

**Impact of an Additional \$50 Million General
Fund Reduction**

Economic Growth and Zoning Committee

March 2, 2021

FY 2022 Budget

- The Calendar Year (CY) 2022 Tentative Tax Budget (TTB) projected a \$26 million dollar shortfall in the General Fund and was passed by the City Council in January 2021.
- The current deficit is projected at \$30 million due to various target adjustments.
- Departments have been asked to submit an 8.0% General Fund reduction scenario to cover the shortfall.

FY 2022 Budget

- Departments have communicated that due to budget reductions over the past 20 years and especially large reductions taken in FY 2021 due to the pandemic, they cannot sustain an 8.0% cut and are requesting additional dollars for staffing and non-personnel shortfalls.
- Further details can be found in the Department presentations at the Budget and Finance Committee Meetings that began in February and will continue in March.

FY 2022 Budget

An additional \$50 million unfunded mandate would result in a budget deficit of nearly \$80 million for FY 2022 and will result in catastrophic reductions to basic services. The following slides detail the specific reductions for the \$50 million additional cuts.

FY 2022 Budget

The Administration wants to emphasize that we are very concerned about providing this information but have to explain the impact of this initiative.

City employees have gone through traumatic events with COVID-19, Temporary Emergency Leave (TEL), the Early Retirement Incentive Program (ERIP), service reductions, and staff reductions and to discuss the catastrophic impacts of these service reductions as we are coming out of the pandemic is concerning.

FY 2022 Budget Reduction Scenario:

- Leveraged Support \$12.1 million:

Leveraged Support Category and Recipients	FY 2022 Budget Targets
Neighborhood Support	
3CDC (For Fountain Square)	200,000
3CDC (Operating Support for Washington Park and Ziegler Park)	375,000
Chamber of Commerce - Immigration Center Partnership (COMPASS)	50,000
Community Urban Agriculture	20,000
Invest in Neighborhoods	50,000
Keep Cincinnati Beautiful	475,000
Neighborhood Business Districts	120,000
Neighborhood Community Councils	340,000
Neighborhood Games	10,000
Summer Youth Jobs Initiative ⁽¹⁾	250,000
Total Neighborhood Support	\$ 1,890,000

FY 2022 Budget Reduction Scenario:

- Leveraged Support \$12.1 million:

Economic Development	
African American Chamber of Commerce	325,000
CincyTech	250,000
Cintrifuse	250,000
Film Commission	56,250
Hillman Accelerator	100,000
Homebase Cincinnati (formerly CDC Association of Greater Cincinnati)	143,000
MORTAR	65,000
People Working Cooperatively (formerly Greater Cincinnati Energy Alliance)	37,000
Regional Economic Development Initiative (REDI)	250,000
The Port (formerly Greater Cincinnati Redevelopment Authority / Port Authority of Greater Cincinnati) ⁽²⁾	700,000
Total Economic Development	\$ 2,176,250

FY 2022 Budget Reduction Scenario:

- Leveraged Support \$12.1 million:

Human Services and Violence Prevention	
Bethany House	100,000
Center for Addiction Treatment	87,500
Center for Closing the Health Gap	750,000
Cincinnati Works	250,000
City Human Services Fund (administered by United Way)	5,980,060
Eviction Prevention Initiatives	250,000
GeneroCity 513	75,000
Immigrant and Refugee Law Center	50,000
Needle Exchange Program ⁽³⁾	150,000
Shelterhouse (formerly Strategies to End Homelessness (Winter Shelter))	305,000
The University of Cincinnati's Legal Access Program	50,000
Total Human Services	\$ 8,047,560
Grand Total	\$ 12,113,810

FY 2022 Budget Reduction Scenario:

- Department Eliminations – \$4.5 million including:
 - Department of Economic Inclusion (DEI) \$2,036,000
 - Office of Performance & Data Analytics (OPDA) \$1,381,574
 - Office of Human Relations \$376,000
 - City Planning \$541,810
 - Aging and Accessibility \$145,000

FY 2022 Budget Reduction Scenario:

- Department Service Reductions:
 - Police Sworn Strength Layoffs – \$13.8 million:
 - Estimated reduction of 75 current sworn officers and eliminating upcoming Recruit Class of 50 members for a total of 125 less sworn officers.
 - Collapse specialized units and initiatives to address personnel shortages
 - Community outreach and partnerships (Community Relations Unit, School Resource, Collaborative Agreement, Neighborhood Liaisons)
 - Targeted enforcement strategies and violent crime reduction initiatives (Cincinnati Initiative to Reduce Violence, Place-Based Strategies)
 - Attrition would exacerbate minimal staffing and coverage issues.
 - CPD is currently experiencing unprecedented officer attrition rates.

