



Safe Children, Stable Families, Supportive Communities

Ohio House of Representatives
House Finance Committee
Testimony on HB110
April 15, 2021
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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 Sub 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.

We appreciate this Committee's partial reinstatement of the Kinship Caregiver Program in Sub HB 110. This TANF funded program is critical to kinship families in need. We also appreciate the policy amendments regarding children services caseworker training and foster caregiver training that were added to Sub HB 110. Thank you for accepting those amendments.

I am here to ask that the House Finance Committee reconsider our primary request to **increase the State Child Protection Allocation (SCPA) within line item ODJFS 600523 by \$50 million per year**. We know this is a big ask. As we shared before this Committee and the House Finance Health and Human Services Subcommittee, the next two years are pivotal for Ohio's county public children services agencies with significant state and federal transformation changes occurring. 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. We appreciate the ongoing commitment to children services and the proposed changes for transformation in HB110. However, flat funding counties at this pivotal time creates significant gaps and will lead to deeper deficits within our children services system. It is not possible to implement mandated transformation without additional resources for the county public children services agencies.

The first significant gap 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 2020, 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 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. This is our second significant gap. **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.

The below chart details the significant gaps in children services funding within Sub HB 110. Our request for an increase of \$50 million per year in the State Child Protection Allocation (ODJFS Line 600523) is a minimum ask compared to the expected increased costs to Ohio’s county public children services agencies.

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	- \$10M/year
TANF Earmark: Kinship Caregiver Program	\$15M	\$10M	\$10M	- \$5M/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 Finance Committee Testimony

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When there are sufficient resources to allow for transformation at the local level, the impact on children and families is positive. However, change, especially significant transformational change, cannot be made without sufficient funding.

Therefore, we respectfully request that the House Finance Committee address this funding gap in Sub HB110 and **provide an additional \$50 million per year to the State Child Protection Allocation found within ODJFS ALI 600523**. This funding is critical so that Ohio's county PCSAs can 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, county PCSAs will not be able to begin transforming the children services system and these changes will erode the stabilization efforts that are being achieved with the new investments in the SFY21-22 budget.

Amendment Request:

Amend HB110, lines 56387-56393 as follows:

*"Of the foregoing appropriation item, 600523, Family and Children Services, **not less than** ~~up to~~ **\$160,040,010** ~~\$110,040,010~~ in each fiscal year shall be provided to public children services agencies. Of that amount, \$17,600,000 in each fiscal year shall be used to provide an initial allocation of \$200,000 to each country and the remainder shall be provided using the formula in section 5101.14 of the Revised Code."*

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. I am happy to answer any questions. Thank you.

Overview: Transforming Children Services 2022-23 State Budget Priorities

It's a pivotal time for Ohio's child protection system. The Family First Prevention Services Act and other key policy initiatives offer 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. HB 110 moves in the right direction, but new funding proposals underwrite only state costs related to transformation, leaving counties without the necessary resources to carry out these changes. If Ohio is going to successfully transform the children services system, counties will require additional state funding. **PCSAO is joining with the County Commissioners Association of Ohio to request \$50 million per year for counties so that they can support kin caregivers, maximize Family First opportunities, and offset increased placement costs.**

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Every child deserves to grow up in a safe, stable, permanent family. **In 2020, nearly 16,500 Ohio children lived in foster care on any given day, up from 12,500 children in 2013—a 32% increase.** Being removed from home and entering foster care is a traumatic experience for children, with consequences that can last a lifetime.

Protecting children from abuse and neglect and stabilizing families is challenging work. It is further complicated by the continued growth of the **addiction epidemic and a global pandemic** that requires Ohio's public children services agencies (PCSAs) to juggle new guidelines for in-person visits, exposures and quarantines to carry out their mission.

The **growing number of children in foster care, the increase in placement costs, and the lack of appropriate services and placements** have created an ongoing crisis in our system. Gov. DeWine recognized this, and so the Executive Budget proposal maintains the current level of investment.

Despite the challenges facing PCSAs, Ohio is at a pivotal time. The federal **Family First Prevention Services Act** will be implemented by October 2021. Family First recognizes that most families can provide safe care in their home with the right services and supports, preventing children from coming into foster care and requiring the most family-like setting for those who do. In cases where residential care remains the best option, new eligibility and quality standards will increase county costs while reducing availability. This transformative opportunity requires ongoing leadership, resources and commitment at the state and local levels.

