



Mary Taylor, CPA  
Auditor of State

SCIOTO COUNTY  
PERFORMANCE AUDIT

MAY 13, 2010



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Auditor of State

To the Residents of Scioto County, Scioto County Commissioners and Elected Officials, and the Scioto County Financial Planning and Supervision Commission:

Based on Scioto County's October 2009 financial forecast and the Auditor of State's declaration of fiscal emergency on August 19, 2009, a performance audit was initiated beginning in January 2010. The four functional areas assessed in the performance audit were financial systems, human resources, the Sheriff's Office (including jail operations), and the Court of Common Pleas. These areas were selected because they represent the largest components of the County's General Fund operations, and because cost-reductions in these areas can assist in eliminating the conditions that brought about the declaration of fiscal emergency.

The performance audit contains recommendations that identify the potential for cost savings and efficiency improvements. The performance audit also provides an independent assessment of Scioto County's financial situation and a framework for its financial recovery plan. While the recommendations contained in the audit report are resources intended to assist in developing and refining the financial recovery plan, the County, including each elected office, is encouraged to assess overall operations and develop other alternatives independent of the performance audit.

An executive summary has been prepared, which includes the project history; a county overview; the scope, objectives and methodology of the performance audit; and a summary of recommendations, issues for further study, assessments not yielding recommendations, and financial implications. This report has been provided to Scioto County, and its contents discussed with the appropriate elected officials and administrators. The County has been encouraged to use the results of the performance audit as a resource to further improve its overall operations, service delivery, and financial stability.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. This performance audit can also be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/> by choosing the "Audit Search" option.

Sincerely,

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

May 13, 2010





# **Executive Summary**

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## **Project History**

As provided by the Ohio Revised Code (ORC) § 118.021 and 118.04(A), the Chairman of the Board of County Commissioners requested that a fiscal analysis be performed by the Auditor of State's Office (AOS). Based on this analysis, the AOS certified a deficit of \$3,528,482 as of June 30, 2009 and subsequently placed the Scioto County (the County) in fiscal emergency on August 19, 2009 per ORC 118.03 (A)(5) and 118.03 (B). To assist entities in improving their financial condition and assist in removing them from fiscal emergency status, ORC § 118.023 permits AOS to provide technical and support services to counties in fiscal emergency. In accordance with this authority, a performance audit was initiated on Scioto County.

Due to the County's fiscal emergency status, a seven-member Financial Planning and Supervision Commission (the Commission) has been appointed for the purpose of overseeing the County's financial affairs, including the implementation of a financial recovery plan. The Commission members include one County Commissioner, the County Auditor, three appointments from the Governor, one appointment from the Treasurer of State, and one appointment from the Director of the Ohio Office of Budget and Management, as chairman of the fiscal oversight commission.

Based on AOS research and discussions with County officials, the following areas were assessed in the performance audit:

- Financial Systems;
- Human Resources;
- Sheriff's Office; and
- Court of Common Pleas.

Audit work concluded in February 2010. The goal of the performance audit process was to assist the Scioto County Commissioners in identifying opportunities for cost savings and improving management practices. The ensuing recommendations provide options that the County should consider in its continuing efforts to improve and stabilize the long-term financial condition.

## **County Overview**

Scioto County is located in southern part of Ohio and covers approximately 612 square miles (includes water and land area). According to the United States Census Bureau, the County's population was 76,587 per 2008 census (a reduction of 2,608 from the 2000 census). The

County's per capita income was \$25,562 in 2007, compared to the State average of \$34,468. In addition, 20.6 percent of citizens lived below the poverty line, compared to the State average of 13.1 percent. Lastly, Scioto County's unemployment rate in 2008 was 8.3 percent compared to the State unemployment rate of 6.5 percent.

The County is governed by the laws within ORC chapter 3. Per ORC § 305.01 the Board of County Commissioners consists of three individuals who are elected to a four year term. Other elected offices within a county include the Prosecutor, Auditor, Treasurer, Clerk of Courts, Sheriff, Recorder, Engineer and Coroner.

The County offers many general government services that include, but is not limited to road, forest and marine sheriff patrols, jail operations, common pleas courts, juvenile court operations, dog and kennel, economic development, emergency management assistance, jobs and family services, county infrastructure maintenance (bridges and roadways), airport operations, building licensing, and recycling and litter control. Operations of the County are funded mainly with revenue from property taxes, sales taxes, local government funds (LGF) distributed by the State, and fees and charges for services provided by the County. In 2009, the General Fund received property taxes consisting of 2.08 inside mills totaling \$2.3 million for unrestricted use. The remaining 6.9 outside mills<sup>1</sup> is restricted for particular purposes, such as the Mental Health, Developmental Disabilities, and Children's Services operations.

The court of common pleas, the only trial court created by the Ohio Constitution, is established by Article IV, Section 1, of the Constitution. The Scioto County Court of Common Pleas structure, similar to the other 87 counties in Ohio, includes the following divisions:

- General- Civil and criminal cases; appeals from most administrative agencies;
- Domestic relations- Divorces and dissolutions; support and custody of children;
- Juvenile- Offenses involving minors; most paternity actions; and
- Probate- Decedents' estates; mental illness; adoptions; and marriage licenses.

## Financial Outlook

**Table 2-6** in the **financial systems** section presents the framework for a financial recovery plan (General Fund) for Scioto County that demonstrates the impact of the performance audit recommendations on the County's financial condition. With the inclusion of the financial implications from the performance audit recommendations, and the auditors' adjustments to the County's financial recovery plan. **Table 2-6 in financial systems** shows that Scioto County can achieve a positive ending fund balance by the end of the forecast period, though it may be necessary for the County to consider higher employee contribution for health insurance and a

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<sup>1</sup> The outside mills include 0.30 for the Tuberculosis Hospital, 5.1 for the Mental Health and Developmental Disabilities, 0.5 for the Senior Citizens, and 1.0 for the Children Services.

further reduction in General Fund employees. However, the outcomes in **Table 2-6** are contingent upon the attainment of auditors' projections, the timing of implementation of the performance audit recommendations, and the actual impact of those recommendations. See **R2.8** in the **financial systems** section for additional discussion.

Prior to the adoption of final strategies for addressing the financial difficulties, Scioto County Commissioners are encouraged to discuss all potential options with stakeholders to obtain their input and expectations. Furthermore, developing a five year forecast and a strategic planning process, establishing more effective budgeting processes, and improving data reporting would help ensure that potential options are based on goals and objectives and accurate information.

In order to address its projected financial deficits, Scioto County Commissioners will have to make difficult decisions regarding County operations. In addition, the recovery effort will require the active participation and cooperation of all branches of County government and each elected official. One recommendation in this performance audit is subject to union negotiations, but represents an opportunity for significant cost savings. Additional savings not identified by this performance audit would provide the County a greater range of choices for cost reductions. Conversely, failure to implement cost saving strategies may require Scioto County to make additional reductions in mission critical service areas.

## **Objectives**

Performance audits are defined as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

The overall objective of this performance audit is to assist Scioto County in identifying strategies to eliminate the conditions that brought about the fiscal emergency declaration. The major assessments conducted in this performance audit include the following:

- Expenditures, forecasting, planning, budgeting, and purchasing were reviewed in the **financial systems** section.
- County-wide staffing levels, collective bargaining agreements, salary levels, and benefit costs were assessed in the **human resources** section.

- Sheriff staffing and expenditures, reporting, procurement and technology were reviewed in the **sheriff's office** section.
- Court staffing, operations-related expenditures, policies and procedures, and technology were examined in the **court of common pleas** section.

The performance audit was designed to develop recommendations that provide cost savings, revenue enhancements, and/or efficiency improvements. The recommendations comprise options that the County can consider in its continuing efforts to stabilize its financial condition.

## **Scope and Methodology**

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that AOS plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. AOS and the Performance Audit Section (PAS) are aware of, and have considered, the potential independence issue regarding undertaking performance audits of fiscal watch and emergency municipalities that are also being monitored by the AOS' Local Government Services Division (LGS) as fiscal supervisor. Because LGS is statutorily required to serve as fiscal supervisor, independence impairment may exist. However, under ORC § 118.023 and consistent with the intent of the legislature and Auditor of State under this law, performance audits are a component of the activities undertaken by AOS to assist local governments in fiscal distress.

Audit work was conducted between October 2009 and February 2010, and data was drawn from fiscal years 2007, 2008, and 2009. To complete this report, the auditors gathered a significant amount of data pertaining to Scioto County, conducted interviews with numerous individuals associated internally and externally with the various sheriff offices and court systems and reviewed and assessed available information. As mentioned within the **sheriff's office** section of this report, the data collected from the Sheriff's Office could not be tested for reliability because the Sheriff's Office does not report to a third party source (i.e. FBI's UCR system) and there were not multiple data sources through which to cross-check for accuracy. However, the Sheriff's Office data was used in the analysis and was assessed for reasonableness. Peer data and other information used for comparison purposes were not tested for reliability, although the information was reviewed for reasonableness.

The performance audit process involved significant information sharing with the County, including preliminary drafts of findings and proposed recommendations related to the identified audit areas. Furthermore, periodic status meetings were held throughout the engagement to inform the County of key issues impacting selected areas, and share proposed recommendations to improve or enhance operations. Throughout the audit process, input from Scioto County was



solicited and considered when assessing the selected areas and framing recommendations. Finally, several County officials provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process. Auditors received responses from the Commissioner's Office, the Treasurer, the Sheriff, the Clerk of Courts, a Common Pleas Judge and the Juvenile Court Judge. Where warranted, AOS modified the report based on the comments provided by County officials.

In addition, several counties were selected to provide benchmark comparisons for the areas assessed in the performance audit. The following counties were used in the applicable sections of the performance audit and were selected based upon demographic and operational data:

- **Financial systems and human resources:** Athens, Jefferson, Muskingum, Washington and Belmont counties;
- **Sheriff's Office** Auglaize, Crawford and Miami counties. These peers were recommended by the Buckeye State Sheriff's Association based on sheriffs' offices that are similar to Scioto County's Sheriff's Office);
- **Court of Common Pleas:** Clark, Fairfield, Geauga, Green, Lawrence, Meigs, Portage and Wayne counties. These peers were recommended by the Ohio Supreme Court based on common pleas courts with organizational structures similar to Scioto County and adoption of leading practices; and
- **Court of Common Pleas:** Allen, Athens, Belmont, Jefferson, Mahoning, Muskingum and Washington counties. These peers were selected by AOS selected based on population, geographic area and poverty levels.

Furthermore, external organizations and sources were used to provide comparative information and benchmarks, such as the following:

- Society for Human Resource Management;
- Ohio Supreme Court;
- Government Finance Officers Association (GFOA);
- County Commissioners Association of Ohio;
- Kaiser Family Foundation Annual Survey;
- Ohio Department of Taxation;
- National Institute of Government Purchasing;
- Federal Bureau of Investigation (FBI)
- U.S. Department of Justice (USDOJ); and
- Ohio Department of Administrative Services.

The Auditor of State and staff express appreciation to Scioto County and the peer counties for their cooperation and assistance throughout this audit.

## Noteworthy Accomplishments

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes Scioto County's noteworthy accomplishments identified throughout the course of the audit.

- **Health Care Benefits:** The County made adjustments to its benefit plan that resulted in reductions to its insurance benefit premiums, for annual cost savings of almost \$240,000 effective January 1, 2010.
- **Municipal Contracts for Safety Services:** The Scioto County Sheriff's Office exceeded the peers in maximizing its ability to contract for services to provide public safety for the citizens in the County. During 2009, the Sheriff's Office negotiated contracts with its local governments and County agencies to provide safety services. The County entered into nine contracts with local townships and County agencies, which exceeds peer contracting activities. In addition, the Sheriff's Office recently negotiated contracts with two surrounding counties to provide jail beds, which helps offset costs of jail operations.

## Conclusions and Key Recommendations

Each section of the audit report contains recommendations that are intended to provide the County with options to enhance its operational efficiency and improve its long-term financial stability. In order to obtain a full understanding of the assessed areas, the reader is encouraged to review the recommendations in their entirety. The following summarizes the key recommendations from the performance audit report.

*In the area of Financial Systems, Scioto County should:*

- Develop and implement planning strategies to help manage operational goals and needs in a manner that reflects its fiscal constraints. It should also ensure that plans align available resources, as outlined in the five-year forecast and the budgeting process, with the service needs of its community and stakeholders.
- Develop financial policies and procedures for the development of a five-year forecast.
- Develop and document budgeting practices that are consistent with ORC requirements and best practices.
- Consider the boundaries of their statutory obligations when establishing and funding departmental budget levels. When developing a strategic plan, the Commissioners should link strategic goals and objectives to ORC funding requirements.

- In the annual budget, the Commissioners should evaluate the funding provided for functions that are not part of Scioto County's statutory obligations: the Ohio State University Extension Office (Agriculture Grant) and the Scioto County Airport Authority.
- Revise the method for allocating health insurance costs within the General Fund and making transfers from the General Fund to special revenue funds.
- Develop a purchasing manual that standardizes purchasing practices, is widely distributed, and, if possible, is included on the County web site. The County should purchase commonly used items from cooperative purchasing programs, such as the Department of Administrative Services (DAS) State term contracts.

*In the area of Human Resources, Scioto County should:*

- Develop personnel policies and procedures that are acceptable across departments and offices and that can be implemented County-wide.
- Consider eliminating staffing positions within its Treasurer's Office, Recorder's Office, and Veteran Services Commission. Scioto County has more employees than the peer averages in these three areas and appropriate reductions to bring the County in line with the benchmarks would help alleviate the County's General Fund deficit.
- Increase employee contributions for health insurance to 20 percent. This would result in contribution rates more in line with the Kaiser average and would help Scioto County reduce expenditures by lowering the County's portion of overall insurance costs.
- Consider offering a high-deductible health plan (HDHP). This plan could be offered as another option in addition to the County's current plan. HDHPs have many benefits, including lower than average premiums and Health Savings Accounts (HSAs) or Health Reimbursement Arrangements (HRAs).
- Complete a comprehensive analysis of the County's salary structure and develop a compensation management system to guide future salary decision-making. Also, conduct a review to align compensation and job responsibilities and seek to ensure that like positions within its various offices and departments are compensated on a similar basis.
- Measure the cost of sick leave and work to reduce the amount of sick leave that is used at the County. Also, develop and implement formal sick leave policies.

*In the area of Sheriff's Office operations, the Sheriff should:*

- Establish formal written guidelines to collect “pay for stay” fees from prisoners. Furthermore, the Sheriff’s Office should become more aggressive in its collection practices in order to recoup unpaid fees.
- Establish formal policies and procedures for contracting out its safety services or its jail facilities to outside government entities.
- Ensure use of leading purchasing practices by seeking comparative pricing for fuel and other goods. Also, improve use of volume purchasing by joining a cooperative purchasing program, such as Ohio Department of Administrative Services (ODAS) to obtain a larger range of volume discounts.
- Ensure crime statistics are reported annually to the Federal Bureau of Investigation’s Uniform Crime Reporting System (UCR), and use the information to formulate comparisons of its operations.

*In the area of Court of Common Pleas, the Common Pleas judges should:*

- Consolidate operations of the General Common Pleas Division in all areas including budgeting and staffing. At a minimum, the County should reconsolidate the budget to form one division-wide budget. In addition, the County should merge each judge’s staff to form one uniform staff. Lastly, both courts should share all equipment, supplies and services.
- Consult with the Supreme Court of Ohio to consider the feasibility of establishing a family court by integrating Domestic Relations Division operations with the Juvenile/Probate Division.
- Develop a formal staffing plan to address current and future staffing needs.
- Reduce General Division staff to a level commensurate with the Supreme Court peers. In order to achieve this staffing level, the Court would need to eliminate 5.5 FTEs.
- Consider reducing Juvenile Division staffing to a level commensurate with the Supreme Court peer average. The Court could achieve this staffing level by eliminating 2.0 FTEs.
- Establish a formal collection program for all divisions within the Court of Common Pleas that outlines processes and procedures for tracking and collecting its fines and fees. The

program should be formulated through collaboration between the four Common Pleas Court judges, the Clerk of Courts, the Prosecutor, and the Sheriff's Office.

- Consider broadening the methods of payment available to offenders to include credit card payments and develop a process for combining all offender costs, that would include pay to stay fees, which is based on jail time imposed by the judges at the time of sentencing, to be collected by the courts.
- Create and maintain a formal technology plan. The technology plan should identify the technology needs of the courts, identify possible funding sources, and contain a replacement plan outlining the age at which hardware should be replaced.
- Update its case management software as soon as sufficient funding becomes available. Before case management software is updated, the Court should determine how to implement a uniform software system across all divisions within the Common Pleas Courts.

## Issues for Further Study

Auditing standards require the disclosure of significant issues identified during an audit that were not reviewed in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors do not have the time or resources to pursue. The following summarizes the issues requiring further study. Additional detail pertaining to these issues is presented in each section of the report.

- **Juvenile Detention Center (JDC):** The JDC was built in 2000 with revenue from general obligation bonds. These bonds provided funds for the acquisition and construction of the facility, and are to be paid from the General Fund. The County had initially intended for the JDC to be self-supporting or require minimal support from the General Fund for operations. However, due to a fund deficit of \$828,961 in the JDC, the decision was made in September 2009 to cease operations and close the Center. The County has discussed and explored different options related to the JDC, including selling the facility or utilizing it for a different purpose. None of the alternatives has generated enough detail for the Commissioners to understand the impact on the County. However, with approximately \$2 million in outstanding debt on the facility and a negative fund balance of \$828,961, it is critical that the ultimate disposition of the JDC has a positive fiscal impact on the County. As such, the Commissioners should conduct detailed cost/benefit analyses of the various options available in order to address or eliminate long-term financial obligations of the JDC.

- **Internal Control Over Engineer Fuel Tank:** Although the Engineer's Office was not a part of this performance audit assessment, it was identified during our Sheriff's Office fuel purchasing analysis that there are no fuel dispensing controls on the Engineer's fuel tank (i.e. such as a card system to track use from its fuel dispensing system). This represents a high risk for theft and abuse and should be further assessed by the Engineer with assistance from the County Commissioners.
- **Case-flow Management:** Scioto County should consider contacting the Supreme Court of Ohio to request a Case Management Services assessment. Using metrics especially designed for courts, the Supreme Court Case Management Services develops for courts of all sizes and jurisdictions, solutions to address case management issues. Through this program, the Supreme Court offers consulting services in areas such as case-flow management training, caseload statistics reporting and analysis, and judicial assignments. Recommendations made by the Supreme Court could supplement recommendations contained in this report and result in further efficiencies.
- **Indigent Costs:** In 2008, Scioto County's indigent costs were approximately \$536,000. The County received reimbursement from the State of \$232,961 (43 percent) for its indigent costs. The County recoups some of the indigent costs by charging an indigent application fee. However, the law does not provide specific criteria in determining indigence, such as net wages, unemployment, or poverty levels so that the County can limit or better manage its indigent costs (outside attorneys fees).

ORC§ 120.03 (B) states that

*“The Ohio public defender commission shall establish rules for the conduct of the offices of the county and joint county public defenders and for the conduct of county appointed counsel systems in the state. These rules shall include, but are not limited to standards of indigency and minimum qualifications for legal representation by a public defender or appointed counsel. In establishing standards of indigency and determining who is eligible for legal representation by a public defender or appointed counsel, the commission shall consider an indigent person to be an individual who at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation.”*

Although the law is general as to indigent qualifications, the County could still consider methods to control all indigent claims by establishing a gate keeper position, similar to one established by Knox County, to ensure that the County is able to reduce its indigent claims. Furthermore, the County should periodically perform a cost/benefit analysis of bringing the public defender function in-house as opposed to paying outside attorneys to manage the indigent caseload.

## Summary of Financial Implications

The following table summarizes the performance audit recommendations that contain financial implications. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit.

### Summary of Performance Audit Recommendations

Recommendation	One-Time Cost	Annual Costs	Estimated Annual Cost Savings
<b>SUBJECT TO NEGOTIATIONS</b>			
<b>R3.3</b> Increase employee contributions for medical insurance to 20 percent for only Sheriff's Office employees under collective bargaining agreement			\$90,500
<b>Subtotal: Subject to Negotiations</b>			<b>\$90,500<sup>1</sup></b>
<b>NOT SUBJECT TO NEGOTIATIONS</b>			
<b>R2.4</b> Eliminate funding to non-mandated departments			\$310,000
<b>R2.6</b> Take advantage of cooperative purchasing program for supplies and materials			\$150,000
<b>R3.2</b> Eliminate 4.0 FTEs to bring staffing in line with the peer average			\$128,120
<b>R3.3</b> Increase employee contributions for medical insurance to a total of 20 percent for all General Fund employees (excluding Sheriff's Office union employees)			\$63,600
<b>R4.1</b> Implement formal collection program within the Sheriff's Office			\$38,000
<b>R5.4</b> Reduce 5.5 General Common Pleas FTEs			\$349,000
<b>R5.5</b> Reduce 2.0 Juvenile Division FTEs			\$93,000
<b>R5.7</b> Implement formal collections program within the Court of Common Pleas			\$146,000
<b>R5.9</b> Update and consolidate Court software system	\$125,000	\$7,000	
<b>Subtotal: NOT Subject to Negotiations</b>	<b>\$125,000</b>	<b>\$7,000</b>	<b>\$1,277,720</b>
<b>TOTAL RECOMMENDATIONS</b>	<b>\$125,000</b>	<b>\$7,000</b>	<b>\$1,368,220</b>

Source: AOS recommendations

<sup>1</sup> Is not included in the updated forecast.

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# Financial Systems

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## Financial Operations

This section of the performance audit analyzes Scioto County's (the County) current and future financial condition and its financial management practices. Recommendations were developed to help improve the financial condition and the fiscal management of the County's resources. Sources as the Government Finance Officers Association (GFOA), the Ohio Department of Taxation (ODT), the Kaiser Family Foundation Annual Survey, the Ohio Revised Code (ORC), and the National Institute of Governmental Purchasing (NIGP) were used to compare County operations and develop its five-year forecast. In some cases, analyses were completed using peer counties for comparison purposes.<sup>1</sup>

## Background

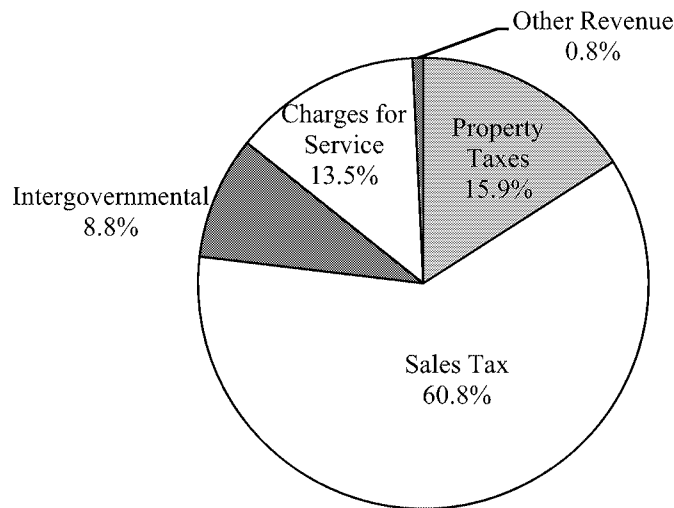
County operations are funded mainly with revenue from property taxes, sales taxes, local government funds (LGF) distributed by the State, and fees and charges for services provided by the County. In 2009, the General Fund received property taxes consisting of 2.08 inside mills in the amount of \$2.3 million for unrestricted use. The remaining 6.9 outside mills<sup>2</sup> are restricted for particular purposes, such as the Mental Health, Developmental Disabilities, and Children's Services operations. The County General Fund received just over \$9.2 million in sales tax in 2008. Due primarily to the recent economic recession, total sales tax collections decreased in 2009 by approximately \$233,000. The County received approximately \$1.1 million in LGF in 2008. These funds come directly from the State and are based on the amount of tax revenue collected at the State level. Charges for services dropped from \$2.2 million in 2008 to \$1.9 in 2009. The following chart illustrates the breakdown of revenue received by the General Fund in 2009.

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<sup>1</sup> The peer counties used were Athens, Jefferson, Muskingum, Washington, and Belmont counties in Ohio.

<sup>2</sup> The outside mills include 0.30 for the Tuberculosis Hospital, 5.1 for Mental Health and Developmental Disabilities, 0.5 for Senior Citizens, and 1.0 for Children Services.

**Chart 2-1: 2009 General Fund Revenue<sup>3</sup>**

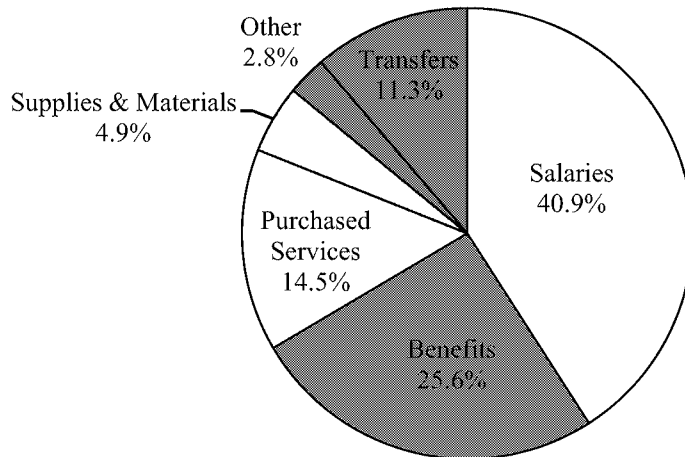


**Source:** Scioto County’s year-end financial reports

Within the General Fund, salaries and wages represented 40.9 percent of the County’s total 2009 expenditures, followed by employees’ retirement and insurance benefits (25.6 percent), and purchased services (14.5 percent). The Commissioners’ Office represents the largest percentage of General Fund spending, approximately 30 percent of the total. However, the Commissioners’ Office line item pays the health insurance cost for employees whose salaries are at least 50 percent paid from the General Fund, regardless of the department or office in which they are employed. Health insurance expenses are only coded to a Special Revenue Fund if an employee is paid primarily from a particular fund. This method of health insurance coding makes it difficult to determine a true cost per department because it inflates the Commissioners’ line item (see **R2.5**). **Chart 2-2** illustrates the breakdown of expenditures for the General Fund in 2009 on an object code level.

<sup>3</sup> **Chart 2-1** excludes revenue received from fines and forfeitures of \$70,416 and licenses, permits, donations of \$4,631 interest of \$24,732 and transfers / advances in \$8,529.

**Chart 2-2: 2009 General Fund Expenditures<sup>4</sup>**



**Source:** Scioto County’s year-end financial reports

The judicial branch of Scioto County comprises the second largest amount of General Fund expenditures, at 23.7 percent of total General Fund spending. Further analysis of the judicial systems operations is provided in the **court of common pleas** section of this report. The Sheriff’s Office comprises the third largest General Fund expenditure at 21.5 percent. The Sheriff’s operations consist of the jail, road patrol, and administration, and they are further examined in the **sheriff’s office** section of this report. Because salaries and benefits represent a large portion of the County’s expenditures, the **human resources** section of this report analyzed staffing levels, salary schedules, and negotiated agreements on a County-wide basis. **Table 2-1** compares the General Fund revenues and expenditures of Scioto County and the peer counties.

<sup>4</sup> **Chart 2-2** excludes expenditures from Capital Outlay (\$1,109).

**Table 2-1: 2008 Revenue and Expenditure Comparison**

	Scioto County	Athens County	Jefferson County	Muskingum County	Washington County	Belmont County	Peer Average
Revenue <sup>1</sup>	\$16,170	\$12,369	\$13,469	\$28,021	\$18,331	\$18,142	\$18,066
Expenditures <sup>1</sup>	\$16,312	\$12,726	\$13,317	\$29,974	\$19,994	\$20,644	\$19,331
Excess Revenue Over/(Under) Expenditures <sup>1</sup>	(\$142)	(\$357)	\$152	(\$1,953)	(\$1,663)	(\$2,502)	(\$1,264)
Excess Revenue Over/(Under) Expenditures as a Percent of Revenue	(0.9%)	(2.9%)	1.1%	(7.0%)	(9.1%)	(13.8%)	(6.3%)
Residents	76,587	63,255	68,526	85,087	61,567	67,975	69,282
Revenue per Resident	\$211	\$196	\$197	\$329	\$298	\$267	\$257
Expenditures per Resident	\$213	\$201	\$194	\$352	\$325	\$304	\$275

Source: Scioto County Auditor and peer county auditors, 2008 U.S. Census Bureau

Note: To allow for a comparison among counties, the revenues and expenditures shown were taken from the counties' financial audits, which are presented differently than the County's year-end financial reports. Consequently, these amounts will vary from other financial tables in this section.

<sup>1</sup> Revenue, expenditures, and over/under are shown in thousands.

As shown in **Table 2-1**, Scioto County's expenditures and revenues (both overall and per resident) were significantly below the peer averages. While the County's 2008 General Fund spending deficit was smaller than the peers, this amount does not include deficits accumulated by the Jail Operations Fund or the Juvenile Detention Fund. Moreover, Scioto County's overall deficit spending per fund has increased significantly over time, which ultimately led to its fiscal emergency designation. **Table 2-2** illustrates the historical spending deficit for the General Fund, the Juvenile Detention Center Fund, and the Jail Operations Fund.

**Table 2-2: Scioto County Historical Deficit Spending**

	2006	2007	2008	2009
<b>General Fund</b>				
<b>Revenues</b>	\$15,275,711	\$15,331,751	\$15,979,746	\$14,848,012
<b>Expenditures</b>	\$14,993,615	\$15,207,488	\$18,730,921	\$14,796,703
Excess Revenue Over/(Under) Expenditures	\$282,096	\$124,263	(\$2,751,175)	\$51,309
<b>Juvenile Detention Center Fund</b>				
<b>Revenues</b>	\$1,247,774	\$1,251,856	\$849,914	\$448,200
<b>Expenditures</b>	\$1,228,115	\$1,280,821	\$1,249,083	\$877,990
Excess Revenue Over/(Under) Expenditures	\$19,659	(\$28,966)	(\$399,169)	(\$429,791)
<b>Jail Operations Fund</b>				
<b>Revenues</b>	\$1,760,453	\$3,395,366	\$911,339	\$0
<b>Expenditures</b>	\$3,300,768	\$4,658,857	\$911,339	\$0
Excess Revenue Over/(Under) Expenditures	(\$1,540,315)	(\$1,263,492)	\$0	\$0
<b>Total Excess Revenue Over/(Under) Expenditures</b>	<b>(\$1,238,561)</b>	<b>(\$1,168,195)</b>	<b>(\$3,150,344)</b>	<b>(\$378,481)</b>

Source: Scioto County year-end financial data

As shown in **Table 2-2**, the County's collective spending deficit for these funds increased by 154 percent within the three-year period from 2006 to 2008. The County was able to reduce deficit spending in 2009 to just under \$400,000. However, major expenses such as portions of health insurance premiums, amounting to over \$300,000, were not paid in 2009. Had the payments been made in 2009, when the expenses were incurred, deficit spending would have been closer to \$700,000. Moreover, in 2008 the decision was made to move the Jail Operations Fund to the General Fund due to the growing deficit of the jail operations. This explains the increase in General Fund deficit from 2007 to 2008 (see **R2.1** for planning analysis). Furthermore, the County decided to cease operations of the Juvenile Detention Center in September 2009 due to the growing deficit (see *issues for further study* in the **executive summary**). The Juvenile Detention Fund had a negative fund balance of \$829,000, which will ultimately need to be resolved using resources from the General Fund.

## Financial Condition

Scioto County was placed in fiscal emergency on August 19, 2009, per ORC § 118.03 (A)(5) and 118.03 (B), due to combined fund deficits as of December 31, 2008, and June 30, 2009, of \$3.0 million and \$3.5 million, respectively. As shown in **Table 2-2**, the majority of the deficit occurred in the General Fund and the Juvenile Detention Center Fund. Some of the deficit spending can be explained by the lack of long-term planning (see **R2.1**) and the current budgeting practices of the County (see **R2.3**). The County's primary planning is performed through the annual budget process by the Commissioners' Office with limited input from department heads and other elected officials. As the County has faced a decline in funds available for operations, several cost-saving measures have been implemented in order to help the County meet its obligations. For example, several departments, on a temporary basis, have

moved salaries and benefits from the General Fund to special revenue funds within their respective departments. Furthermore, the Commissioners' Office, Economic Development Department, Sheriff's Office, Maintenance Department, and Recorder's Office all moved to a 72-hour pay period in April and May of 2009. However, in December 2009, the Commissioners reinstated the 80-hour pay period for the Commissioners' Office and Maintenance Department.

The County also does not have formal guidelines for collecting its fines and fees. Fines are imposed as part of the Court of Common Pleas system as a punishment for violation of law. User fees are imposed for services rendered or a good that is purchased from the County. Also, the Sheriff imposes pay to stay fees on inmates for jail time. These fines and fees are used to help fund programs or the purchase of items for County departments and offices. If the fines or fees are not paid funding from other sources is often necessary (see **court of common pleas** and **sheriff's office** for further analysis). Commissioners estimate that the total delinquent fines and fees in the Sheriff's Office and the Court of Common Pleas have risen to approximately \$6 million dollars. However, because delinquencies cannot be tracked within the Court of Common Pleas, the timing of these delinquencies cannot be determined with any certainty. A Commissioner indicated that these delinquencies could have accumulated over the past quarter of a century or longer, though this could not be confirmed. The high level of delinquencies results from the County not having systems or processes for initially collecting fines or fees, particularly those imposed by the Court or Sheriff. There are no repercussions for those who do not pay the fines or fees imposed, and the County and other Offices have not developed a process to collect delinquent fines or fees.

Scioto County's spending decisions highlight limited collaboration among departments and offices in addressing the financial condition of the County. Despite the growing fiscal concerns, several departments, offices, and boards authorized pay increases in 2009 ranging from 3 to 4 percent, although most rescinded the raises after several months. Furthermore, several departments and offices received raises without the approval of the Commissioners. In part, this is due to the fact that many County functions are headed by separately-elected officials who have a level of independence from the Commissioners. In addition, State law requires the General Fund to support or supplement certain County operations, such as the Board of Elections, Court of Common Pleas, and the Veterans Service Commission. A detailed description of the Ohio common pleas court system is outlined in the **executive summary**. In these cases, the Commissioners have a limited ability to reduce appropriations, despite fiscal concerns or concerns about the intended uses of the funds. As a result, several of these departments have received consistent funding from 2006 to 2008 despite the County's deteriorating fiscal condition. **Table 2-3** compares the historical expenditures of Scioto County's independent departments and offices.

**Table 2-3: Historical Expenditure Comparison**

	2006	2007	Percent Change	2008	Percent Change	2009	Percent Change
<b>Prosecutor</b>	\$807,790	\$840,028	4.0%	\$835,075	(0.6%)	\$741,749	(11.2%)
<b>Clerk of the Court of Common Pleas</b>	\$252,200	\$247,476	(1.9%)	\$275,781	11.4%	\$227,078	(17.7%)
<b>Court of Common Pleas</b>	\$580,515	\$652,089	12.3%	\$605,012	(7.2%)	\$527,804	(12.8%)
<b>Jury Fees</b>	\$5,481	\$5,492	0.2%	\$5,507	0.3%	\$5,511	0.1%
<b>Domestic Relations Court</b>	\$305,091	\$321,150	5.3%	\$336,244	4.7%	\$322,992	(3.9%)
<b>Juvenile Court</b>	\$347,622	\$367,057	5.6%	\$375,877	2.4%	\$354,385	(5.7%)
<b>Probate Court</b>	\$193,755	\$194,153	0.2%	\$196,916	1.4%	\$167,860	(14.8%)
<b>Municipal Court</b>	\$150,498	\$144,718	(3.8%)	\$158,198	9.3%	\$119,411	(24.5%)
<b>Court of Appeals</b>	\$57,431	\$41,017	(28.6%)	\$11,233	(72.6%)	\$8,872	(21.0%)
<b>Adult Probation</b>	\$130,507	\$136,057	4.3%	\$108,805	(20.0%)	\$106,607	(2.0%)
<b>Juvenile Probation</b>	\$195,443	\$227,960	16.6%	\$234,122	2.7%	\$217,823	(7.0%)
<b>Veterans Service Commission</b>	\$370,266	\$386,924	4.5%	\$391,462	1.2%	\$397,600	1.6%
<b>Total</b>	<b>\$3,396,560</b>	<b>\$3,564,122</b>	<b>4.9%</b>	<b>\$3,534,231</b>	<b>(0.8%)</b>	<b>\$3,197,692</b>	<b>(9.5%)</b>

Source: Scioto County's year-end financial data

Until 2009, these departments and offices had made few budgetary concessions in order to improve the overall financial condition of the County. While several departments and offices made reductions in 2009, the majority of reductions in the General Fund were supplemented with special revenue funds. This allowed the departments and offices to continue operations without reductions. Collectively, the 2010 appropriations for these departments and offices are budgeted to decrease by 1.9 percent. While some concessions have been made, improved budgeting practices (see **R2.3**), enhanced communication, and budget concessions will be needed in order for the County to improve its financial condition and address its deficits. Ultimately, all elected and appointed members of Scioto County's government must recognize the dire financial condition in which it is operating and contribute to the solution if the County is to resolve its fiscal emergency designation.



### *Scioto County's Financial Recovery Plan*

As part of the fiscal emergency designation, the County is required to develop a financial recovery plan. This plan is to include actions the County will take in order to reduce expenditures to address overall deficits and a five-year forecast with detailed revenue and expenditure projections.

The County recovery plan projects saving \$500,000 in 2010, \$800,000 in 2011, and \$1,000,000 in 2012 and 2013. However, at the time of the performance audit, only the savings for 2010 were outlined in detail and no assumptions or plans for future savings were provided. Elements of the plan include the following:

- Reducing salary and PERS expenses by as much as 9.16 percent in 2010. However, the Commissioners and officeholders have not discussed how each department or office will reduce salary and PERS expenses. A voluntary cost-savings day program was suggested which would consist of employees taking up to 20 days off without compensation in 2010 (similar to the 72-hour work week implemented in 2009).
- Redesigning the County's health care plan that includes increasing deductibles and co-pays, and increasing the employees' share of health insurance premiums from 13 percent to 14 percent. (See **human resources** for additional discussions about health insurance.)
- Switching to a workers' compensation retroactive rating program, which if successful, could result in savings of as much as \$152,000 starting in 2011.
- Reducing non-personnel department line items by 10 percent from 2009.
- Instituting a hiring and wage freeze for all non-bargaining unit employees. The hiring freeze is projected to result in savings of at least \$150,000 from not replacing three employees who retired at the end of 2009.

The recovery plan also includes revenue enhancement strategies. For example, the Commissioners recently negotiated a contract to lease jail beds to Pike County, which could result in over \$2 million in new revenue over the five-year contract period.

Auditors analyzed the financial recovery plan estimates for reasonableness and accuracy. Some adjustments were made to the County's financial recovery plan estimates to more accurately reflect 2010 appropriations, and to the assumptions made in the five-year forecast (**Table 2-4**). The following table outlines the auditors' estimates of the cost savings and revenue enhancements proposed in the County's financial recovery plan.

**Table 2-4: Revised County Financial Recovery Plan Estimates**

	2010	2011	2012	2013
<b>Revenue Enhancements</b>				
Contract Housing	\$130,362	\$134,273	\$138,301	\$142,450
<b>Subtotal</b>	<b>\$130,362</b>	<b>\$134,273</b>	<b>\$138,301</b>	<b>\$142,450</b>
<b>Expenditure Reductions</b>				
Insurance	\$459,954	\$582,935	\$641,229	\$705,352
Workers' Compensation	\$0	\$150,000	\$150,000	\$150,000
Salary / PERS Appropriations	\$1,086,267	\$0	\$0	\$0
Non-Salary Line Items	\$65,668	\$0	\$0	\$0
Vacant Positions	\$150,000	\$150,000	\$150,000	\$150,000
<b>Subtotal</b>	<b>\$1,761,889</b>	<b>\$884,935</b>	<b>\$943,229</b>	<b>\$1,007,352</b>
<b>Total</b>	<b>\$1,892,251</b>	<b>\$1,019,208</b>	<b>\$1,081,530</b>	<b>\$1,149,802</b>

Source: Scioto County recovery plan and AOS.

As illustrated in **Table 2-4**, several of the actions are not long-term solutions. Therefore, the savings were not carried through the forecast period. To fully address the deficit, the County will need to implement the performance audit recommendations (see **R2.8**) and establish its own detailed long-term cost saving strategies. Moreover, in order to meet current salary appropriations,<sup>5</sup> the Commissioners, department heads, and elected officials will need to make reductions to avoid considerable year-end reductions or appropriation increases. Lastly, the recovery plan should include stakeholder input and link directly back to the strategic plan (see **R2.1**), the forecast (see **R2.2**), and the budgeting process (see **R2.3**) in order to be a useful tool in addressing the deficit.

### *Financial Forecast*

**Table 2-5** presents a forecast developed for Scioto County that includes General Fund revenue and expenditures and selected funds that require General Fund support. The forecast includes four years of actual historical data (2006 through 2009) and four years of projected data (2010 through 2013). The purpose of a financial forecast is to identify trends in revenue and spending, and to serve as a foundation for the County's short- and long-term planning needs.

Financial forecasts may be affected by many factors, both external and internal, so they contain a number of assumptions that drive projections about future conditions. The assumptions used in Scioto County's forecast are based on available information, including historical events and future County plans, if known. Furthermore, the assumptions disclosed below were developed in conjunction with County personnel and are based on information obtained during the course of the audit. Still, it is important to note that assumptions may not accurately reflect future events, and the reliability of financial forecasts cannot be guaranteed. The forecast is intended as a

<sup>5</sup> The 2010 salary appropriations are based on actual salary expenses as of November 2009. Therefore, departments will need to implement cost savings days, reduce staff, or code salary expenses to special revenue funds in order to meet General Fund obligations.

dynamic planning document, and the County should monitor projections and when changes occur adjust its projections to reflect the new information. Lastly, the forecast is based on historical spending patterns and reflect the financial condition assuming no actions are taken to address the deficits. Therefore, the forecasted projections will not align with the AOS revised financial impact, as illustrated in **Table 2-4**, changes already implemented by the County, or any recommendations made in this performance audit that will impact the forecast. The effects of these are shown at the end of this section in **Table 2-6**.

**Table 2-5: Five-Year Forecast (000's)**

	Actual				Projected			
	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>								
Property Taxes	\$2,273	\$2,217	\$2,353	\$2,348	\$2,370	\$2,407	\$2,429	\$2,452
Sales Tax	\$8,646	\$9,181	\$9,216	\$8,983	\$10,103	\$10,194	\$10,285	\$10,378
Intergovernmental	\$1,280	\$1,258	\$1,186	\$1,299	\$1,257	\$1,243	\$1,228	\$1,214
Fines and Forfeitures	\$75	\$70	\$70	\$73	\$73	\$73	\$73	\$73
Licenses, Permits, Donations	\$6	\$6	\$4	\$3	\$3	\$3	\$3	\$3
Charges for Services	\$1,821	\$1,743	\$2,248	\$1,992	\$2,010	\$2,032	\$2,053	\$2,074
Interest	\$744	\$850	\$332	\$24	\$25	\$25	\$26	\$26
Other Revenue	\$616	\$370	\$548	\$113	\$113	\$113	\$113	\$113
Transfers / Advances In	\$9	\$0	\$201	\$8	\$8	\$8	\$8	\$8
<b>Total Revenue</b>	<b>\$15,474</b>	<b>\$15,698</b>	<b>\$16,162</b>	<b>\$14,848</b>	<b>\$15,966</b>	<b>\$16,101</b>	<b>\$16,222</b>	<b>\$16,345</b>
<b>Expenditures</b>								
Salary	\$6,742	\$7,057	\$6,909	\$6,205	\$6,804	\$6,847	\$6,847	\$6,847
ERIB <sup>1</sup>	\$3,617	\$3,880	\$3,888	\$3,877	\$4,182	\$4,406	\$4,738	\$5,107
Purchased Services	\$2,190	\$2,224	\$2,086	\$2,202	\$2,676	\$2,707	\$2,798	\$2,905
Supplies and Materials	\$1,112	\$856	\$824	\$743	\$789	\$789	\$789	\$789
Capital Outlay	\$8	\$9	\$6	\$1	\$1	\$1	\$1	\$1
Other	\$425	\$436	\$470	\$425	\$476	\$481	\$487	\$492
Advances	\$63	\$0	\$15	\$0	\$0	\$0	\$0	\$0
<i>Total Expenditures</i>	<i>\$14,160</i>	<i>\$14,465</i>	<i>\$14,200</i>	<i>\$13,455</i>	<i>\$14,931</i>	<i>\$15,234</i>	<i>\$15,661</i>	<i>\$16,143</i>
Transfers	\$2,571	\$2,372	\$1,909	\$1,706	\$1,800	\$1,800	\$1,800	\$1,800
Loans Principal and Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total Other Financing Use</i>	<i>\$2,571</i>	<i>\$2,372</i>	<i>\$1,909</i>	<i>\$1,706</i>	<i>\$1,800</i>	<i>\$1,800</i>	<i>\$1,800</i>	<i>\$1,800</i>
<b>Total Expenditures and Other Financing Use</b>	<b>\$16,732</b>	<b>\$16,837</b>	<b>\$16,110</b>	<b>\$15,161</b>	<b>\$16,731</b>	<b>\$17,034</b>	<b>\$17,461</b>	<b>\$17,943</b>
Excess Revenue Over/Under Expenditures	(\$1,258)	(\$1,139)	\$52	(\$313)	(\$764)	(\$932)	(\$1,238)	(\$1,597)
Beginning Cash Balance	\$185	(\$1,073)	(\$2,212)	(\$2,159)	(\$2,473)	(\$4,067)	(\$4,999)	(\$6,238)
Ending Cash	(\$1,073)	(\$2,212)	(\$2,159)	(\$2,473)	(\$3,238)	(\$4,999)	(\$6,238)	(\$7,836)
Juvenile Detention Center	\$0	\$0	\$0	\$0	(\$828)	\$0	\$0	\$0
Revised Ending Cash	(\$1,073)	(\$2,212)	(\$2,159)	(\$2,473)	(\$4,067)	(\$4,999)	(\$6,238)	(\$7,836)

**Source:** Scioto County financial reports

**Note:** Amounts may vary due to rounding

<sup>1</sup>Employees Retirement and Insurance Benefits

As illustrated in **Table 2-5** and barring any action on the part of the County, Scioto County's negative ending fund balances would grow through the forecasted period. The following is an explanation of the assumptions used to project the major revenues and expenditures within the five-year forecast.

### **Revenue**

In 2009, the General Fund received revenues from approximately 45 different sources, the largest of which were sales tax<sup>6</sup> (60.5 percent of the total) and property taxes (15.8 percent of the total). As of October 2009, the County's permissive sales tax was 1.5 percent,<sup>7</sup> which was consistent with 42 of Ohio's 88 counties. Only one county<sup>8</sup> has a higher permissive sales tax rate of 2.25 percent. The following is an explanation of major sources of revenue received by the County in the General Fund.<sup>9</sup>

- **Property Taxes:** Property taxes consist of the estate tax, manufactured home conveyance, manufactured home taxes, personal property taxes, real estate conveyance, and real estate taxes, which totaled approximately \$2.3 million in 2009. The County's property taxes decreased from 2006 to 2007 by 2.5 percent, increased by 6.1 percent from 2007 to 2008, and decreased by 0.2 percent from 2008 to 2009. The majority of the increase in 2008 was due to an increase in real estate taxes caused by a property value update in 2007, which affected collections in 2008. The County is scheduled to have a sexennial reappraisal in 2010, which will affect collections in 2011. Due to the negative trends in the real estate market, high growth rates in valuation are not expected through the forecasted period. While 2009 collections show a slight decrease, a conservative 1 percent increase was applied to 2010, 2012, and 2013. The assumption for 2011 includes a 2.5 percent increase due to the 2010 sexennial update. The slight increase is attributed to economic data suggesting that the economy and property values will start to increase slightly in 2010. Because property taxes comprise a critical portion of its revenue, the County must monitor real values and adjust projections as more reliable or up-to-date data is obtained.
- **Sales Tax:** The projections for sales tax revenue consist of historical trends and current collection rates. Sales taxes increased by an average of 1.3 percent from 2006 through 2009 although the historical trend includes an increase of 6 percent from 2006 to 2007

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<sup>6</sup> The total sales tax rate in Scioto County is 7.0 percent, of which 5.5 percent is the State sales and use tax rate, and 1.5 percent is the County's permissive sales tax rate.

<sup>7</sup> Fines and forfeitures, transfers and advances in, and licenses and permits represented less than 1 percent of the total General Fund collections; therefore, explanations were not provided for these sources.

<sup>8</sup> Cuyahoga County.

<sup>9</sup> Fines and forfeitures, transfers and advances in, and licenses and permits represented less than 1 percent of total General Fund collections; therefore, explanations of variances were not sought for these revenue sources.

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and a decrease of 2.5 percent from 2008 to 2009. Given the current economic situation, it is difficult to project future trends in the sales tax, particularly with the recent 2.5 percent decrease. However, as in the case of property tax, economic data would suggest an increasing trend starting in 2010. Therefore, future projections include a conservative 1 percent increase per year starting in 2010.

Furthermore, House Bill (HB) 1, the State's two-year operating budget for Fiscal Years 2009-10 and 2010-11, introduced a change in how Medicaid providers will be taxed. Based on estimates from the Ohio Department of Taxation, the County could receive as much as \$1 million in additional sales tax revenue in 2010. Therefore, the sales tax projections of approximately \$9 million include the additional revenue through the forecasted period.

- **Intergovernmental:** Intergovernmental receipts totaled approximately \$1.3 million in 2009 and included the State Local Government Fund/Local Government Revenue Assistance Fund (LGRAF) (96.8 percent of the total) and stumpage allocation<sup>10</sup> (3.2 percent of the total). The State LGRAF distributions are divided among governmental entities within Ohio's 88 counties. The allocation per entity is determined by ORC § 5747.51. The County receives approximately 38.6 percent of the total LGRAF provided to Scioto County governments, while the City of Portsmouth receives 44.2 percent and the remainder is divided among townships and villages. LGRAF distributions were flat-lined from 2006 to 2007 and decreased by 1.0 percent from 2007 to 2008. The 2009 and 2010 projections are based on Ohio Department of Taxation estimates, which show decreases of approximately 14 percent in 2009 and 1.6 percent in 2010. The remaining forecasted period (2011, 2012, and 2013) projects decreases in LGRAF distributions of approximately 1.5 percent per year. The County should closely monitor the LGRAF and make the appropriate adjustments to the projections as the Ohio Department of Taxation issues updated estimates.
- **Charges for Services:** Revenue received in this area included contracted services, cost allocation, fees, lease / rent, pay for stay, and sales. On a dollar basis, the majority of the revenue sources remained consistent through the historical years of the forecast. Therefore, the projections through the forecasted period were based on historical trends.

### Expenditures

The County's total General Fund expenditures were approximately \$16.1 million in 2008, which was a significant decrease from \$16.8 million in 2007. The majority of the reductions or reallocations to other funds occurred in the salaries, purchased services, and transfers line items.

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<sup>10</sup> Stumpage allocation includes royalty revenue from logging operations within State parks.

- **Salaries:** Salaries represent approximately 41 percent of General Fund expenditures and are the largest expenditure line item presented in the forecast. In 2007, salary expenditures increased by approximately 4.7 percent. The majority of the increase is due to negotiated wage increases and annual cost-of-living adjustments for non-union employees. Salaries decreased in 2009 by approximately \$700,000, despite some departments and offices receiving annual wage increases for the first part of the year. The decreases occurred as salaries were shifted from the General Fund to special revenue funds. For example, the Court of Common Pleas was able to shift 0.5 full-time equivalent (FTE) bailiff/probation officer from the General Fund to the Intensive Probation special revenue fund, and the Economic Development Department (ED) was able to shift 1.0 FTE to the ED special revenue fund. Furthermore, several departments and offices experienced cost savings from reducing the pay period from 80 to 72 hours. Both the cost shifting and the reduced work week contributed to the decrease in salary expenditures.

The salary projections in the forecast include no increases through the forecast period. The County does have five negotiated agreements; however, only the Fraternal Order of Police contract (Sheriff's Office) affects the General Fund directly. In the event employees receive salary increases, additional reductions above the recommendations made in the performance audit will need to be implemented in order to make up the difference. For example, the deficit would increase by an additional \$521,000 per year if County employees were to receive a 1 percent increase per year starting in 2010. In order to make up the difference, the County would need to reduce an equivalent of 9 FTEs.

Although the County was able to provide relief to its General Fund by shifting costs to special revenue funds and implementing cost savings days in 2009, not all the funds will be able to support the additional expenses through the forecasted period. Therefore, forecast projections for 2010 and 2011 include those expenses in the General Fund, with the timing and proportion of costs to be borne by the General Fund based on the fund balances and estimated revenues of the specific funds. In the event special revenue Funds are not able to support expenses as projected, the County should adjust the projections and make the necessary operational changes to address needed cost offsets.

- **Employees Retirement and Insurance Benefits (ERIB):** ERIB consists of Ohio Public Employees Retirement System (PERS) payments, Medicare, health insurance, dental insurance, vision insurance, life insurance, workers' compensation, and unemployment. In 2009, ERIB represented approximately 26 percent<sup>11</sup> of Scioto County's expenditures, with health insurance and PERS encompassing the largest costs. PERS contributions are made on behalf of employees and are based on the amount of wages and salaries. Therefore, the historical expenditures in relation to salaries can be used for projection

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<sup>11</sup> This percentage includes \$365,051 in health insurance premiums that was encumbered in 2009, but not paid until 2010.

purposes. PERS averaged 14.8 percent of the total General Fund salaries line item from 2006 through 2009. In the event salary projections change due to negotiated wage increases, reductions in personnel, or any other factors, the PERS projection will need to be updated accordingly.

Health insurance increased by 12.0 percent from 2006 to 2007 and 1.4 percent from 2007 to 2008. With the exception of the percentage change from 2006 to 2007, the increase in health insurance costs is consistent with findings reported in *Employer Health Benefits* (Kaiser Family Foundation, 2009) that from 1999 to 2009, average family premiums increased by 131 percent, an average of 13.1 percent per year. Based on historical patterns and information obtained from Kaiser, the health insurance line item was increased by 10 percent per year through the forecasted period.

During the performance audit process, the Commissioners revised the County's health insurance plan. Through plan restructuring that included more cost-sharing with employees and increased deductibles, Scioto County was able to lower its premiums by 15.9 and 15.8 percent for single and family coverage, respectively. This insurance option also limits 2011 premium increases to 6 percent. Although the forecast shown in **Table 2-5** projects increases of health insurance by 10 percent through the forecasted period, **Table 2-4** illustrates the cost savings from the revised health care plan.<sup>12</sup> See the **human resources** section for additional discussion about health insurance.

**Other Line Items:** The remaining line items were projected using historical trends and known factors when available.

To address its deficit, it is imperative that the County monitor expenditures within these line items and make projection changes when deviations occur. Furthermore, during the budget process, the Commissioners should use the projections to plan overall appropriation levels, and should also revise projections based on the enacted budget.

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<sup>12</sup> Auditors presented the change in premiums in this manner to prevent double counting savings.

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## Recommendations

### *Planning*

**R2.1 The County should develop and implement planning strategies to help better manage operational goals and needs in a manner that reflects its fiscal constraints. Scioto County should develop and implement a strategic plan that outlines its missions, goals, and objectives, as well as a method for monitoring progress toward achieving its goals. Furthermore, government-wide capital plans, preventative maintenance programs, and performance measures should be developed and linked to the goals and objectives in the strategic plan. Finally, the County should ensure that plans align available resources, as outlined in the five-year forecast (R2.2) and the budgeting process (R2.3), with the service needs of its community and stakeholders. Effective planning will ensure that the County is allocating resources to mission-critical operations, that decisions are made based on the best information possible, and that stakeholders are informed of the decision-making process.**

The County has not developed or implemented critical long-term planning components. It does not have a strategic plan to guide its operations over the long-term, a capital improvement plan that identifies and prioritizes capital needs and expected costs, a preventative maintenance schedule, or performance measures as a means to measure inputs versus outcomes. Long-term planning processes and related goal-setting are critical to ensure the effectiveness of service delivery. The lack of proper planning can lead to operational inefficiencies, misalignment of resources, and unfocused resource allocation.

The lack of proper planning and the failure to set operational goals for the County Jail operations contributed significantly to the County's deficit. When it opened its new jail in 2006, the County anticipated leasing jail space to surrounding counties as a way to subsidize jail operations; however, it made limited preparations to do so. The County did contract with Lawrence County once the jail opened, but failed to contract with additional counties for remaining extra jail space. Not until November 2009 did Scioto County enter into an additional contract with Pike County for the lease of 30 jail beds at a rate of \$40 per bed, per day. The delay in fully implementing its planned contracts for bed space resulted in unrealized revenue of \$1.1 million from April 2006 to November 2009.

The lack of a capital improvement plan can also lead to unexpected and costly purchases and repairs. The County's infrastructure is a large investment that requires proper planning to sustain its long-term investment, to maximize the productivity of County employees, and to reduce the higher costs that ultimately come from unplanned repairs. **Table 2-5** shows that from 2006 through 2009, Scioto County reported spending virtually



nothing on capital improvements, indicating that the County has not been adequately planning or funding its capital improvements, maintenance, and repair.

In addition, the County has not implemented a preventative maintenance plan. For example, the Sheriff's Office is responsible for the County Jail, its fleet, and a significant technology infrastructure, yet it does not have a written preventative maintenance plan for these capital assets. Though the Road Patrol Captain does keep a manual maintenance sheet in each vehicle folder, in which he reviews and tracks maintenance, this process does not encompass all elements of recommended preventive maintenance practices.

Finally, the County has not implemented a standard set of measures and benchmarks that can be used to help measure performance and outcomes in relation to desired goals and objectives. Particularly in a time of financial distress, the outcomes can be used to help prioritize spending, redirect resources, or redesign program goals. County-wide budgetary performance versus program or operational goals identified in the strategic plan can be one effective method of measuring program performance. The County can then measure its data on a year-to-year basis and benchmark itself against adjacent or similar counties (see **sheriff's office** section for additional examples).

According to *Recommended Budget Practices on the Establishment of Strategic Plans* (GFOA, 2005), all governmental entities should use some form of strategic planning to provide long-term perspectives for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. The key steps to create an effective strategic planning process are as follows:

- Prepare a mission statement;
- Assess environmental factors;
- Identify critical issues;
- Agree on a small number of broad goals;
- Create an action plan;
- Develop measurable objectives;
- Incorporate performance measures;
- Monitor progress; and
- Reassess the plan.

According to *Multi-Year Capital Planning* (GFOA, 2006), state and local governments should also prepare and adopt comprehensive multi-year capital plans to ensure effective management of capital assets. A prudent capital plan identifies and prioritizes expected needs based on a government's strategic plan, establishes project scope and costs, details estimated amounts of funding from various sources, and projects future operating and maintenance costs. A capital plan should not be less than three years in length and should

identify capital needs, determine the costs of those needs, prioritize capital requests, and develop financing strategies.

In addition, preventative maintenance programs are important components of capital and budgeting planning. According to *Preventive Maintenance for Local Government Buildings* (Minnesota Office of the Legislative Auditor, 2000), local jurisdictions should include preventative maintenance along with other maintenance projects in short- and long-term maintenance plans that are tied to capital improvement programs, capital budgets, reserve accounts, and operating budgets. Active planning for preventative maintenance should occur at the same time as planning for other maintenance, since it is needed in both the long-term (at least a three-year outlook) and short-term (the upcoming year). Long-term planning includes a long-range facility plan and a capital improvement program. Short-term planning includes annual work plans and annual budgets.

Finally, *Performance Management: Using Performance Measurements for Decision-Making* (GFOA, 2007) recommends that program and service performance measures be developed and used as important components of long-term strategic planning and decision-making, and should be linked to governmental budgets. Over time, performance measures should be expanded and relate directly back to the mission, goals, and objectives of each department. Stakeholders at all levels must embrace the concept of continuous improvement and be willing to be measured against objective expectations.

Without effective planning processes, Scioto County will be less effective in assessing its current service environment, or in anticipating and responding appropriately to change. With proper plans, the County will be better able to reinforce its commitment to its mission to serve its residents and reach consensus on strategies and objectives for achieving that mission. More importantly, the County will be able to more effectively target its financial and human resources during periods of resource scarcity.

### *Forecast – Policies and Procedures*

**R2.2 The County Auditor, Commissioners and other key administrators should collaboratively develop a five-year financial forecast policy and procedures. A forecast would help the County better understand and plan for varying economic and financial conditions that could affect its services. The policy should address key forecast factors, including responsibility for providing information to stakeholders, periods covered, supporting assumptions, and presentation.**

Scioto County has not developed a forecast or long-term projections for any of the major operating funds. The County is required to develop a forecast, with the assistance of the Auditor of State's Local Government Services (LGS), as part of the recovery plan process. The Commissioners develop expenditure projections and are ultimately

responsible for the forecast; the County Auditor provides revenue projections. In developing the forecast to meet its fiscal oversight requirements, the Commissioners should obtain stakeholder input from all levels of administration within the County. The development of a strategic plan (see **R2.1**) would help to ensure that department heads, elected officials, employees, and community members have input into the decisions that will be incorporated within the forecast.

Although the County budgets on an annual basis, many of the decisions it makes have fiscal impacts that stretch beyond the one-year period. Five-year forecasts are informative tools in the budgeting process as the forecast can illustrate the effect of various decisions on the County's ending fund balance (see **R2.3**). Once developed, the forecast should be treated as a living document and updated on a regular basis (monthly or quarterly) to include more current information. The forecast should also be linked directly to the County's strategic plan (see **R2.1**), so that the financial considerations for goals and objectives are captured in the forecast.

*Financial Forecasting in the Budget Preparation Process* (GFOA, 1999) recommends that governments produce forecasts for major revenue sources and expenditures. A forecast of revenues and expenditures does the following:

- Provides an understanding of available funding;
- Evaluates financial risk;
- Assesses the likelihood that services can be sustained;
- Assesses the level at which capital investment can be made;
- Identifies future commitments and resource demands; and
- Identifies the key variables that cause change in the levels of revenue and expenditures.

The forecast should extend at least three to five years beyond the budget period and should be regularly monitored. Furthermore, to improve future forecasting models, the variances between previous forecasted and actual amounts should be analyzed. The variance analysis should identify the factors that influence revenue collections, expenditure levels, and forecast assumptions.

In addition, *Best Practices in Public Budgeting: Evaluate the Effect of Changes to Revenue Source Rates and Base* (GFOA, 2000) suggests that entities develop projections (like the five-year forecast) under alternative scenarios. Preparing projections using different assumptions, particularly in the development of a financial plan (forecast), allows decision-makers to consider various levels of revenue, which can help determine levels of services to be implemented, continued, or reduced. Furthermore, alternative scenarios will provide the Commissioners with additional information during decision-

making processes by allowing them to view the financial impacts on ending fund balances due to those potential expenditure decisions.

In conjunction with formal planning strategies (see **R2.1**), a five-year forecast can be used to help monitor and track the future financial position of the County. Without a forecast, the County may make budget decisions based on incomplete or inaccurate information, which could result in further fiscal decline. Incorporating stakeholder input and seeking the consensus of other elected officials will help the County ensure that the forecast reflects the most likely financial outcomes.

### *Budgeting*

**R2.3 The County Commissioners should work with key stakeholders to develop and document budgeting practices that are consistent with ORC requirements and recommended practices. An effective budgeting process is critical to help ensure that resources are allocated appropriately, that budgets are consistent with available funds, and that the mission, goals, and priorities of Scioto County are being supported.**

**Through the duration of the emergency designation, the Commissioners should also consider implementing a spending plan of shorter duration, at least quarterly if not monthly. The spending plan will provide Commissioners the opportunity to review and revise appropriations based on year-to-date expenditures and revenues and will alert other elected officials and administrators of potential budget overruns.**

The Scioto County Auditor has developed an accounting manual which includes a short budgetary overview and description of the County's budgetary process. The manual outlines the organization of the accounting systems, states that ORC requirements for the budgeting process will be followed, and lists the major documents that will be developed during the process, such as the certificate of estimated resources and the tax budget.

Scioto County's budgetary process consists of five main phases.

1. During the month of June, each department provides the Commissioners' Office with budget requests and revenue estimates.
2. In July, the Commissioners develop a tax budget that outlines the anticipated revenues and expenditures for the following year. During the development of the budget, conversations may occur between the Commissioners and department heads questioning or clarifying the budget requests.
3. By August or September, the Budget Commission develops the certificate of estimated resources, against which the tax budget is reconciled.

4. In December, the annual appropriations, effective the following January, are adopted by the Commissioners.
5. Typically, an amended certificate of estimated resources will be approved by the Budget Commission in January, at which time the appropriations may be adjusted to match the appropriations.

Poor budgetary control and inadequate financial monitoring has contributed to the County's deficit spending and fiscal emergency designation. In several instances, other elected officials have deviated from the budget as passed by the Commissioners. Some examples are shown below:

- The County Recorder used excess revenue, which became available after an open staff position was unfilled, to issue bonuses to staff. Commissioners were not aware of this until the transaction was completed.
- In 2009, the Board of Elections, Commissioners, Common Pleas Court, Domestic Relations Court, Maintenance Department, Probation Services, and Veterans Service Commission employees all received some form of raise, despite the projected deficit.<sup>13</sup>

The Commissioners attributed these decisions to a lack of understanding by the other County officials of the fiscal situation.<sup>14</sup> In part, this underscores the need for improved communication during the budget process and throughout the year. While the individual bonuses and raises may not have played a large part in the General Fund deficit, compounding budget decisions such as the increases do have a long-term effect on the financial stability of the County.

Weak budgetary control has also led to negative long-term effects on capital purchases. For example, the Common Pleas Court reallocated appropriations from an equipment fund to its employee salaries line item in order to issue raises. The Court has routinely asked for additional funding to have equipment replaced due to the age and poor functioning of the equipment.

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<sup>13</sup> Board of Elections employees received \$1.00 per hour raises in 2009. Some Common Pleas Court employees received 3 percent raises at the beginning of 2009, but they were revoked in March. The remaining Common Pleas Court employees received 4 percent raises at the beginning of 2009, but they were revoked in May. Domestic Relations Court employees received 3 percent raises that were revoked in March. One maintenance employee received a \$0.25 per hour raise. Probation Services employees received 4 percent raises, but they were revoked in May. Veterans Service Commission employees received 3 percent raises.

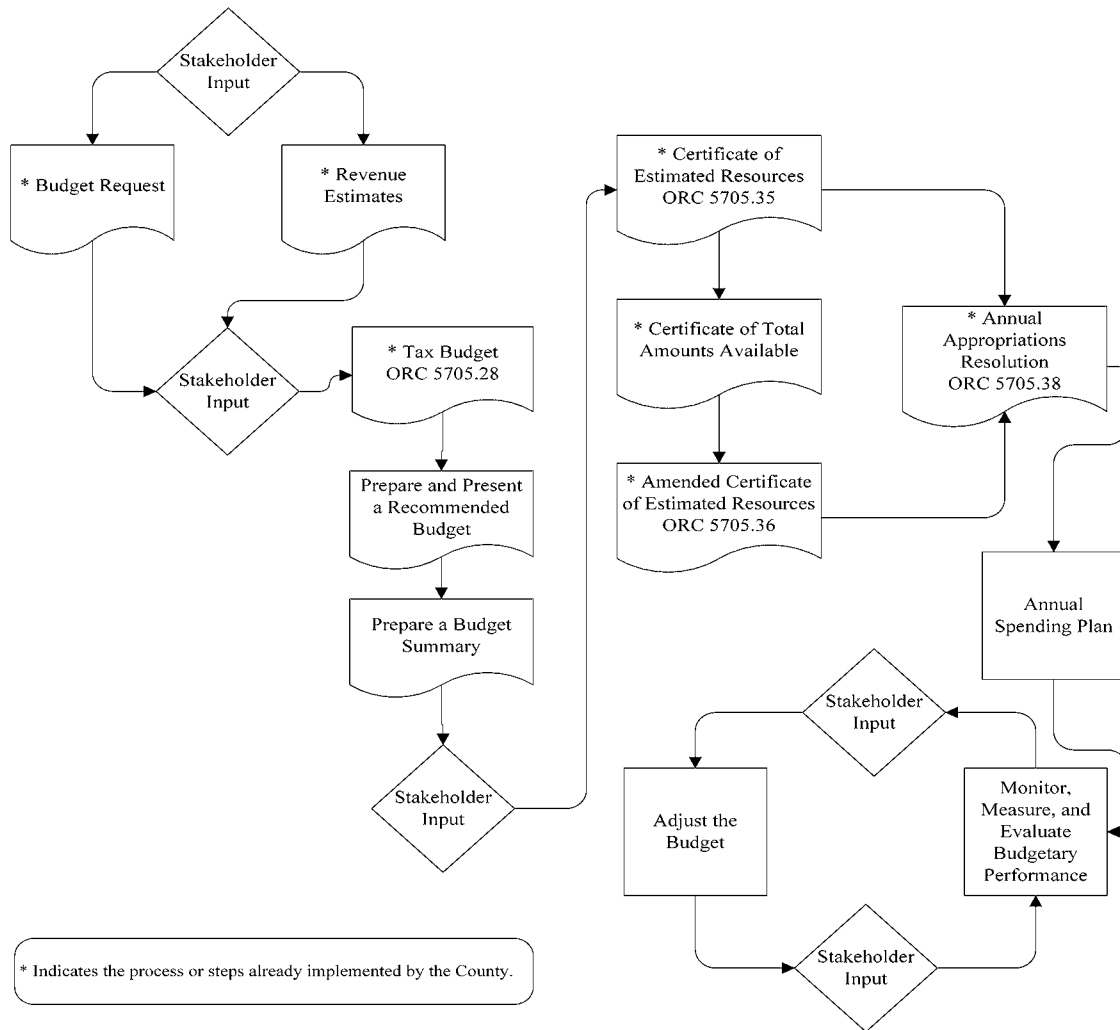
<sup>14</sup> Auditors noted that, though the Commissioners receive monthly budget-to-actual reports, these reports are provided to the departments and other offices only upon request and not as a part of routine operations.

According to *Recommended Budget Practices for State and Local Budgeting* (GFOA, 1998), the budgeting process is one of the most important activities that a governing body undertakes. The decisions made during the process will affect both an entity's short- and long-term financial outlook, in addition to the level of services provided. The budgeting process should incorporate a long-term perspective, establish linkages to the organizational goals, focus budget decisions on results and outcomes, involve and promote effective communication with stakeholders, and provide a level of accountability and transparency. The following are policies and procedures that Scioto County should consider to develop a more effective budgeting process;

- Develop a policy on balancing the operating budget;
- Develop mechanisms for monitoring budgetary compliance;
- Outline the type, presentation, and time period of the budget;
- Create a budget calendar;
- Develop budget guidelines and instructions;
- Implement a mechanism for coordinating budget preparation and review;
- Develop procedures to facilitate budget review, discussion, modification, and adoption;
- Identify opportunities for stakeholder input;
- Prepare and present a recommended budget;
- Explain the budgetary basis of accounting;
- Prepare a budget summary;
- Present the budget in a clear, easy-to-use format;
- Adopt the budget
- Monitor, measure, and evaluate budgetary performance; and
- Adjust the budget as needed.

In order to regain control over its financial situation, the County needs to implement a budgeting process that is consistent, easy to understand, and incorporates recommended practices and ORC requirements. The processes must be documented, accompanied by standard policies and procedures, and designed in a manner which best meets the needs of stakeholders. **Chart 2-3** illustrates an example of a budgeting process incorporating recommended practices and arranged within the framework of the County's current process.

**Chart 2-3: Example Budget Process**



Source: Scioto County, GFOA, and ORC

The process shown in **Chart 2-3** is one example of how the County could implement a budgeting process that would help ensure consistency, provide stakeholder input, formalize the monitoring process after the budget is enacted, and help promote accountability and transparency. To ensure the success of all elements of the process, the Commissioners and Auditor should obtain input from elected officials, department heads, and supervisors. This will promote a sense of ownership among stakeholders, resulting in a greater likelihood of participation and cooperation. According to a Commissioner, the County’s budget process includes the last five steps illustrated in Chart 2-3.

Per ORC § 5705.392, a board of county commissioners may adopt a quarterly spending plan. A quarterly spending plan would increase the control of the Commissioners, help

monitor expenses relative to available resources, and allow for budget adjustments based on year-to-date information. The plan would also help prevent departments from overspending their appropriations or spending specific line-items on unrelated expenses, limiting the need to adjust line-items within their budgets.

A revised budgeting process, incorporating elements of leading practices, will provide a frame of reference for participants, increase accountability, heighten stakeholder input, and incorporate steps for proper monitoring and revision. Furthermore, a quarterly spending plan would obligate administrators to properly monitor and adjust appropriations based on current revenue and expenditure trends. This will enable the County to make appropriate budget adjustments and address issues earlier in the year, limiting the need for dramatic cuts or reductions in services to avoid deficit spending towards the end of the budget year.

**R2.4 During the budgeting process, the County Commissioners should consider the boundaries of their statutory financial obligations when establishing and funding departmental budget levels. When developing a strategic plan, the Commissioners should link strategic goals and objectives to ORC funding requirements. Having clear goals and an understanding of funding requirements highlights the connection between priorities and available resources.**

**Because of its financial condition, the Commissioners should evaluate the funding levels provided for functions that are not part of Scioto County's financial statutory obligations: the Ohio State University Extension Office (Agriculture Grant) and the Scioto County Airport Authority. Without judging the quality or value of these operations, they represent areas of discretionary spending. As such, the Commissioners may consider reallocating funds to operations that are legally required or more critical to the County's mission. During the budgeting process, the Commissioners should evaluate available revenue to determine appropriate funding levels for these functions.**

Some County departments and funding levels are required by Ohio law, while others are subject to discretion by the County Commissioners. In 2008, the Commissioners appropriated \$244,970 to the Agriculture Grant (used to fund the Ohio State University Extension Office)<sup>15</sup> and \$57,744 to the Scioto County Airport Authority from the General Fund.

The Ohio State University Extension Office is responsible for conducting educational activities related to agriculture, natural resources, home economics, family living, and 4-H programs for the citizens of the County through personal instruction, bulletins,

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<sup>15</sup> The 2008 Agriculture Grant appropriations were used to match a grant provided by the State.



practical demonstrations, mass media, or as prescribed by the University's Board of Trustees. ORC § 3335.36 outlines the responsibilities of counties in relation to the Extension Office. Each county or political subdivision is required to provide office space to Extension employees. However, the ORC does not mandate other funding from the county or political subdivision in which the Extension Office serves. ORC § 1711.22 outlines funding agricultural societies, and indicates that county aid to independent societies is permitted, but generally not required.

In the past, the Commissioners believed the County was required to fund Extension at the requested levels. As of the initial 2010 appropriations, the Commissioners had allocated \$255,355 for the Ohio State University Extension Office.

Regional airport authorities provide the necessary facilities to aid in the safe takeoff and landing, storage, and maintenance of aircrafts. According to ORC § 308.03, the funding levels provided by counties for regional airport authorities are based on resolutions from the boards of commissioners of each participating county. Scioto County has a single-county airport authority, and as of the initial 2010 appropriations, the Commissioners have allocated \$54,170 for the Airport Authority. The resources allocated to the Airport Authority are used for salaries, wages, and insurance benefits. The Commissioners traditionally appropriate funds to the Airport Authority based on the availability of funds—these resources have diminished over the years due to the County's financial situation.

Historically, the funding of these operations has been important to the County's culture and traditions. However, given the County's need to bring its operating budgets into balance and eliminate the existing deficits in the General Fund and other funds, County officials need to establish priorities and link them to available resources. This involves making difficult choices to reduce County expenditures, and because many County services are required by State law, these efforts must focus on those areas where the Commissioners have some discretion.

*Financial Implication:* Assuming County-level funding was discontinued for these two departments in 2011, the County could save or reallocate approximately \$310,000 to further support mission-critical operations. The County may also examine opportunities to fund these operations with the use of non-General Fund revenues – such as grant funding or private donations in order to maintain service levels while reducing the direct impact on the County's budget.

**R2.5 The Commissioners and the Auditor's Office should revise the method for allocating health insurance costs within the General Fund and making transfers from the General Fund to special revenue funds. Particularly, health insurance costs within the General Fund should be coded to an employee's respective Department and not**

**to the Commissioners' line item. Furthermore, the General Fund should eliminate transfers to specialized funds for expenses could be coded within the General Fund, such as the Dog and Kennel operation. Revising the County's coding practices will ensure that the full cost of County functions can be captured, measured and benchmarked and will increase the overall control of expenditures made with General Fund revenue.**

Depending on their specific job functions, some Scioto County employees are paid from the General Fund, while others are paid from special revenue funds. However, the County is inconsistent in how it allocates health insurance costs within the General Fund versus special revenue funds. If 50 percent or more of an employee's salary is paid from the General Fund, the health insurance cost is allocated to a line item within the Commissioners' Office. If more than 50 percent of an employee's salary is paid from a special revenue fund, the health insurance cost is allocated to a line item within that fund. This creates complications when determining and evaluating the actual cost of operations for departments that incurred health insurance costs within the General Fund. For example, when comparing the operating costs of the Sheriff's Office with the peer counties, a true cost comparison could not be completed because health insurance costs for the Sheriff's Office could not be readily extracted. Allocating insurance costs to the actual departments where employees work will help elected officials and stakeholders to more accurately measure operational costs.

The County also appropriates General Funds to be transferred to various departments' special revenue funds, such as the Dog and Kennel operation. While the funding levels may be appropriate for operations, the Commissioners should consider eliminating all nonessential transfers to special revenue funds and account for the expenses in the General Fund. This will increase the consistency of how the County reports expenditures based on the revenue source and would elevate the level of control and accountability of expenses.

Scioto County is compliant with governmental accounting, auditing, and financial reporting, and the legal level of budgetary control as outlined in ORC § 5705.38 (C). However, *Governmental Accounting, Auditing, and Financial Reporting Practices* (GFOA, 2006) suggests that governments maintain accounting systems adequate to provide all of the data needed to allow timely and accurate reporting. Wayne County's budget process consists of appropriating health insurance costs to its departments regardless of the funds in which the expenses are coded. This allows the County to easily identify all costs associated with its different departments.

While the health insurance expenses and the General Fund transfers can be accounted for within the County's financial data, an accurate picture of departmental expenses cannot be captured based on current accounting practices. Changes to these practices can be

implemented during the budgeting process and through formal budgeting policies and procedures (see **R2.3**).

### *Purchasing*

**R2.6 Scioto County should implement a centralized purchasing function and adopt a policy on cooperative and volume purchasing, which should be outlined in a comprehensive purchasing manual (see R2.7). Furthermore, the County should purchase commonly used items from cooperative purchasing programs, such as the Department of Administrative Services (DAS) State term contracts. For items not available through a consortium, the Commissioners should seek competitive bids or quotes for the most commonly used items using annual estimates.**

**If the County does not centralize purchasing, a bid catalog should be put together of items and preferred suppliers should be developed and distributed to all departments to guide purchasing decisions. These techniques will save considerable time in researching supply items, locating suppliers, and negotiating purchasing terms, and will provide Scioto County with greater purchasing power.**

Scioto County's purchasing process is decentralized, with each department or office responsible for issuing requests for proposals (RFP), ordering all supplies and materials, and negotiating contracted services. The County follows an acquisition process, which includes requisitions, purchase orders, and verifications of delivery. However, its current process does not incorporate recommended practices, which results in lost discounts and time-consuming searches for products.

Governmental entities tend to spend a significant amount on supplies, materials, and contracted services in order to function on a day-to-day basis. In 2008, Scioto County spent approximately \$2.9 million (17 percent of its General Fund expenditures) on purchased services, supplies, and materials. (See the **sheriff's office** section for fuel purchasing assessment). Due to the amount and type of purchases made, the County would see significant benefits from a centralized purchasing function and expanded volume purchasing.

For example, each County department uses a significant amount of paper throughout the year. Therefore, by centralizing its purchasing process and buying in bulk, the County could see long-term cost savings in its paper purchasing. In order to avoid the need for heightened internal controls to monitor and distribute paper, the County could establish a just-in-time system, where the paper (and other supplies) could be ordered on an as-needed basis, eliminating the need to store paper. The County would need to establish a method for tracking and charging back purchases to the appropriate departments.

*Centralization of the Procurement Function* (NIGP, 1998) suggests that centralizing the purchasing function enhances internal controls (uniform oversight and procedures), promotes cost savings through volume purchases, and enhances the accountability of taxpayers' dollars. Since 2006, Lackawanna County, PA has been able to reduce its supply and material expenses by over \$400,000 through competitive bidding and cooperative purchasing.

Cooperative and centralized bulk purchasing will help the County to maximize vendor discounts based on volume purchases. Furthermore, a consistent and documented purchasing process will increase accountability of both taxpayers' dollars and vendor selection, while increasing the Commissioners' control over certain budgeting and spending decisions.

*Financial Implication:* If Scioto County could reduce its supply (including fuel) and material costs by 5 to 10 percent through the implementation of bulk and cooperative purchasing, it could save between \$150,000 and \$300,000 per year.

**R2.7 Scioto County should develop a purchasing manual that standardizes purchasing practices, is widely distributed, and if possible, is included on the County web site. All employees involved in the purchasing process should receive training on the manual and be required to sign acknowledgements indicating they understand the policies and will adhere to them.**

**The Commissioners and Auditor should annually review and update the policies to ensure that they are still applicable. Furthermore, County officials should review the procedures to ensure that staff follows them as consistently and accurately as possible. By establishing a formal mechanism for annually reviewing and revising purchasing policies and procedures and providing training to staff, the County will enhance its internal controls; minimize exposure to the risk of loss, fraud and/or mismanagement; and more effectively use its purchasing power (R2.6).**

Although Scioto County's Accounting Manual includes some information pertaining to the purchasing process, this manual does not include several recommended practices. While there were no noticeable impairments of purchases made, the lack of a procedures manual increases the potential for fraud and creates inconsistent processes in the County.

According to *Procurement Policy and Procedures Manuals* (NIGP, 2009), a purchasing manual describes the organization, duties of staff, and signing authority; details the business processes of the central procurement office; provides the necessary forms to be completed; and describes the method and functionality of the filing systems to be used. A manual must be well-organized and should contain a clear definition of the purpose of the

manual and its intended use. A procedure manual should be tailored to meet agency requirements and, at a minimum, should include the following:

- Established goals, objectives, and responsibilities;
- A step-by-step outline of the procurement process, including the processing of requisitions, solicitations, bid evaluation and awards, preparation and issuance of purchase orders and contracts, follow-up, and contract administration;
- Guidelines and steps for client departments for preparing procurement requisitions, developing specifications, receipt and inspection, and reporting and documenting vendor performance;
- A step-by-step outline of the property and supply management programs, including inventory control and management and the transfer or disposal of surplus property;
- Other special procedures, such as a description of a cooperative purchasing program (see **R2.6**), how to process invoices for payment and how to process call-ups against term contracts and blanket purchase orders; and
- A listing of the important forms used in the procurement process, instruction to bidders and general conditions governing contracting, and a glossary of procurement terms used in the manual.

Due to the changing nature of government regulations, organizational structure, and other fundamental circumstances, the County should annually review the manual and make appropriate adjustments. Furthermore, the County should conduct annual trainings on the purchasing process, require employees to sign acknowledgements indicating they understand the policies, and remind employees of the process if deviations occur. Lastly, the County should make the manual as accessible as possible, either in paper form or, to maximize cost savings, on its web site.

Procedure manuals are written with a high level of detail, intended not just to provide guidance but also to set out the forms, process requirements, and steps for each procurement action. Developing and implementing such a manual will heighten the internal controls pertaining to purchasing, increase accountability, and create consistency among the various County departments and offices.

*Recommendation Implementation*

**R2.8 Scioto County should implement the recommendations contained in the performance audit to help reduce its existing fund deficits and improve the County's ability to maintain positive year-end balances through 2013. In addition, Scioto County should update its five-year forecast on a regular basis, as well as whenever material changes in assumptions are made or unanticipated events occur (R2.2).**

By implementing the performance audit recommendations and recovery plan, Scioto County could attain a positive fund balance by 2012. **Table 2-6** demonstrates the impact of the recommendations and the County's actions on the five-year forecast ending fund balances, assuming the recommendations are fully implemented.

**Table 2-6: Revised Five-Year Forecast Ending Fund Balance (000's)**

	Actual				Projected			
	2006	2007	2008	2009	2010	2011	2012	2013
Excess Revenue Over/Under Expenditure	(\$1,258)	(\$1,139)	\$52	(\$313)	(\$764)	(\$932)	(\$1,238)	(\$1,597)
Beginning Cash Balance	\$185	(\$1,073)	(\$2,212)	(\$2,159)	(\$2,473)	(\$4,067)	(\$4,999)	(\$6,238)
Ending Cash	(\$1,073)	(\$2,212)	(\$2,159)	(\$2,473)	(\$3,238)	(\$4,999)	(\$6,238)	(\$7,836)
Juvenile Detention Center	\$0	\$0	\$0	\$0	(\$828)	\$0	\$0	\$0
Revised Ending Cash	(\$1,073)	(\$2,212)	(\$2,159)	(\$2,473)	(\$4,067)	(\$4,999)	(\$6,238)	(\$7,836)
County Actions (Cumulative)	\$0	\$0	\$0	(\$4)	\$1,892	\$2,911	\$3,992	\$5,142
AOS Recommendations (Cumulative)	\$0	\$0	\$0	\$0	\$498	\$1,761	\$3,049	\$4,420
<b>Revised Fund Balance</b>	<b>(\$1,073)</b>	<b>(\$2,212)</b>	<b>(\$2,159)</b>	<b>(\$2,477)</b>	<b>(\$1,677)</b>	<b>(\$327)</b>	<b>\$803</b>	<b>\$1,727</b>

Source: Scioto County financial reports

## Appendix 2-A

The following are GFOA-recommended budgetary policies and procedures:

- *Develop Policy on Balancing the Operating Budget* (GFOA, 1999) suggest that a government develop a policy that defines a balanced operating budget, encourages commitment to a balanced budget under normal circumstances, and provides for disclosure when a deviation from a balanced operating budget is planned or when it occurs.
- *Develop Mechanism for Budgetary Compliance* (GFOA, 2000) recommends that entities should have mechanisms in place to ensure compliance with the adopted budget.
- *Develop the Type, Presentation, and Time Period of the Budget* (GFOA, 2000) recommends that a government should choose the type of budget, the manner in which it will be presented, and the time period covered by the budget that best fit its needs.
- *Develop a Budget Calendar* (GFOA, 2000) advocates that governments should publish comprehensive budget calendars that specify when budget tasks are to be competed and that identify timelines for those tasks.
- *Develop Budget Guidelines and Instructions* (GFOA, 2000) advises that entities should prepare general policy guidelines and budget preparation instructions for each budget cycle.
- *Develop Mechanism for Coordinating Budget Preparation and Review* (GFOA, 2000) instructs that governments should develop a mechanism and assign responsibilities to provide for overall coordination of the preparation and review of the budget.
- *Develop Procedures to Facilitate Budget Review, Discussion, Modification, and Adoption* (GFOA, 2000) stresses the importance that governments should develop and implement a set of procedures that facilitates the review, discussion, modification, and adoption of a proposed budget.
- *Identify Opportunities for Stakeholder Input* (GFOA, 2000) recommends that governments should provide opportunities in the budget process for obtaining stakeholder input.

- *Prepare and Present a Recommended Budget* (GFOA, 2000) suggests that a government should prepare and present a recommended comprehensive budget for review by stakeholders and consideration for adoption by the governing body.
- *Explain the Budgetary Basis of Accounting* (GFOA, 2000) stresses that budgets should include descriptions of the relationship between the form of accounting used to describe revenue and expenditures in the budget, and the form of accounting used to prepare the annual financial report.
- *Prepare a Budget Summary* (GFOA, 2000) suggests that an entity prepare a summary of both the proposed and final budget. A concise summary of key issues, choices, and financial trends is needed to inform stakeholders of major budget decisions.
- *Present the Budget in a Clear, Easy-to-Use Format* (GFOA, 2000) recommends that budget documents and related materials made available to stakeholders should be presented in a clear and readily-comprehensible format.
- *Adopt a Budget* (GFOA, 2000) stresses that a government should adopt a budget that meets all statutory requirements prior to the beginning of the fiscal year.
- *Monitor, Measure, and Evaluate Budgetary Performance* (GFOA, 2000) suggests that an entity should evaluate its financial performance relative to the adopted budget. Regular monitoring of budget performance provides an early warning of potential problems and gives decision-makers time to consider actions that may be needed if major deviations in budget-to-actual results become evident.
- *Adjust the Budget* (GFOA, 2000) suggests that budgets should be adjusted during the budget period should unforeseen events require changes to the original budget plan.



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# Human Resources

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## Background

This section of the performance audit focuses on Scioto County's (the County) human resource functions, including staffing levels and mix, compensation, employee benefits, and negotiated agreements. Recommendations were developed to assist the County in its efforts to address projected deficits. Where appropriate, recommendations also identify potential cost savings to improve efficiency and business practices. The County's human resource functions were compared with leading practices, industry standards, and selected peer counties.<sup>1</sup> Leading practices and industry standards were drawn from the State Employment Relations Board (SERB), the Kaiser Family Foundation (Kaiser), the Ohio Department of Administrative Services (DAS), the County Commissioners Association of Ohio, the National Association of Counties (NACo), the National Institute of Justice (NIJ), the Ohio Civil Service Employees Association (OCSEA), the American Federation of State, County, and Municipal Employees (AFSCME), and the American Society for Public Administration (ASPA).

### *Organizational Structure and Function*

The Ohio Constitution provides authority for the organization and governance of Ohio counties, but the structure, authorities, and responsibilities of counties and county offices are enumerated in the Ohio Revised Code (ORC). Each Ohio county organized under the general statutory law<sup>2</sup> has 11 elected officials.<sup>3</sup> The following is a brief description,<sup>4</sup> from the County Commissioners Association of Ohio's *Ohio County Commissioners Handbook*, of the key responsibilities of elected officials in Ohio counties:

- **County Commissioners (3):** All Ohio counties organized under the general statutory law, including Scioto County, have three county commissioners who together make up the general administrative body for county government. All formal and official actions

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<sup>1</sup> Peer counties include Athens County, Jefferson County, Muskingum County, Belmont County, and Washington County.

