

**HAMILTON COUNTY TAX LEVY REVIEW COMMITTEE
SENIOR SERVICES LEVY SUBCOMMITTEE
138 EAST COURT STREET, ROOM 603
CINCINNATI, OHIO 45202**

July 29, 2017

Hamilton County Board of Commissioners
Hon. Todd Portune, President
Hon. Denise Driehaus, Vice-president
Hon. Chris Monzel
138 East Court Street Room 603
Cincinnati, Ohio 45202

Re: 2017 Senior Services Levy Recommendations

Dear Commissioners:

The Hamilton County Tax Levy Review Committee, under the chairmanship of Ms. Gwen McFarlin, appointed a subcommittee to review the 2017 Senior Services Tax Levy. The subcommittee members are Dr. Jenny O'Donnell, John Silverman and Dr. Edward Herzig. The support for the subcommittee work by Lisa Webb has been outstanding. The charge to the subcommittee is to meet with the appropriate agencies, review all the information provided by the agencies and review the report provided by Health Management Associates (HMA), the consultant engaged by Hamilton County Board of Commissioners. The charge to HMA was to perform the following:

- “Evaluation of current operating efficiency of the COA Elderly Services Program (ESP), the Adult Protective Services of Hamilton County (APS) and the Veteran’s Services Commission (VSC) relative to reasonable expectations
- Compliance with, and maximization of, current and planned funding contracts
 - Recommendations for tax levy contract provisions between the Commissioners, and COA, APS and the VSC assuming successful passage of the proposed tax levy
 - Recommendations for costs savings and/or revenue enhancements “

The Senior Service Levy provides funding to three agencies: (1) Council On Aging of Southwest Ohio (COA) for the Elderly Services Program; (2) the Adult Protective Service of Hamilton County Jobs and Family Services (APS); and, (3) the Veteran’s Services Commission (VSC). The majority of funds are directed to the COA. HMA performed an in-depth evaluation of all three agencies and provided a detailed written report about their service recipients and current financial status, and also gave a public presentation during an open Tax Levy Review Committee meeting. The Senior Services subcommittee met twice with the COA in the COA offices. The COA made two public presentations at meetings of the Tax Levy Review Committee and there were two public meetings in which the community was invited to present their views on these programs, both of which were attended by this subcommittee’s members where several members

of the public and the COA staff presented information in support of continuing the services and increasing the levy funding.

Council on Aging

Following the 2014 levy renewal, the COA ESP was in a deficit spending position that projected a \$90,000 loss.. The COA undertook restructuring of the program that included prioritizing clients' needs and developing a waiting list that while temporary allowed for reconfiguration of the criteria of the types of the clients who were going to be served and how those applicants would be prioritized going forward. As part of the restructuring, COA also renegotiated provider contracts and reduced the number of providers trying to increase provider-to-client stability. As such, the number of clients that could be served was ultimately reduced, but quality and customer satisfaction was very good and the most critical clients were given priority, whereas those who could either wait or be supported by other services were diverted. The report from HMA documents these changes and their effects in detail. There were many positive comments about financial soundness and management. Therefore, it is our opinion that the ESP is financially sound and provides high quality services to the residents of Hamilton County.

However, the consultants and the COA made it very clear that the number of seniors in Hamilton County is increasing rapidly (approximately 5.8% per year) with an increasing number in the very elderly range (80-90 years of age). Currently, the ESP program penetration rate is lower than the 5 comparable counties noted in the report. Renewal of the levy at the current millage, as projected in the HMA report and concurred by the COA, will cause further retrenchment and reduction in the number of seniors who can be served with the present level of services.

In addition to providing excellent services to seniors, one of the goals of COA is to have enough carry-over to cover 6 months expenses as a function of being responsible service providers and to avoid the necessity of closing services to any client with little or no notice. And while that is financially smart, and from a treatment perspective the best practice, the consultant's report points out:

“Current levy support will not allow the program to keep up with the growth in demand, further reducing market penetration by the program. Over the course of the next levy cycle, the Commissioners should have the Hamilton County Elderly Services Advisory Council review the program design to determine whether a change in design, service level or service offerings will enhance the impact of the program into the future.”