In addition, Ohio has launched a new **Kinship Support Program** whereby the state provides time-limited payments to kin as the caregiver pursues foster parent licensure. Once licensed, the program shifts responsibility to county agencies to provide higher foster care payments and related administrative oversight. State estimates of county costs are \$25 million per year based on the number of kinship caregivers currently in this category. However, no new funds are included in the Executive Budget for these county costs.

Budget Requests

- **State Child Protection Allocation (SCPA): Maintain \$110 million per year (ALI 600523) + increase by \$50 million per year** (request for local-level transformation)
- **Maintain other children services investments from SFY20-21**
- **Support new investments in HB 110 (ALI 600523, 600450) for state-level transformation**



Funding Gaps in Children Services

2022-23 State Budget Priorities

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Overall state investments in children services have increased in the Executive Budget. However, the new investments are at the state level only.

The Executive Budget creates two new kinship programs that require shared implementation at the state and local level:

- ⇒ The state's portion of the **Kinship Support Program** (implemented December 29, 2020, through SB 310) is funded at \$34.5 million in SFY22 and \$30 million in SFY23.
 - ODJFS estimates county costs at \$23 million in SFY22 and \$25 million in SFY23. Another analysis shows the cost **could be closer to \$37 million per year** if only half of eligible kinship caregivers become licensed foster parents.
 - No new funds are proposed to support county costs.
- ⇒ A new **Kinship Guardianship Assistance Program** (KGAP)—to be implemented within 15 months of HB 110's effective date—is funded at \$2.5 million per year. This modest funding will limit Ohio's ability to provide meaningful support to these kinship caregivers.

Targeted funds for **Foster Parent Recruitment and Retention** and **Best Practices** have shifted from the county level to the state level:

- ⇒ \$10 million per year in direct county allocations for Foster Parent Recruitment and Retention and Best Practices will no longer be distributed by formula; instead, ODJFS has rule-making authority to determine how these funds will be used.

County-level funds for kinship support have been eliminated:

- ⇒ \$15 million per year TANF earmark for the **Kinship Caregiver Program** has been **zeroed out**.

Federally mandated Family First initiatives—which will transform children services over time—will increase county costs, yet no new funds are included for county implementation:

- ⇒ Placement costs will increase due to new **residential facility requirements** as counties absorb the loss of federal reimbursement for unqualified settings effective October 1, 2021.
- ⇒ There is a required 50/50 match to draw down federal reimbursement for specific **evidence-based services to prevent children from entering foster care** effective at the end of the Public Health Emergency.

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Children Services By the Numbers

2022-23 State Budget Priorities

The next two years are pivotal for Ohio's child protection system. Implementation of the Family First Prevention Services Act and other key 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, to reduce trauma and to prevent children from coming into foster care. Budget proposals move in the right direction but shift too much funding to the state, leaving counties without the fiscal and staffing resources needed to carry out this transformation. **PCSAO is joining with the County Commissioners Association of Ohio to request a new investment of \$50 million per year for county children services agencies so that they can support kin caregivers, maximize Family First opportunities, and offset increased placement costs.**

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The **number of children in foster care** has continued to increase, growing from 12,654 in SFY13 to more than 16,000 for most of SFY21. Reasons for the increase include the addiction epidemic and the complexity of cases, which can result in children lingering in care longer.