<sup>2</sup> Only one of Ohio's 88 counties (Summit County) has adopted an alternative form of government, as allowed for in the Constitution and outlined in ORC Chapter 302. At the time of the performance audit, Cuyahoga County's residents had also voted to adopt an alternative county structure, but it had not yet been implemented.

<sup>3</sup> Nine of these officials are elected in the presidential election year. The auditor and one of the commissioners are elected in the gubernatorial election year.

<sup>4</sup> Several chapters of the Ohio Revised Code (ORC) must be consulted in order to gain a good understanding of county government and the responsibilities of each elected official. The County Commissioners Association of Ohio summarizes these responsibilities and references are included in the 2002 publication *Ohio County Commissioners Handbook*. The specific chapters in the ORC can be located at [www.codes.ohio.gov](http://www.codes.ohio.gov).

must be taken by the board of county commissioners acting as a body by majority or unanimous vote; individual commissioners have no power to act independently. Commissioners are the county government taxing, budgeting, appropriating, and purchasing authority and hold title to county property. Commissioners have myriad other responsibilities. They appoint department heads of offices for which they have responsibility, appoint members to a variety of boards and commissions, and serve on some boards themselves. Commissioners work with all other county elected officials, including judges, to assure that they are properly funded to perform their statutory duties.

- **Auditor:** The Auditor is the chief fiscal officer of the county and has the responsibility to keep the official record of all county government receipts and disbursements. It is the responsibility of the county auditor's office to certify to the commissioners an estimate of available revenue that they may appropriate for county agencies and departments. The Auditor certifies that funds are available for purchase, issues warrants to pay county bills, and manages the payroll for all county employees. As the appraiser of real property, the Auditor must ensure that every parcel of land and buildings and improvements is fairly and uniformly appraised and then assessed for tax purposes. In administering Ohio's real property tax law, the Auditor must maintain accurate records of real property.
- **Treasurer:** The Treasurer is the county's banker. When the Auditor issues a warrant for the payment of a county obligation, the Treasurer redeems the warrant and posts it to the proper account, thus providing a check and balance with the Auditor. The Treasurer bills and collects taxes on real and personal property, manufactured homes, estate taxes, and vendor and cigarette licenses. The Treasurer serves as the county's investment officer, working under strict legal guidelines, and also has primary responsibility to collect delinquent taxes.
- **Prosecutor:** The Prosecuting Attorney is the county's criminal and civil attorney. While the Prosecutor is best known to the public for prosecuting criminal actions in the name of the State, the office is also critical to county government because it is the legal advisor to the board of county commissioners and all other county officers and boards. The office also represents libraries, townships, and county school districts, with the exception of city school districts. A county prosecutor also has the responsibility to prosecute all juvenile cases and is often involved in child support cases. Finally, the Prosecutor serves as a member of the county budget commission and works with the county treasurer to collect delinquent property taxes.
- **Clerk of Courts:** The principal duty of the Clerk of Courts is to keep journals, records, books, and papers pertaining to the court of common pleas and the court of appeals. The Clerk's responsibilities involve not only the filing, docketing, indexing, and preserving of all pleadings, but also arriving at decisions regarding the procedures required by law and the issuance of writs, including summons and subpoenas. The Clerk of Courts is also

responsible for issuing titles for motor vehicles and watercraft and generally accepts passport applications and applications for hunting and fishing licenses. Finally, the Clerk of Courts has the responsibility for collecting or disbursing court costs, witness fees, juror fees, fines, appraisal fees, and other costs.

- **Engineer:** The County Engineer is the county's surveyor and civil engineer. The primary duty of the County Engineer is to plan, design, construct, and maintain the county road system, including county bridges. Unlike most other county elected officials' offices, the Engineer's Office is primarily funded with dedicated motor vehicle license and gasoline taxes.
- **Coroner:** The Coroner has the responsibility to investigate the cause of any death resulting from criminal or violent means, accidents, or other situations where someone in good health dies, or where a death is suspicious or unusual. In auto accidents resulting in a fatality, the Coroner must determine the blood alcohol content of the person killed in the accident. The Coroner works with law enforcement agencies and the county prosecutor in preparing cases for trial, and often testifies as an expert witness on the cause and manner of death in court.
- **Recorder:** The Recorder is the county's official keeper of records. The Recorder's office provides protection to persons and property by recording a variety of legally essential documents. Many of the instruments recorded and maintained by the Recorder relate to real estate transactions. The Recorder accepts for recording deeds, mortgages, mechanic liens, powers of attorney, recognizance bonds, Internal Revenue Service liens, corporate franchise liens, partnerships, and other instruments.
- **Sheriff:** The Sheriff is the county's chief law enforcement officer. Primary duties include maintaining the peace, operating the jail, attending the courts, investigating crimes, and executing processes. Scioto County's Sheriff's Office operations were analyzed in detail in the **sheriff's office** section of this performance audit.
- **Judges:** In addition to the 11 elected officials described above, each Ohio county has a court of common pleas with one or more elected judges. The number of judges elected in each county is determined by statutory provisions in ORC § 2103. Scioto County's Court of Common Pleas includes four elected judges: two general common pleas judges, one domestic relations judge, and one juvenile/probate judge. Each court has its own budget and staff. Scioto County's court operations, including staffing levels, were analyzed in detail in the **courts** section of this performance audit.

## Staffing

Each elected official employs his or her own staff to assist with statutory and daily responsibilities. The elected officials have discretion regarding employees' job responsibilities, hours, and compensation. Positions can include directors, assistants, clerical positions, maintenance staff, lawyers, and patrol officers.

In 2009, Scioto County spent 74.9 percent of its General Fund dollars on employee salaries and benefits.<sup>5</sup> With a deficit in its General Fund (see **financial systems**), staffing levels become an essential component of potential reductions needed to balance the County's budget. Staffing comparisons were completed for County offices where salaries are paid from the General Fund to determine if specific departments were overstaffed in comparison with the peer county averages.<sup>6</sup> The staffing analysis for the **Sheriff's Office** and the **Court of Common Pleas** were conducted in the respective sections of the performance audit in order to capture the specific industry benchmarks and workload measures unique to these functional areas.

In addition to the elected officials and their respective offices, two other County departments are primarily paid with General Fund dollars, and therefore were included in the staffing comparison: the Board of Elections (responsible for administering local elections) and the Veterans Service Commission (responsible for providing assistance to County veterans).<sup>7</sup>

**Table 3-1** illustrates the full-time equivalent (FTE) staffing levels per 10,000 residents at Scioto County and the averages of the peer counties. FTEs in each category include the elected official, where applicable, and all other staff members who collectively carry out the duties of each office. The comparisons shown in **Table 3-1** have been presented on a per-10,000 resident basis because staffing levels are partially dependent on the number of residents served. In addition, presenting staffing data in this manner decreases variances attributable to the size of the peer counties.

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<sup>5</sup> This calculation excludes the transfers made from Scioto County's General Fund to cover expenditures in other funds during 2009 (see **financial systems** for analysis of transfers).

<sup>6</sup> Employees compensated from other funds, including those in the Engineer's Office, are not included in the staffing comparisons for Scioto County or the peers. These positions are funded through self-supporting/revenue-generating funds and therefore, reductions would not alleviate County General Fund deficits.

<sup>7</sup> Ohio counties often include a variety of other appointed authorities, some of which include boards or commissioners that are statutorily required. Some examples of appointed authorities include a Children Services Board; Alcohol, Drug Addiction and Mental Health Services Board; and Board of Health. Because of the inconsistency of organization and funding across peer counties, staffing comparisons were not completed in these areas.

**Table 3-1: Scioto and Peer County FTEs<sup>1</sup> per 10,000 Residents**

	Scioto County	Peer Average	Variance	
<b>Residents (2008 US Census Estimate)</b>	76,587	69,282	7,305	
	Scioto County	Peer Average	Variance per 10,000 Residents	FTEs Above/(Below) <sup>2</sup>
Commissioners' Office Staff <sup>3</sup>	0.67	0.71	(0.03)	(0.26)
Maintenance Staff	0.91	1.61	(0.69)	(5.29)
Auditor's Office	1.18	1.28	(0.10)	(0.80)
Treasurer's Office	1.04	0.66	0.38	2.93
Prosecutor's Office	1.87	1.81	0.05	0.40
Coroner's Office	0.26	0.24	0.02	0.19
Recorder's Office	0.91	0.83	0.09	0.66
Board of Elections	1.18	1.38	(0.21)	(1.57)
Veterans Service Commission	1.31	1.22	0.08	0.63

**Source:** Scioto County and peer counties general funded staffing

<sup>1</sup> Full-time equivalency (FTE) is used to take into consideration full- and part-time assignments. It is the ratio between the amount of time normally required to perform a part-time assignment and the time normally required to perform the same assignment full-time. For example, an employee working 20 hours per week would be calculated as 0.50 FTEs.

<sup>2</sup> Represents the number of FTEs that when added or subtracted would bring Scioto's number of employees per 10,000 residents in line with the peer average. This is calculated by taking the difference multiplied by the number of residents divided by 10,000. These numbers are calculated to the hundredth position and therefore may be off due to rounding.

<sup>3</sup> This category represents employees within the Commissioners' Office who perform human resource functions for the County such as administrative assistants, secretaries, clerks, record keepers, bookkeepers, and loss control coordinators. It does not include other positions that, in other counties, may vary in where they are located, such as parks and recreation employees or information technology staff.

As illustrated in **Table 3-1**, Scioto County's Commissioners' Office staff, Auditor's Office, and Board of Election FTEs per 10,000 residents are in line with, or slightly below, the corresponding peer averages. Scioto County employs 0.91 maintenance FTEs per 10,000 residents, 0.69 fewer than the peer county average. Employees in this category are commonly responsible for maintenance and custodial work in county buildings, as well as grounds maintenance such as lawn care and snow removal. The number of employees needed to fulfill these responsibilities in each county may depend directly on the total number and square footage of county buildings.<sup>8</sup>

Scioto County employed more FTEs per 10,000 residents in the remaining five offices. Detailed explanations of these staffing variances are as follows:

<sup>8</sup> One of the five peers employed 25.0 FTE maintenance staff. If this peer is excluded from the average, the variance per 10,000 residents would be 0.36 (rather than 0.69) fewer FTEs.

- **Treasurer's Office:** Scioto County employs 1.04 FTE staff per 10,000 residents, which exceeds the peers by 0.38 FTEs per 10,000 residents, or 2.93 total FTE positions. Scioto County's Treasurer's Office consists of 8.0 FTEs, which include the County Treasurer, Chief Deputy Treasurer, three cashiers who collect tax payments, two employees responsible for reconciling daily the office collections with the Auditor's Office, and one Head Teller. See **R3.2** for a further analysis of this area.
- **Prosecutor's Office:** This category consists of 14.3 FTEs, which include the following positions: the County Prosecutor, eight assistant prosecutors (full- and part-time positions), one investigator, and five clerks.<sup>9</sup> As illustrated in **Table 3-1**, Scioto County employs 1.87 FTEs per 10,000 residents in the Prosecutor's Office, which is higher than the peer average. Because the workload measures in the Prosecutor's Office are less directly related to county population and more on criminal caseload, an additional comparison was conducted to determine if staffing levels were comparable to the peers. The County's 2008 total criminal caseload, when compared with the peer county average, showed Scioto County to have 95 cases per employee, compared with the peer average of 42 cases. This indicates that the staff in the Prosecutor's Office maintains a higher workload than the peer counties and no changes in staff are warranted.
- **Coroner's Office:** Scioto County's Coroner's Office consists of two regular employees, the Coroner and one full-time assistant. As illustrated in **Table 3-1**, the Coroner employs 0.19 more FTEs than the peer average. However, each of the five peer counties employs one assistant in the Coroner's Office, with the difference being that some are not full-time positions.
- **Recorder's Office:** Scioto County employs 0.91 FTE staff per 10,000 residents, which exceeds the peers by 0.09 FTEs per 10,000 residents, or 0.66 total FTE positions. Scioto County's Recorder's Office consists of the elected Recorder and six full-time deputies. See **R3.2** for further analysis of this area.
- **Veterans Services Commission:** As illustrated in **Table 3-1**, Scioto County employs 1.31 FTEs per 10,000 residents. When compared with the peer average, Scioto County's staffing exceeds the peers by 0.63 total FTEs. Because this department serves a unique subdivision of the County population, a second comparison using the number of living veterans in the County. This comparison produced a consistent result, showing Scioto County to be above the peer average by 0.69 FTEs. See **R3.2** for a further analysis of this area.

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<sup>9</sup> The two victim advocate employees (grant funded) and the child support assistant prosecutor (reimbursement) were not included in the staffing analysis.



*Employee Benefits*

Scioto County offers health insurance coverage to its employees working 32 or more hours per week.<sup>10</sup> In 2009, there were 422 total employees receiving coverage, 146 of whom were paid from the General Fund.

The County’s 2009 insurance plan was a PPO plan provided by Anthem. **Table 3-2** illustrates Scioto County’s 2009 total medical, dental, vision, and life insurance premiums and the contributions for employees not covered under a bargaining agreement.<sup>11</sup>

**Table 3-2: Scioto County 2009 Insurance Premiums & Contributions**

	Single Coverage		Family Coverage	
	\$ Total	% Share	\$ Total	% Share
Monthly Employee Contribution	\$83.00	13.0%	\$219.20	13.0%
Monthly County Contribution	\$557.16	87.0%	\$1,462.65	87.0%
<b>Total Premium Cost</b>	<b>\$640.16</b>	<b>100%</b>	<b>\$1,681.85</b>	<b>100%</b>

Source: Scioto County

Scioto County’s 2009 insurance premiums were compared with industry benchmarks from the Kaiser Family Foundation (Kaiser) and the State Employment Relations Board (SERB). The results of the comparisons showed Scioto County’s 2009 premium amounts to be above the industry standards in 2009. The County was, however, able to reduce insurance premiums for single and family coverage by 15.9 and 15.8 percent in 2010. This was accomplished through adjustments in plan design.

During the course of the audit, the County worked with its insurance broker to obtain more favorable premium rates for 2010. Requests for proposal were sent to four insurance providers and Scioto County accepted the premium renewal, with several plan modifications designed to reduce premium costs, from its existing provider for 2010. **Table 3-3** illustrates the changes in coverage.

<sup>10</sup> Employees who are eligible for coverage, but choose to opt out, receive a \$1,200 payment in lieu of medical insurance premiums paid by the County.

<sup>11</sup> Employees within bargaining units may contribute to the premium at a different percentage than non-bargaining employees depending on contract provisions. For example, the Sheriff’s Office contract includes a specific dollar amount that the County will contribute for premiums for these employees.

**Table 3-3: Scioto County 2009 & 2010 Medical Coverage**

Coverage Area	2009 Network Coverage	2010 Network Coverage
Deductible (Individual/Family)	\$250 / \$500	\$500 / \$1,500
Co-Insurance	10%	20%
Out-of-Pocket Maximum, including deductible (Individual/Family)	\$500 / \$1,000	\$3,000 / \$6,000
Inpatient Hospital	10% after deductible	20% after deductible
Inpatient Physician Services	10% after deductible	20% after deductible
Outpatient Services	10% after deductible	20% after deductible
Physician Office Visits - Primary Care Physician	\$10 copayment	\$25 copayment
Physician Office Visits - Specialty Care Physician	\$10 copayment	\$50 copayment
Urgent Care	\$35	\$50
Emergency Room Services	\$50	\$150 / 20%
Prescription Drugs - Retail (30 day Supply)	\$15 / \$30 / \$45	\$15 / \$30 / \$45
Prescription Drugs - Mail Order (90 Day Supply)	\$30 / \$60 / \$90	\$30 / \$60 / \$90

**Source:** Scioto County

**Note:** Includes comparison of network services only.

Scioto County's 2010 coverage was compared with averages reported by SERB and Kaiser. The comparisons showed Scioto County's plan design to be in line with industry benchmarks.

The adjustments in plan design from 2009 to 2010, which included increased deductible amounts, copayments, and co-insurance, ensured Scioto County lower premiums for 2010.<sup>12</sup> In addition, the County increased the employee share by 1.0 percent to recognize further savings (see **executive summary**). **Table 3-4** illustrates the 2010 premiums and contributions.

**Table 3-4: Scioto County 2010 Insurance Premiums & Contributions**

	Single Coverage		Family Coverage	
	\$ Total	% Share	\$ Total	% Share
Monthly Employee Contribution	\$77.31	14.0%	\$203.39	14.0%
Monthly County Contribution	\$474.88	86.0%	\$1,249.38	86.0%
<b>Total Premium Cost</b>	<b>\$552.19</b>	<b>100%</b>	<b>\$1,452.77</b>	<b>100%</b>

**Source:** Scioto County

Although Scioto County was able to recognize cost savings (approximately \$240,000 annually) through reduced premiums and increased employee share, its insurance costs continue to be

<sup>12</sup> Scioto County continued to offer the 2009 coverage but at a higher cost to the employee. Employees wishing to continue receiving the 2009 coverage (referred to as 2010 Option 1) plan paid the difference in the premiums between the two plans (2010 Option 2).

above industry standards and recommended practices. See **R3.3** for further analysis of Scioto County’s 2010 benefits.

All Ohio employers are required by law to have an active workers' compensation policy to insure employees against workplace injuries. Ohio’s Bureau of Workers’ Compensation (BWC) provides this coverage and charges a premium based on several factors including past claim history and workplace environment. Opportunities exist for employers to receive discounts on premiums, and Scioto County is actively participating in and pursuing these opportunities. For example, the County receives the Safety Council Discount by attending regular meetings on workplace safety and has also adopted a Drug-Free Workplace Policy. Scioto County is working with a consultant from BWC to qualify for the retrospective rating plan, a plan that allows the employer to assume a portion of the claim costs in return for a reduction in premiums. The County has reduced workers compensation expenditures over the past few years and anticipates further savings with the retrospective rating plan.

*Compensation*

Each office and department within Scioto County is responsible for determining compensation for its employees within the funding provided through the County budget process. As each county in Ohio operates differently, positions and job titles vary among counties. For this reason, auditors could not compare each position within Scioto County with peer counties. Scioto County’s compensation levels in six selected areas were compared with the respective peer averages. These six areas were selected based on the similarity of position responsibilities or office functions. This analysis provides a snapshot of how Scioto compares with the peer average.

**Table 3-5: Scioto County and Peer Average Compensation**

	Scioto County	Peer Average	Percent Variance
Maintenance Employees	\$32,413	\$23,797	36.2%
Treasurer’s Office Staff	\$30,555	\$31,527	(3.1%)
Assistant Prosecuting Attorneys	\$60,012	\$66,236	(9.4%)
Board of Elections Directors/Deputy Directors	\$40,960	\$49,790	(17.7%)
Recorder's Office Staff	\$30,264	\$26,491	14.2%
Veterans Services Commission Service Officers	\$48,443	\$49,988	(3.1%)

**Source:** Scioto County and peer county 2009 salaries

**Note:** Salaries were calculated based on average hourly rates in each category. Salaries reflect a full-time position (hourly rate multiplied by 2,080 hours).

As illustrated in **Table 3-5**, Scioto County’s compensation, in comparison with the peer averages, varies considerably from area to area. Scioto County has no consistent measures for

setting salaries in County offices and departments, a factor that can contribute to the variances illustrated above (see **R3.5**).

County employees within bargaining units are compensated based on negotiated salary schedules. The Scioto County Sheriff’s Office salary schedules were compared with the averages of the peer counties. First, starting wages were analyzed and **Table 3-6** illustrates this comparison.

**Table 3-6: Comparison of 2009 Starting Wages (Hourly) for Sheriff’s Office Employees**

	Scioto County	Peer Average	\$ Variance	% Variance
Dispatchers	\$12.80	\$13.25 <sup>1</sup>	(\$0.45)	(3.4%)
Corrections Officers	\$12.90	\$13.05 <sup>2</sup>	(\$0.15)	(1.1%)
Deputies	\$14.81	\$14.81 <sup>3</sup>	\$0.00	0.0%

**Source:** Scioto County and peer starting wages from bargaining agreements

**Note:** Three employment categories were used in the comparisons and were chosen based on similarity of positions in peer bargaining agreements and represent the largest percentage of staffing in this department.

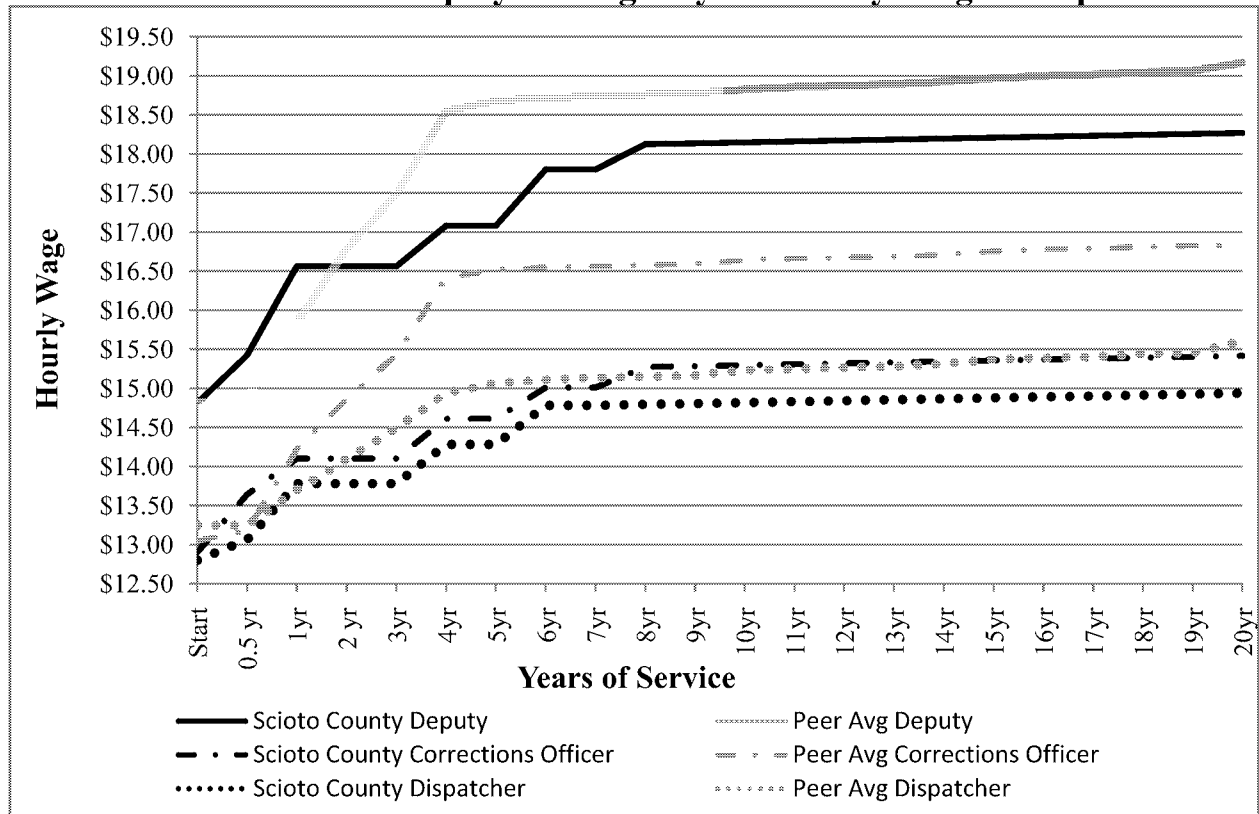
<sup>1</sup> The peer average for dispatchers includes Jefferson County, Belmont County, and Washington County

<sup>2</sup> The peer average for corrections officers includes Athens County, Jefferson County, Muskingum County, and Washington County.

<sup>3</sup> The peer average for deputies includes Athens County, Jefferson County, Muskingum County, Belmont County, and Washington County.

After examining the starting wages, the salary schedules (steps) outlined within the bargaining unit agreements were compared with peer county averages. This comparison, shown in **Chart 3-1**, demonstrates the longevity from beginning employment until 20 years of service.

**Chart 3-1: Sheriff's Employee Longevity vs. Hourly Wage Comparison**



Source: Scioto County and peer bargaining agreements

As shown in **Table 3-6** and **Chart 3-1**, the Scioto County Sheriff's salary schedules are in line with or below the peer county averages.

*Employee Sick Leave & Overtime*

The Ohio Department of Administrative Services (DAS) tracks and reports average sick leave usage of State employees. **Table 3-7** shows a comparison between Scioto County employees' sick leave usage and the DAS averages.

**Table 3-7: Sick Leave Comparison with State Averages**

	Scioto County Average Leave per Employee (Hrs) <sup>1</sup>	DAS Average Leave per Employee (Hrs) <sup>2</sup>	Variance
Sheriff's Office Employees	58.1	40.3	<b>17.8</b>
Scioto County General Fund Employees	73.9	69.9	<b>4.0</b>

**Source:** Scioto County 2008 sick leave and DAS State averages

<sup>1</sup> Employee sick leave was obtained for all County General Fund employees for 2008. The Sheriff's employees were averaged separately. The other category includes remaining General Fund employees and excludes County elected officials and board members/commissioners.

<sup>2</sup> The benchmark used for the Sheriff's Office is the State-reported 2008 average for Fraternal Order of Police bargaining members. The benchmark used for County General Fund Employees is the State reported average for OCSEA/AFSCME bargaining members.

As shown in **Table 3-7**, Scioto County employees, on average, incurred more sick leave per employee than the DAS State average in 2008.<sup>13</sup> See **R3.6** for a further analysis of employee sick leave.

Scioto County's employee overtime was reviewed using the 2008 year-end earning register. While some County employees, such as maintenance employees, had minimal overtime pay, the majority of overtime occurred in the Sheriff's Office. The National Institute of Justice's (NIJ) publication *Police Overtime: An Examination of Key Issues (1998)*, points out that it is important to be realistic about what management can achieve in controlling overtime. Police work generates overtime that can be viewed as fixed costs, such as court appearances, and overtime is not a discretionary activity that can be simply managed out of existence. A detailed analysis of Scioto County's Sheriff's Office overtime showed that the County paid approximately \$77,000 of General Fund expenditures on Sheriff's employee overtime salaries in 2008. This was 4.0 percent of total General Fund salaries in the Sheriff's Office. Because this amount is within benchmark ranges, it was determined not to be an area of concern for the County.

### *Negotiated Agreements*

Scioto County has collective bargaining agreements with five groups of unionized employees. Employees not covered by bargaining agreements serve at the discretion of the officials for whom they work. The Sheriff's Office bargaining unit contract is the only one of the County's five bargaining agreements that covers employees compensated from the General Fund. The following is a brief description of the five bargaining agreements:<sup>14</sup>

<sup>13</sup> Scioto County's sick leave usage remained constant in 2009, as average hours used increased to 74.0 per employee. Information on Sheriff's employee sick leave for 2009 was not available at the time of the assessment.

<sup>14</sup> The full versions of Scioto County bargaining contracts can be obtained on Ohio's State Employment Relations Board web site, <http://www.serb.state.oh.us/>.

- **Agreement between the Scioto County Sheriff's Office and the Fraternal Order of Police, Ohio Labor Council, Inc., Effective 2009-2011.** The agreement covers deputy sheriffs, sergeants, dispatchers, clerks/secretaries, cooks, and correctional officers. The Sheriff is excluded from the bargaining agreement.
- **Agreement between the Scioto County Engineer and American Federation of State, County and Municipal Employees, Ohio Council 8, Local # 1354, Effective 2008-2009.** The agreement covers equipment operators, highway maintenance crew leaders, highway maintenance workers, mechanics, security guards, sign maintenance workers, and welders. Excluded from the bargaining agreement are management, confidential, fiduciary, supervisory, unclassified, temporary, and seasonal employees.
- **Agreement between the Scioto County Sanitary Engineering Department and the General Truck Drivers and Helpers Local Union No. 92, Effective 2008-2010.** This agreement covers all employees of the Wastewater Treatment Department as set forth in the certification issued by SERB, including clerks, operators, crew leaders, maintenance men, and electricians. Excluded are all management-level employees, confidential employees, supervisors, and seasonal employees.
- **Agreement between Scioto County Department of Job and Family Services and Scioto County Commissioners, and the Ohio Council 8, American Federation of State, County and Municipal Employees, AFL-CIO and Local #3501, Effective 2006-2009.** This agreement covers all employees of the Scioto County Department of Job and Family Services including social service workers and aides, clerical specialists, family service aides, custodial workers, employment services interviewers, employment services counselors, cashiers, maintenance repair workers, data entry operators, and case control reviewers. Excluded are all management level employees, confidential employees, and supervisors.
- **Agreement between the Scioto County Children Services Board and American Federation of State, County, and Municipal Employees, Ohio Council 8, Local #2718, AFL-CIO, Effective 2008-2011.** This agreement covers all employees of the Scioto County Children Services Board except management-level and confidential employees and all seasonal and casual employees as defined by SERB.

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## Recommendations

### *Policies and Procedures*

- R3.1 Scioto County’s elected officials and other department managers should work together to develop personnel policies and procedures that can be adopted and implemented County-wide by all departments and offices. These policies and procedures should be updated regularly and made available to all employees. County-wide policies and procedures will provide consistency and equity between the various departments and offices.**

The *Scioto County Board of Commissioners Personnel Policies* (the Policy Manual) was prepared for the County by a local consulting service and last updated in December 2008. This Policy Manual provides policies in a range of areas including employment practices, employee performance and conduct, discipline and work rules, and compensation and benefits. According to the Commissioners, County offices and departments – including the Auditor, Treasurer, Recorder, and Prosecutor – were each given the opportunity to approve and adopt these personnel policies. However, no other office or department at Scioto County has formally adopted the Policy Manual. The Policy Manual is kept in the Commissioners’ Office. There are no electronic versions available.

The National Association of Counties’ (NACo) *County Leadership Handbook (2004)*, notes that having both an elected board (commission) and independently-elected officials that support county services presents unique challenges to everyone involved. The realities of shared administrative authority can make day-to-day decision-making difficult and can also lead to lack of coordination and fragmentation of county services. Counties that have appointed department heads will assume many administrative and managerial responsibilities, and it is incumbent to work together to develop mutually-agreed-upon goals, develop rapport, and clarify working relationships.

