

2009 Non-Mandated Expenditures Department Response

DEPARTMENT: Economic Development

DEPARTMENT HEAD / ELECTED OFFICIAL: Eric Stuckey, Assistant County Administrator

OCA TITLE: 040007 – Economic Development (25% of Assistant County Administrator)

Hamilton County departments and agencies have the opportunity to respond and provide insight to the Office of Budget and Strategic Initiatives (BSI) initial assessment as to non-mandated services. This response form should be used for each specific BSI assessment; not a general response for entire department. Take as much space as necessary for each question.

1. Are there elements of the BSI non-mandated services that you believe are mandated? If so, provide the specific Ohio Revised Code (ORC) citation, Code of Federal Regulation (CFR) and/or relevant case law information. Please be especially diligent if there is a specific service or staffing level prescribed by law.

Economic Development is not a mandated service. The County has chosen to participate directly in economic development activities over 25 years. The current structure assigns 25% of an Assistant County Administrator to oversee the economic development program. Through the County's economic development efforts, incentive programs have been developed such as enterprise zones and community reinvestment areas, which require the County (or its agent) to administer ongoing oversight (O.R.C. Section 5709.85). If a report on the status of the agreements is not submitted to the Ohio Department of Development, the State can levy a fine of \$1,000 per month, in the case of an enterprise zone (O.R.C. Section 5709.68), or \$500 per month, in the case of a community reinvestment area (O.R.C. Section 3735.672), until the report is filed.

2. Who are the recipients of the service or activity for the non-mandated service? How many recipients? Please note any internal customers, other county departments, jurisdictions, businesses, etc. If the service is geographic specific (i.e., a satellite probation office), please identify the neighborhood, township or municipality.

The County's economic development program serves both the county organization and communities throughout the county.

3. Are there county revenues associated with the non-mandated services? If so, please provide the methodology for any lost revenues. Please consider state or federal reimbursements, grants, fees, etc. Please note if the service or activity is included in the county's indirect cost plan.

Economic Development does leverage state and federal grants and programs that provide revenue to projects. The County also generates various development related fees, property tax, and sales tax revenues from the business capital investments that economic development activity creates.

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4. If the county did not provide the non-mandated service, is there the potential for increased expenditures in another jurisdiction within Hamilton County? If so, please list the specific municipality and/or township.

The specific assignment of a 25% share of an Assistant County Administrator's time to coordinate the various economic development efforts serves to improve efficiency and focus. For the first time in over a decade, the county is providing direct oversight to the economic development function. This has resulted in better more consistent direction to the economic development professionals working with the County. Eliminating this oversight would have a negative impact of a primary policy goal area.

5. Does the non-mandated service include Board of County Commissioner policy via resolution or motion?

Yes, the Commissioners have existing contracts with economic development entities such as HCDC, the Port Authority, OKI, the Convention Facilities Authority, and the Convention and Visitor Bureaus. The Commissioners recently passed a resolution setting their 2009 budget goals. In this resolution, they called for "more effective and robust County economic development efforts" and stated that the "County has underfunded proactive economic growth" in the past.

6. Are there contracts or agreements that preclude the elimination of a non-mandated service? If so, please provide the specific language as to termination and/or amendment terms.

The existing contracts have termination language included.

7. What are the equipment/non-personnel expenditure considerations with discontinuing a non-mandated service? (i.e., surplus equipment).

There are no equipment expenditure considerations with this service.

8. Do any of the non-mandated services include employees represented by a bargaining unit? If so, please note the union and provide information as to reduction-in-force and job abolishment considerations.

No.

9. For positions within non-mandated services, are there are special circumstances that preclude a traditional job abolishment process? Separation costs will be addressed centrally including leave balance payouts, unemployment compensation and severance (based on current Commission policy).

No.

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10. In addition to positions associated with non-mandated services, the Budget Office included a review of management layers, support staff, and currently vacant positions. Please comment on the impact of eliminating these positions.

This component involves 25% of one position.

11. What is the performance impact of not providing the non-mandated service? For example, wait times, waiting lists, case loads, operating hours and other consequences of not providing the service.

The elimination of the economic development function completely would have far-reaching impact on the community. No longer would we be investing and growing as a community. The elimination of the Assistant County Administrator oversight alone would only save \$39,000 per year, but would eliminate the one place that seeks to coordinate the County's disjointed economic entities. As a result, resources would be wasted and opportunities could be lost.

12. Are there any alternatives that result in savings to the general fund?

The Assistant County Administrator position overseeing economic development is currently funded through other non-general fund sources. A greater share of position funding could be born by these non-general fund sources.

13. Are there more efficient ways to deliver a mandated service that may allow for the savings to offset the cost of a non-mandated service?

No.

14. Is there an opportunity to transfer any non-mandated expenditures to another funding source (i.e., restricted fund or grant)?

The Assistant County Administrator position overseeing economic development is currently funded through other non-general fund sources. A greater share of position funding could be born by these non-general fund sources.

15. Does your department have any fees that could be raised to offset the cost of a mandated service?

Not that we are aware of at this time.

Other Considerations and Comments: