

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Sub. H.B. 214**

DATE: **June 26, 2007**

STATUS: **As Reported by House Juvenile and Family Law** SPONSOR: **Reps. Wagner and Combs**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Makes changes to the law regarding training of foster caregivers, the Department of Job and Family Services' authority to begin the child placement level of care pilot program, expanded usage of Title IV-E funding, and the coordination of the provision of services for foster children with mental retardation and developmental disabilities**

State Fiscal Highlights

STATE FUND	FY 2007	FY 2008	FUTURE YEARS
Various State and Federal Funds in the Department of Job and Family Services*			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Increase due to increase in preplacement training hours; Increase in administrative costs related to joint briefings; Increase for travel reimbursement for new steering committee members; Increase of approximately \$1 million to conduct the Level of Care Tool Pilot and to work with ODMH; Potential increase if federal waiver regarding Title IV-E funding is sought	Increase due to increase in preplacement training hours; Increase in administrative costs related to joint briefings; Increase for travel reimbursement for new steering committee members; Increase of approximately \$1 million to conduct and evaluate the Level of Care Tool Pilot
Various State Funds in the Department of Mental Retardation and Developmental Disabilities*			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential increase if disputes between local boards on provision of services to a foster child must be settled; Increase in administrative costs related to joint briefings	Potential increase if disputes between local boards on provision of services to a foster child must be settled; Increase in administrative costs related to joint briefings



Various State Funds in the Department of Mental Health*			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Increase to work with ODJFS and evaluate the Ohio Scales Tool	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

*These state agencies will use a mix of various state and/or federal funds to pay for costs associated with this bill.

- **Preplacement training.** The 8-hour increase in the minimum number of preplacement training hours required for a family foster home will increase the amount paid per foster caregiver by \$80 and the amount paid to a private agency by \$120 per prospective foster caregiver. However, due to other changes in the bill regarding when payment is made for preplacement training there may be offsetting cost savings (see **Reimbursement for training** below).
- **Continuing training hours.** The bill requires the Ohio Department of Job and Family Services (ODJFS) to adopt rules as necessary for the qualification of foster caregivers to provide training or mentorship services to other foster caregivers. This provision may result in an increase in administrative costs for ODJFS, however, the Department maintains a staff that works specifically on the formulation and codification of rules. Therefore, any additional administrative costs to develop the rules will be absorbed within ODJFS'S existing resources.
- **Reimbursement for training.** The bill requires ODJFS to adopt rules regarding the release of lump sum stipends. This provision may affect the amount that ODJFS reimburses prospective foster parents for preplacement training depending on the rules adopted by the Department regarding release of the stipend.
- **Services provided by county boards of MR/DD.** The bill provides a method for resolution of disputes in situations in which a foster child is in need of assessment for eligible services or is receiving services from a county board of mental retardation and developmental disabilities and is subsequently placed with a foster caregiver in another county. If the local boards fail to come to an agreement, Department of Mental Retardation and Developmental Disabilities (ODMRDD) will incur some costs to decide how services for the foster child must be provided.
- **Joint cross system briefings.** The bill requires ODJFS to partner with ODMRDD to offer joint cross system briefings to better educate the professionals of both systems for more effective service delivery for dually involved children and families. ODJFS and ODMRDD will incur a one time cost to make decisions about what these cross systems briefing will involve. Once the format, content, location, etc. have been decided, the departments will incur an annual cost to conduct the briefings.
- **Ohio Child Welfare Training Program.** The bill requires ODJFS to appoint two additional members (must be current foster caregivers) to the steering committee. Presumably, the members being added by the bill will serve without compensation. The Department is likely to extend reimbursement for travel to the two new members.
- **Child Placement Level of Care Tool.** The bill requires ODJFS, contingent upon the availability of funding, to implement, oversee, and evaluate the use of a Child Placement Level of Care Tool. The Department has estimated the cost to conduct the pilot to be approximately \$1.0 million (50% state share; 50% Title IV-E federal reimbursement).
- **Coordination with the Ohio Department of Mental Health.** The Ohio Department of Mental Health (ODMH) must conduct a study of a sample of the children placed using the Child Placement Level of Care Tool,

which must run concurrent with ODJFS's Child Placement Level of Care Tool pilot program. This study must use both the Tool and the Ohio Scales in a simultaneous collection of information about children at the time a placement decision is made. Upon completion of the study, ODMH must send a copy of the results of the study to the independent evaluator of the Child Placement Level of Care Tool. This provision will result in increased costs for ODMH to study the Ohio Scales Tool. LSC was unable to obtain an estimate from ODMH as to the estimate of the cost to conduct the study. The bill does not contain any funding for ODMH to complete the study; therefore, ODMH will have to absorb the cost within existing resources. In addition, ODJFS and ODMH will also likely incur an increase in administrative costs to come together to discuss the scope of the pilot and the Ohio Scales evaluation to ensure that the ways in which the evaluations are conducted are meaningful and applicable to each other.

- **Title IV-E funding digibility.** The bill grants ODJFS authority to seek federal approval through the United States Department of Health and Human Services to include within funding under Title IV-E of the Social Security Act an additional category of foster care certification, and simplified standards for that certification, for placements in which the child has an existing relationship with the foster caregiver. This provision may result in increased administrative costs for ODJFS should the Department decide to seek such federal approval. The fiscal impact of this provision should the Department obtain federal approval is unknown at this time since it is difficult to predict what the U.S. Department of Health and Human Services will agree to on this subject.

Local Fiscal Highlights

LOCAL GOVERNMENT		FY 2007	FY 2008	FUTURE YEARS
Public Children Services Agencies				
Revenues	Potential loss due to timing change of payment for preplacement training		Potential loss due to timing change of payment for preplacement training	Potential loss due to timing change of payment for preplacement training
Expenditures	Increase of pass through to foster caregivers due to increase in preplacement training hours		Increase of pass through to foster caregivers due to increase in preplacement training hours	Increase of pass through to foster caregivers due to increase in preplacement training hours
Local Boards of MR/DD				
Revenues	- 0 -		- 0 -	- 0 -
Expenditures	Potential increase to work together in deciding provision of services to a foster child		Potential increase to work together in deciding provision of services to a foster child	Potential increase to work together in deciding provision of services to a foster child
Local Courts				
Revenues	- 0 -		- 0 -	- 0 -
Expenditures	Potential minimal decrease due to fewer petitions by ODJFS to maintain confidentiality of records		Potential minimal decrease due to fewer petitions by ODJFS to maintain confidentiality of records	Potential minimal decrease due to fewer petitions by ODJFS to maintain confidentiality of records

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **Preplacement training.** The 8-hour increase in the minimum number of preplacement training hours required for a family foster home will increase the amount paid per foster caregiver by \$80, which flows through the local agency. However, due to other changes in the bill regarding when payment is made for training there may be offsetting loss of revenue for the local agency (see **Reimbursement for training** below).
- **Reimbursement for training.** The bill requires ODJFS to adopt rules regarding the release of lump sum stipends. This provision may affect the amount that public agencies receive from ODJFS and disperses for reimbursement to prospective foster parents for preplacement training depending on rules adopted by the Department regarding release of the stipend.
- **Public records.** The bill ensures that names, documentation, and other identifying information regarding a foster caregiver or a prospective foster caregiver, including the foster caregiver application for certification and the home study conducted by ODJFS are not accessible through a public records request. An explicit exemption in the law will likely reduce the number of petitions ODJFS will bring to the courts to maintain confidentiality thereby reducing court costs. The Department does not receive a large number of these requests so the cost savings to the court is likely to be minimal.
- **Services provided by county boards of MR/DD.** The bill provides a method for resolution of disputes in situations in which a foster child is in need of assessment for eligible services or is receiving services from a county board of mental retardation and developmental disabilities and is subsequently placed with a foster caregiver in

another county. This provision may cause an increase in costs to the local boards of MR/DD to come together to discuss services for a foster child that has moved from one county to another.

Detailed Fiscal Analysis

Training of foster caregivers

Increase in amount of preplacement training

Existing law requires foster caregivers to complete training prior to the placement of foster children in the home. The amount of training hours required depends upon whether the home is a family foster home or a specialized foster home. A family foster home must complete at least 24 hours of preplacement training and a specialized foster home must complete at least 36 hours.

The bill will increase the minimum number of preplacement training hours required for a family foster home from 24 hours to 36 hours. (R.C. 5103.031.)

