Veterans Service Commission

REPORT TO THE HAMILTON COUNTY TAX LEVY REVIEW COMMITTEE

SENIOR SERVICES LEVY

JUNE 4, 2012

Hamilton County, Ohio, Senior Services Levy
Operations and Levy Review

TABLE OF CONTENTS

I. INTRODUCTION

Hamilton County retained TATC, Inc., and Management Partners, Inc., to conduct an analysis of the use of senior services levy funds during the current tax levy period of 2007 to 2012. The scope of this study includes three agencies: the Council on Aging of Southwestern Ohio (COA), the Adult Protective Services program of the Hamilton County Department of Jobs and Family Services (APS), and the Hamilton County Veterans Services Board. The Council on Aging represents the vast amount of senior services supported through levy funding, and this report focuses primarily on the COA program.

Through a contract initiated in 1993, the Council on Aging has provided Hamilton County's Elderly Services Program (ESP). The contract provides the Council on Aging property tax funding through the Senior Services Levy for services it provides directly, indirectly by subcontract with third-party providers. In addition, two County agencies receive direct funding from the levy for senior-related services. TATC and Management Partners have conducted this analysis under contract to the Hamilton County Tax Levy Review Committee as part of the Committee's responsibility for review of County operations and finances associated with the Senior Services Levy as well as providing a recommendation to the Hamilton County Board of County Commissioners regarding future tax levy support for the activities provided under the Senior Services Levy.

Prior to 2008, the Adult Protective Services program received funding through a Memorandum of Understanding with the COA. After that, APS received levy funding directly. This report includes a brief summary of the current status of the APS program, and we include continuation funding in the financial analysis.

The Veterans Services program is a mandated County service and receives minimal funding from the levy. With County concurrence, the Veterans Services Board did not participate in this analysis. We include continuation funding in the financial analysis.

A. PROJECT SCOPE AND ACTIVITY

The review of senior services provided through the COA, as requested by the Tax Levy Review Committee includes the following principal areas:

- Evaluation of current operating efficiency relative to COA's strategic plan, its peers, and reasonable expectations;
- Compliance with, and maximization of, current and planned funding contracts;
- Recommendations for Tax Levy contract provisions between Hamilton County and COA assuming successful passage of the proposed Tax Levy; and,
- Recommendations for costs savings and/or revenue enhancements.

Specific tasks:

1. Identify, and develop an understanding of, the services funded by levy resources by category of service;
2. For all services provided, in whole or in part, by levy dollars, list the cost per unit of services for each category of service, including the cost per client and cost per year for the previous five-year levy period and determine whether the level of services provided is appropriate;
3. Analyze the quality of services provided, including determining the number of clients served during the previous levy period, and review waiting lists (including how such list is defined); review feedback from recipients of service including whether facilities are clean, safe, and providing proper care and present recommendations for improvement as appropriate;
4. Compare COA with private providers and other governmental agencies;
5. Evaluate the financial results of COA operations over the past five years, including analysis of variances from budget and comparison of financial trends with services delivered over the same time;
6. Conduct an historical review of the COA budget and projections, including review of the COA strategic plan for the next levy period for comprehensiveness, reasonableness of assumptions, and likelihood of success;
7. Analyze any alternative sources of funding to ensure that any of these sources of funding are being utilized first;
8. Report and analyze COA compliance with the terms of the current Agreement by and between the Board of County Commissioners of Hamilton County, Ohio, and the Council on Aging of Southwestern Ohio, entered into on June 11, 2008, and make recommendations for future contractual conditions upon passage of the levy; and,

9. Prepare a Final Report that includes:
   a) Recent history and overview of COA operations;
   b) Analysis of corporate structure including organization chart;
   c) Operations analysis;
   d) Financial analysis;
   e) Possible threats or other issues to COA during the next Tax Levy period;
   f) Effectiveness of strategic planning; and
   g) Summary of principal observations and recommendations.

B. Principal Observations and Recommendations

The principal observations and recommendations of this report include the following:

1. The Council on Aging is a well-run organization that has sought to maximize the value of the levy for the citizens of Hamilton County. Of particular note is COA's recognition, during the last mid-levy period, of the impact of the local economy on tax revenues and its anticipation of federal and state funding reductions.
2. While the levy is projected to end the current period with a fund balance, that balance is due to actions taken by COA over the past several years to adjust both its program model and its organizational structure to be more effective and cost efficient.
3. The combined levy request for the upcoming levy period estimates a negative fund balance of roughly $18.4 million. This includes the potential loss of funds caused by the Duke Energy property appraisal appeal. Including spending of the entire existing fund balance, estimated to be $4.1 million, the effective negative fund balance may be approximately $22.5 million at the end of the five-year levy period, if there are no changes in current spending levels. It also does not account for the continuing impact of recent eligibility changes which have not been fully realized.
4. Hamilton County has two options to address the revenue shortfall. We recommend either option, or a combination thereof. The first option is to increase the levy to cover the anticipated deficit. The second is to apply a series of expense reduction strategies to eliminate the deficit. In the case of this second option, we recommend that the County direct COA to develop within the first levy year a specific action plan calculated to result in a zero fund balance at the end of the levy cycle.

5. We recommend that the County fund the Adult Protective Services program at a level sufficient to maintain the current level of activity.

6. Since we did not review the Veterans Services Commission, we do not have any recommendations regarding the operation of that program. We do, however, suggest additional reporting from the Commission to the County. Our financial analysis includes continuation of funding at the current level.

II. COUNCIL ON AGING OF SOUTHWESTERN OHIO

In this chapter, we provide a review of the Council on Aging of Southwestern Ohio. The review includes:

- Overview of COA organization, including a summary of compensation changes during the current levy period;
- COA Programs, including a description of the Hamilton County Elderly Services Program;
- Customer assessment;
- Review and assessment of COA strategic planning
- Comparative analysis with other Ohio counties;
- Compliance with the current levy agreement, including an overview of efficiency initiatives;
- Financial operations and efficiency measures; and
- Observations and Recommendations.

The Council on Aging of Southwestern Ohio is a 501(c)(3) private nonprofit corporation that has served the needs of older adults in Hamilton County for over forty years. It is one of twelve Area Agencies on Aging in the State of Ohio. As such, it is responsible for administering all federal and state aging funds within the southwestern region, consisting of Hamilton, Butler, Clermont, Clinton and Warren counties. Through agreements with the various counties, COA administers the Senior Services Tax levies for all but Clermont County. Hamilton County, as well as the other counties, benefit from the Council's regional orientation through cost savings that accrue from sharing the costs of administrative activities.

COA has an extensive governing and policy advisory structure. A Board of Trustees governs the organization. The Board consists of representatives from each county, including five representatives from Hamilton County. COA also has various advisory and oversight bodies. The governance of COA includes:

- Council on Aging Board of Trustees

- Council on Aging Advisory Council
- Hamilton County Elderly Services Program Advisory Council
- Clinton County Citizens for Elderly Services, Inc.
- Butler County Citizens for Elderly Services, Inc.
- Warren County Elderly Services Program Advisory Council

COA is the only levy-funded agency in Hamilton County that has a separately appointed advisory council – in addition to its governing board structure – for the purpose of monitoring the County's levy program.

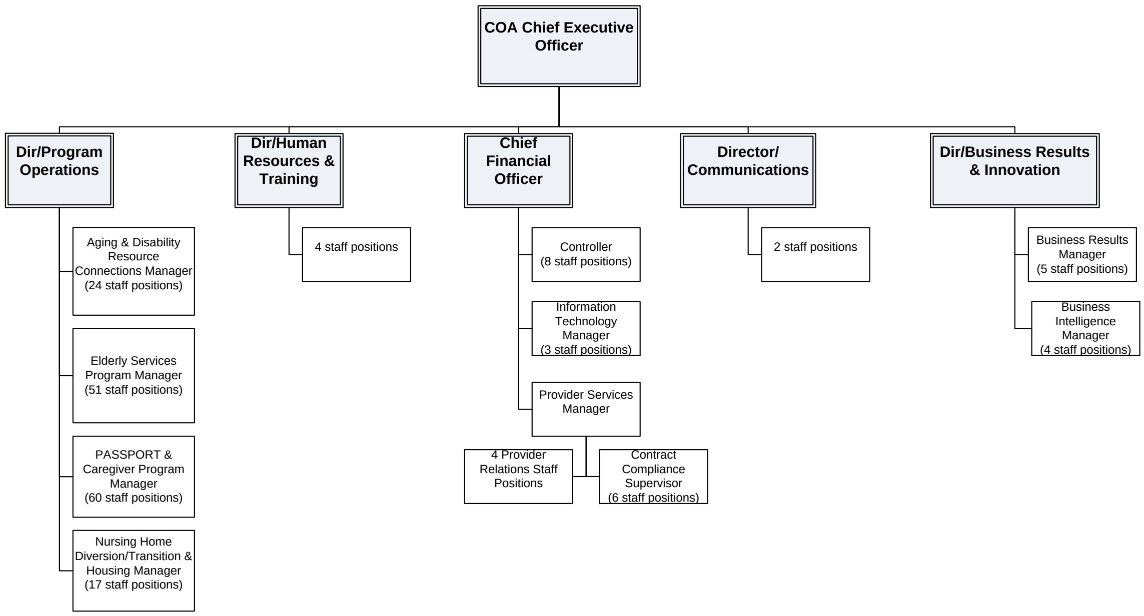
The Council on Aging provides senior services through a collaborative effort that includes both formal and informal coordination between a variety of County agencies and social service providers. Although only the Elderly Services Program (ESP) makes direct use of the Senior Services Levy, the Council on Aging has other internal programs that interact closely with the Elderly Services Program to the benefit of Hamilton County's senior population.

The ESP is not a mandated activity. While Federal and State aging funds serve a large number of senior citizens, the eligibility rules of those governments still preclude a substantial population in Hamilton County from receiving services needed to sustain quality of life. Sections 5705.19 through 5705.25 of the Ohio Revised Code provide the basis for Hamilton County to levy a Senior Services Property Tax to provide additional services. As a result, the Senior Services Levy is based upon a policy decision made by the Board of County Commissioners and a vote of the electorate. A large majority of Ohio counties have adopted this approach to funding and providing senior services.