The Society for Human Resource Management (SHRM) explains that the purpose of an employee handbook is to clearly communicate information that is relevant and important to employees. Written documentation such as a handbook can provide consistency in administering the organization's policies and procedures. The areas which might be included are: employment policies and procedures, orientation information for new employees, legal obligations of employer and employee, and responsibilities of employer and employee to each other.

Policies are only useful if they are effectively communicated and implemented. Without adoption by other County offices and departments, the Scioto County Policy Manual is serving a very limited functional purpose. An employee handbook can be a helpful means



for communication of the County's overall mission with employees and can serve as the official source of policies and procedures. Many organizations, including Delaware County, provide each employee with a copy of a handbook and make it available electronically on the internet.

Scioto County should work to develop policies and procedures that are accepted by all offices and departments. This can be completed by communicating with elected officials and department directors to determine common expectations across all offices and department. In response, the various elected officials and department heads should recognize the need to work cooperatively to make the administration of government operate more efficiently, particularly given the County's current economic condition. The County may consider developing an employee handbook to communicate the County vision and mission as well as adopted policies and procedures.

### *Staffing*

**R3.2 Scioto County should consider eliminating staffing positions within its Treasurer's Office, Recorder's Office, and Veterans Service Commission. Scioto County has more employees than the peer averages in these three areas and appropriate reductions to bring the County in line with the benchmarks would help alleviate the County's General Fund deficit.**

Staffing comparisons in **Table 3-1** show Scioto County to have more FTEs per 10,000 residents in the Treasurer's Office, Recorder's Office, and Veterans Service Commission. Reductions of 3.0 FTE in the Treasurer's Office, 0.50 FTEs in the Recorder's Office, and 0.50 FTEs in Veterans Service Commission would bring Scioto County in line with the respective peer averages. According to the Treasurer, he has taken steps to reduce his staffing levels by cross training, combining duties and contracting for the printing and mailing of tax bills.

While the Commissioners' Office is responsible for approving the budgets for each County office, it is the responsibility of the elected officials or department heads to maintain their workforces. Specifically, decisions regarding the number of employees, compensation levels, and hours worked are made within the respective offices. Moreover, the Veterans Service Commission is entitled by law to receive up to 0.5 mills in funding from the County, limiting the Commissioners' discretion in budgeting decisions. However, in order to contribute to the County's efforts to eliminate its deficits, these offices should determine the means to make the recommended reductions. Wherever possible, the departments should attempt to combine responsibilities between existing staff to ensure operations are not negatively affected.

Furthermore, if Scioto County is not successful in addressing the projected deficits through other recommendations within the performance audit, all County positions funded with General Fund money should be closely examined for potential reductions, even beyond the levels of the peers.<sup>15</sup>

*Financial Implication:* Eliminating the 4.0 FTEs midway through 2010 would save the County approximately \$85,000. This reduction of staff would save Scioto County \$128,120 annually or a total of \$640,600 over the forecasted period (by 2013).

### *Benefits*

**R3.3 Scioto County should consider increasing employee contributions for health insurance to 20 percent. This would result in contribution rates more in line with the Kaiser average and would help Scioto County reduce expenditures by lowering the County's portion of overall insurance costs.**

In 2010, Scioto County will cover 86 percent of the total insurance premiums, while the employees will contribute the remaining 14 percent.<sup>16</sup> Of the 146 General Fund employees who receive health insurance coverage, 54 are employees of the County Sheriff's Office and therefore are covered under the Fraternal Order of Police, Ohio Labor Council negotiated agreement (Sheriff's contract). The Sheriff's contract includes provisions regarding health insurance and employee contributions that are considered when increasing employee shares. In 2009, Sheriff's Office employees contributed 12.2 and 12.3 percent toward their single and family health plans, respectively.<sup>17</sup>

SERB's *2008-09 Health Care Report* is an annual report on health insurance costs in Ohio's public sector and provides data on various aspects of health care costs for government entities. SERB reports the 2009 average share for county employees in Ohio were 13.0 and 14.6 percent for single and family coverage, respectively. In addition, Kaiser conducts an annual survey of nationwide employer-sponsored health benefits which results in aggregate data on the cost of health insurance. As published in *Kaiser Survey of Employer-Sponsored Health Benefits, 2009*, the average nationwide employee

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<sup>15</sup> Scioto County will also need to monitor positions within special revenue funds to ensure the funds can continue to support the costs of those positions.

<sup>16</sup> These levels represent a 1.0 percent increase in employee contributions from 2009.

<sup>17</sup> The Sheriff's Contract states that the County is responsible for insurance coverage up to 1,389.72 per month for family plans and \$529.34 per month for single plans. However, during the first year of the agreement (2009), bargaining unit members were required to pay no more than \$206.34 monthly towards a family plan or \$78.10 monthly towards a single plan. The parties agreed to reopen the health insurance article for the last two years of the agreement (2010 and 2011).

share for insurance premiums were 17.0 and 27.0 percent for single and family coverage, respectively.

Although the current employee contributions are in line with SERB's reported averages for Ohio county employees, Scioto County is facing severe deficits in its General Fund (see **financial systems**). Therefore, it should consider increasing employee contributions for health insurance to 20 percent, a level more in line with Kaiser reported averages.

*Financial Implication:* If the County can increase the employee contribution to a total of 20 percent (additional 6 percent) for all covered employees compensated from the General Fund (excluding those under the Sheriff's Office/Fraternal Order of Police bargaining agreement), it could save approximately \$318,000 over the forecast period (starting in July 2010), or an average of \$63,600 annually.

However, if Scioto County could negotiate with the Fraternal Order of Police to increase the employee contribution of Sheriff's Office personnel to a total of 20 percent of insurance premiums, it would lead to an increased cost savings of approximately \$90,500 annually (starting 2011 with new union negotiations). Scioto County should update forecast to reflect any change to insurance premium costs.

**R3.4 Scioto County should consider offering a high-deductible health plan (HDHP). This plan could be offered as an option, in addition to the County's current plan. HDHPs have many benefits, including lower than average premiums and the implementation of Health Savings Accounts (HSAs) or Health Reimbursement Arrangements (HRAs). Proper implementation could potentially reduce the County's General Fund contributions to employee health insurance and provide employees more flexibility when deciding on medical coverage.**

In 2010, Scioto County employees will be able to choose between two health insurance options. Both are preferred provider organizations (PPOs) through Anthem. Option 1 has more generous coverage (e.g., lower deductibles and copayments, higher coverage percentages), but requires higher premium contributions by the employee. Option 2 has lower premiums and higher co-insurance and copayments. Scioto County's contribution is the same regardless of the plan chosen by the employee.

HDHPs are growing in popularity, as they feature lower premiums compared with other managed care and traditional indemnity plans. Most are coupled with a HSA or HRA that the employer partially or fully funds. HSAs are tax-advantaged personal savings accounts used in conjunction with HDHPs to help pay for unreimbursed medical expenses. Contributions to HSAs may be made by employers, individuals, or any combination of both. HSAs give employees flexibility and discretion over how to use health care benefits.

While these plans have higher deductibles, employees enrolled in HDHPs have lower average premiums than any other plan type for both single and family coverage. According to SERB's 2008-09 Health Care Report, for single coverage, high deductible plans are 19.5 percent lower than the average for all other plan types; family plans average 13.9 percent lower.<sup>18</sup>

Scioto County has reduced its health insurance costs through redesigning its coverage plan and increasing employee contributions to premiums. However, projections indicate it will have a deficit in its General Fund through 2012 without the implementation of additional changes (see **financial systems**) and therefore should explore all potential savings including a high-deductible health plan. Offering the HDHP as an option to employees has become more common because of the lower premiums. While employees take on more risk with HDHPs, they also have the option of enjoying benefits such as lower individual employee contributions to the premiums, employer-funded HSAs, and a tax-advantaged method to help save for future medical expenses. Scioto County should work with its insurance broker and consider offering an HDHP as an option to County employees.

### *Compensation*

**R3.5 Scioto County's elected officials and department heads should work together to complete a comprehensive analysis of the County's salary structure and develop a compensation management system to guide future salary decision-making. Results of this analysis should include written guidelines set forth in formal policies and procedures to guide offices and departments when determining future salaries and bonuses for employees.**

**During this process, the County should conduct a review to align compensation and job responsibilities and seek to ensure that like positions within its various offices and departments are compensated in a similar manner. When financial conditions allow, Scioto County should monitor increases to ensure equity across the County and comparability with peer counties. Lastly, compensation policies and procedures should be a component of the County's budget practices (see financial systems for additional analysis) and the County policy and procedures manual (R3.1).**

Scioto County does not have policies or procedures in place for setting salaries or determining pay increases for employees. Instead, each County office or department is responsible for managing its own budget and determining compensation for employees.<sup>19</sup>

<sup>18</sup> These premiums may not take into consideration the amount that the employer contributes to the employee's HRA or HSA.

<sup>19</sup> Sheriff's Office salaries and hourly rates for bargaining members are controlled by the County's negotiated contract.

Scioto County does not have a compensation management system in place and consequently, the practice of determining compensation levels is inconsistent across County offices and departments. For instance, according to a County Commissioner, office clerical personnel complain that their counterparts in other departments receive different salaries and raises for similar work performance. To some degree, this is unavoidable given the number of offices led by separately-elected officials, as well as the limits on the Commissioners' authority over the operations of these departments.

Short-term cost containment strategies were put into place in some County offices during 2009. Employees in the Commissioners' Office, Recorder's Office, and Sheriff's Office worked 72-hour pay periods for a portion of the year. Other offices – including the Auditor, Treasurer, and Prosecutor – temporarily shifted salaries and benefits from the General Fund to special revenue funds within their respective departments. Lastly, some offices had employees retire and did not fill the vacancies. In contrast to these cost-containment strategies, other County offices and departments, including the Board of Elections and Veterans Service Commission, gave employees pay increases in 2009. Inconsistencies between offices relative to the peer averages are illustrated in the compensation comparison in **Table 3-5**.

Compensation practices in Delaware County reflect recommended practices in controlling personnel costs and ensuring consistent application of changes to compensation. Many of the officeholders in Delaware County entered into a merit-pay system based on a U.S. Congress Job Evaluation plan, a product of the U.S. Congress Job Evaluation and Pay Review Task Force.<sup>20</sup> A compensation management system was adopted by the county to control costs, manage turnover, improve morale, and provide incentives to deserving employees. A more critical objective is to ensure the pay of county employees is equitable, competitive and comparable to other counties and within county departments. The compensation management system has four basic components:

- Job categorization;
- Determination of meaningful evaluation factors;
- Development of benchmark job descriptions; and
- Guide charts for analysis and ranking.

Once a job is correctly placed in the system, movement of each employee is determined by objective performance evaluation based on the position description and goals established within the position description.

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<sup>20</sup> This system includes the following methodology: evaluate jobs to determine the elements of work and evaluation criteria; group jobs with like levels; rank jobs based on reliable evaluation factors; and establish an equitable pay system based on market rates for similar jobs.

The number of separately-elected officials (as well as agencies with statutorily required budgets) makes it difficult for counties to adopt uniform compensation policies across departments. The Commissioners do not have authority over operational decision-making within other offices and departments. As a result, County-wide policy initiatives would require the voluntary cooperation of all officeholders. Scioto County Commissioners held meetings over the past two years with each office and department in an attempt to communicate the County's financial position and need for cautious spending. However, decisions on employee compensation remain inconsistent between offices and departments.

A County-wide analysis of salary structures and the development of a formal management system with written policies and procedures will provide opportunities for more consistent and more appropriate compensation levels. Implementing a process to grant similar increases among departments and offices, as well as tying those increases to the County's financial condition, would require the agreement of other elected officials. This process would help the County maintain its financial health and encourage more consistency and equity between offices and departments.

### *Sick Leave*

**R3.6 Scioto County should begin to measure the cost of sick leave and work to reduce the amount used by County personnel. Setting targets for staff attendance and opening a dialogue with employees about the causes of sick leave and the direct and indirect costs of sick leave may help the County reduce leave usage.**

**As part of this process, Scioto County should develop and implement formal sick leave policies within its recommended personnel manual (R3.1). Leave abuse policies should clearly define what the County will consider a pattern of abuse and should indicate that engaging in a pattern of abuse may subject the employee to disciplinary action. Each Scioto County official and department head should consider following the American Society for Public Administration's (ASPA) suggestions for effectively managing sick leave abuse within their respective offices.**

As shown in **Table 3-7**, Scioto County employees, on average, incurred more sick leave per employee than the DAS State average in 2008. The Scioto County Board of Commissioners' personnel policies include sick leave policies which outline the accrual, accumulation, and approval process for sick leave usage. The policies also include examples of what sick leave may be used for. As previously stated, while the Commissioners make these policies available to all County offices and departments, they are not formally accepted or used County-wide. Policies are not readily available to employees (see **R3.1**).

According to *Absenteeism: Measure Costs, Adjust Incentives, Change Behaviors* (SHRM, 2007), without the means to measure and analyze the cost and impact of employee absence, particularly as related to lost productivity and reduced profitability, entities run the risk of under-investing in health interventions, including wellness, prevention, disease management, and other programs. Employers need to see that all lost time is connected. For example, employees who have frequent intermittent absences appear to be three to four times more likely to go out on short-term disability. In addition, employees out on short-term disability are likely to be larger-than-average consumers of group health benefits. As a result, employers should measure the impact of absenteeism.

The Ohio Civil Service Employees Association (OCSEA) represents nearly 35,000 State and local government employees who work in various agencies and institutions. The union is affiliated with the 1.4 million-member American Federation of State, County, and Municipal Employees (AFSCME). Members of OCSEA/AFSCME Local 11 include public workers employed by various State of Ohio agencies and departments and a few county and municipal agencies.<sup>21</sup> The State of Ohio also has an agreement with the Fraternal Order of Police, Ohio Labor Council, Inc., unit 2. The bargaining group represents many positions, including police officers. Both of these collective bargaining agreements with the State of Ohio contain provisions for disciplining employees for sick leave abuse and provisions for pattern abuse, defined as consistent periods of sick leave use. The agreements provide the following as examples of pattern abuse:

- Before and/or after holidays;
- Before and/or after weekends or regular days off;
- After pay days;
- Any one specific day of the week;
- Absence following overtime worked;
- Half days;
- Continued pattern of maintaining zero or near zero balances; and
- Excessive absenteeism.

The agreements include pay rates based on the number of sick leave hours used within a one-year period. Specifically, employees are compensated for sick leave at 100 percent for the first 40 hours used. For sick leave between 40.1 and 80 hours, employees are paid 70 percent of their regular pay rates.

According to the article, *Sick Leave Abuse: A Chronic Workplace Ill?* (ASPA Times, April 2002), determining if and why employees exploit leave policies is important. Just

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<sup>21</sup> Most county and municipal employees in Ohio, however, are represented by the sister unions, AFSCME Council 8 and OAPSE/AFSCME Local 4.

as an employer analyzes turnover, organizations should also look at sick leave trends. Doing so would help determine if sick leave is higher in one department, or under a particular supervisor, and if workplace policies and procedures affect absences. Finding the root causes of the problem helps address core issues. Methods for monitoring sick leave abuse vary from one organization to another, but the following explains common guidelines all employers can follow to manage sick leave effectively:

- Recognize the problem and intervene early before it escalates. Managers need to enforce leave policies and take appropriate action.
- Find out why the employee is abusing leave. Talk to employees who are abusing leave and see if their behavior stems from personal problems.
- Learn to say “No.” Employers should not let employees get away with abusing leave policies.
- Use procedures, regulations, practices, and knowledge to benefit management as well as the employee.
- Document everything to learn from past mistakes.

Without a formal monitoring process and set definitions of abuse, employees may take advantage of sick leave and cause Scioto County to experience higher than average usage. High amounts of sick leave can result in decreased productivity. Sick leave abuse can also be costly, both in direct and indirect costs. Such costs include overtime pay for other employees, missed deadlines, sinking morale, and decreased productivity.

Developing formal policies that communicate specific leave expectations with employees as well as procedures for officials or department heads to use in monitoring sick leave use may allow Scioto County to reduce cumulative leave usage. Defining patterns that are considered abuse and communicating possible disciplinary actions with employees will assist the County in this endeavor. Policies should be communicated across all departments and included in the County’s policies and procedures manual (see **R3.1**).





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# Sheriff's Office

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## Background

This performance audit section provides recommendations to enhance service and reduce costs related to the Scioto County Sheriff's Office (Scioto CSO or the Sheriff's Office). Analyses contained within this report are based on comparisons with sheriffs' offices in Auglaize, Crawford, and Miami counties as recommended by the Buckeye State Sheriffs' Association (BSSA) based on jurisdictional size, number of residents served, and comparability of organization (see **Tables 4-5** and **4-6**).<sup>1</sup> Additional comparisons are made with leading practices promulgated by the U.S. Department of Justice (USDOJ), the Government Finance Officers Association (GFOA), and the Federal Bureau of Investigation (FBI).

### *Organization Function*

Pursuant to Ohio Administrative Code (OAC) 311-1-01 through 311-1-15, county sheriffs are authorized to provide police and traffic enforcement on county roadways and unincorporated areas, court services, and jail operation including inmate transportation on a countywide jurisdictional basis. The following are major services provided by the Scioto CSO:

- **Police and Traffic Enforcement:** Scioto CSO's Enforcement/Patrol Division (23 patrol officer FTEs)<sup>2</sup> provides law enforcement services to an estimated 76,587 residents<sup>3</sup> in Scioto County. This division is responsible for road patrol, traffic enforcement, crime prevention, and civil service processing for the County court system.

Scioto CSO's Detective Division (6.0 detective FTEs)<sup>2</sup> are assigned cases that typically requires in-depth criminal or civil investigation. These cases result from resident complaints, requests from outside law enforcement agencies, social service agencies such as Scioto County Job and Family Services, and from information obtained from informants, courts, and attorneys. The cases typically involve incidents such as murder, assault, drugs, theft, and burglary, as well as organized and white-collar crime.

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<sup>1</sup> Not all peer counties are included in each peer average due to inconsistent submission of information to auditors.

<sup>2</sup> An FTE is defined as a full-time equivalent employee, generally employed 40 hours per week. As of March 1, 2009, a reduction in the number of work hours to 72 hours per pay period (every two weeks) was established for officers as a method for reducing County costs. However, because the reduction in hours is not permanent, 1.0 FTE employee is still counted as a working 40 hours per week and a part-time employee working 20 hours per week is counted as a 0.5 FTE.

<sup>3</sup> 2008 population estimate as reported at [www.census.gov](http://www.census.gov).

Due to Scioto County's rural nature, many of its communities cannot afford to fund separate police forces. Therefore, these smaller communities have law enforcement contracts with the Sheriff's Office for regular policing activities. Scioto CSO also maintains a contract with the County Metropolitan Housing Authority for safety services. These contracts help recoup the direct costs of providing patrol services – such as salaries and benefits, uniform allowances, fuel, and vehicle lease payments – that are incurred while providing services to the smaller local governments. The contracts are funded, in many cases, through township public safety levies. Scioto has a larger number of contracts with its villages, townships, and other agencies than the peer counties.

- **Court Functions:** In accordance with Ohio Revised Code (ORC) § 311.07, a sheriff's office is responsible for securing the county courthouse, under the direction and control of the board of commissioners. Scioto CSO provides inmate transportation from the courthouse to the jail, overall courthouse security, and the delivery of legal documents including court summons, warrants, and subpoenas. During 2008, Scioto CSO patrol officers delivered more than 4,600 court documents and 900 warrants. The Sheriff estimated a similar level of deliverables during 2009. Scioto CSO also updates and monitors the Sex Offender Registration Notification (SORN) system for the County; conducts Sheriff's sale auctions, evictions, and repossessions; and issues permits to carry concealed weapons.
- **Jail Administration and Inmate Transportation:** Pursuant to ORC § 341.01, sheriffs are responsible for confining county inmates in a fair and impartial way. Scioto CSO completed the construction of its new jail facility, which has a maximum capacity of 190 beds, in 2006. In 2008, the jail averaged 160.8 inmates per day, which will likely increase due to new prisoner housing contracts with surrounding counties. At the time of the performance audit, Scioto County had contracts to provide 10 beds for Lawrence County and 30 beds for Pike County. None of the peer counties have contracts to house inmates from surrounding counties. In addition, the Sheriff has implemented a "pay to stay" program to help offset the costs of incarceration (see **court of common pleas** for further analysis on fee collection).

The Scioto CSO is also responsible for transporting County inmates to and from State institutions, municipal holding facilities, jails, and courts. Sheriff's deputies have also transported juvenile offenders to and from Ross County since Scioto County's juvenile detention facility was closed in 2009.

- **Dispatch/Communications:** The Scioto CSO's dispatch operation center employs 8.0<sup>2</sup> non-sworn communication officer FTEs who handle about 33,000 incoming calls annually. Dispatch calls include emergency (i.e., criminal activity or accident) and nonemergency calls (such as those seeking investigation information). Although the City of Portsmouth and the Village of New Boston operate individual dispatch centers, Scioto

County Sheriff's Office dispatchers field 911 wireless/cell phone calls from residents within these municipalities.

- **Administration:** The Scioto CSO is managed by four administrative employees, including the administrative assistant to the Sheriff and three deputy clerks. The administrative assistant and clerks are primarily responsible for internal administrative duties, such as maintaining Sheriff's Office records and files and maintaining standard operating procedures (SOPs); financial management-related tasks, such as managing payroll, developing the budget, monitoring grant compliance, tracking expenditures, and managing accounts receivable and payable; and various tasks specifically related to the duties of the Sheriff's Office, like managing paperwork as it is transmitted to and from the courts on civil and criminal matters, processing real estate foreclosure sales, and conducting background checks.

The Sheriff's Office has taken steps to maintain current technology to manage its jail database, dispatching services, and other general office operations. The technology products in use in the Office were evaluated and determined to meet the needs of the Office. Furthermore, Scioto CSO recently received a \$50,000 grant, \$10,000 of which was used to upgrade the jail management booking system to a web based system for the courts, patrol units and for public view. The remaining \$40,000 was used for patrol car cameras. Although the administration performs short-term accounting and budgeting processes for the Sheriff's Office, a long-term strategic plan, preventive maintenance plan, and forecast have not been developed (see **financial systems**).

### *Financial Data*

Users of this report should note that the financial data is largely drawn from 2008, the last complete fiscal year available at the time of the audit, though substantial cost reductions or increases are discussed where appropriate. Reductions made by County offices in 2009 to address the County's deficit may not be reflected in the historical data. Information on cost reduction strategies that have been used in the County is located in **financial systems** and **human resources**. When cost reduction strategies included the use of furlough days and reductions in hours, this information has been included in the corresponding report section staffing data. **Table 4-1** shows Scioto CSO's historical operating expenditures from FY 2006 through FY 2008.

**Table 4-1: Scioto CSO Operating Expenditures <sup>1</sup> FY 2006-08**

	2006	2007	Percent Change	2008	Percent Change
Personal Services	\$2,711,118	\$2,979,615	9.9%	\$2,945,534	(1.1%)
Purchased Services	\$501,848	\$655,161	30.5%	\$705,184	7.6%
Supplies and Materials	\$655,411	\$630,399	(3.8%)	\$714,532	13.3%
Capital Outlay	\$0	\$891	100.0%	\$5,475	514.4%
Other	\$44,650	\$57,934	29.8%	\$48,017	(17.1%)
Transfers	\$0	\$408,906	100.0%	\$0	(100.0%)
<b>Total</b>	<b>\$3,913,027</b>	<b>\$4,732,905</b>	<b>21.0%</b>	<b>\$4,418,743</b>	<b>(6.6%)</b>

Source: Scioto County Auditor's Office

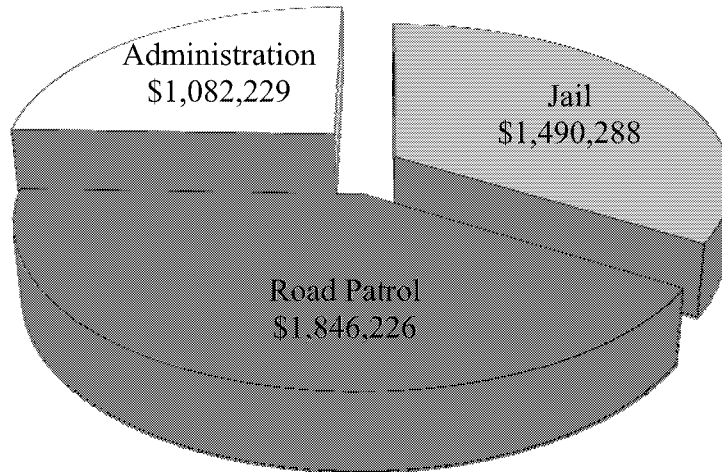
<sup>1</sup> Does not include employee retirement and insurance benefits (ERIB).

As shown in **Table 4-1**, Scioto CSO's operational expenditures have significantly fluctuated in the past three years. During the historical period, expenditures for Sheriff's Office operations have been moved between the General Fund, a separate Sheriff's Office fund, and more recently, back to the General Fund. Also, certain functions are paid through Special Revenue funds and the apportionment of costs to these funds has varied. Furthermore, Scioto County's varying approaches to accounting for employee retirement and insurance benefit (ERIB) expenditures causes these to be reported in the General Fund, then the separate Sheriff's Office Fund, and, more recently, the General Fund and special revenue funds; ERIB has been excluded from the historical analysis in order to capture a more logical spending pattern for the Sheriff's Office as, when these costs are paid from the General Fund, the amount attributable to the Sheriff's Office cannot be easily identified. Total expenditures for the Scioto CSO for 2008 were \$5,466,133 which includes estimates of ERIB. On average, the County's ERIB costs are about 56.3 percent of personal services expenditures per year. The 2007 expenditures included a \$408,000 transfer to help pay for the debt incurred for the new jail, which inflated the expenditures for the year as a total.

From 2006 through 2008, the Scioto CSO's expenditures increased by 12.9 percent. Increases in purchased services and supplies and materials can be attributed to the costs of operating the new jail facility (since April 2006) which has a greater number of beds. Purchased service costs increased because of the acquisition of a more up-to-date computer system along with software maintenance agreements. Similarly, supply and material costs have substantially increased due to the need to purchase jail bedding, food, and prisoner clothing.

**Chart 4-1** shows the functions and related expenditures in the Scioto CSO's operations.

**Chart 4-1: 2008 Scioto CSO Expenditures by Function<sup>1</sup>**



**Source:** Scioto County Auditor’s Office.

<sup>1</sup> This chart does not include employee retirement and insurance benefits (ERIB).

As shown in **Chart 4-1**, the Sheriff’s Office’s major operations consist of jail, road patrol, and administration (including communication dispatch). The road patrol operations comprise 41.8 percent of total Sheriff’s Office expenditures. Jail operations are the second largest expense at 33.7 percent. Lastly, administration expenses total 24.5 percent of operational expenditures.

The County has been inconsistent in its accounting for specific expenditures in specific funds. Operational costs are paid from the General Fund, special revenue fund, and other restricted funds that include grants. **Table 4-2** shows the changes to expenditures between the major fund groups from FY 2006 to 2008.

**Table 4-2: Historical Expenses by Fund**

Funds	2006	Percent of Total	2007	Percent of Total	2008	Percent of Total
General Revenue	\$826,630	15.6%	\$109,976	1.7%	\$2,859,256	52.3%
Special Revenue	\$4,373,238	82.8%	\$6,275,526	96.9%	\$2,533,107	46.3%
Restricted Revenue	\$84,507	1.6%	\$91,195	1.4%	\$73,769	1.3%
<b>Total<sup>1</sup></b>	<b>\$5,284,375</b>	<b>100%</b>	<b>\$6,476,697</b>	<b>100%</b>	<b>\$5,466,132</b>	<b>100%</b>

**Source:** Scioto County Auditor’s Office

<sup>1</sup>The total expenditures identified in this table will not match other Sheriff’s Office expenditures in this section. This table includes ERIB expenses. However, it does not capture health insurance-related costs that were accounted for in the General Fund.

As shown in **Table 4-2**, the expenditures for the Sheriff’s Office have been shifted between the General Fund and special revenue funds. Prior to 2008, the Sheriff Office operations were mainly funded by a line item created in the County’s special revenue fund (Fund 250). This allowed Scioto CSO to not rely entirely on the General Fund for its operations. However, beginning in 2006, Scioto County’s special revenue fund incurred a large deficit due to the costs of the new jail and some County cost-shifting practices. The Sheriff, in his written response to the draft audit report, also noted that the funding level by the County diminished upon the creation of this new fund.

In 2008, the decision was made to move the Sheriff’s Office expenditures back into the General Fund. This increased reliance on the General Fund for jail operations from 1.7 percent in 2007 to 52.8 percent in 2008. The County will be obligated to address the debt for the jail as part of its fiscal recovery plan (see **financial systems** for more information). Expenditures from restricted funds have remained relatively consistent over the past three years.

**Table 4-3** shows the Sheriff’s Office’s 2008 expenditures in comparison with the peer averages. Since expenditures are reflective of the size of a county and its crime rates, ratio comparisons were made to provide a clearer picture of the costs of each sheriff’s office operations relative to the population it serves.

**Table 4-3: 2008 Expenditure Comparison <sup>1</sup>**

Expenditure Type	Scioto	Cost per Resident	Peer Average	Cost per Resident	Variance
Number of Residents	76,587		62,998		17.7%
Personal Services	\$2,945,534	\$38.46	\$2,450,021	\$38.90	16.8%
Purchased Services	\$705,184	\$9.20	\$638,775	\$10.14	9.4%
Supplies and Materials	\$714,531	\$9.33	\$275,962	\$4.38	61.4%
Capital Outlay	\$5,474	\$.07	\$162,420	\$2.58	(2,866.8%)
Other	\$48,017	\$.63	\$82,966	\$1.32	(72.8%)
<b>Total Expenditures</b>	<b>\$4,418,742</b>	<b>\$57.70</b>	<b>\$3,610,146</b>	<b>\$57.31</b>	<b>18.3%</b>
Total Number of Civil or Criminal Offenses Processed	2,353		1,457		38.1%
Cost Per Offense	\$1,877		\$2,477		(31.9%)

**Source:** Scioto County and peer financial reports for all funds.

<sup>1</sup> Does not include ERIB for Scioto or the peers (see **human resource** section for Scioto County’s ERIB analysis).

Although Scioto CSO’s total costs are 18 percent higher than the peers, its cost per resident is similar to the peers. Furthermore, Scioto CSO’s costs for offenses processed are distributed over a higher number of offenses, leading to a lower cost-per-offense ratio than the peers.

