



County Budget Agreement Reached; Nearly all Health and Human Service Reductions Restored

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The release of Executive Armond Budish's budget earlier this fall and the subsequent Cuyahoga County Budget hearings would seem very familiar to anyone who has ever participated in the state budget process or attended a state legislative budget hearing with testimony presented by department directors and elected officials as well as advocates and providers. Council has continued to expand its role in the budget process, asking more questions, and even producing a written review of the executive's budget proposal. But once the hearings ended, and after a significant number of conversations between the executive's office and Council leadership, an agreement was reached on the \$2.9 billion biennial budget.

Cuyahoga County Executive Budish's most significant new spending in this two-year budget is in the areas of health, human services, and education. He proposed spending \$17.5 million over two years on reducing infant mortality, expanding the availability of high-quality pre-kindergarten education, and re-focusing the county's workforce training programs. Council left all of these initiatives largely intact. The executive spoke to this point when he said, "I am thrilled we were able to get to an agreement in record time with a budget that is balanced and that promotes our transformational priorities for the future."

Cuyahoga County Council President Dan Brady had made restoration of the health and human service cuts in the proposed budget a priority, and the budget agreement in large part does that. He stated, "I am very proud that Council's continued unanimous support for critical health and human services funding is reflected as a priority in this budget. I feel confident that the 2016/2017 budget keeps our promise to the voters of Cuyahoga County, who have generously supported the County's mission."

Finance and Budgeting Committee Chair David Greenspan, who was new in his role, presided over hours of hearings and spent hours immersing himself in the details of the budget. He commented that “the budget fulfills the vision of providing an effective and efficient use of resources to deliver the highest quality of services to the residents of the county, while remaining within the fiscally prudent parameters established by the County Executive.”

Cuyahoga County Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board Chief Executive Officer William Denihan successfully led a charge to restore \$13.4 million in county funding that had been cut in the as-introduced budget. During his testimony, he outlined a detailed list of cuts that would need to be made, including reductions in services for children in crisis, substance abuse treatment, employment services, housing, early childhood mental health, prevention services, and peer support. Council pushed to restore these cuts by tapping the Public Assistance Fund and the Health and Human Services levy fund.

The MetroHealth System agreed to \$15.2 million in cuts over the next two years in return for what MetroHealth CEO Akram Boutros, M.D. described as assurances from the county executive that arrangements for financing the transformation of MetroHealth would be in place by the end of 2016. MetroHealth enjoys strong support from Council and might have been able to get all or some of the funding reductions restored. But, by taking a longer view, they likely strengthened their relationship with both the executive and the Council and also made it easier for Council to solve other budget problems.

A frequent refrain from Council members during the budget hearings was “give us more detail.” In response, the executive spelled out more clearly the role of Cuyahoga County’s Office of Invest in Children in the proposed \$10 million Cuyahoga County Early Childhood Trust. The final agreement also anticipates that legislation will be introduced into Council to create the new division or department for the \$3 million annual Workforce Development Initiative, and the Department of Innovation and Performance.

It was clear during budget hearings that the Department of Senior and Adult Services enjoyed strong support on Council. The budget agreement restored \$200,000 annually in funding for hot meals for seniors, \$300,000 annually for senior centers (including \$100,000 earmarked annually for senior centers in East Cleveland and Strongsville). Finally, the budget agreement restored \$100,000 in annual funding to deal with bed bug infestation.

Council member Pernel Jones fought for more funding for programs and services for adolescents, and the budget agreement restored funding for the Family and Children First Council for out-of-school programing, teen pregnancy prevention, and youth internships, and added funding for the Closing the Achievement Gap program.

The budget agreement also includes earmarks for health and human service organizations including Milestone Autism Resources, the Rape Crisis Center, and Senior Transportation Connection.

This issue of County Budgeting Matters includes a summary of the hearings that occurred as well as a list of all the health and human service budget adjustments made by Council to the executive's budget proposal.