A. COA ORGANIZATION

1. ORGANIZATION

The chart below presents the management level organization of the entire Council on Aging of Southwestern Ohio. The chart includes a count of authorized staff positions but does not distinguish between part-time or full-time positions. As a result, the total count in the chart exceeds the actual FTE count for COA. Our discussion of each work unit following the chart presents the FTE staffing by work unit.



As shown, COA consists of six core departments. This includes the Executive Office, four administrative support departments, and one program delivery department. The responsibilities, and sub-organization, of each department are as follows:

- **Executive Office.** This office consists of the Chief Executive Officer, support staff for the CEO, and the Government Relations Manager. The responsibilities of the Executive Office are to support the operations of the policy making and governance structure of COA and to translate Board policy into administrative direction and supervision of the operating departments.
- **Program Operations.** This Department is responsible for the delivery of the elderly services programs administered by COA. It consists of four business units, each responsible for core service elements, described later in this report:
  - ***Aging and Disability Resource Connections (ADRC).*** This is the COA's intake and assessment unit. It takes in new clients, conducts preliminary eligibility and needs assessment, and then assigns the individual to the appropriate service program or programs. The unit consists of a business

manager, scheduling assistant, program assistant, clinical consultant, a self-directed universal assessment team consisting of 9.2 FTE (of which 1.4 FTE positions were vacant during this study), and a self-directed ADRC specialist team of 9.8 FTE (of which one FTE was vacant). Depending on work assignments, team members in this unit may be directly charged to the Hamilton County levy, and general management is charged through COA's indirect cost allocation system.

- ***Elderly Services Program.*** This program administers the Elderly Services Programs in the various counties for which COA is responsible. The administration of the program is the responsibility of a business manager, program assistant, secretary, and clinical consultant. Care management is delivered through self-directed teams consisting generally of twelve care managers per team. The Hamilton County ESP program consists of four teams, totaling 48 care managers, one position of which is vacant. Other than being responsible for Hamilton County, the teams are not geographically based; each team will serve residents throughout the County. COA provides ESP care management in its other counties through contracted services. This program is the core of the Hamilton County Senior Services Levy.

- ***PASSPORT and Caregiver Program***. This business unit is responsible for administering the PASSPORT and caregiver programs for all of the counties served by COA. It consists of one business manager, a program assistant, a secretary, a nutrition educator, a caregiver consultant, an enrollment specialist, and two clinical consultants. Self-directed teams assigned by County provide care management services. There are three Hamilton County teams, each consisting of 9 care managers and 2 program support specialist positions. In total, the Hamilton County staff include 27 care managers, and 6 program support specialists (one position of which is vacant). The Hamilton County levy does not fund this business unit.

- ***Nursing Home Diversion/Transition and Housing***. This business unit administers COA's housing assistance program and its programs to divert persons from nursing homes or to assist in transition from nursing home care to assisted living or at-home care. This program is funded primarily through state and federal funds, but there may be some overlap with levy funds for persons who are not otherwise eligible for other funding. The unit is managed by a business manager. The Housing program consists of an Assisted Living Care Management team of seven assisted living care managers and two program support specialists; a supportive living team of two supportive living coordinators, and three FTE service coordinators; a clinical consultant; and a wellness program coordinator. The Nursing Home program includes four care transition specialists, a program support specialist, a clinical consultant (who also supports the ADRC unit), and six FTE pre-admission reviewers.

- **Chief Financial Officer.** This Department is a general administrative unit, responsible for the financial, information technology, and provider service operations of COA. It is directed by the Chief Financial Officer, with support from an executive assistant. The costs of this unit are allocated to each County based on the COA cost allocation plan.

    - ***Financial Services***. This business unit falls under the aegis of the COA controller; it is responsible for all of the financial transactions and cost analysis of COA. In addition to the controller, it consists of an accounting supervisor, two accountants, a provider billing specialist, a contracting specialist, two accounting specialists II, and two accounting specialist I's (one position of which is vacant).

    - ***Information Technology.*** This unit supports COA's information technology resources. It includes an information technology manager, a network administrator, a programmer analyst, and an information technology specialist. This unit is supporting COA's recent roll-out of a new care management system that enables COA field staff to have full information access in the field through assigned laptop computers.

    - ***Provider Services.*** This unit is COA's contracting arm for service providers, under the direction of a provider services manager. The provider relations section, consisting of four provider relations specialists (including one vacancy) is responsible for provider contracting and information exchange with providers. The contract compliance section oversees contracts in place, reviewing contractor billing. This section includes a contract compliance supervisor, four contract compliance specialists, a nutrition compliance and development specialist, and a vacant contract compliance assistant temporary position.

- **Communications.** This Department consists of three persons: the director of communications and two communications specialists. It is responsible for COA's marketing, public relations, events, and public outreach programs, and helps support advocacy and government relations. The costs of this unit are allocated to each County based on the COA cost allocation plan.

- **Human Resources and Training.** This Department is a general administrative unit, responsible for creating and managing the organizational systems to achieve Organizational Development, Recruitment, Staffing, Compensation, Benefits, Payroll, Performance Management, Training, Leadership Development, and Culture Development of COA. It is headed by the Director of Human Resources and Training, and includes a human resources business partner, a clinical trainer, a training and development generalist, and a human resources assistant. The costs of this unit are allocated across all of COA cost allocation plans.

- **Business Results and Innovation.** This Department is the product of a merger of COA's utilization management, quality review, data analytics, project management, and innovation functions over the past several years. This department has moved well beyond traditional UM and QA duties and has evolved into a highly effective performance management system for COA and provides the right information in a timely manner for effective operations management and strategic planning. The costs of this unit are allocated to each County based on the COA cost allocation plan.
  - ***Business Results*** This team is responsible for assessing departmental performance and supporting quality management functions. This team performs traditional utilization management functions plus quality technical services such as root cause analysis, best practice research, and quality action plan development. The department consists of a business results team and a business intelligence team. The results team includes a manager, four full time utilization analysts, and a vacant temporary utilization analyst.
  - ***Business Intelligence.*** This team offers data analysis and support for all departments. Using data mining software and sophisticated report development capacities, this team has the capability of conducting effective reviews of both provider and care manager performance. The intelligence team includes a manager, a data architect, two permanent evaluation analysts, and a temporary evaluation analyst.
  - ***Project Management and Innovation.*** Projects which cross multiple departments are supported through this function in Business Results and Innovation. Projects are lead by a combination of independent contractors, the Director of Business Results and Innovation, and internal resources.

2. COMPENSATION

The TLRC has requested that we comment on COA's history of adjustments in employee compensation during the current levy period. COA is an independent 501(c)(3) agency and is not an entity of government. Because COA is a multi-county agency that is an independent employer, its compensation policies are independent of any county member and must, by law, be consistent throughout its employment base.

COA uses a well-established compensation policy that considers both market conditions and performance. It retains a professional compensation consultant to assess executive management salaries annually and all salaries on a two-year cycle. The analysis includes both direct compensation and fringe benefits. The consultant performed the last review in 2010. This compensation review is presented to the COA Board yearly for executive compensation and every two years for employee compensation. It is our impression that the analysis was a thorough study, professionally performed; the report reflects industry state-of-the-art thinking regarding compensation strategies.

The system is a pay-for-performance approach. Employees receive an annual performance evaluation and performance score. Employees at the median of the score receive a base adjustment. Employees above the median receive higher adjustments, and employees below the median receive lesser adjustments. Employees who are in the bottom distribution receive no compensation adjustment. For example, in 2010-11, 17 of 190 employees received no adjustment.

B. COA Programs

1. Overview of Programs

The following table, adapted from information provided by COA, presents a summary of the various programs provided by COA for residents of Hamilton County. Of these programs, the Hamilton County Senior Services Levy funds primarily the Elderly Services Program.

Program	Purpose	Summary of Services and Benefits	Eligibility
Hamilton County Elderly Services Program	• Helps older adults remain safe and independent in their homes. • Expands care already provided by family and friends. • Prevents unnecessary nursing home placement	• Care Management • Homemaking • Home Modification • Transportation • Medical Equipment • Personal Care • Meals/Nutrition • Emergency Response System	• Age 60 and over for Hamilton County residents • Impaired in activities of daily living • Ineligible for services through another payer, including Medicaid, Medicare, private pay, insurance, or hospice
PASSPORT	• Ohio's alternative to nursing home care. • Helps low-income, disabled older adults remain safe and independent at home. • Prevents unnecessary nursing home placement.	• Same services as ESP • Helps with out-of-pocket medical and prescription costs	• Age 60 and older • Low-income (Medicaid eligible) • Require skilled or intermediate level of care, including hands on help with dressing, bathing, toileting, grooming, eating, medication management or mobility
Assisted Living Waiver	• Provides care for low-income adults in approved assisted living facilities. • An alternative for people who need more care than provided through PASSPORT or ESP, but do not need a nursing home.	• Private rooms with bath • 24-hr on-site response • Meals • Care Management • Homemaking • Personal Care • Social Activities	• Age 21 or older (state law requirement) • Low-income (Medicaid eligible) • In need of skilled or intermediate level of care
Caregiver Support and Education	• Help, education and support for caregivers	• Resource manual and in-home consultation with an RN to help caregivers: • Reduce stress, burden and injuries • Increase confidence and knowledge • Improve quality of care • Balance lives and caregiving	• Care recipient or caregiver must be at least 60 years old (no age requirement for family caregivers who provide care for individuals with Alzheimer's disease and other brain disorders) • Care recipient or caregiver must live in Butler, Clermont,

Program	Purpose	Summary of Services and Benefits	Eligibility
		responsibilities	Clinton, Hamilton or Warren county
Long-term Care Consultation	• A free, customized, in-home consultation that helps people understand how to meet future needs for long-term care.	• Personal consultation addressing any facet of long-term care planning – care options, finances, insurance, legal matters and more. • Information about long-term care options, programs and services that help seniors maintain their independence • Information about estate planning, including financial and legal matters • A personalized list of recommendations, including a summary of options and resources	• No age or income requirements • Must live in Butler, Clermont, Clinton, Hamilton or Warren county
HOME Choice	• Restores independence by helping eligible older adults and people with disabilities move from long-term care facilities to home and community settings.	• A transition program – client's care may be monitored for up to one year by a transition coordinator, then the client continues to receive support services through a Medicaid Waiver Program such as PASSPORT. • Housing and financial assistance • Independent living skills training • Community support coach • Nutritional counseling; meals • Communication aides and service	• Age 21 and older • Lived in a long-term care facility for at least 90 days • Eligible for Medicaid at least 1 day prior to discharge from the facility • Has care needs that would otherwise be met only by a long-term care facility

