund in the General Fund. With the current revenue sources being utilized at the county, coupled with continued uncertainty for county funding (in particular around health and human services) at the state

and federal levels, the fiscal path of the county is, at best, uncertain. The deficit in the HHS Fund in 2019 points to a critical decision on the Health and Human Services levy in 2018. If the levy is simply extended, difficult conversations will be necessary in the 2020-2021 biennial budget process. The HHS levy next year is supposed to be the smaller of the two HHS levies, and an increase certainly does not appear to be off the table.

### **Next Steps**

County Council passed the entirety of the budget amendments in one motion, which will be read and voted on at the December 12, 2017, meeting.

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