Summary of Cuyahoga County Council Committee Meeting of the Whole, October 20, 2015

Office of Cuyahoga County Executive Armond Budish, Sharon Sobol Jordan, Chief of Staff,

Tuesday, October 20, marked the first time that Cuyahoga County Executive Armond Budish's office made a formal presentation to Cuyahoga County Council on three of his most significant policy initiatives – reducing infant mortality, expanding the availability of high-quality pre-kindergarten education, and re-focusing the county's workforce training programs on assisting individuals to secure employment that can ultimately eliminate their need to receive public benefits.

Sharon Sobol Jordan, chief of staff for Cuyahoga County Executive Budish, presented first on their proposed investment in high-quality pre-kindergarten education. She reviewed the considerable data that demonstrate the effectiveness of these programs. She pointed out that if children read at grade level by third grade, they are four times more likely to graduate from high school. She said the county wanted to propose a "next generation model" of early childhood investment through the establishment of a Cuyahoga County Early Childhood Trust with an initial \$10 million investment by the county. The trust would be a public-private partnership, and would fully leverage available federal, state, and private funds.

The proposed trust would place a high priority on investing in full-day preschool, family scholarships for those in need, high-quality requirements, teacher education through professional development and coaching, and family and community investment through outreach and assistance.

Sobol Jordan was joined by Paul Clark, regional president of PNC, who stated that PNC supported the executive's proposed early childhood investments, and said he felt confident that there would be a number of private funders who would want to partner with the county's investment.

Summary of Cuyahoga County Council Committee Meeting of the Whole, October 22, 2015

Health and Human Services (HHS), Matt Carroll, Interim Director

Director Carroll began the presentations of county officials. He shared that there are three major agencies under his supervision with a total of 2,245 county employees, which accounts for 45 percent of the county executive staffing for 2016. HHS has a total budget of \$309 million. Director Carroll was asked about the initial data and/or rationale used by the administration to determine that each agency should seek to cut 10 percent from their budgets. Councilman Schron asked, "Why not 15 percent? Why not 7 percent?" Director Carroll said that the county is trying to move

towards a data-driven decision-making system to determine the effectiveness of programs, but the administration did not necessarily have data that led to the 10 percent budget reduction ask. Councilman Greenspan used an example about one cut that totaled \$2.2 million from a youth program—Tapestry System of Care—due to a “new service model.” Director Carroll said that how each agency realized those costs savings would be a question best directed to the agency head when he/she testifies in front of Council. Councilman Schron noted the need for strategic planning in the agency to help guide the decision-making process moving forward.

Division of Children and Family Services, Thomas Pristow, Director

Director Pristow shared with Council that, before he started at the Division of Children and Family Services, there were 180 initiatives taking place at the same time. Additionally, when analyzing the compliance with benchmarks set by the federal government, the compliance rate for the agency was only 33 percent. Since then, leadership has pared the number of initiatives down to 60. Director Pristow faced a number of questions from the Councilmembers, including Councilman Jones who asked about the agency’s plans to work with the ADAMHS Board. Director Pristow shared that the agency is working with the ADAMHS Board to identify children who have a need for mental health and/or substance abuse support and getting those children the care they need so they can remain in their own homes with their own families, instead of bringing them into custody. This change in method could potentially lead to significant cost savings. Director Pristow testified that they would be moving toward a data-driven decision-making model in order to determine organizational effectiveness. This includes a move towards outcome-based budgeting. Councilman Hairston asked about reduction in funding for Kinship Care. Director Pristow said that the \$170,000 being cut from Kinship Care support is a result of “lack of participation.”

Division of Senior and Adult Services (DSAS), Dr. Richard Jones, Director

Dr. Jones shared that by 2030, 31 percent of Cuyahoga County residents will be 60 years of age or older. DSAS provides funding for transportation, hot meals, home support, and other important services. Dr. Jones stated that the cost of serving seniors living in their homes is a fraction of what it costs for a senior to live at an assisted living home or in a nursing home. DSAS will deliver 150,000 meals to seniors and serve over 32,000 seniors with disabilities this year. Councilman Gallagher directed questions to County Executive Budish’s Senior Policy Advisor, Chris Glassburn, asking how \$116,000 can be cut in 2016 and \$122,000 in 2017 for services for older adults when they are the fastest growing segment of the county population. Councilwoman Simon said that instead of any cuts, she would rather see an increase in funding to seniors. Dr. Jones explained that he has asked that the county executive restore all cuts that were made as a result of the 10 percent reduction, as well as a request for new funding for two new senior centers, one in East Cleveland and one in Strongsville (bringing the county-wide total to 21). Lastly, he called for the creation of a Senior Center Innovation Fund.

