

# BIG Bucks, BIG Surprises, BIG Questions

## Northeast Ohio's Investments in Health and Human Services, 2010

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Thousands of nonprofit organizations, many thousands of volunteer hours, and billions of dollars are devoted to improving the lives and prospects of Northeast Ohio residents every year. In 2010, governments and grantmakers in our region invested more than \$6 billion in health and human services. This money paid for a range of programs that sought to meet basic needs, provide educational and employment supports, reduce poverty, and address social problems.

### Big Surprises

Private funders in the 16 counties of Northeast Ohio<sup>1</sup> spend more on health and human services than on economic development, arts, and education combined. Public investments, originating from taxes on income, property, and purchases, dwarf private contributions addressing health and social issues – by a factor of nine to one.

Nearly 90 percent of all investment for health and human services in Northeast Ohio came from public sources in 2010. This included federal and state spending allocated by the State of Ohio and local dollars generated by property tax levies.

Grantmakers, excluding United Ways, contributed 10 percent, while the 16 United Ways in Northeast Ohio distributed \$58 million to make up the final 1 percent of spending.

This pattern is repeated in individual counties within the region. Public investments accounted for more than 95 percent of all human service spending in nine counties, and ranged from 81 percent in Cuyahoga County to 100 percent in Carroll.

### Big Bucks

*State and Federal Spending*<sup>2</sup> – In Ohio, most health and social service programs are state-sponsored and county-administered. Federal funding flows through the state to the counties, which are ultimately responsible for purchase and provision of services. A total of \$4.7 billion for health and human services came to Northeast Ohio through the state budget from the departments of Aging, Alcohol and Drug Addiction Services, Developmental Disabilities, Health, Job and Family Services, and Mental Health. These six agencies accounted for 44 percent of state disbursements to Northeast Ohio.

*County Levies*<sup>3</sup> – There are more than 100 voted levies in these Northeast Ohio counties that support health

## BIG Bucks, BIG Surprises, BIG Questions

and social services, including: developmental disabilities (in 16 counties); alcohol and drug addiction and/or mental health services (in 13 counties); child welfare (in 12 counties); senior services (in six counties); public health (in four counties); county homes (in four counties); and general health and human services (in one county). These sources of discretionary dollars can be deployed in ways that meet each community's unique needs.

Similar to school or library levies, local property taxes sustaining health and human services must be approved by voters on a regular basis in order to remain in effect. While 89 percent of human service levies on Ohio ballots in November, 2012, were approved, two-thirds were replacement levies.<sup>4</sup> With one exception, all of the levies that failed included new or increased millage, suggesting that the economic and political environment may be stretching voters' support of additional levies. In addition, declining property values, tax abatements, and the elimination of the Tangible Personal Property Tax reduce levy collections.

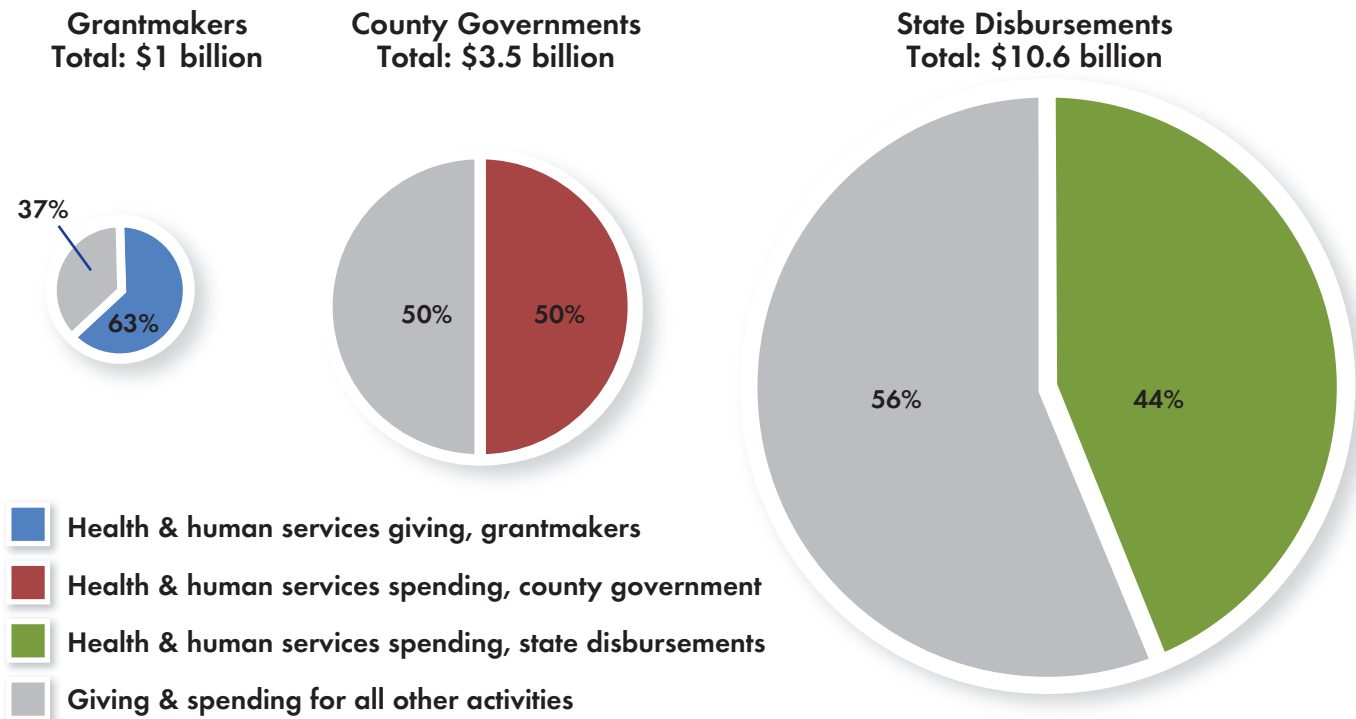
*Grantmaking*<sup>5</sup> – Public spending is determined by budget processes and governed by laws and