Program	Purpose	Summary of Services and Benefits	Eligibility
		animals • Medical benefits coordination; nursing	

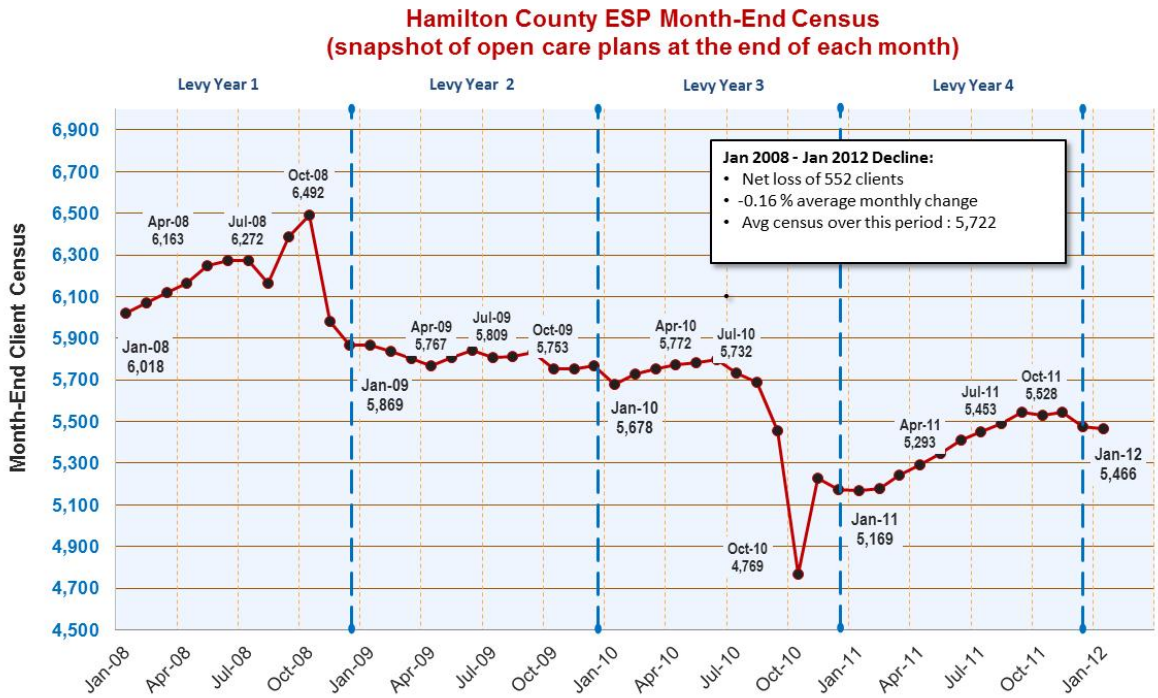
2. Hamilton County Elderly Services Program

As noted, COA uses almost the entirety of the Senior Services Levy dollars for program services provided through the Elderly Services Program. Services provided in the ESP include:

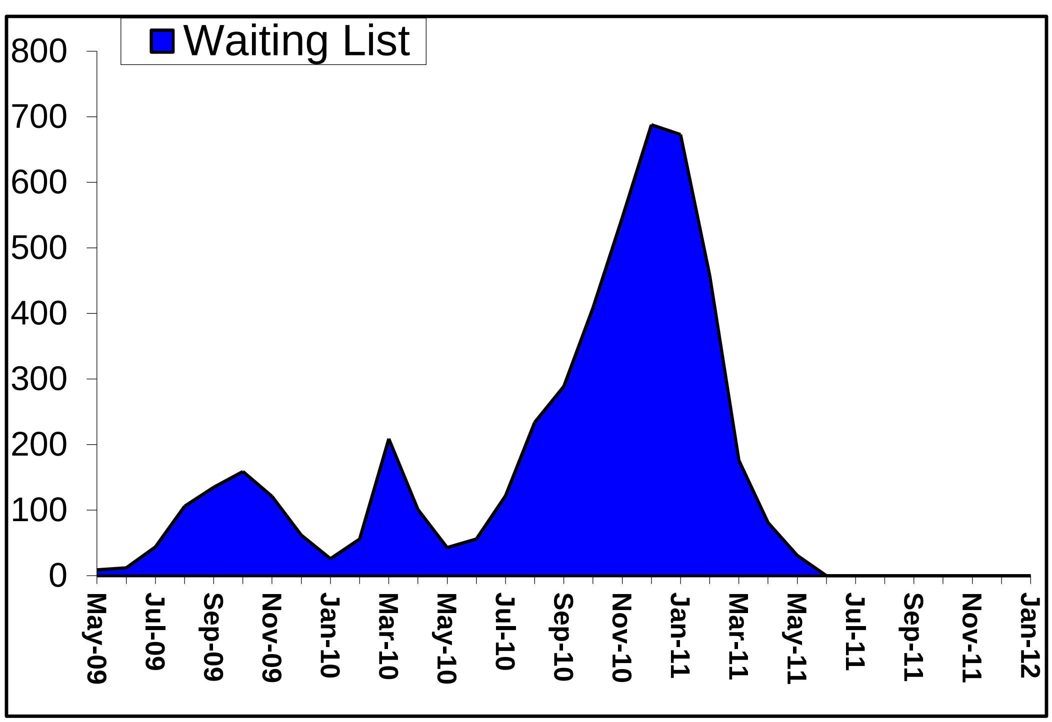
- Case management;
- Adult day services;
- Home care assistance which includes: caregiver respite, companion, homemaking and personal care;
- Emergency response devices;
- Home-delivered meals;
- Home modifications;
- Independent living assistance;
- Major housecleaning / pest control;
- Medical equipment and supplies; and
- Transportation.

In 2011, COA provided 7,259 Hamilton County residents with services through this program, at an average monthly cost of $349. Primary services included home care assistance for 4,226 persons, emergency response systems for 4,069 persons, and home delivered meals for 3,404 persons. Of the total clients served, 73% are women, 64% live alone, and 75% are below 200% of the Hamilton County poverty level. The mean annual income of the service recipients was $18,788.

The following charts provided by COA show the ESP participation for the current levy period:



Hamilton County Elderly Services Program Waiting List 2009 - 2011



At the outset of the levy review process, COA presented an activity report to the TLRC and consultant staff which showed an expectation that ESP caseload would remain approximately stable over the next five years, with projected case load increasing from 5,499 persons in 2012 to 5,004 persons by 2017. Over this period, there will be an ebb and flow of enrollees as some leave the program and new persons are enrolled. Given that COA anticipates that the over-60 population of Hamilton County will increase by between 22 and 27 percent between 2010 and 2020, this flat projection of enrollment is an appropriate reflection of the impact of COA's efforts to control costs through higher eligibility standards.

When an individual is seeking services, that person will call COA's customer service line. Intake staff will conduct an initial eligibility assessment over the phone and, as appropriate, refer the individual's case to the ESP business unit. An ESP program assistant assigns the case to a care manager based on geographic clusters, intensity of need, and the care managers' respective case loads. The care manager conducts a full assessment, usually taking about 2 hours, in the individual's home. If the individual does not like the care manager's determination, then he or she can appeal to the clinical consultant. This is very infrequent. The care manager then develops a service plan based on the needs determination and refers the plan to potential providers. Unless the person requests a specific provider, then COA assigns the case to a provider on the basis of cost. Within three months, the care manager conducts a follow-up. There is also a six-month assessment, with subsequent annual assessments.

The target case load for care managers is 125. However, the 2011 data reviewed in the comparative analysis shows an average of 133 cases during the last year.

Until recently, COA has supplied the ESP care managers with laptops and cell phones because most of their time is spent in the field. The care managers have remote VPN capacity. In mid-April COA went live with a new software system that now allows care managers to have full data access remotely.

C. Customer Assessment

As part of the review of COA, the project team conducted two focus group sessions. One session was with service providers and the other was with COA clients. Both were conducted at St. Paul's Assisted Living Facility. The provider session included approximately 14 providers representing 11 agencies. The client session included four clients and one caregiver.

The provider session used a nominal group technique based on the traditional strategic discussion of strengths, weaknesses, opportunities, and threats. For each topic area, the facilitator asked the participants to list respective thoughts about each. The participants then ranked the individual items according to perceived importance.

The following table presents the results of the provider session:

Strengths	**Weaknesses**
• State and local advocacy • Emphasis on provider quality • Service coordination • Leadership and vision • Variety of services	• Lack of consistency among care managers • Competitive structure for assigning clients • Attrition in general • Partnership aspect declining • Lack of hours allocated to clients

Opportunities	**Threats**
• Aging population • Philanthropy skills • Becoming more clinical • Small group partnerships due to smaller provider list • Keep providers on board	• Managed care initiatives • After-the-fact payments • Greater elderly population with less financial resources • Levy renewals

As the providers discussed the relevant points of the scoring, a number of key points stood out:

- Overall, the providers were very supportive of the operation of COA and felt that COA was doing an excellent job. Of particular note was the ability of COA to anticipate future needs and issues and adapt in advance rather than being reactive. Comments about weaknesses should be taken in the context of an organization that is perceived as being a high-quality agency.
- While the providers recognized the need for COA to undertake substantial program administration and delivery changes in mid-levy, there is still some residual concern over the move of COA to be much more of a data-driven organization. Almost all of the identified weaknesses related to various aspects of that concern.
- Despite the concern over the change in COA orientation, the providers also saw the changes as opportunities for improvement, particularly in the expectation that the reduction in the number of providers will enable COA to foster greater provider partnerships in the future.

The client group consisted of persons who were residents at St. Paul's. They were all women, ranging in age from 88 to 99. Rather than using a formal approach to this session, the project staff conducted an open discussion with the participants. They were highly supportive of the services provided through COA and were complimentary of their respective care managers.

D. Strategic Planning

As an operating agent of the State for the administration and delivery of programs funded through the State government, COA must prepare annually and maintain a strategic plan. This plan uses a format dictated by the State of Ohio and orients to senior services delivery performed under the auspices of the State. Unlike most state mandated plans that are usually little more than over-stated business cases, this strategic plan does have some key elements of traditional mission-based strategic plans.

