



**Ohio House of Representatives Finance Committee
Ohio Department of Job and Family Services
Executive Budget Recommendations for SFY 2020-2021
Kimberly L. Hall, Director
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Good morning, Chairman Oelslager, Vice Chair Scherer, Ranking Member Cera and members of the committee. I am Kimberly Hall, Director of the Ohio Department of Job and Family Services. Thank you for the opportunity to discuss the ODJFS budget for state fiscal years 2020 and 2021.

ODJFS is responsible for managing vital programs that directly impact the lives of Ohio's families and children. These include foster care and adoption, child care, job training and employment services, food assistance, cash assistance, unemployment insurance, adult protective services, and child support.

Our mission is to improve the well-being of Ohio's workforce and families by ensuring the safety of Ohio's most vulnerable citizens and promoting long-term self-sufficiency. ODJFS oversees the administration of public assistance benefits and provides employment and training services that help break cycles of generational poverty.

Our current annual budget totals more than \$3.5 billion, and more than \$2.5 billion of that amount is federal funding. We allocate the majority of those funds to more than 150 partner agencies throughout the state, including county departments of job and family services, public children service agencies, child support enforcement agencies, and local workforce development boards. We also partner with local and statewide not-for-profit, faith-based and business organizations to further our mission and better serve Ohioans.

The majority of our programs are state-supervised and county-administered. This means that county agencies and workforce development boards are the front door of services to Ohioans, and ODJFS provides funding and guidance necessary for their success. We are extremely grateful for the hard work and commitment of these agencies to improve the lives of the Ohioans we serve.

In drafting this budget request, we listened closely to our county partners. Each of you know and understand their concerns very well. Our request reflects four primary objectives. We have prioritized programs that: (1) protect and nurture our children; (2) ensure access to quality early education and child care; (3) advance workforce development initiatives; and (4) optimize service delivery. I will spend the next few minutes outlining those priorities, and I welcome the opportunity later to respond to your questions.

Priority #1: Protecting and Nurturing Children

At this moment, more than 15,000 children across the state are in protective care outside of their homes. Perhaps no group has suffered more than our children as a result of the opioid epidemic. Compared to five years ago, over 3,000 more Ohio children are living away from their homes because their parents are not able to care for them safely. Many of these children are having to stay in care longer. They have very complex needs that require complex treatment. However, at current caseloads and funding levels, county agencies have struggled to provide even basic services.

In his State of the State Address, Governor DeWine reminded us that children have only one chance to grow up. We have a moral obligation to get it right for the children who are in our care through no fault of their own. We are committed to doing what we can to help children in foster care thrive and succeed. We are requesting an additional \$74 million per year in General Revenue Funding to support this objective. This investment will even out local funding disparities and provide children services agencies the resources and flexibility they need. It also will allow counties to draw down federal funds at at least the 50% match rate.

The overall \$74 million state funding investment has six core components:

- An additional \$30 million per year for the State Child Protection Allocation, to help county agencies stabilize and invest in much-needed enhancements. This includes \$10 million for incentive payments to counties that meet performance expectations for ensuring the safety and timely permanency of children.
- \$25 million for placement costs for youth who have very complex needs and require simultaneous care from multiple systems in addition to foster care, such as mental health, addiction or developmental disability services.
- An additional \$5.7 million per year to fully fund the Bridges program for the approximately 900 young people who age out of foster care each year. Bridges provides housing and other supportive services until they turn 21.
- \$5 million for foster and kinship family recruitment and support. This is a vitally important effort that will help alleviate the need to place children far away from relatives, in other counties or even other states.
- \$4.65 million for counties to implement promising practices such as Ohio START, which provides specialized services to children who have been abused or neglected because of parental drug use; 30 Days to Family, a kinship locator service; and Permanency Roundtables, which help identify permanent connections for youth ages 12 and older.
- \$3.5 million to launch a Kinship Navigator Program that will provide referral services for Ohio's estimated 100,000 grandparents and other relatives who have honorably volunteered to care for children when their own parents cannot.

In addition to this GRF investment, this budget request allocates \$15 million in federal TANF funding for a new Kinship Caregiver Program. The program will allow counties to offer subsidized child care and other services for eligible caregivers as part of their TANF Prevention, Retention and Contingency programs. It also allocates \$3.4 million to county agencies for equipment purchases and electronic data management.

Priority #2: Ensuring Access to Quality Early Education and Care

All children deserve the best possible start in life, regardless of their family income. Ohio’s Publicly Funded Child Care program offers financial assistance to eligible parents to help with child care costs while they engage in work, education or job training. This budget request allocates additional federal Child Care funding in each of the next two state fiscal years for early education and child care investments.

Research shows that investments in high-quality early education for at-risk children can have lifelong – and generational – ramifications. When they are exposed to a high-quality learning environment before age 5, these children are more likely to be kindergarten-ready, graduate from high school, and have higher earnings and better health. By one estimate, the return on public investment is as high as 13 percent.

Senate Bill 316 of the 129th General Assembly mandated that all child care programs that receive state funding participate in the Step Up to Quality assessment and rating system by June 30, 2020. By 2025, all child care centers and large in-home providers that receive state funding must be highly rated. Over 119,000 children are enrolled in our Publicly Funded Child Care Program, and this administration seeks to increase that number over time.