Fiscal effect – Currently, prospective foster parents are paid \$10 for each hour spent in preplacement training and private child placing agencies receive \$15 per hour per foster caregiver to cover the cost of providing the training. This provision will increase the amount paid per foster caregiver by \$80 and the amount paid to a private agency by \$120 per prospective foster caregiver. However, due to other changes in the bill regarding when payment is made for training (see **Reimbursement for training** below) there may be offsetting cost savings since there may be some prospective foster parents who become certified but never have a child placed in their home who would therefore not be eligible for payment related to training.

Fulfillment of continuing training hours

Existing law requires foster caregivers to complete a minimum number of continuing training hours to remain certified. A foster caregiver providing a family foster home must complete at least 40 hours of continuing training every two years, and a foster caregiver providing a specialized foster home must complete at least 60 hours of continuing training every two years. (R.C. 5103.032.) The public children services agency (PCSA), private child placing agency (PCPA), or private noncustodial agency (PNA) acting as a recommending agency for a foster caregiver must develop and implement a written needs assessment and continuing training plan for the foster caregiver, and the training classes must be approved by the Ohio Department of Job and Family Services (ODJFS). (R.C. 5103.035 and 5103.0316.)

The bill allows a foster caregiver to complete up to 20% of the foster caregiver's continuing training hours by teaching one or more training classes for other foster caregivers or by providing mentorship services to other foster caregivers. The PCSA, PCPA, or PNA acting as a recommending agency for a foster caregiver must include the number of hours that a foster caregiver is permitted to complete in this fashion on the foster caregiver's needs assessment and continuing training plan. The bill

also requires ODJFS to adopt rules as necessary for the qualification of foster caregivers to provide training or mentorship services to other foster caregivers. (R.C. 5103.032 and 5103.035.)

Fiscal effect – This provision will not impact the amount of the payments to foster caregivers or private agencies for training. However, this provision may increase administrative costs for ODJFS to adopt rules that will govern the fulfillment of a foster caregiver's training requirements by teaching or mentoring other foster caregivers. The Department maintains a staff that works specifically on the formulation and codification of rules. Therefore, any additional administrative costs to develop the rules discussed here will be absorbed within ODJFS'S existing resources.¹

Reimbursement for training

Existing law requires a PCSA, PCPA, or PNA acting as a recommending agency for a foster caregiver to pay each foster caregiver a stipend to reimburse the foster caregiver for attending a preplacement or continuing training program. The bill requires that the stipend to reimburse a foster caregiver for attending preplacement training programs be in the form of a lump sum. The stipend rate remains for the completion of continuing training. (R.C. 5103.0312.)

Existing law also requires ODJFS to reimburse PCPAs and PNAs for the cost of procuring or operating preplacement and continuing training programs for foster parents. These agencies must be reimbursed for each hour of training provided or received. The bill limits agency reimbursement to the minimum amount of preplacement and continuing training required; an agency may not provide additional training hours and receive additional reimbursement from ODJFS. (R.C. 5103.0313.)

Currently, individuals who attend a preplacement training program receive their reimbursement when they receive a foster home certificate from ODJFS. The bill requires ODJFS to adopt rules regarding the release of lump sum stipends. (R.C. 5103.0312.)

Fiscal effect – These provisions may increase the Department's administrative costs to adopt rules, however the Department maintains a staff specifically for rules development and codification therefore any additional costs would be minimal and likely absorbed within existing resources. Additionally, this provision may affect the amount that ODJFS reimburses prospective foster parents for preplacement training depending on the rules adopted by the Department regarding release of the stipend. The other provisions described above regarding changing the form of payment and the limit on agency reimbursement will not have a fiscal impact on ODJFS or PCSAs.

Services provided by county boards of mental retardation and developmental disabilities

The bill provides a method for resolution of disputes in situations in which a foster child is in need of assessment for eligible services or is receiving services from a county board of mental retardation and developmental disabilities and is subsequently placed with a foster caregiver in another county. The agency that places the child in the new foster home must inform the county board in the

¹ Am. Sub. H.B. 119 of the 127th General Assembly (main operating budget) includes funding that will support state level administrative expenses for reforms to the child welfare system included in this bill and other pending legislation.

new county that the foster child was in need of assessment for eligible services or was receiving services from the county board in the previous county. The agency must then provide the name and other identifying information regarding that child, and the name of the child's previous county of residence.