The 2014 strategic plan, as submitted to the State, includes the following goals and objectives:

Goals	**Strategies**
Goal 1: Develop and promote wellness options in the community	Strategy 1: To promote/increase wellness programs and increase community involvement.
	Strategy 2: Expand mental health services for in-home clients/caregivers.
Goal 2: For transportation, increase options, reduce restrictions, and improve quality and coordination of services	Strategy 1: Improve and increase existing transportation options, coordination and utilization.
	Strategy 2 Improve quality of existing transportation services.
Goal 3: Expand service options for caregivers and seniors.	Strategy 1: Expand and enhance services to support caregivers
	Strategy 2: Enhance service options to clients and caregivers
Goal 4: Educate the public about COA services and options for seniors prior to crisis	Strategy 1: Increase early awareness about COA services
	Strategy 2: Become known as the leader in aging for information, referrals and advocacy
Goal 5: Enhance legislative advocacy on local, state and federal levels	Strategy 1: Increase legislative awareness and support continuously.
	Strategy 2: Build grassroots base of advocates to involve large numbers of voters, seniors and baby boomers
	Strategy 3: Provide fair and reasonable PSP rates to providers
Goal 6: Develop an internal and external	Strategy 1: Develop an Internal Communications

Goals	Strategies
communication plan	Strategy.
	Strategy 2: Develop an External Communications Strategy
Goal 7: Reform provider rates, as well as the contracting, and referral system	Strategy 1: Reform the provider contracting process
	Strategy 2: Reform the referral process.
Goal 8: Learn from outside competition, including managed care, and position the organization to compete	Strategy 1: Position COA to be competitive.
	Strategy 2: Financially position COA to meet increasing needs of older adults
	Strategy 3: Improve operational efficiency
	Strategy 4: Maximize resources with changing client need.
Goal 9: Build a strong organizational culture within COA	Strategy 1: Build a strong organizational culture
	Strategy 2: Ensure preparedness of workforce
	Strategy 3: Evaluate competitiveness of current benefits
Goal 10: Enhance leadership and orientation of the Board of Trustees	Strategy 1: Strengthen COA Board of Trustees and Advisory Council
	Strategy 2: Increase awareness of Board and Staff roles

In addition, the strategic plan includes four strategic issues:

1. Senior needs of the future;
2. Increase community and legislative awareness;
3. Strengthen and position the organization; and
4. Establish sustainable sources of discretionary revenue.

The strategic plan includes a set of goals that are different from the goals and strategies identified earlier in the plan. Of particular note, however, are Goal 8 of the first strategic issue and Issue 4.

Goal 8 appears to be the only section of the strategic plan which specifically addresses the Elderly Services Program. The stated goal is to "Ensure sustainability of the Elderly Services Program." The objectives are listed as:

- [to] "develop options for policy changes to eligibility for each county to consider, and

- [to]"identify other policy and program changes that target the program resources to older adults at higher risk for nursing home placement."

The evaluation methodology includes:

- Decreased waiting lists as a result of tightened eligibility;
- Higher acuity levels on the ESP programs;
- Higher cost per client for older adults at greater risk for nursing home placement; and
- Lower rates of nursing home placement from the ESP programs.

Issue 4 calls on COA to identify and secure sustainable, non-governmental funding sources for elderly programs.

The importance of these two items will become apparent later in this report when we discuss the fiscal position of COA.

E. Comparison with Other Ohio Counties

In this section, we review the Hamilton County Senior Services levy, as delivered by the Council on Aging, with six other Ohio counties. Our conclusion from the comparative analysis is that the Council on Aging performs at or above the level of the other counties.

Our analysis includes the levy programs of Butler, Clermont, Clinton, Franklin, and Montgomery Counties. It is important to note that the eligibility criteria for these counties differ from the eligibility criteria in Hamilton County. This renders direct comparison difficult. We requested information from Cuyahoga and Lucas counties but did not receive responses from them. We present the comparative data in the tables in the Attachment to this report.

Our observations from the comparative data are as follows:

- At $25.82, Hamilton County's senior services levy revenue allocated to the Elderly Services Program is the second lowest per capita allocation of the six counties for which we have accurate levy information. The lowest is Franklin County, at $22.19 per capita.
- Hamilton's average operating revenue per capita is third lowest, at $28.57, behind Montgomery and Franklin Counties.

- The average total operating cost per client for Hamilton County is $4,184.91. This is second highest, behind Montgomery County's $5,327.17
- Hamilton's high total operating cost may be explained in great part by its program costs. When we subtract non-program costs (administrative costs, intake and assessment, and care management), Hamilton has the highest average program cost per capita at $3,270.30. We do not include Montgomery in this analysis because it was unable to separate its program and non-program costs.
- When considering non-program costs, Hamilton presents a mixed picture. As a percentage of the total levy, Hamilton has—or is tied for—the lowest costs for administration, intake and assessment, and care management. However, when considering those costs per client served, Hamilton's costs are among the highest. In the case of care management, Hamilton's cost is the highest per client of the counties in the analysis for which we have complete data.

F. Compliance with Current Levy Agreement

As part of the current levy, Hamilton County and COA entered into a service agreement for COA to continue to provide senior services funded by the levy. That agreement included three actions to be taken by COA. The following table summarizes those requirements and the status of COA compliance.

Requirement	**Compliance Status**
"The Council will continue to refine its procedures to assure that all sources of services to the elderly, including services from other non-profit groups and faith-based organizations are identified and recommended for usage whenever possible."	• COA has applied for, and received, various external grants for services that would otherwise be eligible costs for the ESP program. • Part of the eligibility determination screening process includes assuring that the prospective client has no other financial resources prior to enrolling that client into the ESP. • Clients are expected to contribute to the cost of their care on a sliding scale of ability to pay. COA actively bills other sources, including personal pay, for client-eligible expenses.
As compensation for its administrative	The expenditure analysis in the fiscal

Requirement	Compliance Status
expenses, Council shall receive a fixed rate of 6% of the sum of total expenditures for Intake, Assessment and Case Management and Provider Services"	analysis section of this report shows that administrative expenses each year have equaled six percent of the total expenses for intake, assessment, case management, and provider services.
"The Hamilton County Elderly Services Program Advisory Council will evaluate the recommendation by the TLRC regarding the utilization of the Social Security Administration's eligibility criteria and will make a recommendation concerning this item, and other eligibility considerations, to the Hamilton County Board of County Commissioners."	In 2009 and 2010, COA has undertaken a substantial review of its program eligibility in conjunction with the Scripps Gerontology Center at Miami University. This review was part of a broad range of fiscal efficiency measures. This review has resulted in a redesign of the eligibility criteria. The ESP Advisory Council presented its recommendations for the criteria changes to the Board of County Commissioners in November 2009. The Board of County Commissioners adopted the revised criteria and a contract amendment incorporating the changes in March 2010.

G. Financial Operations and Efficiency Measures

The following table summarizes the operating revenues and expenses of the COA levy program over the current levy period. The revenue and expense line labeled ADM reflects the auditor and treasurer charges for administration of the levy.

		Actual				Estimated	Total
	Line Item Description	**CY2008**	**CY2009**	**CY2010**	**CY2011**	**CY2012**	**CY08-CY12**
Local Revenues							
COA	Senior Services Levy	$20,920,427	$20,978,056	$20,687,091	$20,424,246	$19,171,172	$102,180,992
ADM	Senior Services Levy	$488,764	$294,522	$295,802	$300,528	$474,574	$1,854,190
	Subtotal Tax Levies	$21,409,191	$21,272,578	$20,982,893	$20,724,774	$19,645,746	$104,035,182
COA	Donations	$111,321	$145,315	$104,254	$73,029	$78,584	$512,503
COA	Co-Payments	$582,431	$772,442	$639,468	$727,811	$747,250	$3,469,402
COA	Other Local Funding	$159,512	$328,217	$116,381	$81,194	$0	$685,304
	Total Local Revenues	$22,262,455	$22,518,552	$21,842,996	$21,606,808	$20,471,580	$108,702,391
Special	Revenues						
COA	Title III	$506,571	$859,110	$754,360	$676,576	$584,220	$3,380,837
COA	USDA (NSIP)	$390,048	$555,113	$385,290	$472,519	$514,608	$2,317,578
COA	State Funding	$248,724	$369,713	$250,537	$205,808	$53,226	$1,128,008
	Total Special Revenues	$1,145,343	$1,783,936	$1,390,187	$1,354,903	$1,152,054	$6,826,423
	TOTAL OPERATING REVENUE	**$23,407,798**	**$24,302,488**	**$23,233,183**	**$22,961,711**	**$21,623,634**	**$115,528,814**
Expenditures							
	Provider Services	$14,839,845	$19,148,996	$17,226,844	$17,465,231	$18,243,937	$86,924,853
	Information & Assistance	$215,484	$210,222	$239,998	$294,729	$229,456	$1,189,889
	Care Management	$2,419,569	$3,131,260	$3,021,912	$3,680,295	$3,452,490	$15,705,526
	COA Administration	$1,051,062	$1,343,238	$1,229,326	$1,286,414	$1,315,553	$6,225,593
	Subtotal - Council on Aging	$18,525,960	$23,833,716	$21,718,080	$22,726,669	$23,241,436	$110,045,861
	Duke Appeal Refund Impact	$0	$0	$302,307	$230,677	$175,963	$708,947
	Auditor & Treasurer Fees	$488,764	$294,522	$295,802	$300,528	$474,574	$1,854,190
	TOTAL EXPENDITURES	**$19,014,724**	**$24,128,238**	**$22,316,189**	**$23,257,874**	**$23,891,973**	**$112,608,998**
CHANGE IN FUND BALANCE		**$4,393,074**	**$174,250**	**$916,994**	**($296,163)**	**($2,268,339)**	**$2,919,816**

At the time of the last levy review, the financial model was designed to result in approximately a zero fund balance at the end of the levy period. To accomplish this, revenues were estimated higher than necessary for the start of the period, with expenses catching up in the last part. COA's financial summary shows that this pattern was held during the levy period. However, the financial position of the levy program is not just a function of the financial plan. Rather, during mid-levy COA undertook a series of efficiency measures designed to retain its programmatic strength and address the national financial crisis that began to show in 2008 and took hold in 2009.