regulations, which can be quite restrictive. On the other hand, philanthropic dollars can often be more rapidly adapted to unique or changing community needs. Most grantmakers require recipients of funds to report on activities and outcomes.

Northeast Ohio is blessed with a robust grantmaking community. Two-fifths of all grantmaking in Ohio originates in the 16 Northeast Ohio counties. Sixty-three percent of the \$1 billion given by foundations, corporate giving programs, and other philanthropies in this region went to support health and human service programs in 2010, exceeding grantmaking for education, arts, and all other purposes combined.

*United Way*<sup>6</sup> – Every year, United Way campaigns across the region generate attention for the problems facing our communities and help collect the funding needed to address them. United Ways are particularly effective at engaging civic leaders, especially those in the corporate sector. Many utilize volunteer allocation committees to award grants and require outcomes reporting that is regularly reviewed.

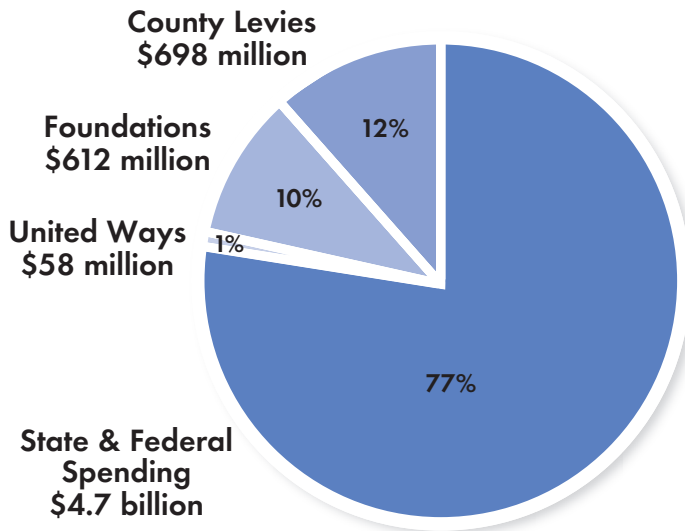
### Health and Human Services are the largest spending categories for grantmakers, county governments, and state disbursements in Northeast Ohio.



Note: Size of each pie indicates total investments for all purposes in 2010.

Sources: The Foundation Center, County Government Fiscal Audits, Ohio Legislative Service Commission

State and federal spending accounted for three-quarters of Northeast Ohio's health and human services investments.



Sources: The Foundation Center, County Government Fiscal Audits, Ohio Legislative Service Commission

### Big Questions

The fact that government plays such a large role in providing dollars to address health and social problems has significant implications for grantmakers, service providers, and community leaders. For example:

First, with the major exception of Medicaid, for which costs have increased 9.2 percent over the past decade, state support of health and social services has been relatively static, and in some cases declined, since the turn of the century.<sup>7</sup> The impending "fiscal cliff" in Washington, coupled with economic downturn which has reduced revenue collections at all levels of government, continues to put significant pressure on public finances, a trend that is likely to continue well into the future. In combination, the result is plateauing or declining federal and state spending. Since this category is by far the largest source of investment in local health and social service programs, how can communities adapt to changing realities – and how quickly?

