



Safe Children, Stable Families, Supportive Communities

Ohio House of Representatives
House Finance Committee
Testimony on HB110
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Good morning Chair Oelslager, Vice Chair Plummer, Ranking Member Crawley, and members of the House Finance Committee. Thank you for the opportunity to provide this testimony on HB 110. My name is Angela Sausser, and I am the Executive Director of the Public Children Services Association of Ohio (PCSAO). PCSAO is a membership-driven association of Ohio's 88 county Public Children Services Agencies that advocates for sound public policy, promotes program excellence, and builds public value for safe children, stable families, and supportive communities. I am joined here today by a panel to highlight the current state of children services, the ongoing pressures on counties, why we need to achieve transformation in our system, and what transformation means to children and families.

Two years ago, we stood before you and shared that Ohio's children services system was in a significant crisis largely due to the addiction epidemic and that new resources were needed to help our system stabilize. At that time, our PCSAs had experienced an increase of children in foster care; more children with very complex, multi-system needs; more reliance on kinship caregivers; and an increase in placement costs. The Governor and the General Assembly became champions of our system by making an historic investment in children services in the last budget, and most of those critical investments for counties remain in the proposed budget.

Our county Public Children Services Agencies (PCSAs) have been working hard to stabilize the system over the past two years while continuing to face many ongoing challenges. My

testimony summarizes below the statewide impact of these challenges, and Danny Brenneman, Director of Coshocton County Job and Family Services, will share specific local challenges.

There continues to be an increased volume of children in foster care largely due to the addiction epidemic, the global pandemic, and the very complex needs of children. In addition, placement costs continue to soar, having increased 9% annually in the last two years (or by \$34M), and a staggering 52% since 2013 (\$144M). In a member survey from April 2020, 45% of PCSAs reported that the new state budget investments were already spent on placement costs. Finally, workforce challenges continue to burden our agencies with workers leaving due to stress and secondary trauma.

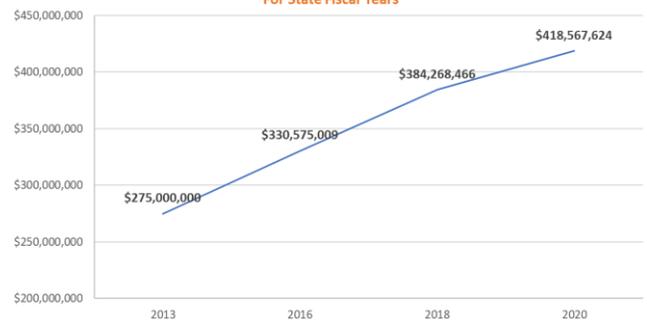
Children in Foster Care—Point in Time Count

(July 1 for all years except Jan. 1, 2021)



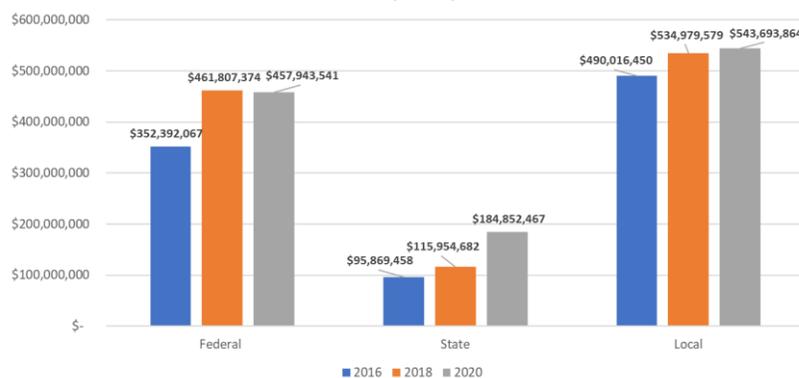
Foster Care Placement Costs

For State Fiscal Years



Overall Children Services Expenditures

SFY 2016, 2018, 2020



New investments in the last budget in both county allocations and statewide programming have increased the state share of overall children services spending from 10 percent to 16 percent while modestly reducing the spending burden on counties. Overall, children services spending increased 7% (or \$74M more) in SFY20 from SFY 18.

The next two years are pivotal for Ohio's children services system. Implementation of the Family First Act, the newly enacted Kinship Support Program, and other key state policy initiatives offers a once-in-a-generation opportunity to transform how families and children are supported. Ohio must get this right to ensure that kids grow up in families, reduce trauma, and prevent children from coming into foster care.