Cuyahoga Job and Family Services (CJFS), David Merriman, Administrator

CJFS is working with the State of Ohio and the federal government to authorize “voice signature” through telephones as a means of enrolling and accessing services such as Medicaid, as well as

food stamps, from a person's home. The intended goals are to reduce the burden of individuals who must go to an office to enroll in person, and to repurpose or close two physical job seeker locations. To that end, CJFS will be looking to either close or repurpose two in-person OhioMeansJobs service centers (Southgate and West Shore) in favor of other methods of working with struggling families looking to access benefits such as aforementioned telephone "voice signature." The executive is also proposing to expend funds for capital renovations to the Virgil Brown Center so that customers can enter the building through either the Superior Avenue or Payne Avenue entrance and access the services they need.

Office of Homeless Services (OHS), Ruth Gillett, Manager

The OHS has five employees and provides programming support for long-term homeless persons. The budget request for 2016 is to remain at 2015 levels. Councilwoman Simon expressed concern about overcrowding at the women's shelter. OHS is looking for donations to raise the \$30,000 necessary to add bunk beds so they can house more homeless women in the shelter. Council President Brady expressed dismay that a county of this size and budget can't find \$30,000 to buy beds for a homeless shelter.

Invest in Children (IIC), Dr. Rebekah Dorman, Director

Dr. Dorman shared that IIC is the leading supporter in Cuyahoga County of child care and child care facilities serving children from birth through kindergarten. The agency also works with the state in tracking child care facilities that are rated by Early Childhood Ohio's "Step Up to Quality" program. She explained that the state is ultimately going to mandate that all providers' receiving public dollars be rated through the "Step Up to Quality" rating system. IIC also works with nonprofit agencies such as Starting Point, the contracted agency that provides such support services to child care facilities. The proposed budget still includes a \$341,000 reduction in IIC funding, which could lead to reduction in contracts, although Dr. Dorman said that it may be possible to absorb the cuts and not affect direct services. Dr. Dorman explained that when she was originally asked to come up with 10 percent cost savings, which initially amounted to \$1.1 million, she eliminated the family care system. However, virtually all of the money was restored during discussions with the administration. Dr. Dorman faced questions from Councilmembers about the new proposed \$10 million UPK 2.0 program proposed by Executive Budish, as Council (in this meeting) asked why the proposed new program would not be managed by Invest in Children.

Family and Children First Council (FCFC), Robin Martin, Program Director

Program Director Martin represents FCFC, a policy and planning entity that convenes child-serving organizations, whether public, private or nonprofit. Their agency supports children from kindergarten to graduation. They strive for academic improvement, reducing detention, and improvement of classroom behavior. They are facing a \$500,000 reduction (-32%) in funding from the county, which is earmarked for "out of school time" programming. They are working with Starting Point, the lead agency on programming, to determine the impact that the budget cut will make. The administration is looking at whether cuts can be lessened in any way. Councilman Jones, who has been a champion of the Closing the Achievement Gap program, made an

observation that he doesn't see the same attention being paid to children in their teenage years, as early childhood. He went on to say that, if he were to make a comparison, it would be that people are interested in adopting a younger child, but "there is less interest in adopting children as they get older. We see the same pattern here."

Office of Reentry, Luis Vasquez, Director

Director Vasquez reported that his office is seeing an overall reduction in the number of individuals returning to Cuyahoga County after release from incarceration. Prior to 2011, it was 5,043 annually; in 2014, it was down to 3,248. Director Vasquez attributed the drop to state legislation that changes sentencing for offenders. Councilman Greenspan mentioned that the Office of Reentry is losing \$245,000 of funding and \$500,000 in programming contracts from the county, essentially losing "three-quarter million dollars in funding." According to Director Vasquez, the budget cuts from the county are not expected to create any personnel reduction, but they will affect programming. It is not clear what programs would be affected by the cuts.