Second, state support of county government in Northeast Ohio through the Local Government Fund has decreased more than \$69 million since 2010. County elected officials, agency board members, and executives will be challenged to stretch increasingly scarce dollars. Given that the largest share of county spending is devoted to health and social services, how can efforts to improve government efficiency be directed to these complex programs?

Third, however unreasonable it may be to expect private grantmakers to backfill for the reduction in public dollars, they do face the challenge of determining how their investments can be leveraged to get the most "bang for the buck". With the exception of Summit County's Summit 2010 and 2020 initiatives, there are no significant, formal joint planning and funding strategies between the public and philanthropic/charitable sectors in Northeast Ohio counties. Should there be? Should a regional approach to this be explored?

Fourth, although usually subject to at least a public hearing that is open to public scrutiny, the processes for allocating public dollars by county agencies and boards is largely ignored. Volunteer engagement in United Ways, on the other hand, is considerable, even though a very small fraction of health and social service spending flows through them. Goal-setting and managing to outcomes is far more prevalent in the expectations of United Ways and philanthropic grantmakers, and evaluation processes are generally far more robust. "Collective Impact" provides a framework for cross-sector collaboration to address our communities most complex problems. How can the civic energy of the philanthropic and charitable funders be brought to bear in building a real partnership with public agencies and boards, with the aim of improving the quality and effectiveness of services?

Fifth, while human service programs undoubtedly make a difference in the lives of individual families, we have not seen significant improvements in indicators of health, social, and economic well-being at a county or regional level, despite the billions of dollars invested each year. How can we better understand the relationship between measurable progress at the case level, and static, or even declining, demographic measures?

Finally, what kind of system change is required to address seemingly intractable social problems? Federal and state spending comes with significant restrictions, so concerted advocacy efforts by a range of community leaders will be required to accomplish alignment. What is the role for United Ways and grantmakers in this effort, either as advocates or in funding public policy activities?

Leveraging the billions of dollars invested in health and social services every year presents opportunities to improve both the economy and the lives of residents – a win-win situation. But considerable challenges remain. If Northeast Ohio is to become a healthier, more prosperous region, we must find a way to better connect investments to improvements in key health, social, and economic conditions.

## Endnotes

<sup>1</sup> For this report, Northeast Ohio includes 16 counties: Ashland, Ashtabula, Carroll, Columbiana, Cuyahoga, Geauga, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, and Wayne.

<sup>2</sup> Analysis of data provided by the Ohio Legislative Services Coalition. Figures are presented for State Fiscal Year 2011 which ran July 1, 2010 – June 30, 2011.

<sup>3</sup> Data come from the 2010 county audited financial statements available on the Auditor of State website, [www.auditor.state.oh.us](http://www.auditor.state.oh.us). In these audits, each county provides their total spending by category. Since classification of individual programs is completed by each county, they may not be consistent across counties. Information on the total number of voted levies was determined by analyzing data from the Ohio Department of Taxation. In some cases, the levy collections were not reported on county financial statements, so other sources, including annual reports, were consulted.

<sup>4</sup> A compilation of levy results from the November, 2012 election is available from Advocates for Ohio's Future at <http://www.advocatesforohio.org/perch/resources/Election2012-HHSLevyResults.pdf>

<sup>5</sup> Data downloaded from the Foundation Center's Philanthropy In/Sight system, [www.philanthropyinsight.com](http://www.philanthropyinsight.com). Classification of individual programs is completed by each grantmaker, so may not be consistent. Some Northeast Ohio United Ways are included in the In/Sight system, but were removed from the totals and included in a separate category in this report.

<sup>6</sup> Data obtained by an analysis of 2010 990 forms submitted to the IRS, downloaded from [www.GuideStar.org](http://www.GuideStar.org). All United Way spending is considered to be for health and human services for the purposes of this report. United Ways in Northeast Ohio may have overlapping geographic footprints or a reach that extends to neighboring counties, but grantmaking is reported in the County where the main office is housed.

<sup>7</sup> Thomas, Terry M. "A Longitudinal Look at State Spending." *State Budgeting Matters* Volume 8, Number 3. August, 2012.