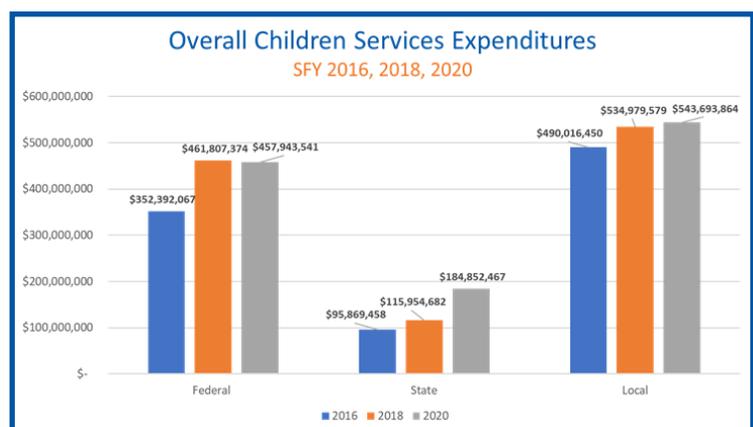
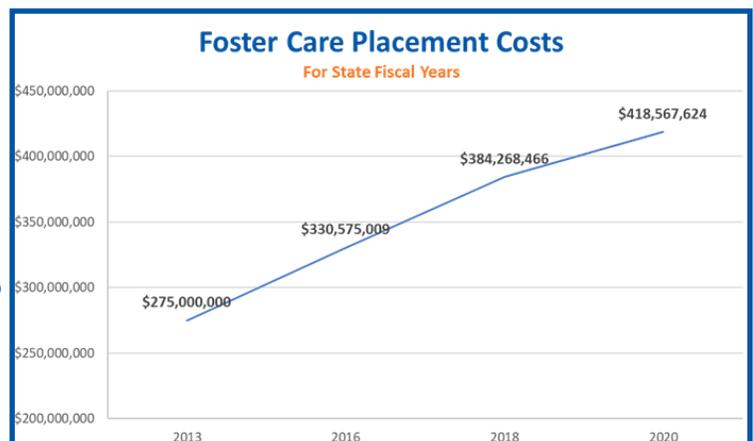
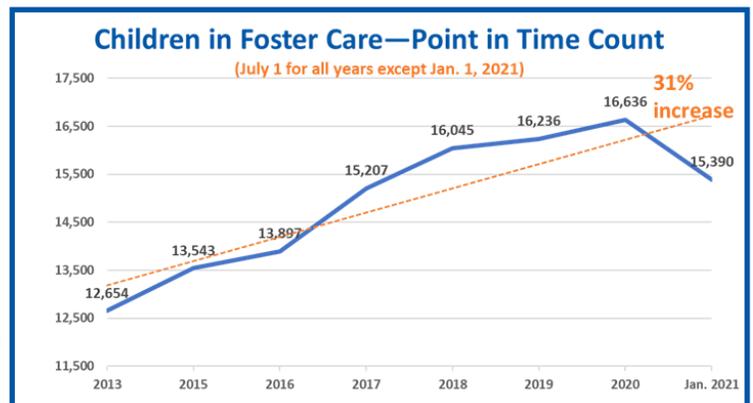
Why is this important? Even though cases have declined during the pandemic, a failure of robust Family First implementation will result in children continuing to come into foster care who otherwise could be served with evidence-based prevention services in the home.

Placement costs have increased 52% since 2013, \$144 million above SFY13 spending. From 2018 to 2020, placement costs increased by \$34 million, or 9 percent. The increase in annual placement costs is driven by more reliance on residential center placements (versus foster homes). In a member survey from April 2020, 45% of PCSAs reported that the new state budget investments were already spent on placement costs.

Why is this important? Placement costs are projected to increase significantly in the next two years 1) under the new Kinship Support Program and 2) as a result of Family First because some residential placements will not be federally reimbursable.

New investments in the last budget have increased the **state share of overall spending** from 10% to 16% while modestly reducing the spending burden on counties.

Why is this important? The proposed SFY22-23 budget shifts some funding away from county allocations to state authority while eliminating a key funding stream. State programming and initiatives are critical, but there is no corresponding support for the local costs associated with that programming, meaning increased reliance on county resources.



Family First Prevention Services Act 2022-23 State Budget Priorities

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Within months of the SFY22-23 budget taking effect, Ohio will implement a transformational federal child welfare law called the **Family First Prevention Services 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 offered needed services in such areas as mental health, substance abuse treatment, and parenting skills. 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 quality, trauma-informed, clinical supports.



Reducing Institutional Placements

Family First will end federal reimbursement of placement costs for children placed in institutional settings that fail to meet a new standard called a Qualified Residential Treatment Program (QRTP). Institutional settings must meet specific standards to be a QRTP such as providing trauma-informed services, 24/7 access to clinical staff, accreditation from a national body, engaging families throughout treatment, and ensuring up to six months of aftercare services.

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 Ohio Department of Job and Family Services has granted facilities a three-year extension to become QRTPs. PCSAs can still place children in institutions that are not QRTPs until 2024, but they will not receive federal reimbursement. In addition, Ohio institutions are not able to meet current demand, and 140 children are placed in out-of-state institutions far away from their families. State resources are needed to assist counties with the loss of federal reimbursement for non-QRTPs and the anticipated increase in placement costs as Ohio implements the new, more expensive residential requirements.