In 2009 and 2010 COA undertook a major redesign of both its program delivery model and its organizational structure. This was done in order to address the requirement to reassess its ESP program eligibility and to anticipate future revenue loss as the economy began to shrink and financial resources began to wither. Principal changes that occurred include:

- Enrollment and program changes
  - In 2009, began use of waiting lists; subsequent program and enrollment changes have eliminated the waiting lists since June 2011.
  - Adopted new eligibility criteria which increased level of disability and decreased age requirement for enrollment. Existing clients were "grandfathered." New enrollees are generally more frail, require additional services, and will have higher care plan costs.
  - Implemented care management for clients receiving only home delivered meals. This required a suspension of new enrollments, causing a spike in the waiting list from May 2010 to May 2011.
- Provider changes
  - Starting in 2008, re-designed the distribution system for zoned service delivery and services oriented to buildings where there was a large client base.
  - Instituted home delivered meals care management (as noted above).
  - Consolidated providers of home care services from 27 to 15 and home-delivered meals from 12 to 7.
- Organization changes
  - Restructured COA to improve operational efficiency and maximize resources.
  - Expanded use of self-directed teams for service management and eliminated team leaders. Now, each team self-selects four rotating positions: Facilitator, Communicator, Record Keeper, and Recorder. The teams receive support on difficult cases from Clinical Counselors assigned to the various program business units.
  - Created the Business Results and Innovation group by combining various planning, utilization, and quality management activities in the organization. This new group has resulted in a greater and more effective emphasis on performance management in all aspects of the organization.

The effect of these various efficiency improvements is that COA has been able to improve an already good level of performance and financial efficiency and weather the past several years of financial constraint.

H. Observations and Recommendations

Our review of the administration of Hamilton County's Elderly Services Program by the Council on Aging yields the following principal observations and recommendations:

- COA continues to be a well-constructed, effective organization and has shown itself to be able to anticipate problems and adapt appropriately. This adaptability has enabled COA to meet its primary service challenges while remaining within the constraints of declining revenues.
- The organizational model that COA has adopted represents state-of-the-art thinking about service organization and delivery, particularly in the use of self-directed teams and its emphasis on performance management.
- COA uses an effective approach to personnel evaluation and compensation.
- Comparatively, COA is performing at a level that is commensurate with, and in many cases better than, its peer organizations.
- While the self-directed team structure appears to be working well, provider comments and staff interviews indicate the need to assure greater cross-communication. Staff interviews inform us that there is no mechanism for coordination between the various teams, in large part because of the case loads being maintained. We suggest that COA create a cross-team coordinating committee consisting of the various team facilitators. The purpose of the coordinating committee will be to discuss broad program and delivery issues that impact the entire agency.
- The performance management reporting being generated by the Business Results and Innovation group is impressive. However, our interviews and review of the work products of this unit indicate that additional refinement is desirable. In particular, much of the reporting being done is either designed for external compliance requirements or is too complex for general understanding, or both. We suggest that COA assess the reports it is generating to make certain that the primary work of this unit focuses on what COA management needs in order to run the organization more effectively. The reports themselves should be written in standards of plain English, with elimination of most statistical terminology.
- COA captures and reports its billing for services. This is a critical business practice to assure cost recovery and to minimize any excess costs to the levy. However, it also needs to be diligent in capturing and reporting its actual collections against billing. It is the collections component which more accurately assures minimal charges against the levy.
- The state form COA uses for strategic planning is better than most state formats; however, it focuses on the broad range of senior services. The Hamilton County ESP represents a large portion of COA's overall operations and is the County's

local delivery system. As such, it warrants consideration over and beyond the state's broad brush. We recommend that the Hamilton County ESP Advisory Board work with COA staff to develop a strategic plan component focusing on this specific program.

- COA's expanded move to field technology can be expected to result in greater employee performance. The ability of care managers to perform their work on-site simplifies data entry and reporting and minimizes requirements to return to the office. Once staff are fully conversant with the new data applications that have been put in place in the past month, they will be even more capable in their virtual environment. Already employees are using the new technology to work different hours, both in conjunction with client needs and their desire to work hours that result in greater work-life balance. With this, though, comes the need to expand technology support. During staff meetings, staff requested that COA provide before and after hours IT support so that they can work the varied hours. We recommend that COA implement such a capacity.

While these various observations and recommendations are important, there is a more critical issue that needs to be addressed. The financial analysis and forecast in the last chapter of this report presents a challenging revenue future for senior services. As prepared, using revenue assumptions prepared by Hamilton County and cost estimates prepared by COA, senior services over the next five years are projected to consume a $9.3 million starting fund balance and end the five-year cycle with a deficit of $12.9 million. Effectively, over the five year cycle, the cumulative deficit of annual operating expenses over annual revenue could total $22.2 million.

COA believes that the effect of its service and eligibility changes will be to reduce the overall program enrollment over the levy period and has presented some preliminary data showing that the participant attrition rate has increased. These data, however, are insufficient at this time to make a definitive statement about future enrollment trends or cost of service per client. At least another full year of experience will be necessary before drawing a definitive conclusion that the effectiveness measures in place will be able to reduce costs and the attendant fund deficit.

A more conservative approach to projecting future needs is to rely on the original service estimates, with an assumption that costs per client will increase as a result of a higher level of client frailty resulting from the eligibility changes.

Hamilton County has three primary options to address this potential shortfall: increase in the levy or reduction in program costs, or a combination of both.

The first option is that it can chose to increase the operating levy by an amount sufficient to meet the operating deficit. Assuming retention of an operating reserve of 15% of annual expenses (almost exactly $4.0 million in calendar year 2017), the County would need to increase the levy by $26.2 million over the five year period. This would average to $5.3 million per year, or 24.2 percent of the projected levy yield.

The second option would require COA to repeat the efficiency analysis that it undertook in 2009 and 2010. There are six possible strategies, and COA would probably need to pursue all six at some level. These strategies include:

- **Changes to the Staffing Model.** There are several potential components to this strategy. One is to redistribute the work to lower cost staff; COA is already beginning the analysis to do this. A second is to consider contracting additional care management services. COA already uses the contract model for other counties and should consider whether this would be a cost effective strategy for Hamilton County as well. A third element is a reduction in care management staff; however, current staff are already performing at peak case load, so this strategy is viable only if COA can reduce actual case load. A fourth component is the reduction of administrative staff; this has limited benefit though, since the cost of COA administrative staff is allocated among all the participating counties and all programs, not just the Hamilton ESP. All of these are potential options; however, COA will need to perform additional evaluation to determine which strategies yield sufficient benefit to warrant implementation.
- **Eligibility Strategies.** A second set of strategies relates to eligibility standards. COA has already done this to provide a more intense set of services to a smaller service population. It may become necessary to revisit this. Options might need to include higher eligibility standards and returning to a higher entry age.
- **Use of Waiting Lists.** Having just gone through a cycle of waiting lists, COA may need to revisit this element. COA's census analysis anticipates little growth in total enrollment over the next five years; however, while the growth will be minimal, overall client distribution will change as some persons leave the COA services and others join in. At this point, COA would need to consider a declining enrollment cap so that service slots are not filled as they are vacated. We understand that COA is already considering this option.
- **Service Reductions.** A fourth strategy is to reduce the services that COA provides through the ESP. This is more easily done for persons entering the program, but the cost savings would probably be minimal. As a result, COA may

need to consider recommending service reductions for persons already in the ESP. This is certainly not desirable but might, nonetheless, become necessary if the financial gap cannot be closed otherwise.

- **Delivery Strategies.** These strategies relate to the COA's provider model and relationships. COA will need to work closely with providers to remove all possible costs in order to avoid provider cost increases and even to achieve further cost reductions. Part of this initiative will mean COA's being aggressive in removing non-efficient providers from the service pool.
- **Other Revenue Sources.** COA addresses this as Strategic Issue 4 in its current strategic plan. It is seeking stable sources of non-governmental revenues to support the service programs. This may become an even more important strategy over the next several years.

There are numerous factors which will determine how the financial scenarios play out. First is continued monitoring of enrollment and cost of service trends. If, as COA, suggests enrollment does decline and service costs do not increase, then it is possible that the projected levy deficit will not be so great as modeled. Second, COA has demonstrated its capacity to build fund balances through rigid adherence to financial management and anticipates its ability to minimize the projected deficit through continued financial management processes. Also, there are signs that the economy is starting to improve and many local governments are beginning to see property values stabilize and even see some growth. However, the financial data generated by Hamilton County does not indicate that trend for the next several years. While all of these are possibilities, the more conservative approach is to assume conditions as they exist today.

For that reason, we recommend that the County direct a course of action intended to move to fund balance sooner rather than later. To the extent that final levy recommendations leave a projected shortfall, the TLRC should recommend that COA develop within the next year a specific set of strategies and actions necessary to eliminate any remaining projected deficit. It would be appropriate that the plan be variable to adjust particularly for changes in client load and cost of service to minimize adverse client impact.

III. ADULT PROTECTIVE SERVICES, DJFS

The Hamilton County Department of Job & Family Services (JFS) receives financial support from the Senior Services Levy relating to the operation of the Adult Protective Services Program (APS). The Department of Job & Family Services is the county government agency responsible to provide state-mandated adult protective services regulated by the Ohio Revised Code (ORC). Since 1981, Ohio law mandates the reporting, investigation, and provision of protective services to those sixty years or older who are victims of abuse, neglect, self-neglect or exploitation.

Funding for Adult Protective Services is provided through the Senior Services Tax Levy and Social Service Block Grant under Title XX. These resources fund JFS staff positions and contracts for psychological evaluations as well as for emergency food and household supplies. There is no fee for protective services to the client or their families.

The following comprise the population served by APS:

- Any adult over the age of 60, regardless of their abilities, who appears to be at risk of abuse, neglect, self-neglect or exploitation as mandated by ORC; and,
- Any adult under 60 years of age who, because of a physical or mental disability, is in need of protective services.

The Ohio Revised Code, Ohio Administrative Code, HCJFS policy and APS procedural memos govern the work of the APS unit in JFS.

The responsibility of APS is to receive and to investigate complaints relating to the abuse of elderly persons. This can include abuse, neglect, or financial exploitation. Complaints come to APS through the Job and Family Services call center. The APS staff determines the priority status of the call. If it is high priority, then the staff investigates within 24 hours of receipt of the call; otherwise, staff respond within three days. An elderly person can refuse services unless there is an APS determination of mental incapacity.