FY 2022 Budget Reduction Scenario:

- Department Service Reductions:
 - Police Sworn Strength Layoffs – \$13.8 million:
 - Service Implications
 - Department would be limited to providing only core policing services.
 - Increased response times to calls for service
 - Increased overtime costs to sufficiently staff reliefs
 - Limited capacity for response to unplanned, emergency events (civil unrest, flooding, etc.)
 - Technological Advancement Implications:
 - Restricted resources for implementation of law enforcement technologies
 - Violent crime investigations and prevention (reductions in audible gunshot detection, data analytics, etc.)
 - Maintaining transparency and accountability (body worn camera program, automatic activation module, etc.)

FY 2022 Budget Reduction Scenario:

- Department Service Reductions:
 - Fire Department Brownouts – \$6.25 million:
 - Rotating brownouts to 3 engine companies resulting in an approximate sworn officer reduction of 45 FTE.
 - In most instances, brownouts impact underserved communities based upon their geographic location in the core of the city.
 - Response time is driven by National Fire Protection Association (NFPA) standards. A reduction of 3 fire companies will increase service delivery time for all types of emergencies.
 - The service reduction will more acutely impact the most serious calls for service such as cardiac arrests, overdoses, shootings, and actual fires. The outcomes of these calls are significantly impacted by response time.

FY 2022 Budget Reduction Scenario:

- Department Service Reductions:
 - Public Services reduced trash collections – \$4.0 million:
 - Trash pickup will switch from weekly to every other week and recycling is eliminated.
 - Results in the layoff of 4 CODE employees and 36 AFSCME employees
 - This will also result in a shortage of Commercial Driver's License (CDL) holders resulting in slower response to snow emergencies.

FY 2022 Budget Reduction Scenario:

- Department Service Reductions:
 - Cincinnati Recreation Commission facility and maintenance reductions – \$4.5 million:
 - Close 12-15 pools and 9 recreation centers
 - Reduced maintenance of playgrounds and recreation areas including trash/litter pickup and mowing
 - Results in the layoff of 7 CODE employees, 13 AFSCME employees, and all part-time staff in the recreation centers and all part-time Municipal Workers (100+)

FY 2022 Budget Reduction Scenario:

- Department Service Reductions:
 - Cincinnati Park Board service reductions – \$2.4 million:
 - Reduction of summer programs and maintenance including nature camps and maintenance operations
 - Results in the layoff of 2 CODE employees, 12 AFSCME employees, and all part-time maintenance employees

FY 2022 Budget Reduction Scenario:

- Department Service Reductions:
 - Office of Environment and Sustainability (OES) – \$2.5 million:
 - Eliminates the entire office and ends the recycling program permanently.

FY 2022 Budget Reduction Scenario:

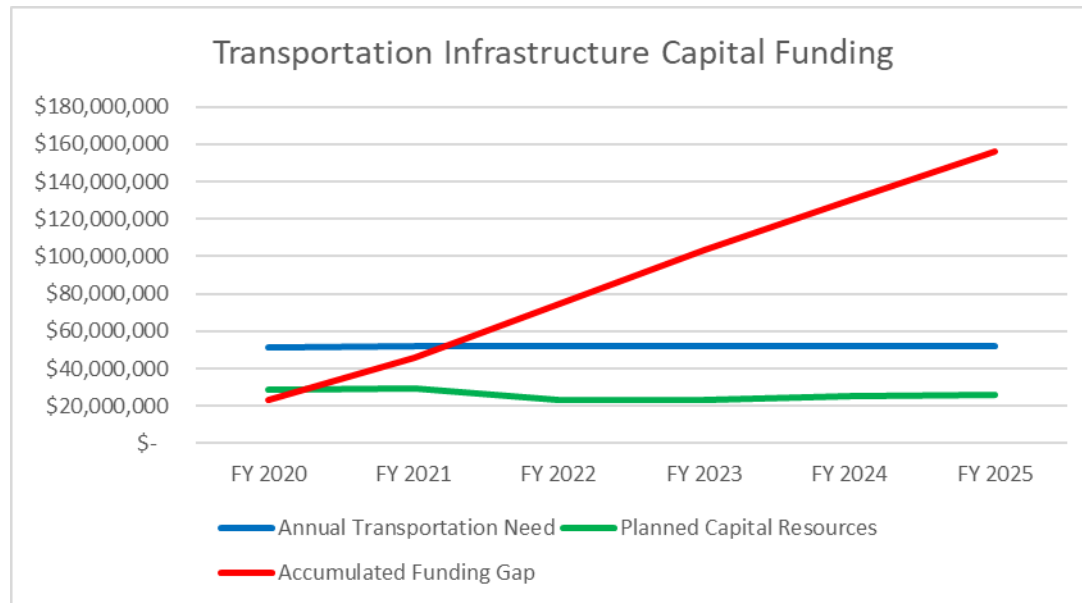
- **FY 2022 Capital Budget**

- One funding source identified is the use of the Cincinnati Southern Railway lease which is not permissible.
- However, if the capital budget was reduced by \$22.3 million, infrastructure improvements would be greatly reduced exacerbating the already inadequate capital budget to maintain current infrastructure.
- Pages 24-34 of the FY 2020 Approved Capital Budget detail the capital budget shortfalls and the charts are as follows:

FY 2022 Budget Reduction Scenario:

- Projected Capital Shortfall Before any Target Changes – Transportation Infrastructure:

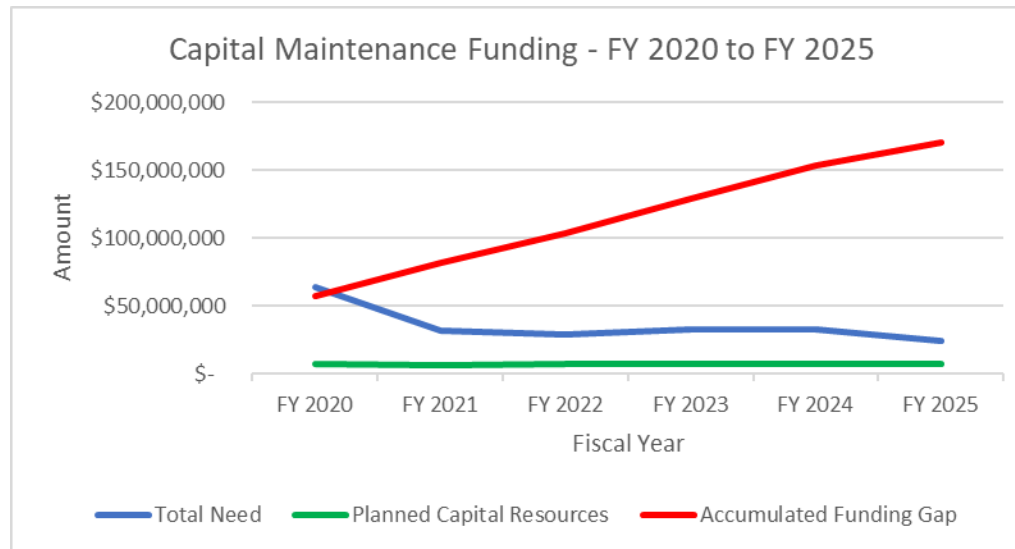
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Annual Transportation Need	\$ 52,051,000	\$ 52,077,000	\$ 52,097,000	\$ 52,086,000	\$ 52,110,000	\$ 52,115,000
Planned Capital Resources	\$ 28,852,000	\$ 29,678,000	\$ 22,994,000	\$ 23,089,000	\$ 25,511,000	\$ 25,958,000
Funding Gap	\$ (23,199,000)	\$ (22,399,000)	\$ (29,103,000)	\$ (28,997,000)	\$ (26,599,000)	\$ (26,157,000)
Accumulated Funding Gap	\$ (23,199,000)	\$ (45,598,000)	\$ (74,701,000)	\$ (103,698,000)	\$ (130,297,000)	\$ (156,454,000)
Accumulated Funding Gap	\$ 23,199,000	\$ 45,598,000	\$ 74,701,000	\$ 103,698,000	\$ 130,297,000	\$ 156,454,000



FY 2022 Budget Reduction Scenario:

- Projected Capital Shortfall Before any Target Changes – Facilities:

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Public Services	\$ 25,130,000	\$ 10,840,000	\$ 10,245,000	\$ 11,600,000	\$ 11,980,000	\$ 3,400,000
Recreation	\$ 32,100,000	\$ 12,100,000	\$ 10,500,000	\$ 13,400,000	\$ 12,500,000	\$ 12,500,000
Parks	\$ 6,695,000	\$ 8,070,000	\$ 7,845,000	\$ 7,595,000	\$ 7,620,000	\$ 7,620,000
Health	\$ 223,000	\$ 223,000	\$ 223,000	\$ 223,000	\$ 223,000	\$ 223,000
Total Need	\$ 64,148,000	\$ 31,233,000	\$ 28,813,000	\$ 32,818,000	\$ 32,323,000	\$ 23,743,000
Planned Capital Resources	\$ 7,162,000	\$ 6,810,000	\$ 7,096,000	\$ 6,927,000	\$ 7,365,000	\$ 7,473,000
Funding Gap	\$ (56,986,000)	\$ (24,423,000)	\$ (21,717,000)	\$ (25,891,000)	\$ (24,958,000)	\$ (16,270,000)
Accumulated Funding Gap	\$ 56,986,000	\$ 81,409,000	\$ 103,126,000	\$ 129,017,000	\$ 153,975,000	\$ 170,245,000



QUESTIONS?