



News Release

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FRANKLIN COUNTY ADMINISTRATOR RECOMMENDS STRUCTURALLY BALANCED, FISCALLY SUSTAINABLE 2014 OPERATING BUDGET

Today, Franklin County Administrator Don L. Brown will kick off the County's 2014 Budget Hearings with a presentation of the entire 2014 Recommended Budget to the County Commissioners at 1 pm in the Commissioners' Hearing Room (373 S. High Street) on the 26th Floor.

For several years, the County has reduced expenditures in response to declining revenues as a result of the 2008 economic downturn, however, Franklin County is now the fastest growing county in the state and that growth brings increased responsibilities, challenges and demands for services. **The 2014 Recommended General Fund Budget for operations is \$314.6 million, an increase of 0.3 percent when compared to 2013 projected actual expenditures. The County's Recommended All Funds Budget is \$1.3 billion.**

The recommended budget reflects a commitment to the Commissioners' goal of advancing the priorities of the community and includes additional investments to enhance job creation, economic development, and fiscal security, provide for community safety and security, support critical health and human services, and promote environmental sustainability, stewardship of natural resources and civic engagement.

Furthermore, the 2014 Recommended Budget supports mandated and essential services provided by the County, ensures that sufficient cash reserves are in place to protect the County's two triple-A credit ratings, which place Franklin County in the top 2-percent of all counties in the nation, and protects the County against economic downturns or further reductions in state and federal resources.

For 2014, revenue from the Local Government Fund and revenue from investment earnings, real estate taxes and casino taxes are all expected to be less than the 2013 projected revenues. Conveyance fee collections and revenues the County receives for the housing of prisoners are expected to remain flat.

Even while County revenues remained below their pre-recession levels, Franklin County followed the Commissioners' fiscal sustainability principles in order to maintain core services and adhere to the General fund balance policy. To that end, the County's General Fund expenditures have remained relatively flat since 2008.

Actual General Fund personal services expenditures decreased 1.9-percent from \$135.8 million in 2010 to \$133.3 million in 2012. The on-going commitment to control payroll expenditures has resulted in a 6.6-percent reduction in full-time equivalents between 2009 and 2013 for all funds, equating to a reduction of nearly 400 budgeted full-time employees (FTEs). Furthermore, Franklin County's current policy of limiting healthcare benefit cost increases to 3 percentage points below the national trend has saved a cumulative \$65.9 million in the General Fund since 2009.

Discretionary grants within the County's Community Partnership and Economic Development and Planning programs have been reduced by 32.2-percent, between 2009 and 2013. Even after the

Commissioners adopted policy changes to rein in expenditures in the face of declining revenues, the 2013 Approved Budget anticipated a drawdown of \$29.1 million in General Fund cash reserves.

In an effort to address the needs of a growing population, in September, Franklin County approved a permanent increase in the County's sales tax rate by one quarter of one percent and a temporary, 5-year increase of one quarter of one percent which will expire at the end of 2018.

As a result, in 2014, Franklin County will be able to continue to support in the General Fund a wide variety of mandated services required by state law without reducing cash reserves. These include \$63 million for trial and appellate court services, \$27.4 million for criminal and civil prosecution and legal defense services, \$9.3 million for the administration of the 2014 gubernatorial election, \$5 million for the County's mandated share of support for federal human services programs and \$5.1 million for the support of veterans through Franklin County's Veterans Service Commission.

While the new sales tax rate will apply to all retail sales beginning January 1, 2014, the County will not receive the increased sales tax revenue until April 2014. Even so, the 2014 Recommended Budget restores balance between operating revenues and expenses without reliance on General Fund cash reserves. Of the \$76.7 million in anticipated additional sales tax revenues next year, \$31.8 million will be used to fill the projected operation budget gap, \$15.4 million for additional investments and \$6 million will increase the General Fund balance to address present and future capital projects. The remaining \$23.5 million will be used to address present and future capital projects including replacement of the current County jail and morgue, extending waterlines, and promoting and fostering job creation.

Budget hearings will be held over a three-week period beginning today, November 18 and concluding the first week in December. Following the hearings, the 2014 Franklin County Budget will be adopted in mid-December. A complete list of the hearing times and locations are available on line at www.FranklinCountyOhio.gov/Commissioners.