



County Executive Armond Budish Presents Proposed Two-Year Cuyahoga County Budget to County Council

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On Tuesday Cuyahoga County Executive Armond Budish went before Cuyahoga County Council to kick off the public portion of the county budget process. Executive Budish began his presentation by saying that he was sending council a balanced budget that would ensure the “long term stability and success of our region.” He commented that the county’s debt and debt service was the biggest problem he inherited when he took office, and that the county was “on thin ice financially.” According to Budish, the county’s existing debt means their “credit card is maxed out,” and he was forced to find \$48 million in the annual operating budget to cover funding for economic development, for maintaining county facilities, and for funding to continue the county’s effort to demolish abandoned structures that would previously been covered through a debt issuance. He said that having to fund these capital expenses and make up the \$20 million opening deficit meant he had a “\$68 million mountain to climb” when crafting the 2016-2017 budget.

Executive Budish said he asked county agency directors and elected officials to cut the fat, do more with less, look for ways to use county funds to leverage private investments, increase revenues without increasing taxes, and look for opportunities for reorganizations or consolidations that could save money. He said that his budget proposal accomplished this without “substantial harm to services and without any layoffs of county employees.”

Despite the challenging financial circumstances, the Executive also described a number of new initiatives that tied back to the principles he outlined at both his swearing-in and his State of the County address earlier this year. These include the establishment of a job creation fund with \$10 million of general operating funds, and \$7.5 million in casino revenue. He

spoke about reorienting the county's workforce investment programs and investing \$3 million annually to create pathways from poverty to sustainable careers and incomes. He spoke about realigning Job and Family Services and the Children and Family Services in order to streamline operations, combine back office functions, and save a minimum of \$1 million in the budget.

He pledged \$1.5 million over two years to reduce what he called "our shameful rate of infant mortality," and said he would work with Cleveland Mayor Frank Jackson, Cleveland City Council President Kevin Kelley, area hospitals, and philanthropic organizations to address the challenge.

His largest new investment, \$10 million in 2016, will expand access to high quality pre-kindergarten education. He said, "No investment is more important and transformative." Prior to his appearance before council, Budish told the Northeast Ohio Media Group that "kids with a high-quality pre-K education-they read better in the third grade, they tend stay in school, graduate from high school, go to college more, and get better jobs."

Fiscal Officer Dennis Kennedy and Senior Policy Advisor Chris Glassburn followed the executive with a 2016-2017 biennial budget overview, which provided a few more details. They described the strategic goals the proposed budget is attempting to achieve. They said departments had been asked to identify savings or revenue enhancements of 10 percent, if possible without negative service implications. They outlined some smaller new health and human service investments including \$500,000 for the Supporting Parents to Assure Ready Kids (SPARK) program, \$340,000 for an initiative to assist homeless and indigent persons to obtain identification documents, and \$50,000 for Senior Transportation Connection. Health and human service continues to have the largest share of the all funds budgeted at 34.8 percent or just over \$1 billion.

After their presentation Councilman Dale Miller said he estimated that the budget was proposing to move more than \$10 million annually in general fund expenses onto the health and human services fund, and he requested the executive's office be ready to explain their philosophy around that move. Councilman Pernel Jones said he wanted to hear more about the criminal justice reform elements that might be included in the budget.

Not referenced in any of the presentations but included in the 2016-2017 Biennial Budget Preliminary Budget by Account and Object is a proposal to reduce health and human service funding to The MetroHealth System by \$7.6 million annually (a 19.1 percent reduction) and to reduce funding to the Cuyahoga County Alcohol and Drug Addiction Mental Health Services Board by \$6.7 million annually (a 17.1 percent reduction) compared to 2015 levels. Among county agencies, the Department of Children and Family Services would see the largest reduction in funding at \$7.7 million or 5.3 percent. Of these cuts, the agency seems to

be proposing that 85 percent of them come from reducing contracts and purchased professional services. Other county agencies with smaller reductions include the Department of Senior and Adult Services and the Family Children First Council.

Councilman David Greenspan, Finance Chairperson, said that Council is scheduled to hold over 30 hours of budget hearings over the next four to five weeks but that the number will likely increase with additional hearings. Referring to the budget process, Greenspan commented that “what’s going in today, will be different than what comes out,” and that “this budget should represent the values of this council and this government”.

Council has added an additional hearing on Tuesday, October 20 at 1:00 p.m. to review the major policy overviews represented by the budget. The first detailed budget hearings will begin on Thursday, October 22nd at 9:00 a.m., and the whole day will focus on health and human services related issues and programs. Greenspan said that November 5th and 10th would be reserved for what could be full-day meetings to address whatever budget issues require further discussion. He said that Council was scheduled to receive the detailed county budget book on Monday, October 19th, and that he and Council staff will be preparing their own summary of the budget that will examine the proposed initiatives, as well as spending increases and decreases, and that they will be presented to correspond with the relevant committee hearings.

A lot remains unknown about this budget. More details will become available with the release of the complete budget document on Monday, October 19th. This marks the kick-off a series of updates from Community Solutions under the banner of *County Budgeting Matters*. It will be modeled after the type of work we do on state budget issues. In the meantime, if you have questions or comments about the budget, please feel free to send them to me at jcorlett@communitysolutions.com. We will do our best to answer your questions as we track the progress of this important policy conversation.

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