Publicly Funded Child Care represents the largest portion of Ohio’s TANF budget, at more than \$500 million annually. Ohio also receives a Child Care Development Block Grant of approximately \$300 million annually. In furtherance of our commitment to Ohio’s children, this budget allocates an increase of more than \$147 million in SFY 2020 and nearly \$180 million in SFY 2021 for child care providers. The additional investment has three components:

- More than \$83 million per year to bring payment rates for providers up to market rate. This adjustment will allow families to have access to at least 25 percent of all providers in their area.
- More than \$61 million in SFY 2020 and \$87 million in SFY2021 to help fund enhanced payments to Step Up to Quality providers as they move up the rating scale.
- \$1.5 million in SFY 2020 and \$2.5 million in SFY 2021 for payments to providers serving families with incomes between 200 and 300 percent of the federal poverty level.

Priority #3: Advancing Workforce Development Initiatives

One of our primary responsibilities is to help Ohioans pursue sustainable employment and career paths, increase their incomes and break the cycle of poverty. To accomplish this, ODJFS works in partnership with local workforce development boards and staff to provide employment and training services at 22 comprehensive and 66 affiliate OhioMeansJobs centers throughout the state. Employers also visit the centers – and/or OhioMeansJobs.com – to find skilled candidates for jobs, screen resumes, and access federally funded tax credits and training programs.

According to the Georgetown Center on Education and the Workforce, 64 percent of Ohio jobs in 2020 will require a post-secondary certificate or higher, or some level of college experience. We know that poverty rates are dramatically lower for those who complete high school or a

GED program and even lower for those who complete some college or earn an associate's degree. To encourage more young people to pursue this potential path out of poverty, in the coming biennium ODJFS will collaborate with the Ohio Department of Higher Education and state community colleges to provide wrap-around support for students on public assistance. We will make sure that a 20-year-old single mother receiving food assistance has access not only to tuition assistance, but also subsidized child care, a textbook stipend, and funds for gas and car maintenance while she earns a nursing degree that will lead to a job paying \$25 an hour. We also will make sure that she has access to any mentoring, tutoring or career services she might need to complete her program successfully, in a reasonable amount of time.

There are work requirements not only for the TANF cash assistance program, but also for SNAP, which used to be known as food stamps. For SNAP, able-bodied adults ages 18 to 50 with no dependents are required to participate in employment and training programs or work at least 20 hours a week. These efforts complement the impactful work of counties that serve 14- to 24-year-olds in our Comprehensive Case Management and Employment Program (CCMEP). This program integrates both TANF and federal workforce funding to provide a wide range of services, including dropout recovery services, occupational skills training, guidance and counseling, and supportive services such as help with transportation and/or child care. Key target populations include current and former foster youth, individuals who are homeless or runaways, high school dropouts, individuals who are parenting or pregnant, and individuals with disabilities. More than 32,000 young people have benefited from the program since its inception in July 2016, including more than 13,000 who have been placed into jobs or entered post-secondary education.

ODJFS workforce services are 100 percent federally funded. To maintain acceptable levels of customer service, it is very important that current funding levels be maintained. This budget request supports all of our current work, as well as our upcoming priorities. It also maintains state funding for our unemployment insurance program. Unemployment claims are at their lowest in decades, which is good news. However, this has resulted in declining federal administrative funds in a time of increased federal mandates. To rein in costs, in recent years the program has undergone a number of reorganization and process improvement initiatives, streamlined operations and reduced its workforce by nearly 200 employees through attrition. Over the next year, we also will begin transitioning to a new unemployment tax, benefit and appeal system, which will cost much less to operate than our current systems and will save millions of GRF dollars in subsequent biennia.

Priority #4: Optimizing Service Delivery

ODJFS serves over one million Ohioans, and our technology infrastructure is critical to our success. This budget request supports the statewide IT systems that are the backbone of our services. State and county employees rely on these systems every day to administer ODJFS programs across Ohio. The Statewide Automated Child Welfare Information System, Ohio Benefits, the Support Enforcement Tracking System for child support and OhioMeansJobs.com are vitally important to maintain and enhance.

The Food Assistance federal grant and TANF Block Grant are our largest sources of funding that support our technology infrastructure. We also receive a large federal Child Care Development Block Grant. In order to draw down that funding, the state must provide matching and maintenance-of-effort contributions. Our requested state investment of \$416.9 million toward TANF will allow us to access \$725.6 million in additional federal TANF funds. Our requested state investment of \$83.5 million in child care will allow us to access \$300 million in federal child care funds. This budget request supports the state's matching and maintenance-of-effort obligations, for the good of Ohioans, and to maximize available federal matching dollars.

Conclusion

The services ODJFS provides are critical to the overall health and success of our state. This budget places children and families first, while maximizing efficiencies and ensuring good stewardship of taxpayer dollars. It prioritizes child protection, early education and child care, and workforce development initiatives. We deeply appreciate your partnership in uplifting over one million lives. Thank you again for the opportunity to provide an overview of our budget priorities.