We appreciate the ongoing commitment to children services and the proposed changes for transformation in HB110. However, flat funding counties creates several gaps. The first revolves around kinship. Children do better with family, and policy has shifted to acknowledge this. The state created a new Kinship Support Program at the end of last year during the lame duck session. While the executive budget includes new dollars to cover the costs of the state portion of the program, it does not include new dollars to cover the increased cost to counties. If only half of the kinship caregivers become licensed foster parents, the estimated cost to counties will be an additional \$37M/year. Even in a state-supervised, county-administered system, it is appropriate for the state to cover a portion of the county costs for a new program. Without new funds, county costs for this program will have to come from existing funding, making it challenging to meet current need.

Within months of the SFY 22-23 budget taking effect, Ohio will implement a transformational federal child welfare law called the Family First Act. Through dramatic funding changes, Family First puts the focus on preventing children from entering foster care and recognizes that most families can provide safe and loving care when provided with needed services in such areas as mental health, substance abuse treatment, and parenting skills. Family First provides federal funds to pay for up to half the cost of these evidence-based prevention services. State resources are needed for the ongoing match of the prevention services, and to address capacity of the services across the state so that children in every Ohio county have the same opportunity to remain with their family rather than enter foster care, regardless of local resources.

When foster care is necessary, Family First requires that children be placed in the least restrictive, most family-like setting appropriate for their needs. In cases where residential care remains the best option, Family First seeks to improve the oversight of that care, and to ensure that residential facilities provide required quality, trauma-informed, clinical supports. Family First will also end federal reimbursement of placement costs for children in institutional settings that fail to meet this new standard called a Qualified Residential Treatment Program (QRTP). It is estimated that less than half of Ohio’s residential centers will meet this standard by the federal deadline of Oct. 1, 2021, and the state has given facilities a three-year extension on becoming QRTPs so to maintain current capacity. Our estimates show that counties will lose \$20-25 million per year in federal reimbursement due to facilities not being able to meet these new requirements by the federal deadline. Again, without new funds, county costs for this new requirement will have to come from existing funding, making it challenging to meet current need.

Gaps in Children Services Funding for Transformation Efforts

2022-2023 Executive Budget

| | SFY21 | SFY22 | SFY23 | Change (SFY21/23) |
|---|----------|----------|----------|-------------------------|
| GRF Allocations to Counties | \$148.2M | \$138.2M | \$138.2M | - \$10/year |
| TANF Earmark: Kinship Caregiver Program | \$15M | \$0 | \$0 | - \$15M/year |
| Estimated Unfunded New Costs to Counties | | | | |
| Kinship Support Program | | \$37M | \$37M | - \$57M/year minimum |
| Family First Implementation | | \$25M | \$20M | |
| KGAP | | \$0 | unknown | |
| Other Policy Changes | | unknown | unknown | |
| State-Level Children Services Programs and Operations | \$31.7M | \$95.2M | \$90.7M | + \$59M |
| State-Level Initiatives | \$4.7M | \$18.8M | \$20.5M | + \$15.8M |

House Bill 110 moves in the right direction, but the proposed new children services funding is focused solely on state costs related to the new transformation policy changes and leaves the counties without additional fiscal and staffing resources required to appropriately carry out these changes. If Ohio is going to successfully transform the children services system, counties

will require additional state resources. Chip Spinning, Director of Franklin County Children Services, will share why it is critical to support and fund transformation within our system.

When there are sufficient resources to allow for transformation at the local level, the impact on children and families is quite positive. Gov. DeWine and the General Assembly have funded and supported one of those initiatives called Ohio START (Sobriety, Treatment and Reducing Trauma). Ohio START is an evidence-informed children services-led intervention whereby public children services agencies (PCSAs) bring together caseworkers, behavioral health providers, and family peer mentors into teams dedicated to helping families struggling with co-occurring child maltreatment and substance use disorders. The overall goal is to stabilize families harmed by parental drug use so that both children and their parents can recover and move forward with abuse-free and addiction-free lives. Currently in Ohio, 52 PCSAs are providing Ohio START services. Our final panelist, Sarah Hayden, a Family Peer Mentor for Ohio START in Warren County, will share her journey with addiction and the children services system.

Change cannot be made without sufficient funding. Therefore, we respectfully request that the House Finance Committee address this funding gap in HB110 and provide an additional \$50 million per year to the State Child Protection Allocation fund within ODJFS ALI 600523. This funding is critical to our county PCSAs to adequately implement the proposed transformational efforts within HB 110, including the newly established Kinship Support Program and implementation of the Family First Act. Without this new investment, our county PCSAs will not be able to begin transforming the children services system.

Attached to my testimony is additional information about the current state of Ohio's children services system, the funding gaps in HB 110, Family First Act, current and proposed kinship changes, and the State Child Protection Allocation. Thank you. I, along with our panel members, would be happy to answer any questions.