Preventing Children from Entering Foster Care

Starting Oct. 1, 2021, the federal government will begin matching up to half the costs for specific evidence-based mental health, substance abuse and parenting services for families of children at risk of entering foster care. Services can be provided for up to a year. There are no income eligibility requirements and no restriction on the number of times a family receives services. Each state is required to submit a prevention plan outlining its strategy and identifying the evidence-based services it will use to prevent children from entering foster care. Federal funds will pay for up to half the cost of these services for counties that choose to use them. State resources are needed for the ongoing match of the prevention services, and also 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. Both the children services and private behavioral health workforces are insufficient with current resources to meet the demand for expanding services statewide.

Family First Prevention Services Act

Ohio's Five Prevention Services

Ohio has selected five initial evidence-based prevention services to be eligible for federal reimbursement: Multisystemic Therapy (MST), Functional Family Therapy (FFT), Ohio START, Healthy Families America (HFA) and Parents as Teachers (PAT).

Ohio will determine when to phase in additional evidence-based prevention services slated to include Triple P, Incredible Years, 7 Challenges, Motivational Interviewing, Trauma-Focused Cognitive Behavioral Therapy, Brief Strategic Family Therapy, Child Parent Psychotherapy, Parent-Child Interaction Therapy, and Nurse Family Partnership.

Ohio Prevention Services Descriptions

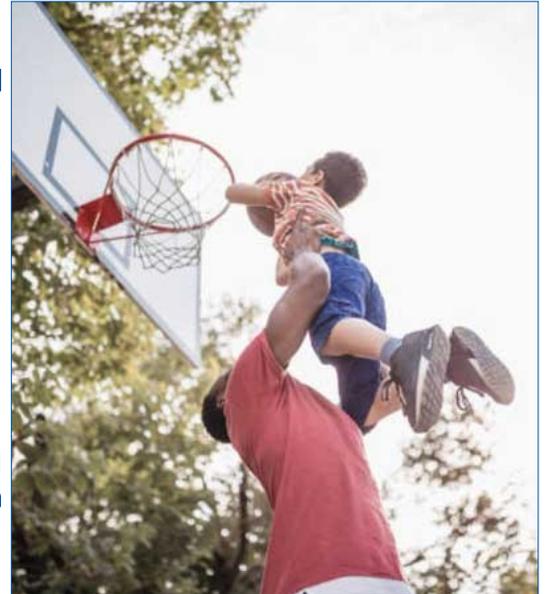
Functional Family Therapy: FFT is a short-term prevention and intervention program for at-risk youth and their families. FFT aims to address risks and protective factors that impact the adaptive development of 11- to 18-year-old youth who have been referred for behavioral or emotional problems.

Multisystemic Therapy: MST is an intensive family- and community-based treatment for youth with serious juvenile offenses or who are at high risk for juvenile justice involvement (and possibly substance use disorder) and their families. The target population is 12- to 17-year-olds who are at risk of out-of-home placement due to delinquent or antisocial behavior.

Ohio START: Ohio START (Sobriety, Treatment and Reducing Trauma) 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. To learn more, visit www.ohiostart.org.

Healthy Families America: HFA is a home-visiting program designed to work with families who may have histories of trauma, intimate partner violence, mental health issues, and/or substance use issues. Services are offered to families during pregnancy or at the time of birth of a child and can be provided long term. Goals of the program are to build and sustain community partnerships to systematically engage overburdened families in home visiting services prenatally or at birth, cultivate and strengthen nurturing parent-child relationships, promote healthy childhood growth and development, and enhance family functioning by reducing risk and building protective factors.

Parents as Teachers: PAT is a home-visiting parent education program that teaches new and expectant parents skills intended to promote positive child development and prevent child maltreatment. PAT aims to increase parent knowledge of early childhood development, improve parenting practices, promote early detection of developmental delays and health issues, prevent child abuse and neglect, and increase school readiness and success. The PAT model includes four core components: personal home visits, supportive group connection events, child health and developmental screenings, and community resource networks. PAT is designed so that it can be delivered to diverse families with diverse needs, although PAT sites typically target families with specific risk factors.



Supports for Kinship Caregivers

2022-23 State Budget Priorities

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Children do better with kin. All Ohio children deserve to grow up in families. When children cannot remain safely with their parents, other family and friends can provide a sense of security, identity and belonging. Children come into kinship care for various reasons; some kinship arrangements are temporary, while others are long term.

Many kinship caregivers need assistance as they take on this unexpected responsibility. Due to federal and state policies, available financial support varies depending on the category—or level of involvement with children services—that applies to the kinship caregiver.