Department of Workforce Development (DWD), Grace Kilbane, Executive Director

Director Executive Director Kilbane reported that Workforce Development supports Individual Performance Services, in partnership with OhioMeansJobs. In collaboration with the state, the county last year placed 3,639 adults into jobs. Of those adults placed into jobs, 60 percent were African-American, 15 percent were ex-offenders, and 27 percent were receiving public assistance. They also will begin working on a pilot project that will work with regional entities such as Team NEO and staffing organizations such as Towards Employment to match hiring employers with workers who have skill sets that can meet their needs. DWD has received a one-time allocation of \$500,000 from the State of Ohio for workforce development surrounding the Opportunity Corridor.

Summary of Cuyahoga County Council Committee Meeting of the Whole, October 29, 2015

MetroHealth, Dr. Akram Boutros, CEO

Dr. Akram Boutros testified on behalf of The MetroHealth System. He began by summarizing some of the investments that MetroHealth has made in the community, including school-based health clinics, providing a medical home for children in foster care, training physicians to work in urban communities, and providing health care services within the county jail.

Dr. Boutros outlined financial challenges totaling \$66 million that MetroHealth is facing in 2016, including reductions in Medicaid disproportionate share hospital payments, state budget cuts, and the expected financial impact of University Hospital and Health System's opening a Level One Trauma Center. Despite these challenges, he stated that the MetroHealth Board had passed an "alternative budget" that took into account the \$7.6 million dollar reduction in county funding proposed in the executive's budget. He pledged to maintain services at the current level, but he added that the reduction meant that for "the next couple of years, we won't be able to put as much away as we had hoped for our campus transformation."

Dr. Boutros said that it costs MetroHealth “an additional \$15 million more per year to repair, maintain, and operate [the current facility] than a new facility, and every year we delay [transformation], the costs are expected to increase by \$50 million.” But he said that, in recent meetings with County Executive Armond Budish and staff, MetroHealth had received “the necessary assurances to believe that project [transformation] discussions and due diligence will move expeditiously to achieve our goals and timelines.” In response to a question from Council President Dan Brady, Dr. Boutros commented that he expected that financing for the transformation would be in place by the end of 2016.

Summary of Cuyahoga County Council Committee Meeting of the Whole, November 6, 2015

The Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board of Cuyahoga County, William Denihan, Chief Executive Officer

Chief Denihan testified for over an hour and a half. He reviewed board performance on a number of measures that were identified in the 2014-2015 budget as well as other accomplishments. He outlined seven key objectives as well as eight performance measures for 2016. He discussed challenges, including what he called the “addiction epidemic,” which includes increased use of heroin and fentanyl. Last year, in Cuyahoga County alone, there were 199 deaths from heroin and 59 deaths involving fentanyl.

He argued the cost savings that the board has experienced from the expansion of Medicaid were less than what the state had estimated, and that the cost savings were wiped out by reductions in state funding. He made the point that there are still some individuals who do not qualify for Medicaid and that some individuals are not able to manage the re-determination process and therefore may not maintain their coverage. He outlined a detailed series of cuts that would be need to be made to achieve the \$6.7 million reduction in funding. These included reductions in services for children in crisis, substance abuse treatment, employment services, housing, early childhood mental health, prevention services, and peer support. He highlighted one initiative with the City of Cleveland Division of Police that would be at risk, a crisis intervention team training to better equip officers as they deal with citizens with mental illness.

When presented with a list of the possible program reductions due to budget cuts, Councilman Schron asked if ADAMHS is operating at maximum efficiency in their programming. CEO Denihan replied that he is constantly examining the effectiveness of ADAMHS board programs. He was asked about a proposal made by the Department of Child and Family Services to have DCFS work with ADAMHS to identify children who need treatment for mental illness and/or drug dependency and treating them at home instead of taking them into custody, thus leading to cost savings. According to the proposal, that savings would be transferred to ADAMHS on a quarterly basis, to offset the \$6.7 million cut from the county. CEO Denihan replied that he is willing to try a pilot of the idea to see if the proposal could be effective. However, he was not in favor of using that idea to fully replace the \$6.7 million budget cut this year.