According to **Table 4-3**, the Scioto CSO has higher costs per resident in supplies and materials. Supplies and materials are significant for the Scioto CSO, and represent fuel and office supplies

(see **financial systems** for procurement analysis). Jail supplies and food for housing inmates also drive supply and material expenditures. **Table 4-4** shows a comparison between Scioto County's 2008 jail expenditures and the peer averages. The peer averages include Crawford and Miami counties.

**Table 4-4: 2008 Jail Expenditure Comparison**

Expenditure Type <sup>1</sup>	Scioto	Peer Average <sup>2</sup>	Variance
Personal Services	\$977,173	\$1,471,229 <sup>3</sup>	(33.6%)
Purchased Services	\$255,638	\$414,078	(38.3%)
Supplies and Materials	\$257,319	\$188,327	36.6%
Capital Outlay	\$0	\$5,666	0.0%
Other	\$157	\$13,962	(98.9%)
<b>Total</b>	<b>\$1,490,288</b>	<b>\$1,602,853<sup>4</sup></b>	<b>(7.0%)</b>
Average Jail Cost Per Day per Inmate	\$9,270	\$12,035	(23.0%)
Average Cost Per Bed	\$21	\$60	(65.0%)

**Source:** Scioto County and peer financial reports and annual jail inspection reports from the Ohio Department of Rehabilitation and Correction.

<sup>1</sup> Does not include ERIB or cost of debt for the jail buildings.

<sup>2</sup> Includes Crawford, Miami and Auglaize Counties, unless otherwise stated.

<sup>3</sup> Auglaize County is not included in the personal services peer average because they do not separate these expenditures from other county employees.

<sup>4</sup> This amount is an average of the total peer expenditures. Therefore, the peer average expenditure line items will not total to \$1,602,853.

As shown in **Table 4-4**, Scioto County's total jail expenditures are below the peer average. This means a substantially lower average daily cost per inmate (23 percent less) and average daily cost per bed (65 percent less) than the peer average.

### *Staffing*

In 2008 the Scioto CSO consisted of 84.5 full-time equivalent (FTE) employees across all functions. In light of the County's financial situation, the Sheriff has reduced all full-time employees' hours per pay period from 80 hours to 72 hours. As of December 2009, the Sheriff has opted to continue the reduced hours to meet the 2010 funding levels approved by the County Commissioners. **Table 4-5** shows the County's 2008 staffing levels compared with the peer averages.



**Table 4-5: Sheriff's Office 2008 Staffing Comparison**

	Scioto County	Peer Average	Variance
<b>Sworn</b>			
Sheriff	1.0	1.0	0.0%
Captains/Chief Deputy/Major	3.0	3.3	(9.1%)
Lieutenants	0.0	2.0	n/a
Sergeants	1.0	3.0	(200.0%)
Detectives	6.0	2.5	140.0 %
Deputies	3.0	0.9	233.3%
Patrol Officers	23.0	16.9	36.1%
<b>Total Sworn FTEs</b>	<b>37.0</b>	<b>29.5</b>	<b>25.4%</b>
<b>Non-Sworn</b>			
Chief of Dispatching	1.0	1.0	0.0%
Dispatchers	8.0	8.5 <sup>1</sup>	(5.8%)
Administrative Assistants	4.0	4.0	0.0%
<b>Total Non-Sworn FTEs</b>	<b>13.0</b>	<b>12.5<sup>1</sup></b>	<b>4.0%</b>
<b>Indicators</b>			
Total Residents <sup>3</sup>	76,587	62,998	21.6%
Total Residents per Sworn Employee	2,069.9	2,242.3	(7.7%)
Total Residents per Non-Sworn Employee	5,891.3	4,042.8	45.7%
<b>Total Residents per FTE</b>	<b>1,531.7</b>	<b>1,482.3</b>	<b>3.3%</b>
<b>Jail Staff</b>			
Total Administrators	1.0	0.8	25.0%
Other	3.0	3.5 <sup>2</sup>	(14.3%)
Sergeants, Corrections, & Deputies	30.5	36.6	(16.7%)
<b>Total Jail Staff</b>	<b>34.5</b>	<b>40.0</b>	<b>(13.8%)</b>
Average Daily Inmates	160.7	128.5	25.6%
Average Inmates per Jail Employee (FTE)	4.7	3.2	46.9%
<b>Total Sheriff's Office Employees</b>	<b>84.5</b>	<b>82.0</b>	<b>3.1%</b>

**Source:** Scioto County Sheriff's Office and peer county sheriff's offices.

**Note 1:** Table 4-5 does not reflect Scioto CSO's reduction in employee work hours from 80 to 72 hours each pay period.

**Note 2:** Peer Average includes Auglaize, Crawford, and Miami counties unless otherwise stated within the footnote.

<sup>1</sup> Miami County has a separate dispatch department and did not report its number of staff in dispatch; therefore, it was not included in the peer average.

<sup>2</sup> Crawford County contracts its jail food service operation; therefore, it was not included in the peer average.

<sup>3</sup> 2008 population estimate as reported at [www.census.gov](http://www.census.gov).

As shown in Table 4-5, the Scioto CSO's staffing levels are higher for both sworn and non-sworn staff. However, Scioto CSO serves a greater number of residents per FTE and serves a larger inmate population. As a result, there are no staffing recommendations. The Sheriff noted in his written response to the draft audit report, that his current jail staffing level has been reduced to 33 percent below the staffing levels required to be in compliance with the Ohio Department of Rehabilitation and Corrections Bureau of Audit Detention.

Although the staffing analysis in **Table 4-5** reflects 2008 staffing levels, according to the Sheriff, his office continues to reduce staffing and work hours. By 2010, he calculated that these reductions equated to a staffing reduction of 22 percent. The Sheriff also noted that about 20 percent of his workforce is paid through service agreements with other Scioto County local governments.

### *Operational Statistics*

**Table 4-6** contains a comparative analysis of Scioto CSO and the peers. The analysis is based on crime statistics, which are self-reported by the County and peers to the Federal Bureau of Investigation (FBI). However, Scioto CSO experienced some data transmission failures in reporting its crime statistics to the FBI in selected months and, therefore, its data had to be supplemented with testimonial evidence.

Due to the data source used in this analysis, the data used in **Table 4-6** was not able to be tested. Therefore, auditors cannot attest to its reliability (see **R4.5** for analysis of data accuracy, recording, and collection). Furthermore, because of the self-reported nature of the data, some variance in crime classification and reporting occurs and may affect the reliability of the data.

**Table 4-6: Sheriff's Office Operational Statistical Analysis**

	Scioto	Peer Average	Variance
<b>Operational Statistics</b>			
Total Part 1 Offenses <sup>1</sup>	1,858.0	371.7	399.9%
Total Part 2 Offenses <sup>2</sup>	495.0	1,629.5 <sup>3</sup>	(69.5%)
<b>Total Part 1 and 2 Offenses</b>	<b>2,353.0</b>	<b>2,001.2<sup>3</sup></b>	<b>17.6%</b>
Total Arrests	1,037.0	854.0 <sup>3</sup>	21.4%
Total Number of Calls Dispatched for Service	33,136.0	32,407.0 <sup>5</sup>	2.2%
Total Traffic Citations	352.0	510.5	(31.0%)
<b>Employee (Sworn) Workload Ratios<sup>5</sup></b>			
Part 1 Offenses Per Sworn Employee FTE	61.9	13.6	355.1%
Part 2 Offenses Per Sworn Employee FTE	16.5	55.0 <sup>3</sup>	(70.0%)
Total Crimes Per Sworn Employee FTE	78.4	68.0 <sup>3</sup>	15.3%
Total Arrests Per Sworn Employee FTE	34.6	33.6 <sup>3</sup>	2.9%
Total Traffic Citations Per Sworn Employee FTE	11.7	28.1 <sup>4</sup>	(58.4%)
Total Square Miles	612.3	404.9	51.2%
Total Square Miles Per Sworn Employee	20.4	18.5	10.3%
Total Residents Per Sworn Employee	2,552.9	2,565.7	(0.5%)
<b>Detective Workload Ratios</b>			
Total Cases Investigated	1,881.0	210.0 <sup>3</sup>	795.7%
Total Cases Per Detective FTE	313.5	132.0 <sup>3</sup>	137.5%
Total Crimes Per Detective	392.2	687.3 <sup>3</sup>	(42.9%)
Total Residents Per Detective	12,764.5	33,396.5 <sup>3</sup>	(61.8%)
<b>Dispatch (Non-Sworn) Indicators</b>			
Total Number of Calls Dispatched for Service	33,136.0	38,417.0 <sup>6</sup>	(13.8%)
Total Residents Per Dispatcher	9,573.4	4,855.1 <sup>6</sup>	97.2%
Total Calls Per Dispatcher	4,142.0	4,268.6 <sup>6</sup>	(3.0%)

**Source:** 2008 FBI Uniform Crime Reports, Scioto County and peer counties, and U.S. Census data.

**Note 1:** Peer Average includes Auglaize, Crawford, and Miami counties unless otherwise stated within the footnote.

<sup>1</sup> Includes serious offenses (by nature and/or volume) such as murder, attempted murder, and aggravated assault.

<sup>2</sup> Includes minor offenses such as simple assault.

<sup>3</sup> Includes Auglaize and Miami counties.

<sup>4</sup> Includes Auglaize and Crawford counties.

<sup>5</sup> Ratios to calculate Operational Statistics exclude the Sheriff and Detectives (sworn employees) as identified in **Table 4-5**.

<sup>6</sup> Includes Crawford County only.

As shown in **Table 4-6**, Scioto CSO generally operates with fewer staff and/or greater workloads in its major functional areas. Because Scioto County contains more square miles, each patrol officer covers 9.4 percent more square miles than the peers. In addition, the total criminal offenses and arrests handled per sworn officer are higher than the peer average, though there are fewer minor traffic violations and minor offenses. This indicates that Scioto CSO's sworn staff maintains a higher workload than the peers and, in general, focuses its attention on more time-consuming cases related to more serious crimes.

The Sheriff's Office (non-sworn) dispatch staff received 33,136 total calls during 2008, which was less than the peer average. However, the dispatchers received only slightly fewer calls than the peer average on a per-dispatcher basis. Therefore, the slight variance in workload was deemed insignificant. Based on the staffing analysis in **Table 4-6**, there will be no recommendations for staffing reductions.

The comparison of caseload per detective indicates a substantially higher workload, though the data provided could not be tested or verified. Because of the notable disparity in workload between Scioto County and the peers in this function (58 percent), the Scioto County Sheriff and Commissioners should monitor workload data and benchmark it against the peer averages provided within **Table 4-6** to ensure the long-term effectiveness of this division.

## Recommendations

### *Policies and Procedures*

**R4.1 Scioto CSO should establish formal written guidelines to collect “pay to stay” fees from prisoners. Furthermore, the Sheriff’s Office should become more aggressive in its collection practices in order to recoup unpaid fees. The Sheriff’s Office could implement practices as outlined in ORC § 2929.37(C) and (D) which authorizes contracts with an independent collection agency to collect unpaid fees. Likewise, it could develop an internal collection practice using existing database programs and electronic payment software to help increase collections.**

Scioto CSO has established a “pay to stay” program that assesses a per diem rate to inmates sentenced to jail time in order to recoup the costs of jail operations allowable under ORC § 2929.37.<sup>4</sup> The pay to stay program was initially implemented by County resolution in 2006 with a rate of \$25 per day. The Sheriff’s Office, however, charges \$20 per day in order to increase the likelihood of collection upon a prisoner’s release. According to the Sheriff, there is a substantial balance due because there is not a set process for collection and some prisoners are financially unable to pay.

The Sheriff has tried to develop a formal collection process, but this was not implemented because the Commissioners’ Office determined that the work was too time-consuming and could not be accomplished because of statutory requirements. No details about the proposed collection process or methodology was provided to the auditors. In 2009, the Sheriff’s Office charged approximately \$610,000 to inmates under the pay to stay program but has collected only \$38,000, or approximately 6 percent of the balance.

ORC § 2929.37 (C) states:

“If a prisoner...does not pay the [pay to stay] bill within ninety days, the reimbursement coordinator shall send by mail a notice to the prisoner requesting payment of the expenses as stated in the bill. If the prisoner does not respond to the notice by paying the expenses in full within thirty days of the date the notice was mailed, the reimbursement coordinator shall send by mail a second notice to the prisoner requesting payment of the expenses. If one hundred eighty days elapse from the date that the reimbursement coordinator provides the bill and if the prisoner has not paid the full amount of the expenses pursuant to the bill and the notices, the reimbursement coordinator may notify the clerk of the appropriate court of those facts, and the clerk may issue a certificate of judgment against the prisoner for the balance of the expenses remaining unpaid.”

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<sup>4</sup> According to BSSA, the pay to stay monies are deposited into the General Fund and do not have a restricted use.

Section (D) also explains a collection process that can be implemented within the sheriff's office.

“The reimbursement coordinator may collect any amounts remaining unpaid on an itemized bill and any costs associated with the enforcement of the judgment and may enter into a contract with one or more public agencies or private vendors to collect any amounts remaining unpaid. For enforcing a judgment issued under this section, the reimbursement coordinator may assess an additional poundage fee of two per cent of the amount remaining unpaid and may collect costs associated with the enforcement of the judgment.”

Many sheriffs contract with third-party collections agencies. The Columbiana County Sheriff's Office outsources its pay to stay collections to a collection agency; however, data was not available to measure the success of collection efforts. Additionally, the Scioto County Clerk of Courts has employed a collection agency to collect unpaid fees. (see **court of common pleas** for further information). According to BusinessKnowledgeSource.com, most collection agencies can recover about 75 percent of debts less than 3 months old, but as the length of time increases, the amount recovered decreases. At six months the average collection rate drops to about 50 percent, and after a year only about 30 percent of the debt is likely to be recovered. The collection agency retains a percentage of what it collects, and this rate varies depending on the vendor (often between 25 and 50 percent).

Scioto CSO has three options to increase the collections of its delinquent accounts. First, it could outsource the collection practice to a third-party collection agency, similar to what the Clerk of Courts has done. Second, Scioto CSO could develop a formal internal collection process using an existing database to track accounts and delinquencies. Finally, the Scioto County Courts could collect pay to stay fees along with all other court costs normally imposed during the jail sentencing process. Recouping more of the costs of jail operations through a pay to stay program will lessen the burden on taxpayers to house inmates.

*Financial Implication:* If the Scioto CSO established more rigorous collection guidelines and practices by using an independent agency or developing an internal collection practice, the collection of the unpaid pay to stay fees could increase by at least 10 percent to 16 percent (not including the 6 percent that the Sheriff's Office has already collected). This could result in an additional \$38,000 annually in the recovery of additional pay to stay fees after estimated collection agency fees.

**R4.2 Scioto CSO should establish formal policies and procedures for providing contracted safety services and jail facilities to other government entities. The procedures should include a method by which the Sheriff's Office can determine the actual cost of providing patrol services or jail services that would include salaries and benefits of its staff. By doing so, the Sheriff's Office will meet recommended practices by GFOA and ensure its contracting fees actually represent the cost to the County to provide services.**

Scioto CSO provides safety services under contract to Clay, Green, Nile, Porter, Rush, and Washington townships; the Village of South Webster; the Scioto County Joint Vocational School District, and the Scioto County Department of Job and Family Services. Scioto CSO also provides contracted jail beds for Pike and Lawrence County inmates on a per diem basis. Furthermore, the Sheriff's Office maintains a contract with the Portsmouth Metropolitan Housing Authority and Portsmouth Municipal Court for a uniformed officer on location at specific hours.

The contracts between these government entities and Scioto CSO show detailed costs (such as employee salaries, benefits, overtime, leave, fuel, vehicle maintenance, and vehicle leasing costs) for each level of service. More specifically, it performs analyses on what it actually cost to do business on an annual basis. However, there is no process or policy in place to ensure that the County is effectively recouping all costs associated with providing these contracted services (e.g., road safety patrol, jail beds)<sup>5</sup>. With regard to the jail bed contracts, the Commissioners noted that, in setting its rates, Scioto County has to be competitive with other neighboring counties with similar jail vacancies in order to get the contracts. Therefore, emphasis is solely placed on price competition as opposed to actual cost of doing business.

The Government Finance Officers Association (GFOA) supports the use of charges and fees as a method of financing governmental goods and services. GFOA makes the following recommendations about the charges and fees process.

- A formal policy regarding charges and fees should be adopted. The policy should identify what factors are to be taken into account when pricing goods and services. The policy should state whether the jurisdiction intends to recover the full cost of providing goods and services. It also should set forth the circumstances under which the jurisdiction intends to recover the full cost of providing goods and services. It also should set forth the circumstances under which the jurisdiction might set a charge or fee at more or less than 100 percent of full cost. If the full cost of a good or service is not recovered, then an explanation of the government's rationale for this deviation should be provided. Some

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<sup>5</sup> An analysis of actual jail expenditures per bed was compared to the fees charged to other government entities for jail space and indicated that Scioto County is recouping its costs.

considerations that might influence governmental pricing practices are the need to regulate demand, the desire to subsidize a certain product, administrative concerns such as the cost of collection, and the promotion of other goals. For example, mass transit might be subsidized because of environmental concerns.

- The full cost of providing a service should be calculated in order to provide a basis for setting the charge or fee. Full costs incorporate direct and indirect costs including operations and maintenance, overhead, and charges for the use of capital facilities. Examples of overhead costs include: payroll processing, accounting services, computer usage, and other central administrative services.
- Charges and fees should be reviewed and updated periodically based on factors such as the impact of inflation, other cost increases, the adequacy of the coverage of costs, and current competitive rates.
- Information on charges and fees should be available to the public. This includes the government's policy regarding full cost recovery and information about the amounts of charges and fees, current and proposed, both before and after adoption.

The Scioto CSO is able to maximize efforts for public safety by contracting with other agencies and local governments. However, the Sheriff's Office could further improve its contracting processes by annually making a formal calculation of its costs of doing business. This would help it more accurately price its contracts with other entities that desire Scioto CSO's services.

**R4.3 The Scioto CSO should ensure it uses leading purchasing practices by seeking comparative pricing for fuel and other goods. Scioto CSO should also take steps toward improving its use of volume purchasing by joining a cooperative purchasing program, such as the Ohio Department of Administrative Services (ODAS) state-term contract, to obtain a larger range of volume discounts (see financial systems for further discussion on procurement).**

Although Scioto CSO purchases its vehicles through ODAS, it does not purchase any supplies or materials (fuel, office, or jail supplies) through a cooperative purchasing program. The Scioto CSO's fuel cost for 2008 was \$64,000, or 16 percent of the total road patrol budget. Scioto CSO does not have its own fuel tanks for its road patrol. The fuel is purchased directly from gas stations throughout the County using fuel card agreements with Sunoco and British Petroleum (BP). A fuel card is assigned to each officer and is used as a fuel tracking/purchasing tool. The officer is required to enter the mileage of the vehicle upon each purchase. Purchases are displayed on the fuel use report, which shows the officer's name, vehicle mileage, fuel dispensed, and cost of fuel



per gallon. The invoices also indicate that a rebate is given to Scioto for volume purchases. Finally, a portion of the gasoline used by the Sheriff's Office is tax exempt.

The ODAS Office of State Purchasing uses a bidding process to enter into contracts through which State agencies, local governments, and school districts may purchase goods, such as fuel, at volume discounts. According to the Sheriff, the County purchases its vehicles through this ODAS state-term contract. Scioto County is a member of the ODAS cooperative purchasing program and is able to purchase fuel through the program.

During October and November 2009, the Sheriff's Office achieved better fuel pricing through its Sunoco retailer; however, the usage of the Sunoco retailer was significantly lower than the use of the BP retailer. On average, Sunoco's price per gallon was approximately \$0.02 less than the ODAS average fuel cost for the period. Conversely, BP's price per gallon was \$0.09 more expensive than the ODAS average cost for this same period. During this period, the road patrol purchased over three times more fuel from BP than from Sunoco because of convenience. Therefore, the Sheriff's Office incurred fuel costs above the ODAS average by approximately \$325.58 for these two months alone.

While the County Sheriff's Office does not have its own fuel tanks, the County Engineer's Office has a 20,000 gallon fuel tank which could be shared between the offices. However, the Engineer's Office does not have the technology to support the tracking system needed to monitor fuel usage by the road patrol. The Sheriff also noted that using retail stations is more convenient for the road patrol because the Engineer's fuel tanks are located in Lucasville, 20 miles north of Portsmouth. Though there are technology and locality issues, the Sheriff and Engineer are encouraged to consider means to overcome these obstacles so that cooperative fuel purchasing can be used to maximize the County's purchasing power.<sup>6</sup> At a minimum, the Sheriff should use ODAS weekly fuel reports to ensure that his Office is maximizing savings in fuel costs.

Although the Engineer's Office was determined to be a low-risk entity overall and was excluded from this performance audit, the absence of internal controls such as a card system to track fuel dispensing represents a high risk for theft and abuse. This issue should be examined by the Engineer (see *issue for further study* (see p. 2-5) in the **executive summary**).

By joining a cooperative purchasing program similar to DAS, Scioto CSO could save approximately \$150,000 in supplies and materials, as discussed in the **financial systems** section (see **R2.6**). This includes \$4,000 per year cost savings for the Scioto CSO,

<sup>6</sup> For example, a secondary fuel tank location might be feasible, the Sheriff might be able to work with another local government to share bulk fuel at a more convenient location, and/or additional County agencies might benefit from participating in cooperative fuel purchasing.

assuming a \$0.02 per gallon savings achieved by using the ODAS cooperative purchasing program.

### Grants

**R4.4 The Scioto CSO should develop a formal grant-writing process that designates responsibilities for identifying and applying for external grants. This would help the Sheriff's Office maximize opportunities to obtain funding that can be used to support its initiatives.**

Scioto SCO applies for grants for additional funding; however, there is no formal process or designee beyond the Sheriff to oversee the grant process. The Sheriff's Office received two grants during 2009 for public safety and technology. It applied for a COPS Grant (from the U.S. Department of Justice Office of Community Oriented Policing Services) and a Federal Recovery Act grant for technology but was subsequently denied funding.

Although Scioto CSO applies for grants, it has not pursued grant funding through State sources or other appropriate grants listed by the United States Department of Justice (USDOJ), such as the Federal Nutrition Grant administered by the Ohio Department of Education or the Drug Abuse Resistance Education (DARE) grant administered by the Ohio Attorney General's Office. Several Ohio county sheriff's offices received the DARE grant in 2009, including Allen County (\$26,000), Ashland County (\$18,000), Butler County (\$57,000), Clark County (\$50,000), Clinton County (\$13,000), and Cuyahoga County (\$19,000). In addition, Miami County received a federal nutrition grant (\$52,000) through the Ohio Department of Education for breakfast, lunch, and food commodities purchased for qualified jail inmates.

The USDOJ offers funding opportunities to conduct research, support law enforcement activities in state and local jurisdictions, provide training and technical assistance, and implement programs that improve the criminal justice system. Grant opportunities are listed on the USDOJ web site and include those offered by:<sup>7</sup>

- Bureau of Justice Assistance (BJA);
- Bureau of Justice Statistics (BJS);
- Community Capacity Development Office (CCDO);
- National Criminal Justice Reference Service (NCJRS);
- National Institute of Justice (NIJ);
- Office of Juvenile Justice and Delinquency Prevention (OJJDP);

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<sup>7</sup> <http://www.justice.gov/10grants>

- Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART); and
- Office for Victims of Crime (OVC).

Scioto CSO could benefit from receiving additional grant funding to help supplement its operations and possibly offset its costs or provide additional services to its community.

### *Performance Measures*

**R4.5 Scioto CSO should develop and monitor public safety and corrections-related performance measures. By developing performance measures in conjunction with recommended strategic planning and budgeting processes, the Office can more effectively monitor goal achievement, better allocate scarce resources, and provide regular progress reports to residents. Moreover, the Sheriff should ensure crime statistics are reported annually and transmitted properly to the Federal Bureau of Investigation’s Uniform Crime Reporting System (UCR), and use the information to formulate comparisons of its operations (see financial systems for further assessments on planning and performance measurement).**

Scioto CSO does not formally measure its operational performance or have benchmarks that could be used to determine workload or to make operational decisions. Though it uses self-reported crime statistics, the Sheriff’s Office encountered some transmission errors when sending its crime statistics to the FBI’s UCR in 2007 or 2008 and as a result, this information is incomplete.

Although Scioto CSO tracks various operational expenditures and workload statistics (e.g., incidents, inmate-to-jail-staff ratios, calls for service, crime statistics), it does not use formal performance measures to monitor organizational efficiency and effectiveness.

GFOA indicates that a key responsibility of local governments is to develop and manage programs, services, and their related resources as efficiently and effectively as possible, and to communicate the results of these efforts to internal and external stakeholders. When linked to an organization’s budget and strategic planning process, performance measures can be used to assess accomplishments on an organization-wide basis.

Examples of law enforcement-related performance measures<sup>8</sup> include, but should not be limited to the following:

- Number of incidents per sworn/non-sworn officer, per 1,000 residents, and per jurisdictional square mile;

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<sup>8</sup> *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards* (Ammons, 2001)

- Expenditures per incident;
- Number of dispatched calls per hour/shift, per dispatcher, and per sworn officer;
- Average response time from dispatch to officer arrival (with five minutes or less as a preferred benchmark);
- Number of citizen/employee/inmate grievances or complaints filed; and
- Average time to resolve grievances or complaints.

Without a system of formal performance measurement, the Sheriff's Office cannot effectively monitor the achievement of public safety-related goals and objectives. Moreover, it cannot adequately communicate its expectations in this regard to employees, County Commissioners (particularly during budget deliberations), or the general public. When used in the long-range planning and goal-setting process and linked to the entity's mission, meaningful performance measures can assist government officials and citizens in better controlling financial and program results.

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# Court of Common Pleas

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## Background

This section focuses on the Scioto County Court of Common Pleas (the Court). The purpose of this section is to analyze the operational efficiency of the Court for the purpose of developing recommendations for improvement and identifying opportunities to increase efficiency. The Court's procedures and operations were evaluated against leading practices, industry standards where available, and a peer set of five similar counties<sup>1</sup> and a separate set of peers<sup>2</sup> for each division based on criteria suggested by the Supreme Court of Ohio.

### *Court Structure and Operational Data*

The court of common pleas is the only trial court created by the Ohio Constitution in Article IV, Section 1, of the Constitution. The courts of common pleas in each of the 88 counties in Ohio include the following four divisions, although the structure may be different in each county:

- **General-** Civil and criminal cases; appeals from most administrative agencies;
- **Domestic Relations-** Divorces and dissolutions; support and custody of children;
- **Juvenile-** Offenses involving minors; most paternity actions (the Juvenile Court in Scioto County does not hear paternity cases); and
- **Probate-** Decedents' estates; mental illness; adoptions; and marriage licenses.

Common pleas judges are elected to six-year terms on a nonpartisan ballot. Persons elected or appointed to the court must be an attorney with at least six years of experience in the practice of law.

Scioto County is one of nine counties in Ohio to have the four Common Pleas court divisions structured as follows: General Common Pleas Court, Domestic Relations Court,<sup>3</sup> and a combined Juvenile/Probate Court.

Each division operates with a separate budget and staff. With the exception of an assignment coordinator in the General Common Pleas Division, no staffing, equipment, or other services are shared between the courts. Like other departments in the County, the judges were requested to

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<sup>1</sup> Athens, Belmont, Jefferson, Muskingum and Washington counties.

<sup>2</sup> Clark, Fairfield, and Greene counties for general division, Allen, Mahoning, and Greene counties for domestic relations division, and Geauga, Lawrence, Meigs, Portage, and Wayne counties for probate and juvenile divisions.

<sup>3</sup> A separate Domestic Relations division was established in 1994 under ORC § 2301.02 in response to a steady increase in Domestic Relations cases that were inundating the General Common Pleas Court.

reduce the operating budgets of their respective courts in 2009. One General Division judge, the Domestic Relations Division, and the Juvenile/Probate Division reduced salary expenditures by requiring select employees to take furlough days. The other General Division judge reduced salary expenditures by reducing one full-time bailiff to a part-time position. **Table 5-1** shows total historical expenditures for the Court of Common Pleas.

**Table 5-1: Total Common Pleas Court Historical Expenditures**

	2006	2007	Percent Change	2008	Percent Change	2009	Percent Change
Salaries	\$1,106,140	\$1,174,673	6.2%	\$1,148,781	(2.2%)	\$1,061,686	(7.6%)
Benefits	\$165,876	\$178,681	7.7%	\$187,359	4.9%	\$171,011	(8.7%)
Materials/Supplies	\$36,017	\$38,381	6.6%	\$41,983	9.4%	\$31,741	(24.4%)
Contracted Services	\$34,092	\$43,876	28.7%	\$33,449	(23.8%)	\$38,938	16.4%
Other	\$84,858	\$98,838	16.5%	\$43,817	(55.7%)	\$70,841	61.7%
<b>Total</b>	<b>\$1,426,983</b>	<b>\$1,534,450</b>	<b>7.5%</b>	<b>\$1,458,047</b>	<b>(5.0%)</b>	<b>\$1,374,217</b>	<b>(5.7%)</b>

Source: Scioto County Auditor

As shown in **Table 5-1**, expenditure reduction efforts are reflected in a 5.0 percent decrease in total expenditures in 2008 and an additional 5.7 percent decrease in 2009. Contracted services and other expenditures experienced the greatest percentage declines in spending in 2008, representing \$65,448 in total savings. In 2009, however, both of these line items reversed this trend, primarily due to increases in maintenance and repairs (contracted services) and jury and witness fees (other expenditures). In addition, the 2.2 percent reduction in salaries in 2008 and 7.6 percent reduction in 2009 represented approximately \$26,000 and \$87,000 in savings, respectively.

Within each court division, budgets are completed by each respective judge, with input from the court administrator. Budgets are then approved by the Scioto County Board of County Commissioners (the Commissioners). Although judges in Ohio have the authority to court-order budget amounts if judges and commissioners within a county cannot come to agreement on a final budget, this has not occurred in Scioto County, as all of the Common Pleas judges reported good working relationships with the Commissioners.