APS has 30-45 days to conduct a full case assessment and to determine intervention needs. Options available to APS are to facilitate resolution, refer to the Council on Aging for service provision, or pursue guardianship.

The following table shows the APS case load between January 2008 and March 2012. The large increase in average case load in 2010 reflects a reduction in the number of caseworkers from 8 in the preceding years to 4.

APS Caseload, Jan. 2009 - Mar 2012

MONTH	2008	2009	2010	2011	2012
Jan	58	42	38	35	33
Feb	56	60	34	40	38
Mar	74	74	56	50	31
Apr	62	60	39	40	
May	60	32	47	49	
Jun	50	45	69	59	
Jul	55	40	48	56	
Aug	42	36	52	54	
Sep	63	49	58	38	
Oct	53	50	59	54	
Nov	49	52	47	42	
Dec	64	34	25	45	
Total	**686**	**574**	**572**	**562**	**102**
Avg/Staff	**85.8**	**71.8**	**143.0**	**112.4**	**102.0**

Note: 2012 average case load is annualized.

Prior to 2008, APS did both the case investigation and core services for persons aged 55 and greater. Before 2008, APS has sixteen staff, including fourteen case staff and two persons performing phone intake. In 2009, the case staff were reduced to 8 positions plus the manager. In 2010, APS further reduced its staff to the current four case staff and director. At present, APS investigates only cases for persons over age 60. Also, they perform no support services any longer; instead, they immediately hand off the case to the Council on Aging.

The following table presents APS expenditures for the period 2008 through 2011. Prior to 2008, the senior services levy represented approximately 60 percent of the total funding for APS. Since 2009 (adjusting for the late payment), the levy has covered the program costs.

Adult Protective Services - Actual Expenditures from 2008 - 2011				
	2008	**2009**	**2010**	**2011**
Regular Employee Compensation	$616,620.80	$400,533.74	$167,843.58	$202,583.07
Regular Employee Overtime	$ 12,611.15	$ 1,822.87	$ 1,109.53	$ 7,316.10
Regular Employee Holiday	$ 41.60	$ -	$ -	$ -
Severance Pay	$ -	$ 22,247.60	$ -	$ -
Reimbursement of Salary	$ -	$ -	$ -	$ -
Additional Pay	$ -	$ -	$ -	$ -
Pager Pay	$ 3,213.00	$ 2,268.00	$ -	$ -
Vacation Pay	$ -	$ 17,016.92	$ -	$ -
Sick Pay	$ -	$ 43,450.63	$ -	$ -
Retroactive Pay	$ 1,115.79	$ 2,185.71	$ -	$ -
Comp Time	$ -	$ 527.49	$ -	$ -
Bonus	$ -	$ 208.00	$ -	$ -
Worker's Compensation	$ 15,848.83	$ 14,676.01	$ 10,720.57	$ 5,966.70
Unemployment Compensation	$ -	$ 10,674.00	$ 21,532.00	$ -
Office Supplies	$ -	$ 29.78	$ -	$ -
Janitorial Supplies	$ -	$ -	$ -	$ -
Food Supplies	$ -	$ -	$ -	$ -
Uniform & Personal Equipment	$ -	$ 471.61	$ -	$ -
Travel Reimbursement Regular Employee	$ 52.65	$ -	$ -	$ -
Regular Employee Mileage	$ -	$ 13,436.93	$ 11,730.45	$ 13,138.22
Advertising	$ -	$ -	$ -	$ -
Employee Bonds	$ -	$ -	$ -	$ -
Other Rent	$ -	$ -	$ -	$ -
Contractual Services	$ 11,012.50	$ 4,532.50	$ 5,025.00	$ 4,917.50
Training Services	$ -	$ -	$ -	$ -
Other Payments (Not on Chart)	$ 700.00	$ -	$ 380.00	$ -
Transfer Out Non-Operating	$ -	$ 250.00	$ -	$ -
Office Furniture & Equipment	$ -	$ -	$ -	$ -
Mandatory Medicare	$ 5,685.04	$ 4,199.03	$ 1,206.19	$ 1,761.79
Public Employees Retirement System	$ 88,215.38	$ 59,852.85	$ 23,653.38	$ 29,385.83
Public Employees Retirement System Part	$ -	$ -	$ -	$ -
Medical Benefits	$ 80,345.77	$ 63,682.39	$ 23,098.08	$ 30,810.94
Dental Benefits	$ 8,037.24	$ 4,273.23	$ 1,260.29	$ 1,302.40
Life Insurance	$ 803.27	$ 558.26	$ 172.44	$ 208.14
Employee Assistance Plan	$ 263.73	$ 217.89	$ 77.76	$ 73.66
TOTAL	$844,566.75	$667,115.44	$267,809.27	$297,464.35
Contributions Received from Senior Services Levy	$550,000.00	$ -	$825,436.80	$348,764.79
(Late Billing for 2009)				

The following table presents the request from Job and Family Services for levy support for the upcoming levy period. This request represents a continuation of the current staffing of a program director and four case workers, as currently exist. The request is for $400,000 per year, which is the effective annual average over the current levy period.

Adult Protective Services - Forecast Expenditures and Levy Request						
	Est 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Regular Employee Compensation	$207,230.40	$207,230.40	$207,230.40	$207,230.40	$207,230.40	$207,230.40
Worker's Compensation	$4,662.69	$4,662.69	$4,662.69	$4,662.69	$4,662.69	$4,662.69
Travel Reimbursement Regular Employee	$500.00	$500.00	$500.00	$500.00	$500.00	$500.00
Regular Employee Mileage	$12,000.00	$12,000.00	$12,000.00	$12,000.00	$12,000.00	$12,000.00
Contractual Services	$6,000.00	$6,000.00	$6,000.00	$6,000.00	$6,000.00	$6,000.00
Training Services	$300.00	$300.00	$300.00	$300.00	$300.00	$300.00
Mandatory Medicare	$1,789.10	$1,789.10	$1,789.10	$1,789.10	$1,789.10	$1,789.10
Public Employees Retirement System	$29,012.25	$29,012.25	$29,012.25	$29,012.25	$29,012.25	$29,012.25
Medical Benefits	$33,115.94	$36,427.53	$40,070.29	$44,077.32	$48,485.05	$53,333.55
Dental Benefits	$1,416.42	$1,558.06	$1,713.87	$1,885.26	$2,073.78	$2,281.16
Life Insurance	$211.36	$211.36	$211.36	$211.36	$211.36	$211.36
Employee Assistance Plan	$97.20	$97.20	$97.20	$97.20	$97.20	$97.20
Subtotal	**$296,335.36**	**$299,788.60**	**$303,587.16**	**$307,765.57**	**$312,361.83**	**$317,417.71**
Supplemental Salary and Fringe Cost	$ 51,300.44	$ 51,411.24	$ 51,522.04	$ 51,632.84	$ 51,743.64	$ 51,854.44
Grand Total	**$347,635.80**	**$351,199.84**	**$355,109.20**	**$359,398.41**	**$364,105.47**	**$369,272.15**
Requested Contribution from Senior Services Levy	**$ 550,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**

Our observation is that this program is operating well and has been able to adapt to the increased case load by transferring work responsibility to the Council on Aging. So long as case demand remains relatively flat, which it has for the past several years, the current staffing and levy request will be sufficient.

IV. VETERANS SERVICE COMMISSON

Ohio Revised Code 5901 provides for the establishment of a Veterans Service Commission in each county throughout the state. The Hamilton County Veterans Services Board is the authorized Commission for Hamilton County. The Court of Common Pleas appoints the five members of the Board which makes policies, rules and regulations in order to implement the law. Each person on the Board is an honorably discharged or honorably separated veteran. Composition of the Board is developed with feedback from veterans' service organizations: one person is recommended by the American Legion; one person is recommended by the Veterans of Foreign Wars; one person is recommended by the Disabled American Veterans; one person is recommended by the AMVETS; and one person is recommended by the Military Order of the Purple Heart of the U.S.A., the Vietnam Veterans of America, or Korean War Veterans.

The Board provides financial assistance to veterans, active duty members of the Armed Forces of the United States, or the needy spouse, surviving spouse, dependent parent, minor child, or ward of a veteran or active duty member of the Armed Forces of United States, who has been a bona fide resident of the county. Service Officers advise and assist present and former members of the Armed Forces of the United States, veterans, and their spouses, surviving spouses, children, parents, and dependents in presenting claims or obtaining rights or benefits under any law of the United States or of this State.

The Veterans Service Board administers assistance to eligible veterans and dependents by securing financial assistance and/or by securing rights or benefits under any law of the United States or the State of Ohio. Also provided is funding for burial of eligible indigent veterans, the parent(s), or spouse of any such veteran up to $1,000. Additionally, the Board provides funding for Memorial Day observations to local community and veterans groups. The Ohio Revised Code (ORC) mandates the Veterans Service Board and associated funding. The Board of County Commissioners, under the ORC, must fund a lawful budget request from the Veterans Board up to the five-tenths mill limitation set forth in the statue. A lawful budget is defined as a budget approved by the Veterans Service Board and is within the five-tenths mill limit.

The following table presents a snapshot of the service delivery of the Commission for the calendar years 2007 and 2011.

REPORT OF EXPENDITURES AND SERVICES, CALENDAR YEARS 2007 AND 2011						
VETERANS SERVICES COMMISSION						
	Calendar Year 2007			Calendar Year 2011		
Services Provided	**Amount**	**Duplicated Households**	**Unduplicated Households**	**Amount**	**Duplicated Households**	**Unduplicated Households**
Food	$108,127.00	474		$68,737.00	280	
Rent/Mortgage	$55,108.00	129		$67,777.00	138	
Utilities	$34,855.00	139		$25,651.00	102	
Clothing	$1,150.00	10		$600.00	6	
Medical	$3,197.25	22		$6,344.00	39	
Transportation	$0.00	0		$100.00	1	
Other	$200.00	1		$251.00	1	
Benefit Counseling	$24,999.96	1,395	982	$24,999.96	1,653	682
TOTAL	**$227,637.21**	**2,170**	**982**	**$194,459.96**	**2,220**	**682**

The Commission did not participate in this study, and we do not have information pertaining to their organization and operations, including determination of eligibility and residency of clients. The Commission submits a monthly statement of the cost of services provided and the number of households served. We are not aware of any other reporting, and the County's budget office advised that they had no additional information.