Upon receiving the notice that the child was receiving services from a county board of mental retardation and developmental disabilities in the previous county, the county board in the new county must communicate with the county board of the previous county to determine how services for the foster child must be provided in accordance with each board's plan and priorities that are based on available resources for the provision of facilities, programs, and other services for individuals with mental retardation and developmental disabilities.

If the two county boards are unable to reach an agreement within ten days of the child's placement, the county board in the new county must send notice to the Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD) of the failure to agree. Within ten days of receiving notice that the county boards could not reach an agreement, ODMRDD must decide how services are to be provided for the foster child and may decide that one, or both, of the county boards must provide services in accordance with each board's plan and priorities. (R.C. 5126.04.)

Fiscal effect – This provision may cause an increase in costs to the local boards of MR/DD to come together to discuss services for a foster child that has moved from one county to another. If the local boards fail to come to an agreement, ODMRDD will incur some costs to decide how services will be provided for the foster child. LSC was unable to obtain data on how often foster children move across a county line and how often a dispute arises over the provision of MR/DD services to such children.

Joint cross system briefings

The bill also requires ODJFS to partner with ODMRDD to offer joint cross system briefings to better educate the professionals of both systems for more effective service delivery for dually involved children and families. The joint cross system briefings must be conducted regularly for one year after the effective date of the bill and serve as a platform for conducting forums and developing training curriculums for foster caregivers that care for mentally retarded and developmentally disabled children. (Section 8 of the bill.)

Fiscal effect – ODJFS and ODMRDD will incur a one time cost to make decisions about what these cross system briefings will involve. Once the format, content, location, etc. have been decided, the departments will incur an annual cost to conduct the briefings.

Reimbursements to juvenile courts

Existing law allows a juvenile judge to enter into an agreement with ODJFS for the purpose of reimbursing the court for foster care maintenance costs and associated administrative and training costs incurred on behalf of a child eligible for payments under Title IV-E of the Social Security Act and who is in the temporary or permanent custody of the court or subject to certain dispositions of the court. Under the bill, the agreement also may be for the purpose of reimbursing such costs on behalf of a child

who has been determined to be at serious risk of removal from the home and for whom the court has undertaken a plan of reasonable efforts to prevent such removal. (R.C. 2151.152.)

Fiscal effect – This provision will have no fiscal effect on ODJFS or the courts. ODJFS currently reimburses the court for the costs being specified in the bill. This provision provides specific reference in law so as to avoid any adverse audit findings in the future.

The Ohio Child Welfare Training Program

The Ohio Child Welfare Training Program in ODJFS provides the various training classes required for certification as a foster caregiver or a PCSA caseworker or supervisor, and for adoption assessors who conduct home studies (R.C. 5103.30). Leading this program is a steering committee, currently comprised of employees of ODJFS, one representative of each of the regional training centers located throughout the state, one representative of a statewide organization that represents the interests of PCSAs, one representative of the Ohio Child Welfare Training Program coordinator, and employees of PCSAs.

The bill requires ODJFS to appoint two additional members to the steering committee. These new members must be current foster caregivers certified by ODJFS. (R.C. 5103.391.)

Fiscal effect – Individuals who serve on the steering committee do so in an official capacity of their employment and receive reimbursement for travel to the monthly meeting from their employers. Presumably, the members being added by the bill will serve without compensation. The Department is likely to extend reimbursement for travel to the two new members. According to ODJFS, these meetings are typically held in Columbus. However, without knowing from where in the state these individuals will be traveling from LSC is unable to quantify the amount of reimbursement that will likely be paid to these new members.

Child Placement Level of Care Tool

Development

The bill requires ODJFS, contingent upon the availability of funding, to implement and oversee the use of a Child Placement Level of Care Tool. The Tool will be used to evaluate a child's behavior, history, psychological state, and the involvement of service systems, in an effort to better assess a child's placement needs when a child must be removed from the child's own home and cannot be placed with a relative or kin. This Tool must be developed with the participating counties and implemented by ODJFS on a pilot basis. The participating counties will include Cuyahoga County and up to nine additional counties selected by ODJFS. Participation in this pilot program will be voluntary; a selected county must agree to participate. ODJFS may adopt rules under Chapter 119. to carry out the pilot program and must seek maximum federal financial participation to support the pilot program and its evaluation. The pilot program will be conducted between July 1, 2008 and December 31, 2009. (Section 6(A), (B), (E), and (G) of the bill.)