The TLRC Policy inflation increase to 1.35 mills would generate increased revenue from \$100 million to \$103 million over 5 years, which is still 3% lower than 2008 property tax revenue (\$21.4 million) and would still require reduction in services and in the number of individuals served (from an estimated 4,600 to 4,300). The COA The Council on Aging has asked for increase using an inflation calculation going back 2008, to the last time the levy received an increase This increase would generate \$125 million over 5 years. Property taxes would be increased by roughly \$10 per \$100,000 valuation. This would still however, not significantly increase the portion of the population to whom they offer services, and is not going to meet the long-term demand of this growing population of seniors who want to stay in their homes. It is important to note that the services provided by COA are not mandated services.

Adult Protective Services

Adult Protective Service (APS) of HCJFS is charged to investigate reports of abuse, neglect, and exploitation of adults over the age of 60. The majority of its funding is from the Senior Services Levy. APS did not make a presentation to the Tax Levy Review committee. HMA provided an in-depth, positive report about the administration, provision of services and finances of APS. HMA had a recommendation:

“One possible improvement might be to track whether and where individuals who have cases opened at APS receive other services from various levy programs. This might provide the opportunity to assess whether a reallocation of these funds could produce better outcomes for the individuals served.”

APS is asking for funding to be continued at the current level. Services provided by APS are mandated services under Ohio Revised Code.

Veteran Service Commission

The Veterans Service Commission provides emergency financial support to veterans 65 years old and older, their dependents and families, and older active duty military or their dependents who are residents of Hamilton County. The VSC did not make any presentation to the subcommittee. HMA reviewed the finances and found them to be in order. The request is for continued funding at the current level. Services provided by The VSC are mandated services . (ORC 5901 provides for the establishment of a Veterans Service Commission in each county throughout the state).

Conclusion:

Having carefully reviewed all the information provided by HMA, the Council on Aging and the public comments, the Senior Services subcommittee has found that the Elderly Services Program provides high quality, cost effective social services for a vulnerable and growing segment of Hamilton County. The goal of the program is to allow the elderly to remain independent and in their homes. Funding for this program has been flat for the past ten years. The Council on Aging, during the most recent levy cycle, made necessary changes that allowed the program to succeed financially by decreasing the number of clients served and other cost saving measures. The market penetrance is currently 27.3% and if Medicaid and other community services are added, it is 44%.

These services allow seniors to remain in their homes, and delay or avoid the cost of nursing home placement. The problem is that the numbers of elderly citizens is rapidly increasing in Hamilton County and there is a real and growing need for these services. Therefore, the amount of financial support necessary to underwrite these programs will continue to grow even with COA's continued restructuring and management efforts . A long-term solution must be found that will allow for more clients to be served while reducing or eliminating reliance upon property tax payers. The Council on Aging has asked for a significant increase that would increase the levy to \$125 million over the next five years. The subcommittee recognizes that the increase would allow more clients to be served with this increase, but even the requested increase is not sufficient to address the long term full scope of the problem.

Recommendations:

1. The subcommittee recommends that the Council on Aging, in conjunction with Hamilton County, form a strategic planning committee to: (a) review the scope of services that can reasonably be provided to our Senior Citizens and needed to address the growing population; and, (b) to develop plans for increased funding that does not only depend on taxes. This new strategic plan can then be presented to the community, through an education campaign, for a long-term solution to the financial needs and that could ultimately reduce the tax burden on the citizens of Hamilton County but also provide for a more robust program in the long run. This would be similar to the process used for the Museum Center at an earlier Tax Levy Committee that resulted in a win-win for Hamilton County and the Museum Center.
2. The subcommittee therefore recommends that the tax levy be renewed at the current rate of 1.29 mills (\$19.4 million a year) for a 3-year period. At the two-year point, in concert with the strategic plan results noted in item 1, a renewal can be requested for the period after this 3-year levy period ends and is structured so that it allows for a sufficient period between the levy vote and the initiation/change/termination of funding, lowering the amount of money needed to be held in reserve in case of complete termination of tax payer funding.
3. The subcommittee also recommends that as the Adult Protective Services and Senior Veteran's Relief Program have not asked for an increase, they should continue at the requested levels of funding.

Sincerely,

2017 Senior Services Subcommittee
Edward B. Herzig MD, Chair
Jenny O'Donnell, Psy.D.
John Silverman