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## BIG Bucks, BIG Surprises, BIG Questions

### Total Human Service Investments

Fifty-five percent of spending on health and human services in Northeast Ohio occurs in the two largest counties – Cuyahoga and Summit.

County	State & Federal Spending	United Ways	Foundations	County Levies	All Categories
Ashland	\$ 45,292,832	\$ 727,026	\$ 621,951	\$ 4,472,800	\$ 51,114,609
Ashtabula	153,246,041	555,448	1,660,852	11,902,819	167,365,160
Carroll	30,211,582	0	0	2,992,704	33,204,286
Columbiana	136,842,872	229,003	1,290,624	8,522,583	146,885,082
Cuyahoga	1,790,944,728	31,249,518	451,340,542	327,684,004	2,601,218,792
Geauga	45,538,624	665,247	2,316,691	15,122,579	63,643,141
Lake	180,426,488	1,950,773	9,758,328	33,048,516	225,184,105
Lorain	275,896,633	1,509,331	15,826,783	35,718,545	328,951,292
Mahoning	321,247,047	2,130,185	11,982,455	22,421,280	357,780,967
Medina	100,828,821	716,064	3,428,245	14,998,037	119,971,167
Portage	130,243,913	539,662	2,215,919	19,172,346	152,171,840
Richland	140,096,148	724,714	4,998,667	13,492,518	159,312,047
Stark	405,348,705	5,183,453	30,538,527	42,743,419	483,814,104
Summit	591,618,513	9,898,093	62,663,830	102,918,736	767,099,172
Trumbull	234,605,806	921,597	5,522,438	29,536,104	270,585,945
Wayne	95,831,535	1,094,051	8,256,610	13,119,809	118,302,005
<b>16-County Total</b>	<b>\$4,678,220,286</b>	<b>\$58,094,165</b>	<b>\$612,422,462</b>	<b>\$697,866,799</b>	<b>\$6,046,603,712</b>

Sources: Ohio Legislative Service Commission, County Audited Financial Reports, IRS 990 Forms, The Foundation Center

## BIG Bucks, BIG Surprises, BIG Questions

### State and Federal Spending

State and federal dollars allocated through the state budget process contributed \$4.7 million for health and human services in Northeast Ohio in 2010.

County	Aging	Alcohol & Drug Addiction Services	Developmental Disabilities	Health	Job and Family Services	Mental Health	Total State Disbursements for Health & Human Services
Ashland	\$ 1,077,613	\$ 161,475	\$ 378,620	\$ 248,043	\$ 41,497,462	\$ 1,929,619	\$ 45,292,832
Ashtabula	1,298,096	477,145	878,894	420,257	147,059,554	3,112,095	153,246,041
Carroll	552,813	0	1,019,317	176,932	28,416,929	45,591	30,211,582
Columbiana	1,431,462	323,978	10,440,653	434,954	121,362,658	2,849,166	136,842,872
Cuyahoga	23,043,331	5,719,905	22,610,563	10,893,382	1,693,059,495	35,618,051	1,790,944,728
Geauga	1,491,248	239,458	1,064,188	268,426	40,406,213	2,069,091	45,538,624
Lake	3,763,626	613,927	2,930,215	651,377	168,066,223	4,401,121	180,426,488
Lorain	4,722,285	1,244,464	3,111,985	2,020,492	258,341,268	6,456,139	275,896,633
Mahoning	3,289,696	1,145,832	5,052,836	1,263,066	305,038,923	5,456,693	321,247,047
Medina	2,485,413	409,271	824,352	698,527	92,975,819	3,435,438	100,828,821
Portage	2,467,179	443,149	2,287,045	444,796	121,635,693	2,966,051	130,243,913
Richland	2,635,350	460,823	1,933,215	1,070,513	130,471,342	3,524,905	140,096,148
Stark	6,148,673	1,513,068	5,807,150	2,149,451	380,097,812	9,632,550	405,348,705
Summit	8,827,876	2,075,772	8,492,396	4,806,660	552,909,823	14,505,986	591,618,513
Trumbull	2,871,816	604,689	3,024,671	795,355	222,607,885	4,701,390	234,605,806
Wayne	1,831,110	424,730	2,517,081	511,610	87,371,797	3,175,207	95,831,535
<b>16-County Total</b>	<b>\$67,937,588</b>	<b>\$15,857,684</b>	<b>\$72,373,182</b>	<b>\$26,853,838</b>	<b>\$4,391,318,900</b>	<b>\$103,879,094</b>	<b>\$4,678,220,286</b>

Source: Ohio Legislative Service Commission



## BIG Bucks, BIG Surprises, BIG Questions

### United Ways

The United Way of Greater Cleveland contributed 54 percent of the total United Way investments for Northeast Ohio 2010.