While we can make no observations regarding the organization and operation of the Commission, and State law provides a high level of independence, we think that it would be appropriate for the Commission to provide additional service reporting. We note that the monthly report provides unduplicated service count only for benefit counseling. We suggest that, as part of its current monthly report, the Commission identify its unduplicated count for all services so that the County has an accurate picture of the actual number of households being served by the Commission. Additionally, we suggest that the Commission provide information to the County on its process for eligibility determination and assurance that only Hamilton County residents are receiving services through this program. Finally, if it has not already done so, it would be beneficial for the Commission to identify strategic needs of veterans in Hamilton County and develop a long-range service plan that includes coordination with other service providers in the County.

Our forecast analysis for Senior Services projects continuation of funding for the Veterans Service Commission at the current level.

V. FINANCIAL ANALYSIS AND FORECAST

This section of the report includes our analysis of the financial operations of the Council on Aging of Southwestern Ohio (COA) for the previous tax levy period and projects future needs. COA provides senior services to a multi-county region that includes Hamilton County. For the purposes of this review, the financial analysis is limited to programmatic support provided to Hamilton County residents through Hamilton County Senior Services Levy and other local funding.

The Project Team took the following steps in order to derive anticipated tax levy fund requirements:

- Working with COA financial management staff members, we developed historical detail to support issue analysis and the financial forecasting process;
- Working with COA financial management staff members, we developed an understanding of the organization's initial financial forecast including base level of services over the financial forecast period;
- Working with COA operational management staff members and supported by the organization's financial management team, we developed information on operational and organizational issues expected to impact fund revenues and expenditures during the forecast period.

In the following section, we have provided the tax levy review tables incorporating review of the COA's initial forecast of need in the next five-year period as well as the Project Team's subsequent adjustments to reach recommended levels.

This analysis also includes recognition of the existing and potential liabilities in fund availability associated with the pending Duke Energy tax appeal. We have incorporated information provided from the Auditor's Office relative to existing liabilities in the period 2010-2012 as well as forecast potential liabilities based on present knowledge and understanding of the appellant's action. We believe that a conservative approach requires including these liabilities to reflect the impact that they could have on available funds should the appellant prevail in their action. These amounts represent the actual or estimated tax payments made under protest that could be returned following resolution of the action. These amounts in the model total approximately $437,000 in the current levy period and approximately $1.2 million in the forecast levy period.

The COA continues to face the dual challenges of growing service demands in the face of declining funding support, given existing economic conditions. The COA has faced these challenges during the current levy period and has triaged services through revised eligibility criteria to focus efforts on the most needy, given constraints.

The COA has requested a renewal levy and the following financial model includes total Senior Services Levy funds as forecast by the County Auditor. This level of funding will not sustain current levels of service provision and the organization will again require proactive program management to refocus service provision among total service demands.

The Project Team took the following steps in order to derive anticipated tax levy fund requirements:

- Follow Board of County Commissioner policy and drive Senior Services Levy funds to a zero balance at the end of the levy forecast period in 2017.
- Apply renewal levy forecasts provided by the County Auditor for the Senior Services Levy as the total levy current period funding, available during the forecast period.
- Assume generally static receipts from other revenue sources during the levy forecast period.
- Apply COA program expenditure forecasts for the levy forecast period.
- Set other agency (JFS and Veterans Services) levy revenues to match forecast expenditures during the forecast period.

The detailed levy request is presented on the following pages. The current requested tax levy revenues are not in balance with projected need during the forecast period. At the end of the current levy period, the total fund balance for the senior services levy will be $8,134,301. Of this amount, the Council on Aging has encumbered $4,037,466 for outstanding obligations, leaving an available cash balance of $4,096,835. The model assumes use of that $4.1 million in carryover balance to finance operations during the forecast period. COA would require an additional $18,400,238 in other receipts beyond the renewal level to balance with projected spending during the forecast period.

A renewal tax levy approach will require immediate and significant changes to service provision in order to remain in balance with available resources. Even using the $4.1 million carryover balance, COA will need to make programmatic changes, yielding reduction in total spending that equal the identified additional need of $18.4 million over the five-year period.

Hamilton County Senior Services Levy
All Agencies
Five Year Forecast for Calendar Years 2013-2017

	Actual				Estimated	TOTAL	Forecast					TOTAL
Line Item Description	**CY2008**	**CY2009**	**CY2010**	**CY2011**	**CY2012**	**CY08-CY12**	**CY2013**	**CY2014**	**CY2015**	**CY2016**	**CY2017**	**CY13-CY17**
Beginning Operating Cash Balance	$10,245,558	$13,690,029	$11,854,879	$11,812,036	$11,069,589		$4,096,835	$3,770,040	$3,281,563	$2,525,394	$1,470,841	
Plus: Total Operating Revenue	$23,407,798	$24,302,488	$23,233,183	$22,961,711	$21,623,634	$115,528,814	$21,188,603	$21,299,161	$21,411,187	$21,517,676	$21,625,324	$107,041,951
Plus: Additional Revenue	$0	$0	$0	$0	$0	$0	$3,680,048	$3,680,048	$3,680,048	$3,680,048	$3,680,048	$18,400,238
Current Period Resources	$23,407,798	$24,302,488	$23,233,183	$22,961,711	$21,623,634	$115,528,814	$24,868,651	$24,979,209	$25,091,235	$25,197,724	$25,305,372	$125,442,189
Total Resources	$33,653,356	$37,992,517	$35,088,062	$34,773,747	$32,693,223		$28,965,486	$28,749,249	$28,372,797	$27,723,118	$26,776,213	
Less: Total Operating Expenditures	$19,963,327	$26,137,638	$23,276,026	$23,704,158	$24,558,922	$117,640,071	$25,195,445	$25,467,686	$25,847,403	$26,252,276	$26,776,213	$129,539,024
Ending Operating Cash Balance	$13,690,029	$11,854,879	$11,812,036	$11,069,589	$8,134,301		$3,770,040	$3,281,563	$2,525,394	$1,470,841	$0	
Less Estimated Outstanding Encumbrances					$4,037,466							
Ending Operating Fund Balance					$4,096,835							
ADDITIONAL REVENUE NEED							$4,006,842	$4,168,525	$4,436,216	$4,734,600	$5,150,889	$22,497,073
AVERAGE ADD'L ANNUAL RESOURCE NEED							$3,680,048	$3,680,048	$3,680,048	$3,680,048	$3,680,048	$18,400,238
TOTAL LEVY NEED												
Continuing Operations							$19,126,219	$19,218,214	$19,316,659	$19,408,654	$19,500,650	$96,570,396
Additional Needs							$3,680,048	$3,680,048	$3,680,048	$3,680,048	$3,680,048	$18,400,238
TOTAL							$22,806,267	$22,898,262	$22,996,707	$23,088,702	$23,180,698	$114,970,634

Hamilton County Senior Services Levy
All Agencies
Five Year Revenue Forecast for Calendar Years 2013 - 2017

		Actual				Estimated	TOTAL	Forecast					TOTAL
	Line Item Description	CY2008	CY2009	CY2010	CY2011	CY2012	CY08-CY12	CY2013	CY2014	CY2015	CY2016	CY2017	CY13-CY17
Local Revenues													
COA	Senior Services Levy	$19,971,879	$20,666,791	$19,648,654	$19,881,021	$18,408,172	$98,576,517	$18,275,126	$18,361,832	$18,454,511	$18,540,419	$18,625,868	$92,257,755
JFS	Senior Services Levy	$550,000	$0	$825,437	$348,765	$550,000	$2,274,202	$351,200	$355,109	$359,398	$364,105	$369,272	$1,799,085
VS	Senior Services Levy	$285,000	$213,000	$213,000	$194,460	$213,000	$1,118,460	$213,000	$213,000	$213,000	$213,000	$213,000	$1,065,000
ADM	Senior Services Levy	$488,764	$294,522	$295,802	$300,528	$474,574	$1,854,190	$286,893	$288,273	$289,750	$291,130	$292,510	$1,448,556
SORTA	Senior Services Levy	$101,548	$98,265	$0	$0	$0	$199,813	$0	$0	$0	$0	$0	$0
OSU	Senior Services Levy	$12,000	$0	$0	$0	$0	$12,000	$0	$0	$0	$0	$0	$0
	Subtotal Tax Levies	$21,409,191	$21,272,578	$20,982,893	$20,724,774	$19,645,746	$104,035,182	$19,126,219	$19,218,214	$19,316,659	$19,408,654	$19,500,650	$96,570,396
	Average Annual Rate of Increase		-0.6%	-1.4%	-1.2%	-5.2%		-2.6%	0.5%	0.5%	0.5%	0.5%	
COA	Donations	$111,321	$145,315	$104,254	$73,029	$78,584	$512,503	$90,942	$92,143	$93,528	$95,008	$96,604	$468,225
COA	Co-Payments	$582,431	$772,442	$639,468	$727,811	$747,250	$3,469,402	$807,262	$824,624	$836,820	$849,834	$863,890	$4,182,430
COA	Other Local Funding	$159,512	$328,217	$116,381	$81,194	$0	$685,304	$0	$0	$0	$0	$0	$0
	TOTAL LOCAL	$22,262,455	$22,518,552	$21,842,996	$21,606,808	$20,471,580	$108,702,391	$20,024,423	$20,134,981	$20,247,007	$20,353,496	$20,461,144	$101,221,051
	Average Annual Rate of Increase		1.2%	-3.0%	-1.1%	-5.3%		-2.2%	0.6%	0.6%	0.5%	0.5%	
Special Revenues													
COA	Title III	$506,571	$859,110	$754,360	$676,576	$584,220	$3,380,837	$584,232	$584,232	$584,232	$584,232	$584,232	$2,921,160
COA	USDA (NSIP)	$390,048	$555,113	$385,290	$472,519	$514,608	$2,317,578	$514,612	$514,612	$514,612	$514,612	$514,612	$2,573,060
COA	State Funding	$248,724	$369,713	$250,537	$205,808	$53,226	$1,128,008	$65,336	$65,336	$65,336	$65,336	$65,336	$326,680
	TOTAL SPECIAL REVENUES	$1,145,343	$1,783,936	$1,390,187	$1,354,903	$1,152,054	$6,826,423	$1,164,180	$1,164,180	$1,164,180	$1,164,180	$1,164,180	$5,820,900
	Average Annual Rate of Increase		55.8%	-22.1%	-2.5%	-15.0%		1.1%	0.0%	0.0%	0.0%	0.0%	
TOTAL CURRENT OPERATING REVENUE		$23,407,798	$24,302,488	$23,233,183	$22,961,711	$21,623,634	$115,528,814	$21,188,603	$21,299,161	$21,411,187	$21,517,676	$21,625,324	$107,041,951
	Average Annual Rate of Increase		3.8%	-4.4%	-1.2%	-5.8%		-2.0%	0.5%	0.5%	0.5%	0.5%	

