



**Ohio Senate Finance Subcommittee on Health and Medicaid
Ohio Department of Job and Family Services
Executive Budget Recommendations for SFY 2020-2021
Kimberly L. Hall, Director
May 7, 2019**

Good morning, Chairman Hackett, Vice Chair Huffman, Ranking Member Thomas and members of the subcommittee. I am Kimberly Hall, director of the Ohio Department of Job and Family Services. Thank you for the opportunity to be here today, 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.

We take a two-generation approach to this effort. We help children and adults improve their lives through our many programs. For example, the 119,000 children in our Publicly Funded Child Care program receive an educational experience that can help prepare them for kindergarten while their parents engage in work or job training so they can increase their incomes. Similarly, many of the 83,000 children receiving cash benefits from the Temporary Assistance to Needy Families (TANF) program are in foster care or living with kinship caregivers, who might not be able to care for them if not for this assistance. We take a full-family approach to helping families overcome poverty and become self-sufficient.

We serve more than 1.3 million Ohioans through the Supplemental Nutrition Assistance Program (SNAP), more than 1 million Ohio children through the child support program, nearly 1 million Ohioans at the OhioMeansJobs centers and at OhioMeansJobs.com, nearly 70,000 Ohioans through our unemployment insurance program, about 19,000 Ohioans in apprenticeship programs, nearly 16,000 children in foster care and about 10,000 adults through the TANF cash assistance program.

ODJFS Executive Budget Recommendations for SFY 2020-2021

ODJFS has approximately 2,300 employees. Most are stationed in Columbus although we also have field offices in Cleveland, Lorain, Toledo, Akron, Youngstown, Reno, Lima, Dayton, Cambridge and Chillicothe. Our field office staff conduct work activities such as child care licensing and monitoring, foster care licensing and monitoring, child support distribution and reconciliation, county program and fiscal monitoring, and unemployment claims processing. In addition, some of our state staff work alongside county staff at the OhioMeansJobs centers.

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

Presently in Ohio, more than 15,000 children are in protective care outside 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 the most 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 give children services agencies the resources and flexibility they need. It also will allow counties to draw down federal funds at at least the 50 percent match rate.

ODJFS Executive Budget Recommendations for SFY 2020-2021

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.
- \$25 million to support youth in foster care or at risk of placement in foster care who have very complex needs and require simultaneous care from multiple systems, such as mental health, addiction or developmental disability services. In 2016, the Joint Legislative Committee on Multi-System Youth recommended the establishment of a safety net of state-level funding. This significant investment is a component of that support.
- It is an unfortunate reality that many of the young people we serve never find permanent homes and age out of foster care. This budget request allocates an additional \$5.7 million per year to help fully fund the Bridges program. Bridges provides housing and other supportive services for youth who request it, until the age of 21. This request brings the Bridges allocation for this line item from almost \$5.5 million to just over \$11 million. The total Bridges allocation, across all funds, is just over \$34 million.
- This budget request allocates \$5 million for staffing 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. Other statewide efforts to improve recruitment include a website and public information campaign, FosterAndAdopt.jfs.ohio.gov, where we emphasize that individuals do not need to be wealthy or have advanced degrees to foster and adopt children; they just need “100 Percent Heart.” This budget request also moves Ohio’s foster care training hours from law to rule, in accordance with one of the recommendations of the Foster Care Advisory Group. This will allow flexibility for future adjustments. The advisory group also recommended reducing the number of required training hours to focus on core caregiver readiness skills. Presently, Ohio requires more training hours than any other state, and these requirements have disincentivized recruitment.
- This budget request allocates \$4.65 million for counties to implement promising practices, specifically:
 - \$4 million for Ohio START, which provides specialized services to children who have been abused or neglected because of parental drug use. (The Department of Mental Health and Addiction Services also receives funding for this program);
 - \$400,000 for 30 Days to Family, a kinship locator service; and
 - \$250,000 for Permanency Roundtables, which help identify permanent connections for youth ages 12 and older.
- This budget request also allocates \$3.4 million to provide public children services agencies with software that can be used in the field on family visits, a system to electronically store and organize documents and assist with some equipment purchases.

ODJFS Executive Budget Recommendations for SFY 2020-2021

For kinship care, we are proposing a sizable investment – approximately \$27.25 million total (a 34.6 percent increase) – because the need is so great. This includes:

- \$15 million in TANF funds for a new Kinship Caregiver Program, which will allow counties to offer subsidized child care and other services for eligible caregivers as part of their TANF Prevention, Retention and Contingency programs.
- \$4.25 million in TANF funds and \$1 million in GRF for the Kinship Permanency Incentive Program (KPIP), which offers up to eight payments for eligible kinship caregivers to help defray some of the costs of caring for children. KPIP is available for kinship caregivers with incomes of less than 300 percent of the federal poverty level.
- \$3.5 million in GRF (a portion of the above-referenced \$74 million) – to launch a Kinship Navigator Program for Ohio’s estimated 100,000 grandparents and other relatives who have honorably volunteered to care for children when their own parents cannot. Kinship Navigator Programs provide referrals to programs and local services that range from Medicaid to local support groups. A handful of counties, including Richland and Muskingum, already offer kinship programming, and they have been very successful. Our goal is to extend this service to kinship caregivers statewide. This funding will draw an additional \$3.5 million in federal funds for a total of \$7 million.

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.

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 July 1, 2020. By 2025, all child care centers and large in-home providers that receive state funding must be highly rated. An independent study of Step Up To Quality has confirmed that it is effective. It identified a strong correlation between children scoring higher on Ohio’s Kindergarten Readiness Assessment and attendance at rated programs. It also found that rated programs had higher-quality classroom practices compared to programs that are not rated. And it found that students who attend Publicly Funded Child Care programs over a longer period of time score higher on average on the Kindergarten Readiness Assessment.

Over 119,000 children are enrolled in our Publicly Funded Child Care Program, and this administration seeks to increase that number over time. More than 57 percent of children in Publicly Funded Child Care attend rated programs. To encourage more providers to participate in

ODJFS Executive Budget Recommendations for SFY 2020-2021

Step Up To Quality, we have offered free workshops, curricula and staff development. We also have issued scholarships and designated eight field staff to provide technical assistance to child care providers. County agencies are joining us in this effort, as are the local child care resource and referral agencies and the Ohio Department of Education, which licenses preschools operated by school districts.

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 SFY 2021 to help fund enhanced payments to Step Up To Quality providers as they move up the rating scale. Step Up To Quality awards enhanced payments to child care providers based on their ratings. Providers can use this funding to further their recruitment and retention efforts.
- \$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. To become eligible for Publicly Funded Child Care, a family's income must be below 130 percent of the FPL. A family remains eligible for all or part of their monthly child care expenses until their income becomes greater than 300 percent of the FPL. If their income is under 100 percent of the FPL, they have no copay obligation. The sliding scale for eligibility and copays helps avoid the "benefit cliff," which is the abrupt loss of benefits when family income increases.

This budget request also invests \$5 million over the biennium to create the Ohio Books from Birth program. This initiative is sponsored by our First Lady, Fran DeWine, and it is designed to ensure that every Ohio child receives a monthly book to help foster their development and kindergarten readiness.

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. In any given month, Ohio has as many as 180,000 job openings, and more than half of them pay more than \$50,000 a year.

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.

ODJFS Executive Budget Recommendations for SFY 2020-2021

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 should 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.

ODJFS Executive Budget Recommendations for SFY 2020-2021

The Food Assistance federal grant and TANF Block Grant are our largest sources of funding that support our technology infrastructure. The federal Child Care Development Block Grant also supports our infrastructure. 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.