Region/County	Grants 2010
Ashland	\$ 727,026
Ashtabula	555,448
Geauga	665,247
Greater Cleveland	31,249,518
Greater Stark	5,183,453
Lake	1,950,773
Lorain	1,509,331
Medina	716,064
Northern Columbiana	139,559
Portage	539,662
Richland	724,714
Southern Columbiana	89,444
Summit	9,898,093
Trumbull	921,597
Wayne & Holmes	1,094,051
Youngstown and the Mahoning Valley	2,130,185
<b>16-County Total</b>	<b>\$58,094,165</b>

Source: IRS 990 Forms

### Grantmaking

Eighty-five percent of Northeast Ohio's grantmaking originated in Cuyahoga and Summit Counties.

County	Health & Human Services Giving	Other Giving	Total Giving All Categories 2010
Ashland	\$ 621,951	\$ 0	\$ 621,951
Ashtabula	1,660,852	397,673	2,058,525
Carroll	0	188,247	188,247
Columbiana	1,290,624	14,734	1,305,358
Cuyahoga	451,340,542	245,167,791	696,508,333
Geauga	2,316,691	3,077,580	5,394,271
Lake	9,758,328	1,374,411	11,132,739
Lorain	15,826,783	441,045	16,267,828
Mahoning	11,982,455	9,794,242	21,776,697
Medina	3,428,245	471,774	3,900,019
Portage	2,215,919	16,515,431	18,731,350
Richland	4,998,667	127,996	5,126,663
Stark	30,538,527	2,791,791	33,330,318
Summit	62,663,830	86,103,363	148,767,193
Trumbull	5,522,438	18,358,212	23,880,650
Wayne	8,256,610	10,000	8,266,610
<b>16-County Total</b>	<b>\$612,422,462</b>	<b>\$384,834,290</b>	<b>\$997,256,752</b>

Source: The Foundation Center

# BIG Bucks, BIG Surprises, BIG Questions

## Levies

More than 100 levies in Northeast Ohio generated \$698 million for health and human services in 2010.

County	Child Welfare	County Home	Developmental Disabilities	Health & Human Services General	Mental Health and/or Addiction	Public Health	Senior Services	Total Human Service Levy Collections, 2010
Ashland	\$ 0	\$ 0	\$ 3,300,177	\$ 0	\$ 680,540	\$ 0	\$ 492,083	\$ 4,472,800
Ashtabula	2,632,935	0	5,839,499	0	2,247,150	0	1,183,235	11,902,819
Carroll	0	650,502	2,177,202	0	0	0	165,000	2,992,704
Columbiana	816,019	0	5,869,167	0	1,837,397	0	0	8,522,583
Cuyahoga	0	0	93,968,965	233,715,039	0	0	0	327,684,004
Geauga	1,684,036	0	7,939,051	0	3,223,733	531,002	1,744,757	15,122,579
Lake	3,075,150	0	18,811,846	0	8,912,693	0	2,248,827	33,048,516
Lorain	7,285,494	0	15,769,703	0	9,314,634	3,348,714	0	35,718,545
Mahoning	4,911,419	0	13,859,914	0	3,467,814	182,133	0	22,421,280
Medina	0	816,177	11,304,090	0	0	2,877,770	0	14,998,037
Portage	2,471,589	0	13,100,980	0	3,599,777	0	0	19,172,346
Richland	2,783,846	763,331	8,349,301	0	1,596,040	0	0	13,492,518
Stark	8,266,992	0	28,246,152	0	6,230,275	0	0	42,743,419
Summit	23,870,458	0	47,730,482	0	31,317,796	0	0	102,918,736
Trumbull	6,788,955	0	17,703,830	0	3,055,454	0	1,987,865	29,536,104
Wayne	3,375,959	1,257,497	5,696,429	0	2,789,924	0	0	13,119,809
<b>16-County Total</b>	<b>\$67,962,852</b>	<b>\$3,487,507</b>	<b>\$299,666,788</b>	<b>\$233,715,039</b>	<b>\$78,273,227</b>	<b>\$6,939,619</b>	<b>\$7,821,767</b>	<b>\$697,866,799</b>

Source: County Audited Financial Reports, Annual Reports