Hamilton County Senior Services Levy

All Agencies

Five Year Levy Forecast for Calendar Years 2013 - 2017

	Actual				Estimated	TOTAL	Forecast					TOTAL
Line Item Description	**CY2008**	**CY2009**	**CY2010**	**CY2011**	**CY2012**	**CY08-CY12**	**CY2013**	**CY2014**	**CY2015**	**CY2016**	**CY2017**	**CY13-CY17**
Expenditures - Levy												
Council on Aging												
Provider Services	$12,850,048	$16,127,965	$15,002,581	$15,228,294	$16,696,776	$75,905,664	$16,793,486	$17,142,493	$17,414,352	$17,704,518	$18,017,826	$87,072,675
Information & Assistance	$215,484	$210,222	$213,971	$294,729	$229,456	$1,163,862	$233,690	$237,200	$240,760	$244,370	$248,040	$1,204,060
Care Management	$2,419,569	$3,131,260	$3,021,912	$3,680,295	$3,452,490	$15,705,526	$3,439,993	$3,485,649	$3,537,737	$3,593,754	$3,654,264	$17,711,397
COA Administration	$1,051,062	$1,343,238	$1,229,326	$1,286,414	$1,315,553	$6,225,593	$1,313,361	$1,330,703	$1,350,709	$1,372,077	$1,386,865	$6,753,715
(1) Operating Reserve Adjustment	$0	$1,698,135	$0	$0	$0	$1,698,135	$0	$0	$0	$0	$0	$0
Subtotal - Council on Aging	$16,536,163	$22,510,820	$19,467,790	$20,489,732	$21,694,275	$100,698,780	$21,780,530	$22,196,045	$22,543,558	$22,914,719	$23,306,995	$112,741,847
Job and Family Services												
Levy Services	$550,055	$0	$825,437	$348,765	$550,000	$2,274,257	$351,200	$355,109	$359,398	$364,105	$369,272	$1,799,085
Veteran's Services												
Levy Services	$285,000	$213,000	$213,000	$194,460	$213,000	$1,118,460	$213,000	$213,000	$213,000	$213,000	$213,000	$1,065,000
Other												
SORTA	$101,548	$98,265	$0	$0	$0	$199,813	$0	$0	$0	$0	$0	$0
OSU State Extension	$12,000	$0	$0	$0	$0	$12,000	$0	$0	$0	$0	$0	$0
Duke Appeal Refund Impact	$0	$0	$223,707	$133,736	$79,912	$437,355	$210,796	$221,335	$232,402	$244,022	$256,223	$1,164,778
Board of Election Charge	$0	$0	$0	$0	$0	$0	$186,000	$0	$0	$0	$0	$186,000
Levy Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$100,000	$100,000
Auditor & Treasurer Fees	$488,764	$294,522	$295,802	$300,528	$474,574	$1,854,190	$286,893	$288,273	$289,750	$291,130	$292,510	$1,448,556
SUBTOTAL - LEVY	$17,973,530	$23,116,607	$21,025,736	$21,467,221	$23,011,761	$106,594,855	$23,028,419	$23,273,762	$23,638,108	$24,026,976	$24,538,000	$118,505,266
Expenditures - Other												
Council on Aging												
Provider Services	$1,989,797	$3,021,031	$2,224,263	$2,236,937	$1,547,161	$11,019,189	$2,062,384	$2,080,947	$2,094,528	$2,109,022	$2,124,674	$10,471,555
Information & Assistance	$0	$0	$26,027	$0	$0	$26,027	$0	$0	$0	$0	$0	$0
Care Management	$0	$0	$0	$0	$0	$0	$62,481	$63,116	$64,371	$65,335	$66,316	$321,619
COA Administration	$0	$0	$0	$0	$0	$0	$42,161	$49,861	$50,396	$50,943	$47,223	$240,584
Operating Reserve Adjustment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal - Council on Aging	$1,989,797	$3,021,031	$2,250,290	$2,236,937	$1,547,161	$11,045,216	$2,167,026	$2,193,924	$2,209,295	$2,225,300	$2,238,213	$11,033,758
TOTAL EXPENDITURES	$19,963,327	$26,137,638	$23,276,026	$23,704,158	$24,558,922	$117,640,071	$25,195,445	$25,467,686	$25,847,403	$26,252,276	$26,776,213	$129,539,024
Average Annual Rate of Increase		30.9%	-10.9%	1.8%	3.6%		2.6%	1.1%	1.5%	1.6%	2.0%	

Note (1): Represents a duplicate payment for Oct 2008 request; funds used to augment operating reserve to two-month expenditure target to cover processing time between vendor payment and County reimbursement.

ATTACHMENT A: HISTORY OF COA COMPENSATION ADJUSTMENTS

The following tables are compensation adjustment data provided by the Council on Aging. COA has a pay for performance merit increase system. The current performance evaluation scale is based upon 120 possible points. Employees are rated on their major work objectives and professional standards. The calculations in gray represents an “achieve” rating on the performance evaluation scale. The rows below represent “partially achieves” and the rows above represents “exceeds.”

2007 - 2008

Rating Scale	% of Increase	Number of Employees
Below 80	0%	2
80.0 – 86.66	1.75%	3
86.67 – 93.33	2.25%	2
93.34 – 99.99	2.75%	22
100 – 107.8 - Achieve	3.25%	67
107.81 – 110.85	3.75%	28
110.86 – 113.9	4.25%	39
113.91 – 116.95	4.75%	26
116.96 - 120	5.0%	6
TOTAL		**195**

2008 - 2009

Rating Scale	% of Increase	Number of Employees
Below 80	0%	6
80.0 – 86.66	1.00%	3
86.67 – 93.33	1.50%	49
93.34 – 99.99	2.00%	19
100 – 108.60 - Achieve	2.50%	56
108.61 – 111.45	3.00%	29
111.46 – 114.30	3.50%	25
114.31 – 117.15	4.00%	20
117.16 - 120	4.25%	11
TOTAL		**218**

2009 - 2010

Rating Scale	% of Increase	Number of Employees
Below 80	0%	6
80.0 – 86.66	1.00%	3
86.67 – 93.33	1.50%	5
93.34 – 99.99	2.00%	16
100 – 110.2 - Achieve	2.50%	57
110.21 – 112.65	3.00%	20
112.66 – 115.10	3.50%	18
115.11 – 117.55	4.00%	25
117.56 – 120.0	4.25%	21
TOTAL		**171**

2010 - 2011

Rating Scale	% of Increase	Number of Employees
Below 80	0%	9
80.0 – 94.99	0%	8
95.0 – 98.68	1.00%	7
98.69 – 102.38	1.25%	13
102.39 – 106.08 - Achieve	1.50%	26
106.09 – 109.79	1.75%	28
109.80 – 113.20	2.00%	57
113.21 – 116.6	2.25%	26
116.61 - 120	2.50%	16
TOTAL		**190**

ATTACHMENT B: COMPARATIVE DATA

COMPARATIVE SENIOR SERVICES PROGRAMS, FY 2011

	Hamilton	Butler	Clermont	Clinton	Franklin	Montgomery	Warren
Annual Levy Revenue	$20,713,926	$10,974,162	$5,721,193	$1,249,071	$25,810,605		$6,110,248
Total Operating Revenue for Levy Supported Programs	$22,920,759	$11,885,883	$7,620,214	$1,416,567	$27,226,990	$10,354,637	$6,585,694
Total Operating Expenses for Levy Supported Programs	$22,920,759	$11,885,883	$7,046,147	$1,416,567	$26,757,826	$8,997,597	$6,585,694
Administrative Cost for Levy Supported Programs	$1,297,401	$828,640	$714,557	$80,500	Not Separate	Not Separate	$391,070
Intake & Assessment Cost for Levy Supported Programs	$226,391	$238,899	Not Separate	$41,813	Not Separate	Not Separate	$90,416
Care Manager Cost for Levy Supported Programs	$3,485,527	$1,893,879	$930,683	$224,349	Not Separate	Not Separate	$1,071,999
Number of Levy Supported Clients	5,477	3,027	5,000	384	7,134	1,689	1,766
Number of Care Managers (FTE Count) for Levy Supported Programs	41	24	15	3	67		14
Number of Service Providers for Levy Supported Programs	49	50	1	23	90	150	36
Number of Programs Offered	14	16	9	11			9
County Population, 2010 Census	802,374	368,130	197,363	42,040	1,163,414	535,153	212,693
Average Levy Revenue Per Capita	$25.82	$29.81	$28.99	$29.71	$22.19		$28.73
Average Operating Revenue Per Capita	$28.57	$32.29	$38.61	$33.70	$23.40	$19.35	$30.96
Average Total Operating Cost Per Client Served	$4,184.91	$3,926.62	$1,409.23	$3,688.98	$3,750.75	$5,327.17	$3,729.16
Average Program Cost Per Client Served	$3,270.30	$2,948.29		$2,786.21			$2,849.50
Average Non-Program Cost Per Client Served	$914.61	$978.33		$902.77			$879.66
Administrative Cost as Percentage of Levy	0.057	0.070	0.101	0.057			0.059
Intake and Assessment Cost as Percentage of Levy	0.010	0.020		0.030			0.014
Care Manager Cost as Percentage of Levy	0.168	0.173	0.163	0.180			0.175
Administrative Cost per Client Served	$236.88	$273.75	$142.91	$209.64			$221.44
Intake and Assessment Cost per Client Served	$41.34	$78.92		$108.89			$51.20
Care Manager Cost per Client Served	$636.39	$625.66	$186.14	$584.24			$607.02
Clients per Care Manager	133.59	126.13	333.33	128.00	106.48		126.14