Fiscal effect – The Department has estimated the cost to conduct the pilot to be approximately \$1.0 million (50% state share; 50% Title IV-E federal reimbursement).

Evaluation

ODJFS must designate a person to independently evaluate the pilot program to rate the following: success in placement stability, length of stay, and other outcomes for children; costs; worker satisfaction; and any other criteria that ODJFS determines will be useful in the consideration of statewide implementation. The evaluation design must include a comparison of data to historical outcomes or control counties, a retrospective data review of Cuyahoga County's use of the Tool, and a prospective data evaluation in each of the ten pilot counties. (Section 6(C) of the bill.)

Fiscal effect – The above estimate of \$1.0 million to conduct the pilot includes the cost to contract for an independent evaluation of the program.

Coordination with the Ohio Department of Mental Health

The Ohio Department of Mental Health (ODMH) must conduct a study of a sample of the children placed using the Child Placement Level of Care Tool, which must run concurrent with ODJFS's Child Placement Level of Care Tool pilot program. This study must use both the Tool and the Ohio Scales in a simultaneous collection of information about children at the time a placement decision is made. The data collection must be coordinated through collaboration between ODMH and the independent evaluator to ensure study design integrity and cost efficiency. Based on this data collection from the Ohio Scales Tool, the study must focus on analyzing any correlation between the initial placement outcomes and initial scores of problem severity and behavioral health functioning. Through a data sharing agreement with the independent evaluator, ODMH must also analyze data from subsequent administrations of the Tool and changes in placement level of care for any correlations.

Upon completion of the study, ODMH must send a copy of the results of the study to the independent evaluator of the Child Placement Level of Care Tool, who will send a copy of the evaluator's initial evaluation of the Child Placement Level of Care Tool, ODMH's calibration study, and the continuity of care analysis to ODJFS. (Section 6(D) and (E) of the bill.)

Fiscal effect – The study described above will increase costs for ODMH to study the Ohio Scales Tool. LSC was unable to obtain an estimate from ODMH as to the estimate of the cost to conduct the study. The bill does not contain any funding for ODMH to complete the study; therefore, ODMH will have to absorb the cost within existing resources.

ODJFS and ODMH will also likely incur an increase in administrative costs to come together to discuss the scope of the pilot and the Ohio Scales evaluation to ensure that the ways in which the evaluations are conducted are meaningful and applicable to each other.

Title IV-E funding eligibility

The bill grants ODJFS authority to seek federal approval through the United States Department of Health and Human Services to include within funding under Title IV-E of the Social Security Act an additional category of foster care certification, and simplified standards for that certification, for placements in which the child has an existing relationship with the foster caregiver (Section 7 of the bill).

Fiscal effect – This provision may increase administrative costs for ODJFS should the Department decide to seek the federal approval described above. The fiscal impact of this provision should the Department obtain federal approval is unknown at this time since it is difficult to predict what the U.S. Department of Health and Human Services will agree to on this subject.

The Interstate Compact on the Placement of Children

Am. Sub. S.B. 238 of the 126th General Assembly repealed the Interstate Compact *on* the Placement of Children and replaced it with the Interstate Compact *for* the Placement of Children. This new compact has not yet taken effect because not enough states have enacted it; it will not take effect until 35 states enact the new compact, and Ohio is the only state to have enacted it. As a result, the Interstate Compact on the Placement of Children no longer appears in the Revised Code, although it remains in effect due to the fact that Article IX of the Compact contained a two-year delay of any repeal.

The bill reenacts the old compact, while retaining the new compact in the event of its future effectiveness. The bill states that the enactment of the old compact is a continuation of the interstate compact of the same name that was repealed by Am. Sub. S.B. 238 of the 126th General Assembly and that its provisions will no longer apply once the new compact becomes effective. (Sections 9, 10, 11, and 12 of the bill.)

Fiscal effect – This provision corrects an inadvertent repeal of the old compact under which ODJFS continues to function. Therefore, this provision will have no fiscal effect on ODJFS.

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