**Table 5-2** shows expenditures by Court division and as a percentage of the total for each respective division. Users of this report should note that the financial data is largely drawn from 2008, the last complete fiscal year available at the time of the audit. Reductions made by County offices in 2009 to address the County's deficit may not be reflected in this data. Information on cost reduction strategies that have been used in the County is discussed in **financial systems** and **human resources**. When cost reduction strategies included the use of furlough days and reductions in hours, this information has been included in the corresponding report section staffing data.



**Table 5-2: Total Common Pleas Expenditures by Division (2008)**

	General		Domestic Relations		Juvenile		Probate	
	Expenditures	Percent of Total	Expenditures	Percent of Total	Expenditures	Percent of Total	Expenditures	Percent of Total
Salaries	\$432,054	74.9%	\$ 268,889	83.4%	\$306,165	81.5%	\$141,673	77.5%
Benefits <sup>1</sup>	\$75,099	13.0%	\$42,524	13.2%	\$46,686	12.4%	\$23,050	12.6%
Materials/Supplies	\$11,254	2.0%	\$4,241	1.3%	\$11,041	2.9%	\$15,446	8.4%
Contracted Services	\$6,070	1.1%	\$4,700	1.5%	\$6,609	1.8%	\$479	0.3%
Other	\$36,942	6.4%	\$2,396	0.7%	\$3,482	0.9%	\$821	0.4%
<b>Total</b>	<b>\$577,011</b>	<b>100.0%</b>	<b>\$322,244</b>	<b>100.0%</b>	<b>\$375,877</b>	<b>100.0%</b>	<b>\$182,916</b>	<b>100.0%</b>

Source: Scioto County Auditor

<sup>1</sup> Health care for all General Fund employees is paid from the County Commissioners' budget

As shown in **Table 5-2**, all Common Pleas divisions had similar expenditure by proportion in 2008. Although the General Division allocated the lowest level of expenditures for salaries (74.9 percent) this was primarily due to an increase in the proportion of other expenditures (6.4 percent). Among the other expenditures that increased as a percent of total expenditures jury fees and transcripts when compared to the other divisions.

The Common Pleas General Division within Scioto County is unique from most other general Common Pleas courts throughout the State in that the Court budget is separated between the two courts (judges). Of the eight Common Pleas general divisions used as peers, none reported using separate budgets for each judge. This budget structure was introduced in 2007 in an attempt ensure that each court has greater accountability over its funds. **Table 5-3** displays expenditure data for each court division in total and in relation to new filings.

**Table 5-3: General Common Pleas Expenditures (2008)**

	Judge A		Judge B		Total	
	Expenditures	Percent of Total	Expenditures	Percent of Total	\$	Percent
Salaries	\$213,772	74.4%	\$218,283	75.4%	\$432,054	74.9%
Benefits	\$36,913	12.8%	\$38,187	13.2%	\$75,099	13.0%
Materials/Supplies	\$5,699	2.0%	\$5,556	1.9%	\$11,254	2.0%
Contracted Services	\$9,708	0.6%	\$11,953	1.5%	\$21,661	1.1%
Other	\$21,357	7.4%	\$15,585	5.4%	\$36,942	6.4%
Total	\$287,448	100.0%	\$289,563	100.0%	\$577,011	100.0%
<b>Expenditures Per New Filing</b>		<b>\$296.95</b>		<b>\$263.48</b>		<b>\$279.15</b>

Source: Scioto County Auditor and Supreme Court of Ohio data

As seen in **Table 5-3**, Judge A's court expended approximately 12.7 percent more per new filing than Judge B's court. It should be noted that this difference was mainly due to the number of

new filings, not a different expenditure structure, as the two court's 2008 expenditures were almost identical. New filings and terminations can fluctuate significantly between courts on an annual basis because of case type and duration, among other factors.

**Table 5-4** compares staffing levels for each Common Pleas courtroom within the General Division. Staffing levels are shown as full-time equivalents (FTEs), as defined by the respective judges and courts.

**Table 5-4: General Common Pleas Staffing (2008)**

New Filings	Judge A		Judge B		Difference	
	FTEs	New Filings per FTE	FTEs	New Filings per FTE	FTEs	New Filings per FTE
		968		1,099		(131)
Administrator	1.0	968.0	1.0	1,099.0	0.0	(131.0)
Bailiff	2.6	372.3	1.6	686.9	1.0	(314.6)
Court Reporter	1.0	968.0	1.0	1,099.0	0.0	(131.0)
Administrative Assistant	0.0	0.0	1.0	1,099.0	(1.0)	(1,099.0)
Assignment Commissioner	0.5	484.0	0.5	484.0	0.0	0.0
<b>Total<sup>1</sup></b>	<b>5.1</b>	<b>189.8</b>	<b>5.1</b>	<b>215.5</b>	<b>0.0</b>	<b>(25.7)</b>

**Source:** Court personnel interviews

<sup>1</sup> Excludes probation employees, as this is a self-supporting function.

As shown in **Table 5-4**, employees in Judge B's court had approximately 26 more new filings per FTE than Judge A's court. However, as stated before, new case filings fluctuate significantly between courts on an annual basis. **Table 5-4** also shows the slight variation in staff structure between the two courts. Judge A's staff contains an additional bailiff FTE, while Judge B's staff includes one FTE administrative assistant. One of the Common Pleas judges also noted that the structure of the County's courthouse and other factors had influenced the manner in which the judges staff their offices.

**Table 5-5** shows staffing levels for each Common Pleas division. In addition, new filings per FTE, reflecting relative workload, are shown for each staffing classification.

**Table 5-5: Total Common Pleas Staffing per New Filing**

	General		Domestic Relations		Juvenile		Probate		Total	
	FTEs	New Filing/ FTE	FTEs	New Filing/ FTE	FTEs	New Filing/ FTE	FTEs	New Filing/ FTE	FTEs	New Filing/ FTE
New Filings	2,067		1,173		1,284		735		5,259	
Judge	2.0	1,033.5	1.0	1,173.0	1.0	1,284.0	0.0	0.0	4.0	1,314.8
Magistrate	0.0	0.0	1.0	1,173.5	0.0	0.0	1.0	735.0	2.0	2,629.5
Administrator	2.0	1,033.5	0.5	2,346.0	0.5	2,568.0	0.5	1,470.0	3.5	1,502.6
Bailiff	4.2	492.1	2.0	586.5	2.0	642.0	0.0	0.0	8.2	641.3
Court Reporter	2.0	1,033.5	0.4	2,932.5	0.0	0.0	0.0	0.0	2.4	2,191.3
Administrative Assistant	1.0	2,067.0	1.6	733.1	0.0	0.0	0.0	0.0	2.6	2,022.7
Assignment Commissioner	1.0	2,067.0	0.5	2,346.0	0.5	2,568.0	0.5	1,470.0	2.5	2,103.6
Probation Officer	9.5	217.6	0.0	0.0	4.7	273.2	0.0	0.0	14.2	370.3
Work Option Coordinator	0.0	0.0	0.0	0.0	1.0	1,284.0	0.0	0.0	1.0	1,284.0
Clerk	0.0	0.0	0.0	0.0	3.8	342.4	3.0	245.0	6.8	773.4
Grant Coordinator	0.0	0.0	0.0	0.0	0.8	1,605.0	0.0	0.0	0.8	6,573.8
<b>Total</b>	<b>21.7</b>	<b>95.2</b>	<b>7.0</b>	<b>167.6</b>	<b>14.3</b>	<b>89.8</b>	<b>5.0</b>	<b>147.0</b>	<b>48.0</b>	<b>109.6</b>

**Source:** Scioto County Court of Common Pleas judges and administrators

**Note:** In written comments to the audit, the Juvenile Court Judge noted that the probate and juvenile divisions should be considered as one division as they operate in this manner. The Judge attributes this variation to the manner in which the County Auditor records certain data. The records provided to auditors by the Court also reflected the Juvenile Court and Probate Courts as distinct entities and, therefore, they are illustrated in this fashion throughout this report section.

As shown in **Table 5-5**, Scioto County Common Pleas Court employees, on average, handled approximately 109 new filings per employee in 2008. Among the divisions, though, there is a wide disparity in new case filings per FTE, from a low of 89.8 in the Juvenile Division to a high of 167.6 in the Domestic Relations Division. Also displayed is the varying deployment of staffing within each division. For example, the General and Domestic Relations divisions employed 2.4 FTE court reporters, reflecting a lower level of technology in these two divisions. It should be noted that the Juvenile and Probate divisions are responsible for their own clerk functions (the other divisions use the County Clerk of Courts), resulting in higher overall staffing levels.

### *Peer Comparison*

**Table 5-6** compares 2008 expenditure data for Scioto County and the average of the similar county peers. Expenditures are shown on a per new case filing basis and are displayed for each major expenditure line item.

**Table 5-6: Total Common Pleas Expenditures per New Filing**

	Scioto County	Peer Average <sup>2</sup>	Percent Difference
<b>Total New Filings</b>	5,259	4,193	25.4%
Salary and Wages	\$218.44	\$143.13	52.6%
Fringe Benefits	\$35.63 <sup>1</sup>	\$46.85	(24.0%)
Materials and Supplies	\$7.98	\$5.34	49.6%
Contractual Services	\$6.36	\$43.31	(85.3%)
Other	\$8.33	\$9.47	(12.1%)
<b>Total</b>	<b>\$277.25</b>	<b>\$248.10</b>	<b>11.7%</b>

**Source:** Scioto County Auditor, AOS Financial Audits, and the Supreme Court of Ohio data

<sup>1</sup> Does not include health care payments

<sup>2</sup> Washington County did not provide expenditure information, so it is not included in the peer average.

As shown in **Table 5-6**, Scioto County spent almost 12 percent more per new case filing than the peer average. The primary driver of the higher costs was expenditures for salary and wages. In 2008, Scioto County paid \$75.31 more in salaries for each new filing in comparison with the peer average, signifying higher salaries and/or higher staffing (see **R5.4** and **R5.5**). In addition, this figure does not include health insurance benefits as the County does not account for insurance benefits by department or office, instead aggregating the cost under the Commissioners' Office.

It should be noted that the Court's initial cost-saving efforts are evident by its contracted services expenditures being 85.3 percent lower than the peer average in 2008. In 2008, the courts made a concerted effort to reduce maintenance and repairs expenditures which was the primary driver of contracted services expenditures. As reflected in **Table 5-1**, Scioto County has decreased expenditures in this line item by approximately 50 percent since 2006.

**Table 5-7** through **Table 5-10** show key statistics for each of the court divisions in comparison with the similar county averages and the peers selected using criteria from the Supreme Court of Ohio. Probation employees are not included in the key statistics comparison as the fees generated by this function enable it to be self-supporting.

**Table 5-7: General Division- Key Statistics Comparison**

	Scioto	Similar County Peer Average <sup>1</sup>	% Difference	Supreme Court Peer Average <sup>2</sup>	% Difference
Population	79,195	70,846	11.8%	138,462	(42.8%)
Judges/Magistrates	2.0	2.8	(28.6%)	2.3	(13.0%)
FTEs	10.2	6.5	56.9%	8.7	17.2%
New Filings	2,067	1,776	16.4%	2,578	(19.8%)
• Per 1,000 Population	26.1	25.8	1.0%	18.6	40.2%
• Per Judge	1,033.5	638.2	61.9%	859.9	20.2%
• Per Court FTE	202.6	271.9	(25.5%)	352.3	(42.5%)
Expenditures Per New Filing	\$279.15	\$349.18	(20.1%)	\$470.70	(40.7%)

Source: Scioto County Auditor, AOS Financial Audits, and the Supreme Court of Ohio data

<sup>1</sup> Athens, Belmont, Jefferson, Muskingum and Washington counties

<sup>2</sup> Clark, Fairfield, and Greene counties

As shown in **Table 5-7**, the General Division spent approximately 20 percent less than the similar county peer average and approximately 41 percent less than the Supreme Court of Ohio peer average. This is because all but one of the similar peer counties and all three of the Supreme Court peer counties also employed magistrates while Scioto County did not. Despite spending significantly less per new filing and absorbing a higher number of new filings per 1,000 residents and per judge, the General Division had fewer new filings per FTE than both peer averages (25.4 percent fewer than the similar counties and 42.5 percent fewer than the Supreme Court peers). This reflects the higher level of operational staff in Scioto County, which the judges attribute, in part, to the courtroom arrangements within the Scioto County courthouse (see **R5.4**).

**Table 5-8** displays a similar comparison of Domestic Relations Divisions.

**Table 5-8: Domestic Relations Division- Key Statistics Comparison**

	Scioto	Similar County Peer Average <sup>1</sup>	% Difference	Supreme Court Peer Average <sup>2</sup>	% Difference
Judges/Magistrates	2.0	2.0	0.0%	2.8	(28.6%)
FTEs	4.0	8.6	(53.5%)	6.9	(42.0%)
New Filings	1,173.0	3,103.0	(62.2%)	1,606.7	(27.0%)
• Per 1,000 Population	14.8	36.7	(59.7%)	10.4	42.3%
• Per Judge	586.5	1,551.5	(62.2%)	829.6	(29.3%)
• Per Court FTE	293.3	360.8	(18.7%)	333.3	(12.0%)
Expenditures Per New Filing	\$274.70	\$204.60	34.2%	\$551.20	(50.2%)

Source: Supreme Court of Ohio and court administrators

<sup>1</sup> Represents only Muskingum County, as this was the only similar county peer that had a Domestic Relations division.

<sup>2</sup> Includes Allen, Mahoning, and Greene counties

**Table 5-8** shows that the Domestic Relations Division compared favorably with the peer averages, with the exception of expenditures per new filing. In this case, Scioto County should consider comparing its Domestic Relations Division's functions to the Supreme Court peers as four of the similar counties did not have a separate domestic relations division.

**Table 5-9** displays the Juvenile Division analysis.

**Table 5-9: Juvenile Division- Key Statistics Comparison**

	Scioto	Similar County Peer Average <sup>1</sup>	% Difference	Supreme Court Peer Average <sup>2</sup>	% Difference
Judges/Magistrates	1.0	1.3	(23.1%)	1.3	(23.1%)
FTEs	7.6	8.9	22.5%	6.8	11.8%
New Filings	1,284	1,993	(35.6%)	2,043	(37.2%)
• Per 1,000 Population	16.2	28.0	(42.1%)	30.6	(47.1%)
• Per Judge	1284.0	1811.1	(29.1%)	1,501.0	(14.5%)
• Per Court FTE	170.1	241.4	(29.5%)	384.5	(55.8%)
Expenditures Per New Filing	\$292.74	\$291.88	(0.3%)	\$331.15	(11.6%)

Source: Supreme Court of Ohio and court administrators

<sup>1</sup> Includes Athens, Belmont, Jefferson, Muskingum and Washington counties

<sup>2</sup> Includes Geauga, Lawrence, Meigs, Portage, and Wayne counties

As **Table 5-9** shows, Scioto County had 29.5 percent fewer new case filings per court FTE in its Juvenile Division when compared to the similar county peer average. The County, however, spent an almost identical amount for each new case filed. Though the cost per new filing is proportional, higher staffing levels result in total new filings per FTE that were significantly lower than the similar county peer average. Results were similar when compared with the Supreme Court peer average. Although Scioto County's expenditures per new filing were in line with the similar county average and 11.6 percent below the Supreme Court average, the County's new filings per FTE were significantly lower than both peer groups signifying a staff imbalance (**R5.5**).

Based on comments provided by the Juvenile Court Judge, auditors examined the use and impact of youth offender diversion programs, which are common in Ohio. Diversion programs seek to "divert" first-time and non-serious youth offenders from the court process and into county programs. These programs are typically operated by the probation departments of the juvenile courts. According to the Juvenile Court Judge, Scioto County diverted 243 juvenile cases to its diversion program in 2009. All but one of the peer counties also operated diversion programs which, in 2009, diverted between 70 and 200 cases depending on the peer.

**Table 5-10** displays the statistical analysis of the Probate Division.

**Table 5-10: Probate Division- Key Statistics Comparison**

	Scioto	Similar County Peer Average <sup>1</sup>	% Difference	Supreme Court Peer Average <sup>2</sup>	% Difference
Judges/Magistrates	1.0	0.9	11.1%	1.3	(23.1%)
FTEs	4.0	4.3	(6.9%)	6.5	(38.5%)
New Filings	735.0	612.8	19.9%	559.0	31.5%
• Per 1,000 Population	9.3	8.7	6.9%	6.2	50.0%
• Per Judge	735.0	842.0	(12.7%)	390.0	88.5%
• Per Court FTE	183.8	143.2	28.3%	86.0	113.7%
Expenditures Per New Filing	\$248.86	\$351.51	(29.2%)	\$499.42	(50.2%)

Source: Supreme Court of Ohio and court administrators

<sup>1</sup> Includes Athens, Belmont, Jefferson, Muskingum and Washington counties

<sup>2</sup> Includes Geauga, Lawrence, Meigs, Portage, and Wayne counties

As shown in **Table 5-10**, the Probate Division's expenditures per new filing were significantly below both peer averages in 2008. In addition, Scioto County had 28.3 percent more new cases filed per FTE than the similar county peer average and 113.7 percent more than the Supreme Court peer average, reflecting efficient staffing levels.

### *Collections*

Scioto County was unable to determine the total outstanding funds owed as a result of court fines and costs assessed to General Division offenders. Therefore, annual assessed fines and fees, collection rates, and delinquency rates cannot be determined. The County cited the outdated software used by the Clerk of Courts and the General Division as primary reason administrators could not identify the fines and fees levied or the debt owed to the county. In 2008, the new Clerk of Courts contracted with a third-party private collection agency to which her agency has assigned approximately \$4.3 million in delinquent debts. However, the Clerk was not able to provide information on the origin of these debts and how long they have been outstanding. Therefore, auditors could not conduct basic assessments about the Court's level of self-sufficiency or its rate of collections. Not being able to effectively track delinquent accounts, coupled with the lack of formal collection program has left the County unable to determine total funds owed, or even an indication of what level of additional funds an effective collection program could garner. See **R5.6** through **R5.9** for further analysis.

## Recommendations

### *Court Structure*

**R5.1 In conjunction with the staffing changes outlined in R5.3 and R5.4, the Court should consolidate operations of the General Common Pleas Division in all areas including budgeting and staffing. At a minimum, the Court and County Auditor should consolidate the budget to form one division-wide budget. In addition, the Court should merge each judge's staff to form one uniform staff. Lastly, both courts should share equipment, supplies and services. Duplicating staff and resources for each judge places an undue financial burden on the County.**

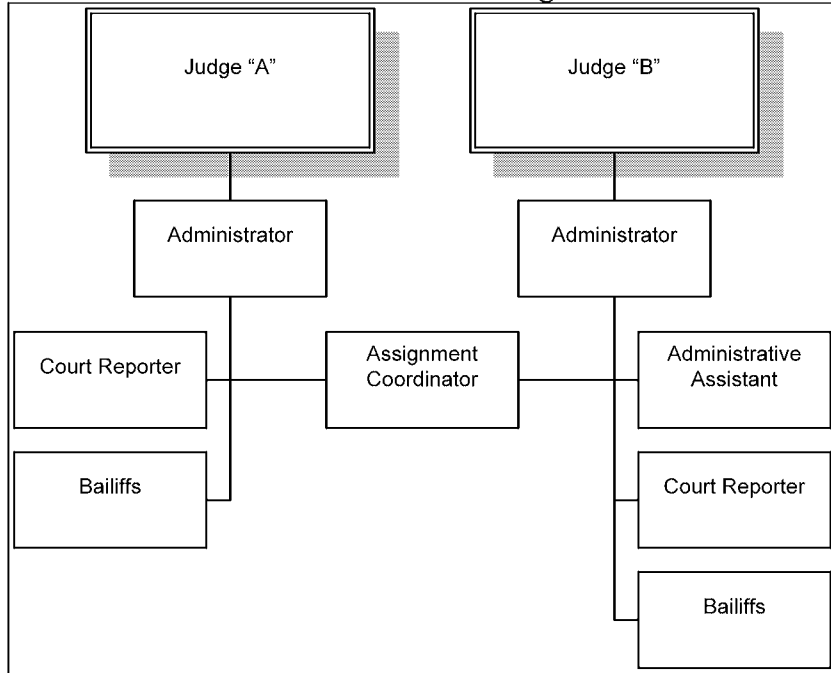
Scioto County's General Division operates as two separate courts. Each judge has his own staff, equipment and supplies. Beginning in 2007, the General Division budget was split between the two courts, resulting in each judge having his own operating budget. Despite the close proximity of operations, the courts share only one employee—an assignment coordinator. No other services or personnel, such as court reporting, bailiff and administrative duties are shared between the two courts. In comments to the final report, one of the judges questioned the cost savings that might be achieved by merging the budgets and staff.

The dual budget structure used by Scioto County is unique in that none of the similar county peer courts employed separate budgets for judges within the same division. The peers conduct budgeting on a division-wide basis. Though it is common for judges, particularly in larger counties, to have their own staffs independent of each court within the division, Scioto County may have to implement additional efficiencies to resolve its financial deficit. In consolidating General Division staff, Scioto County should consider the common pleas structure of Hamilton County (Ohio). Hamilton County has structured its general Common Pleas Division so that a single court administrator serves as the administrator for the county's 16 general Common Pleas judges. In addition, five of the eight general Common Pleas peer courts had 1 FTE or less dedicated to the administrator function.

**Chart 5-1** displays the current organizational structure of the General Division.



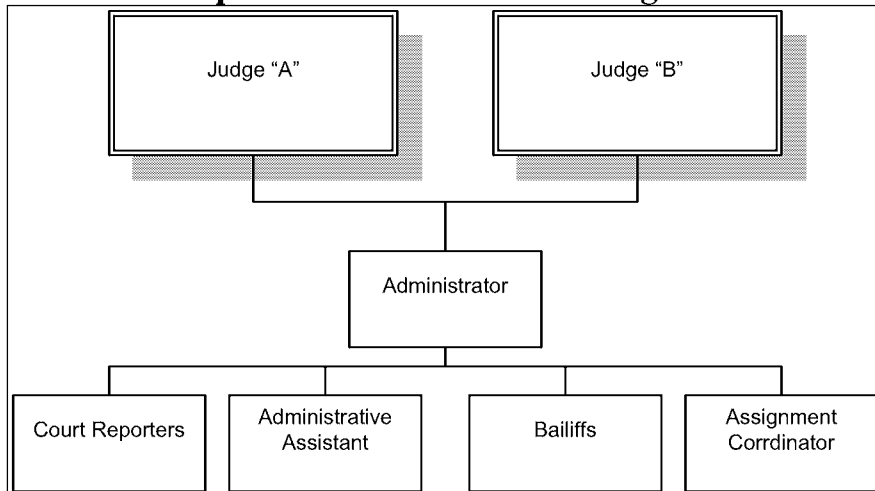
**Chart 5-1: General Division Organization Chart**



Source: Interviews with court personnel

As **Chart 5-1** displays, the structure of the General Division reflects several duplicate duties. Due to its staffing structure, Scioto County operates less efficiently, as it is bypassing opportunities to share staff, equipment, supplies, and office space. Scioto County could take advantage of economies of scale, particularly in staffing, by merging operational staffs, in a manner similar to that presented in **Chart 5-2**.

**Chart 5-2: Proposed General Division Organization Chart**



Source: AOS

As shown in **Chart 5-2**, a uniform General Division staff could operate with one administrator. This staffing structure would mirror that of Hamilton County and would align Scioto County more closely with the peer counties. It should be noted that although certain positions like court reporter and bailiff may be permanently assigned to a specific judge, being under the supervision of a unified administrator allows their time to be used more strategically. Staffing reductions outlined in **R5.3** and **R5.4** should be considered and applied independent of this consolidation.

**R5.2 The Court should consult with the Supreme Court of Ohio and consider establishing a family court by integrating Domestic Relations Division operations with the Juvenile/Probate Division. When establishing the family court, the Court should eliminate duplicate staff, equipment, and facilities. Before changing operations, the Court should ensure that this court structure would align with the goals and mission of the courts.**

**In his written response to the draft audit report, the Juvenile Court Judge disagreed with this recommendation.**

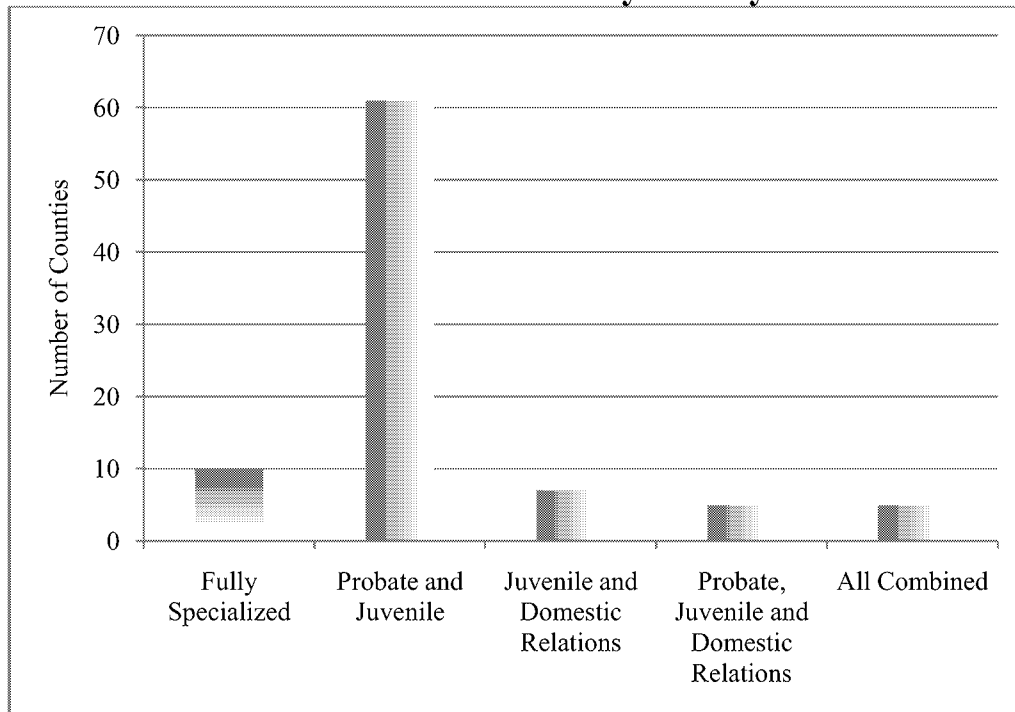
Pursuant to ORC § 2301.02, Scioto County is statutorily mandated to have three common pleas judges, including one for a domestic relations court division. In 1994, response to a large number of domestic relations cases, the Supreme Court of Ohio recommended a revised court structure in Scioto County, and the General Assembly established a separate domestic relations court for it, which began operations in 1995.

Common pleas courts within Ohio generally follow one of five structures:

- A fully specialized structure where all jurisdictions are held in separate courts;
- A family court jurisdiction that includes probate and juvenile;
- A family court structure that includes juvenile and domestic relations;
- An all-encompassing family court that includes domestic relations, probate and juvenile jurisdictions; and
- All jurisdictions combined into one court.

**Chart 5-3** shows how these court structures vary by county throughout Ohio.

**Chart 5-3: Court Structure by County - Ohio**



Source: Supreme Court of Ohio

As shown in **Chart 5-3**, a majority of Ohio counties operate with a probate and juvenile division in addition to a general division. Five counties (primarily very rural) operate with one court division that includes the family court jurisdiction. In contrast, ten counties (mostly urban) operate with four separate divisions with each family court jurisdiction having its own division. Since 1995, Scioto County’s court structure has operated as follows: the two-judge General Common Pleas Division, the Domestic Relations Court Division, and the Probate and Juvenile Court Division with one judge. As shown in **Chart 5-3**, six other Ohio counties have a court structure similar to Scioto County.

As shown in **Chart 5-3**, five counties within the State have established all-encompassing family courts that consist of the probate, domestic relations, and juvenile jurisdictions. These counties are Lorain<sup>4</sup>, Marion, Logan, Champaign, and Auglaize. The benefits of a family court structure such as this are two-fold. Besides the obvious social aspects such as “one-judge, one-family” systems, establishing a family court can result in economical and operational efficiencies. According to the Supreme Court of Ohio (*Children, Families, and the Courts*, Hurst IV, 2009), the establishment of a family court can conserve time and effort and enable courts to share services and support staff rather than

<sup>4</sup> In 2009, family court legislation was reversed and Lorain returned to its previous court structure.

duplicating them. Although the overarching goal of the consolidated family court was socially driven, economic considerations were also factors in at least two of the Ohio counties that have recently established family courts. Court leaders in Marion County cited the consolidation of all the family court record-keeping responsibilities under the elected clerk of courts and advancing a new computer system to support operations on a compatible platform as reasons for a change in court structure (Hurst IV, 2009). Similarly, Morrow County cited the ability to conserve costly facility resources and reduce the need for additional staff positions such as separate court administrators, assignment commissioners, and head clerk positions (Hurst IV, 2009).

Although it is not a quick process, the establishment of an all-encompassing family court may allow Scioto County to take advantage of additional efficiencies by having all three family court jurisdictions in one all-encompassing court. Modifying the structure of the courts would require a legislative change. Changes that have taken place in other Ohio counties have come about after close consultation between the Supreme Court of Ohio and local court and county officials. Before changing the structure of its courts, Scioto County should ensure that the new court structure would be beneficial from a social framework and determine any startup costs to ensure feasibility.

### *Staffing*

**R5.3 The judge for each respective court division should develop a formal staffing plan to address current and future staffing needs. The staffing plan should contain staffing benchmarks similar to those presented in Table 5-7 through 5-10 or other workload measures developed by the judges. The staffing plan should be revisited on an annual basis and updated to reflect the latest trends in case filings as well as the changes to organizational structure mentioned in R5.2.**

None of the four court divisions use a formal staffing plan or employ staffing benchmarks to determine efficient staffing levels. Staffing levels are set by the judge of each respective court division and are primarily based on historical operations. Staffing changes have occurred because of increases in case filings and fluctuations in the condition of the County. In his written comments on the draft audit report, the Juvenile Court Judge noted he uses a staffing plan but none was provided by the Court throughout audit work or as an attachment to the written comments.

According to *Strategic Staffing Plans* (SHRM, June 2002), high performing organizations use plans and systems to monitor and control the costs of engaging human capital. A strategic staffing plan forms an infrastructure to support effective decision-making in an organization. In addition, *Estimating Future Staffing Levels* (SHRM, 2006) maintains that the most important question for any organization is what type of workforce it will need in order to successfully implement its business strategy. Once this question is answered, the

organization must focus on recruiting, developing, motivating, and retaining the number and mix of employees that will be required at each point in time.