Office of Cuyahoga County Executive Armond Budish, Sharon Sobol Jordan, Chief of Staff

Sharon Sobol Jordan appeared before Council a second time to give more information about the three programs that the administration is proposing: "Cuyahoga Works," UPK 2.0, and the Infant Mortality Collaborative "First Year Cleveland."

Cuyahoga Works would be a new division inside county government. It would be funded by \$3 million for coaching, post-placement services to support employee growth and development in the workforce, and advocacy at the state and federal levels related to increase public assistance and tracking the success of public and foundation assistance on county employees.

Sobol Jordan provided more detail regarding the "Cuyahoga Early Childhood Trust," which would be a separate fund, external to the county. This would be the destination for private and philanthropic dollars. The "Invest in Children Partnership Committee" would be co-chaired by Paul Clark, regional president of PNC Bank, and would consist of a committee of "high level" public and private sector leaders. The committee would oversee the spending of both the public and private dollars. While no private or philanthropic contributors were identified by Jordan, she stated that preliminary outreach to potential donors has been "encouraging."

Finally, Sobol Jordan provided more details about "First Year Cleveland," a new 501(c)(3) organization that will be a partnership of the City of Cleveland and Cuyahoga County aimed at reducing infant mortality. First Year Cleveland is expected to be a "backbone" organization, aimed at coordinating a variety of organizational efforts aimed at combating instances of infant mortality. The effort is modeled after similar coordinated efforts in Columbus and Cincinnati. The funding for First Year Cleveland, according to Cleveland City Council President Kevin Kelley, will consist of a likely contribution of \$250,000 from the City of Cleveland in the first year of operation. Cuyahoga County is being asked to contribute \$500,000 in the first year and \$1,000,000 in the second year.

Councilmembers had several questions about City of Cleveland financial support in the second year. Councilmembers Greenspan and Gallagher had concerns about appointments to the board of First Year Cleveland. They want to ensure that the county's representation on the board is proportional to the amount of funding that the county provides. Sobol Jordan acknowledged their concerns and said that she would work on getting their questions answered.

Table 1: Cuyahoga County Council Amendments to Executive Budget

| Agency/Program | 2016 Additional | 2017 Additional |
|---|----------------------------|----------------------------|
| Cuyahoga County ADMAHS Board | \$6,781,183 | \$6,781,183 |
| Senior & Adult Services (hot meals) | \$200,000 | \$200,000 |
| Senior Center – East Cleveland | \$100,000 | \$100,000 |
| Senior Center – Strongsville | \$100,000 | \$100,000 |
| Senior Center Initiative | \$100,000 | \$100,000 |
| Senior & Adult Services (bed bugs) | \$100,000 | \$100,000 |
| Homeless Services – Rapid Rehousing | \$200,000 | \$200,000 |
| Homeless Services – Beds for Women’s Shelter | \$25,000 | |
| Homeless Services – Increase Women’s Shelter Services | \$327,750 | \$327,750 |
| Family & Children First – Out of School Time Program | \$500,000 | \$500,000 |
| Family & Children First – Parent Services | \$312,000 | \$312,000 |
| Family & Children First – Teen Pregnancy Prevention | \$142,000 | \$142,000 |
| Family & Children First – Youth Internships | \$50,000 | \$50,000 |
| Family & Children First – Community Services | \$40,000 | \$40,000 |
| Family & Children First – Add Mentor for Closing the Achievement Gap | \$50,000 | \$50,000 |
| Family & Children First – Closing the Achievement Gap Evaluation | \$90,000 | |
| Cuyahoga Support Enforcement Agency – Fatherhood Initiative | \$100,390 | \$100,390 |
| Health & Human Services Administration – Milestone Autism Resources | \$50,000 | \$50,000 |

Note: Items in boldface represent new spending.

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