Without a formal staffing plan for each division, the courts may be operating with excessive or inefficient staffing levels. Creating and periodically updating a staffing and recruitment plan will allow all the court divisions to tailor staffing levels to changes in factors such as laws, crime trends, workload, and demographic and economic shifts. Furthermore, as shown in **Table 5-5**, similar classifications maintain different workloads in each court. For instance, the bailiff's in the General Common Plea court handles fewer filings than the bailiffs in Domestic and Juvenile courts. By establishing a staffing plan, the staff could benchmark against similar classifications within its own courts and identify possible opportunities to share resources across courts. Without an effective staffing plan, court administrators may not be in optimal position to identify trends in these areas and change staffing levels accordingly.

**R5.4 The Common Pleas Court General Division should consider reducing its staff to a level commensurate with the Supreme Court peers. In order to achieve this staffing level, the Court would need to eliminate 5.5 FTEs. However, the Court should first consider the impact that a reduction in force has on the safety of its personnel.**

As shown in **Table 5-7**, Scioto County had a significantly lower number of new filings per General Division FTE in 2008 than both the similar county and Supreme Court peer averages, signifying the possibility of excessive staffing. **Table 5-11** displays a more in-depth analysis of new filings per FTE, displaying this ratio according to each staffing classification.

**Table 5-11: General Division - New Filings per FTE**

	Scioto	Similar County Peer Average	Percentage Difference	Supreme Court Peer Average	Percentage Difference
Judge/Magistrate	1,033.5	638.2	61.9%	859.9	20.2%
Administrator	1,033.5	1,023.8	0.9%	5,255.5	(80.3%)
Bailiff	492.1	1,206.1	(59.2%)	1,808.0	(72.8%)
Court Reporter	1,033.5	774.0	33.5%	1,662.5	(37.8%)
Administrative Assistant	2,067.0	1,368.4	51.1%	1,785.0	15.8%
Assignment Commissioner	2,067.0	1,072.9	92.7%	486.8	324.6%
Law Clerk	N/A	805.2	N/A	747.0	N/A
Other	N/A	276.6	N/A	1,604.4	N/A
<b>New Filings per FTE</b>	<b>169.4</b>	<b>190.3</b>	<b>(11.0%)</b>	<b>245.2</b>	<b>(30.9%)</b>
<b>New Filings per Operational FTE<sup>1</sup></b>	<b>202.6</b>	<b>271.9</b>	<b>(25.5%)</b>	<b>352.3</b>	<b>(42.5%)</b>

Source:

<sup>1</sup> Total staff less judge and magistrates

As shown in **Table 5-11**, Scioto County General Common Pleas Court staff had new filings per FTE ratio that was 11.0 percent and 30.9 percent lower than the similar county and Supreme Court peers respectively in 2008. When just court operational staff is considered (no judges or magistrates), Scioto County's ratio was even lower. Specifically, Scioto County had approximately 203 new case filings per operational FTE, 25.5 percent lower than the similar peer average and 42.5 percent lower than the Supreme Court peer average.

When examining the similar county peer variance, the difference can be traced to the bailiff classification. In 2008, Scioto County had 492 new case filings for each bailiff, 59.2 percent lower than the peer average. In comparison with the Supreme Court peer average, Scioto County was also overstaffed in the administrator and court reporter positions, in addition to the bailiff classification. Depending on caseload levels, some counties have magistrates who hear cases, in addition to common pleas judges. Those counties with magistrates would, in all likelihood, need additional support staff in order to reflect the effect of additional judges or magistrates. According to one Scioto County judge, all of the court reporters are needed in both courtrooms to handle exhibits and insure an accurate record of the proceedings. **Table 5-12** displays the span of control in relation to the number of judges and magistrates for each general division court.

**Table 5-12: General Division - FTEs per Judge/Magistrate**

	Scioto	Similar County Peer Average	Difference	Supreme Court Peer Average	Difference
<b>Total Judges &amp; Magistrates</b>	<b>2.0</b>	<b>2.8</b>	<b>(0.8)</b>	<b>3.0</b>	<b>(1.0)</b>
Administrator	1.0	0.4	0.6	0.2	0.8
Assignment Commissioner	0.5	0.2	0.3	0.9	(0.4)
Administrative Assistant	0.5	0.7	(0.2)	0.2	0.3
Bailiff	2.1	0.8	1.3	0.6	1.5
Court Reporter	1.0	0.1	0.9	0.5	0.5
Clerk	-	0.0	N/A	0.1	N/A
Other	-	0.1	N/A	0.2	N/A
<b>Total FTEs per Judge/Magistrate</b>	<b>5.1</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>	<b>3.3</b>

Source: Interviews with court personnel

Scioto County's larger General Division staff in relation to both peer sets is clearly illustrated in **Table 5-12**. Overall, Scioto County had approximately 5 FTEs for each judge, compared with the similar county peer average of 2.5 FTEs and the Supreme Court peer average of 2.8. In comparison with the peers, Scioto County's staff size is equivalent to that found in counties with three judges or magistrates, instead of the two representing Scioto County's General Division. In order to operate with an efficient staff size (based

on new filings per employee and span of control), Scioto County should reduce the staffing levels in its General Division. **Table 5-13** displays areas where Scioto County should consider reducing staff and the operating ratios of the resulting staffing levels.

**Table 5-13: Recommended General Division Staffing Reductions**

	Similar County Peers			Supreme Court Peers		
	Staff needed to equal peer average	Change in Staffing	Recommended Reductions <sup>1</sup>	Staff needed to equal peer average	Change in Staffing	Recommended Reductions <sup>1</sup>
Administrator				0.4	(1.6)	1.5
Bailiff	1.7	(2.5)	2.5	1.1	(3.1)	3.0
Court Reporter				1.2	(0.8)	1.0
Total Reductions			2.5			5.5
<b>New Filings per Operational FTE<sup>1</sup> After Reductions</b>				<b>268.4</b>	<b>397.5</b>	
<b>Total FTEs per Judge/Magistrate After Reductions</b>				<b>3.9</b>	<b>2.6</b>	

Source: AOS

<sup>1</sup>Rounded to 0.5 FTE for each classification

As shown in **Table 5-13**, a reduction of 1.5 administrators, 3.0 bailiffs, and 1.0 FTE court reporters would result in Scioto County being in line with the Supreme Court average in terms of new filings per FTE. A reduction of 5.0 FTEs would result in higher new filings per FTE ratio (12.8 percent higher) and comparable FTEs to judge/magistrate ratio. It should be noted, however, that technology capabilities vary widely between counties and the General Division of Scioto County has significant technology deficiencies (see **R5.10** and **R5.11**) that could hamper its ability to operate at staffing levels suggested in **Table 5-13**.

*Financial Implication:* Using the lowest salary of each classification, the reduction of 5.5 FTEs would result in savings of approximately \$349,000 in salaries and benefits.

**R5.5 The Common Pleas Court Juvenile Division should consider reducing its staffing to a level commensurate with the Supreme Court peer average. The Court could achieve this staffing level by eliminating 2.0 FTEs. However, the Court should first consider the impact that a reduction in force has on the safety of its personnel.**

As shown in **Table 5-9**, the Scioto County Juvenile Division total staff size was higher than the Supreme Court peer average despite having approximately 35 percent fewer new filings. A similar staffing level coupled with significantly fewer filings is indicative of excessive staffing levels. **Table 5-14** displays a more in-depth analysis of new filings per FTE for each staffing classification.

**Table 5-14: Juvenile Division New Filings per FTE**

	Scioto	Similar County Peer Average	Percentage Difference	Supreme Court Peer Average	Percentage Difference
Judge/Magistrate	1,284.0	1,811.1	(29.1%)	1,502.9	(14.6%)
Administrator	2,568.0	2,836.3	(9.5%)	4,253.8	(39.6%)
Bailiff	642.0	424.6	51.2%	784.4	(18.2%)
Assignment Commissioner	2,568.0	N/A	N/A	2,557.0	0.4%
Clerk	342.4	380.3	(10.0%)	566.4	(39.5%)
Other	713.3	983.5	(27.5%)	1,500.7	(52.5%)
<b>New Filings per FTE</b>	<b>150.2</b>	<b>202.2</b>	<b>(25.7%)</b>	<b>239.7</b>	<b>(37.3%)</b>
<b>New Filings per Operational FTE<sup>1</sup></b>	<b>170.1</b>	<b>241.4</b>	<b>(29.5%)</b>	<b>384.5</b>	<b>(55.8%)</b>

Source: The Supreme Court of Ohio data and interviews with court personnel

<sup>1</sup> Total staff less judge and magistrates

As shown in **Table 5-14**, in comparison with the similar county peer average, Scioto County had a lower ratio of new filings per FTE in every staff classification except bailiff. Similarly, when compared against the Supreme Court peer average, Scioto County had a significantly lower ratio in all staffing categories except assignment commissioner, which was in line with the peers.

**Table 5-15** displays the span of control of the judges/magistrates for Scioto County's Juvenile Division and the peer sets.

**Table 5-15: Juvenile Division FTEs per Judge/Magistrate**

	Scioto	Similar County Peer Average	Difference	Supreme Court Peer Average	Difference
<b>Total Judges &amp; Magistrates</b>	<b>1.0</b>	<b>1.3</b>	<b>0.0</b>	<b>1.2</b>	<b>(0.2)</b>
Administrator	0.5	0.7	0.0	0.5	0.0
Assignment Commissioner	0.5	N/A	0.5	0.2	0.3
Administrative Assistant	0.0	0.7	(0.7)	0.3	(0.3)
Bailiff	2.0	2.9	(1.3)	0.8	1.2
Court Reporter	0.0	N/A	0.0	0.1	0.1
Clerk	3.8	4.8	(0.6)	3.4	0.4
Other	1.8	4.0	(2.2)	2.0	(0.2)
<b>Total FTEs per Judge/Magistrate</b>	<b>8.0</b>	<b>9.1</b>	<b>(0.7)</b>	<b>7.0</b>	<b>1.0</b>

Source: Interviews with court personnel

As shown in **Table 5-15**, the Juvenile Division had a ratio between that of the similar county and Supreme Court peer sets. In 2008, the Juvenile Division had 8.0 FTEs per judge/magistrate. Although the ratio was favorable compared with the similar county



average, as shown in **Table 5-15**, the Juvenile Division had a significantly lower number of new case filings.

In his written response to the audit, the Juvenile Court Judge noted that higher staffing was warranted by the Juvenile Division’s use of a diversion program. Readers should note that all but one peer county also offer diversion programs of varying size. Auditors concluded that the impact of the diversion program on Scioto County’s staffing was commensurate with that of the peers and therefore, no change was made to this recommendation.

**Table 5-16** displays areas where Scioto County should consider reducing staff, and the operating ratios of the resulting staff levels after the reductions.

**Table 5-16: Potential Juvenile Division Staffing Reductions**

	Similar County			Supreme Court		
	Staff needed to equal peer average	Change in Staffing	Recommended Reductions <sup>1</sup>	Staff needed to equal peer average	Change in Staffing	Recommended Reductions <sup>1</sup>
Bailiff				1.6	(0.4)	0.5
Clerk	3.4	(0.4)	0.5	2.3	(1.5)	1.5
Total Reductions			0.5			2.0
<b>New Filings per Operational FTE<sup>1</sup> After Reductions</b>						
			<b>180.8</b>			<b>229.3</b>
<b>Total FTEs per Judge/Magistrate After Reductions</b>						
			<b>7.1</b>			<b>5.6</b>

Source: AOS

<sup>1</sup> Rounded to 0.5 FTE for each classification

As shown in **Table 5-16**, in order to achieve the Supreme Court average staffing level, the County would need to reduce 2.0 FTEs to achieve new case filings per FTE ratio comparable to the similar county average. This would still be 40.4 percent lower than the Supreme Court average. Although the Juvenile Division has adequate technology, advances in other counties may result in greater levels of efficiency for these counties.

*Financial Implication:* Using the lowest salary in each classification, the reduction of 2 FTEs would result in savings of \$93,000 in salaries and benefits.

*Collections*

**R5.6 Scioto County should establish a formal collection program for all divisions within the Court of Common Pleas that outlines processes and procedures for tracking and collecting fines and fees. The program should be formulated through collaboration between the four Common Pleas Court judges, the Clerk of Courts, the Prosecutor, and the Sheriff's Office (see sheriff's office section for further analysis). In addition, the program should include targeted collection rates and methods by which the County plans to achieve them.**

**After establishing a basic, court-wide collection process, the County and the appropriate elected officials should consider implementing best practices such as dedicating a staff member to collection enforcement, forming a specialized collection unit, issuing bench warrants, publicizing collection programs, and others methods to improve collection rates. Implementing these practices would help to ensure optimal performance of the collection system. The County should complete an in-depth cost/benefit analysis to determine the feasibility of each practice before any formal action is taken.**

In 2009, the County collected approximately \$442,000 in court costs and fines; however, because the Court and the Clerk of Courts do not have a system in place to track amounts owed to it, the County was unable to determine a collection rate. In addition to the Court, the Scioto County Sheriff's Office charges prisoners a "pay to stay" fee. Since 2009 the Sheriff's Office has billed \$610,000 and has been able to achieve a collection rate of 6 percent of this balance through in-house collection efforts (see **R4.1** in the **sheriff's office** section of this report).

No court within Scioto County has a formal collection process to collect court fines and costs. The juvenile court has an informal process that is followed to collect delinquencies. This process entails the bailiffs and Probation Department sending mailers to delinquent payees. The Juvenile Division can track and enforce the payment of delinquent accounts more effectively than the other divisions because it acts as its own clerk. Performing its own clerk functions allows the Juvenile Division to operate with its own software, enabling the staff to identify and track delinquent accounts.<sup>5</sup>

The General and Domestic Relations Divisions work in conjunction with the County Clerk of Courts to assess and collect court fines and costs. Delinquent accounts are not tracked effectively, an omission that the Clerk attributed to the antiquated software used by the Clerk and these court divisions. The Clerk of Courts cited the age and capability of the County's case management software as the primary reason that delinquent collection

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<sup>5</sup> However, this system is still largely manual and the Juvenile Court cannot identify its delinquency rate.

rates could not be tracked. When designing and implementing a collection program, the Court and the Clerk should be aware of the fact that no collection program will be effective unless the County can successfully track outstanding balances.

*Enhancing the Collection of Fines and Fees in Mecklenburg County, North Carolina*, (National Center for State Courts, (NCSC), 1999) states that there is no national benchmark for court collection rates, but some courts that have successfully tracked statistical information report that they collect more than 90 percent of the fines and fees assessed. Because the General and Domestic Relations divisions do not monitor the amount of fines levied or the collection rates of these fines, the efficiency of the collection process cannot be determined.

The County's inability to track delinquent amounts and collection fees leaves it at a disadvantage for the following reasons. First, the courts are bypassing an opportunity to collect funds that are needed to support court operations. Second, the inability to track delinquencies often goes hand-in-hand with a high level of delinquencies. "Word on the street" in every jurisdiction makes the public aware of the local level of fine enforcement (See also *Current Practices in Collecting Fines and Fees: A Handbook of Collection Issues and Solutions*, NCSC 2009). In other words, as the public becomes aware of lax controls over delinquencies, offenders are less inclined to pay. Finally, the failure to track and assess collection rates on an annual and monthly basis renders the Court unable to identify trends early on, such as increases or decreases in collection rates that have occurred due to new or amended collection practices.

NCSC states that there are three collection models that courts should consider, or use in combination. These are as follows: mostly notification, noncompliant sanctions, and the internal collections models (*Current Practices in Collecting Fines and Fees: A Handbook of Collection Issues and Solutions*, NCSC 2009). The three models require varying degrees of resources and time. Developing a notification system would require the least time and resources, while the internal collections model would require the most. **Table 5-17** displays the three models developed by the NCSC and the components of each.

**Table 5-17: NCSC Court Collection Models**

Notification	Internal Collections	Noncompliant Sanctions
<ul style="list-style-type: none"> <li>- Bench conveys expectation of payment in full or minimum payment on adjudication</li> <li>- Fine reduction as appropriate in circumstances</li> <li>- Alternatives such as traffic school or community service</li> <li>- Installment plan written and given</li> <li>- Reminder notices</li> <li>- Multiple ways to pay conveniently</li> <li>- Few or ineffective sanctions</li> </ul>	<ul style="list-style-type: none"> <li>- Credit bureau reporting threat</li> <li>- Show-cause hearings</li> <li>- Immediate license suspension</li> <li>- Immediate bench warrant threat</li> <li>- Bench warrant served</li> <li>- Vehicle registration suspended until payment</li> <li>- Voluntary assignment of wages</li> <li>- Wage or bank-account garnishment</li> <li>- Setoffs against tax refunds, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Phone calls to past-due accounts (after X days)</li> <li>- Staff interviews with individuals needing special attention due to circumstances</li> <li>- Scheduled payment hearings with judge</li> <li>- Skip-tracing practices and resources similar to an external collection unit</li> <li>- Referral to external collection service after X days and X effort</li> </ul>

Source: NCSC

As shown in **Table 5-17**, a notification model, which is informally practiced by the Juvenile Division, could be formally implemented across all divisions with little additional human capital. Court personnel could also consider certain practices from the internal collections and noncompliant sanctions models, which could be more effective in Scioto County and require little additional human capital. For example, credit bureau reporting threats and serving bench warrants could be adopted by the County as standard procedures.

Regardless of the model chosen, the NCSC states that the two most important guidelines, whatever the fine collection strategy adopted, are that the court must minimize delay between sentencing and payment, and the court must practice consistent sentence enforcement and related policies so that similarly situated defendants are treated alike ([www.ncsc.org](http://www.ncsc.org)). In addition, the NCSC has observed that successful programs typically share some or all of the following characteristics:

- Showing judicial and administrative commitment to collecting fines and fees;
- Clearly defining responsibility for collecting fines;
- Setting short time periods for payment;
- Communicating to a defendant what is expected;
- Establishing and adhering to collection procedures;
- Setting collection goals and monitoring performance;
- Responding immediately to nonpayment or nonappearance;
- Having a range of effective sanctions for noncompliance and using them similarly in all cases;
- Maintaining strong financial controls; and
- Ensuring that procedures are understood by everyone, including judges, the prosecutor's office, court staff, defendants, and the bar.

In 1991, the Mansfield (Ohio) Municipal Court was in a position similar to the courts in Scioto County. Court officials were unable to determine an accurate collection rate and could not determine whether the court's current collection methods were even effective. Through the establishment of a collections program, Mansfield was able to increase collections as much 33 percent despite high unemployment in the area. Mansfield was able to achieve this increase without hiring additional employees or significantly upgrading technology.

Practices developed by other state and local programs include the following:

- Wage and salary garnishment (California<sup>6</sup> and Michigan<sup>7</sup>);
- Dedication of full-time staff to collections (Oklahoma<sup>8</sup> and Mecklenburg County, North Carolina<sup>9</sup>); and
- The formulation of a collections unit.

Montgomery County, Texas established a collection program that assists courts within the county in the collection of fines and court costs. The collection department grew from one court (judge) and one employee to collecting for 11 courts (judges) with 14 employees (*Current Practices in Collecting Fines and Fees: A Handbook of Collection Issues and Solutions*, NCSC 2009). Montgomery County offers varying payment options, including credit card payments through its web site and over the phone. The funds collected by this unit enable it to be self-sufficient.

In September 2008, Scioto County's Clerk of Courts began contracting with a third-party collection agency to collect delinquent accounts. This method of collection requires no upfront payments from the County. At the time of the performance audit, the County had received approximately \$100,000 out of approximately \$4.3 million in delinquent obligations, a collection rate of 2.3 percent. It is unknown, however, the average age of these delinquencies or the probability of their collection. According to ACA International, the Association of Credit and Collection Professionals (ACA), the national average on recovering unpaid balances is approximately 16 percent and commissions for these collections average approximately 28 percent (*2005 Benchmarking/Operations Survey*, ACA, 2005).

*Financial Implication:* If the Scioto County Courts developed an internal collections program and achieved a 33 percent increase in collections, similar to the Mansfield Municipal Court, it could increase costs and fines collected by approximately \$146,000 per year based on 2009 collections.

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<sup>6</sup> California Comprehensive Collection Program

<sup>7</sup> Michigan Supreme Court

<sup>8</sup> Oklahoma Court Funds Collection Pilot Program

<sup>9</sup> Mecklenburg Court Fine Collection Program

**R5.7 In an effort to increase the collection rates for court fines and Sheriff's Office pay to stay fees, the County and the appropriate elected officials should consider broadening the methods of payment available to offenders to include credit card payments, similar efforts underway in the Treasurer's Office. After establishing the ability to accept credit cards, Scioto County could expand this availability by offering payments by phone and through its web site (if feasible).**

**Furthermore, the Court and Sheriff should develop a process for combining all offender costs and charging them in conjunction with court costs (including pay to stay fees which are based on jail time imposed by the judges at the time of sentencing). This would ensure that the County had a clearer understanding of the amounts owed by offenders and simplify the payment and collection processes.**

Scioto County offers payment in the form of cash, personal check, and money order in person and by mail. For those individuals who are unable to pay in full, the Clerk of Courts has set up installment plans with minimum payment amounts of \$25. In October 2009, the Clerk had an ATM machine installed in the courthouse lobby. The Clerk feels that this has been helpful, as it is used several times a day to withdraw funds for payments. However, Scioto County does not accept credit card payments or permit payments through its web site. Furthermore, the Sheriff intimated he could collect more pay to stay fees if they were combined with court costs at the time of sentencing.

According to the Treasurer, his Office has started accepting credit and debit cards for tax payments. However, the Treasurer indicated this is a recent implementation and sufficient time has not passed to fully measure the impact that credit/debit card payments have had on tax collection rates.

According to the NCSC, a growing number of courts accept credit cards for face-to-face payments (*Current Practices in Collecting Fines and Fees: A Handbook of Collection Issues and Solutions*, NCSC 2009). With credit card payments, there is a fee assessed by the bank for each transaction, so the primary issue raised by these payments is who is to cover the transaction fees related to card use. Different strategies have been developed in different courts. State law and merchant agreements generally govern whether the fee charged by a financial institution for handling credit transactions (a) can be passed on to the customer (defendant) or (b) must be absorbed by the court as a cost of doing business.

Regardless, by not accepting all forms of payment possible, Scioto County may be limiting its ability to maximize its collection rate. The acceptance of credit card payments would provide individuals with another payment method, with the goal of increasing immediate payments. For certain individuals (i.e., those who do not have sufficient funds on-hand or in their checking accounts), applying fines or fees to their credit cards may be

an effective solution to ensure some regular payments are received (*Compliance with Judicial Orders: Methods of Collecting and Enforcing Monetary Sanctions*, Lynch 1991).

### *Technology*

**R5.8 The Common Pleas Court should create and maintain a formal technology plan. The technology plan should identify the technology needs of each of the divisions of the court, identify possible funding sources, and include a replacement plan outlining the age at which hardware should be replaced. The plan should include an inventory of all hardware and software and should be updated on an annual basis. In addition, when creating and updating its technology plan, the Court should capitalize on opportunities to share technology or technology services (both among the Divisions and throughout the County). Judges and other court administrators should consult each court's respective staffing plan (R5.3) to determine if future technology advances or upgrades will have any effect on staffing levels. The Court's plan should also include the Clerk of Courts, upon whom the Court relies to collect its fines and fees.**

Neither the County nor, more specifically, the Court has a formal technology plan for its hardware or software technology. Technology is purchased when needed or when the funds are available. As a result of the County's financial condition and the lack of funds allocated for technology, Court officials have not seen the need for a technology plan.

According to the National Association of Counties (NACo), the need for developing a countywide plan for information technology cannot be overstated (*County Leadership Handbook*, NACo 2000). In developing a technology plan, the following are minimal issues that should be addressed: the role of technology and how it achieves the county's goals, how success of technology is measured, what officials want the technology to do, and how the technology will accomplish the goals of the county.

Though the County is not in a position to allocate significant funding towards Court technology, having a technology plan is necessary to outline the condition, needs and risks of the software and hardware used. In addition, without a formal technology plan, Scioto County and the Court may not be in optimal position to maintain and/or purchase hardware and software when funding is available. Specifically, as the County Commissioners implement a Countywide strategic plan, a long-term financial forecast, and a formal budgeting process (see **R2.1**, **R2.2**, and **R2.3**), it will be important for the courts to be able to articulate specific technology needs and plans. Without the guidance a technology plan could provide, the County runs the risk of purchasing incompatible technology or increasing support costs by having varying hardware or software systems. A formal technology plan should allow the County and Court to operate more efficiently

as uniform purchases will be compatible across court divisions and support costs may be lowered.

**R5.9 The Scioto County Common Pleas Court should update its case management software. As a component of the update, the Court should determine if it is more feasible to operate a uniform software system across all divisions. The Common Pleas Court must ensure that any new software update includes the ability to track delinquent funds owed by offenders and to determine collection rates.**

The General and Domestic Relations divisions, along with the Clerk of Courts, all use Court View software. The version in use is DOS-based and significantly outdated. Because the Juvenile/Probate Division serves as its own clerk, it does not have to consult with other divisions about which case management software it uses. As a result, the Juvenile/Probate Division uses Henschen & Associates case management software. This system, implemented in 1995, is Windows-based and adequate for the operations of this court division. Pursuant to ORC § 2303.201(A)(1) and ORC § 2303.201(B)(1), the common pleas court is permitted to collect \$3 per case filing on behalf of the Clerk and \$10 per case filing on behalf of the court for the establishment of a fund to pay for the computerization of the court. In 2009, the fund was not able to cover the basic support on the Court View software. Both Court View and Henschen & Associates software packages contain up-to-date and appropriate modules for use by all divisions.

Because the Common Pleas Court's software is outdated, it and the Clerk have been unable to determine the level of delinquent payments that are owed or collection rates. Even though this represents a significant level of outstanding funds, Scioto County is not unique as the five similar peer counties did not have the capability to track delinquent amounts or collection rates as well.

According to the NCSC, software that improves the monitoring and enforcement of financial obligations may be part of a case management system (CMS) or a standalone module that should be integrated with a CMS (*Current Practices in Collecting Fines and Fees: A Handbook of Collection Issues and Solutions*, NCSC 2009). The NCSC also states that every CMS has all of the functions needed for in-house collections, so a standalone module may be a solution to making collection staff more productive.

By operating software that is capable of tracking financial obligations to the courts, the County would be using a tool that could enhance its collection efforts. Should the Scioto County common pleas courts investigate the possibility of standalone software, it should first perform a feasibility study to determine what collection level is needed to ensure the software purchase is self-sufficient. Software that can track delinquencies would enable the courts to easily determine collection rates and set collection goals (R5.6). The General Division has investigated the possibility of upgrading its own software or



purchasing and operating software from the same vendor that supports the Juvenile/Probate Division. Initial quotes for conversion to the Juvenile Court software and hardware were comparable to what the Court pays in support for its antiquated and inadequate General Division case management system. Similarly, the General Division's vendor supplied the County with quotes to upgrade the General Division's software and extend this to the other courts in the Court of Common Pleas. Regardless of which vendor it ultimately selects, Scioto County would be in better position to determine the success or effectiveness of its collections program and other collections practices implemented **(R5.7)**.

Court administrators and the judges, as well as the Clerk of Courts and Commissioners, should consider the long-term effects of minimal technology and replacement on court process and the issue of collecting fees and fines. In determining whether to continue to delay technology implementation or initiate the investment despite lean financial conditions, the Court and Clerk of Courts should weigh the costs and risks of such delays.

*Financial Implication:* If the Court of Common Pleas updated its CourtView software it would cost a total of approximately \$125,000, which would include software (includes licenses), maintenance support for 1 year, and professional services. However, if the General Division and Clerk of Courts chose to implement the same software as is in use in the other divisions (Henschen and Associates Software), it could implement this system for approximately \$30,000 according to the vendor. The higher implementation cost is reflected in the forecast. The forecast includes payments of \$63,000 for two years and \$7,000 for professional services each year after. This figure will allow the Court flexibility in selecting the most appropriate software vendor and package for its needs.

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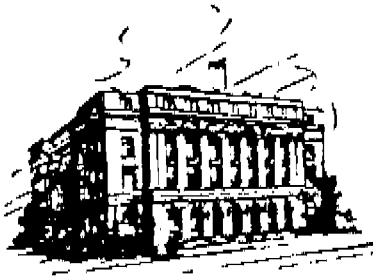
**COUNTY RESPONSE**

## **County Response**

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The letter that follows is Scioto County’s official response to the performance audit. Throughout the audit process, staff met with County officials to ensure substantial agreement on the factual information presented in the report. When Scioto County officials disagreed with information contained in the report and provided supporting documentation, revisions were made to the audit report.

Written responses were also received from the Sheriff’s Office, the Court of Common Pleas and Juvenile Court, the Clerk of Courts, and the Treasurer’s Office. Where appropriate, changes and updates were made to the report based on the comments from these elected officials.



# County of Scioto

OFFICE OF  
COUNTY COMMISSIONERS

TOM REISER, Chairman  
VERN RIFFE, III  
MIKE CRABTREE



Room 1, Courthouse, 602 Seventh Street

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JENN SMITH, Deputy Clerk  
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April 28, 2010

Ms. Dawn L. Bendel  
Senior Audit Manager  
Auditor of State's Office  
615 W. Superior Avenue  
12<sup>th</sup> Floor  
Cleveland, OH 44113

Dear Ms. Bendel:

The Scioto County Commissioners have received and reviewed the Performance Audit document that was recently prepared and forwarded to us by your office.

We certainly appreciate the time and effort involved to provide us with the comparisons between our various departments and the peer counties. We recognize that improvements need to be made to accomplish greater efficiency while continuing to provide high quality services for our counties citizens. It is our intention to utilize this study as we move forward to improve our processes for future financial planning. We do believe that some of the recommendations, especially those that apply to the organization of the courts (Juvenile, Probate and Domestic) are outside of the Commissioners authority to implement. Other recommendations will be evaluated and considered as we move forward.

Thank you.

Yours truly,

BOARD OF SCIOTO COUNTY COMMISSIONERS

Tom Reiser, Chairman

*"Scioto County - Somewhere Special"*



**Auditor of State  
Mary Taylor, CPA**

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