The 2022-2023 Executive Budget contains significant new **kinship funding** and **kinship policy**. HB 110 includes two new kinship programs that require partnership at the state and local levels; however, the new funding is solely for state-level costs.



Kinship Support Program

- KSP was established in SB 310 in December 2020, in response to *D.O. v. Glisson*, a federal court decision that requires payments to kin caring for children in foster care.
- The Executive Budget proposes \$34.5 million in SFY22 and \$30 million in SFY23 to cover the state's share of this program, which pays kin caring for children in PCSA custody a small stipend (\$10.20 per day) for up to nine months initially and then six months thereafter.
- During this time, kin have an opportunity to become licensed foster caregivers, at which point responsibility shifts to the counties to pay much higher foster care per diems.
- Even with partial federal reimbursement for some payments, the state estimates that counties will be paying about **\$25 million per year** over and above current foster care placement costs. Additional analysis shows that this cost may be closer to **\$37 million per year**.

In *D.O. v. Glisson*, the U.S. Sixth Circuit Court of Appeals ruled in 2017 that the Adoption Assistance and Child Welfare Act of 1980 gives caregivers a privately enforceable right to foster care maintenance payments and, further, that Kentucky cannot distinguish between relative and non-relative foster providers when issuing those maintenance payments. This ruling applies to all states within the Sixth Circuit, which includes Ohio.

Kinship Guardianship Assistance Program (KGAP)

- KGAP provides monthly stipends to kinship caregivers who assume legal custody of their kin child after the child is in agency custody for at least six months and the kinship caregiver becomes licensed. Partial reimbursement for eligible youth is available through Title IV-E.

- HB 110 requires ODJFS to file a state plan amendment to establish an Ohio KGAP program within nine months of the budget bill becoming effective and to implement a program within 15 months.
- The Executive Budget includes new funding of \$2.5 million per year GRF to support KGAP. This modest funding level will limit Ohio's ability to provide meaningful support to these kinship caregivers, leaving them to continue to look to counties for that support.

Kinship Caregiver Program

- The Executive Budget zeroes out the existing Kinship Caregiver Program.
- This is a \$15 million per year TANF earmark, administered through each county's Prevention, Retention, and Contingency program (PRC), that provides "reasonable and necessary relief of child caring functions through family stabilization and caregiving services." Within TANF guidelines, counties have flexibility to respond to local kinship caregiver needs, including kinship caregivers whose children are not in agency custody.



Kinship Policy

Recognizing that children do better with kin, HB 110 contains recommendations from the Children Services Transformation Advisory Council **report** issued in November 2020. PCSAO supports these changes and notes that more PCSA staff time and resources will be required to ensure compliance and achieve the intended goals.

Kinship policy provisions include:

- **Intensive family-finding efforts:** Strengthens requirements for PCSAs to document efforts and methods to find a kinship placement and the court's responsibility to review those efforts and determine if/when the agency is no longer required to search for kin.
- **Concurrent planning:** Codifies the requirement that PCSAs pursue more than one permanency goal simultaneously, with full knowledge of all involved, so that children do not linger in foster care.
- **Consideration of child's best interest when in a long-term foster care home placement:** Includes the conditions under which a court can determine that the continuation of a child's current placement with a non-kinship caregiver is in the child's best interest, when the non-kinship caregiver can be considered of equal standing with other kin in regard to permanency, and states that relatives who fail to demonstrate interest in caring for the child within six months of notice do not have to be considered for placement.



State Child Protection Allocation

2022-23 State Budget Priorities

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PCSAO requests an amendment to HB 110 (line 56387-56393) returning language to the "not less than" used in HB166 (2020-2021 biennial budget) and adding \$50 million per year to the appropriation.

"Of the foregoing appropriation item, 600523, Family and Children Services, **not less than up to \$160,110,040**,010 in each fiscal year shall be provided to public children services agencies. Of that amount, \$17,600,000 in each fiscal year shall be used to provide an initial allocation of \$200,000 to each county and the remainder shall be provided using the formula in section 5101.14 of the Revised Code."

The State Child Protection Allocation (SCPA)¹ is state general revenue funds (GRF) allocated to county public children services agencies (PCSAs) to protect, stabilize, and meet the complex needs of children and their families.

How SCPA Funds Are Used

As local match to draw down federal children services funding:² SCPA is the primary state funding source for counties to use as match for federal funding streams. PCSAs use SCPA as local match to draw down Federal Title IV-E and Title IV-B to pay for:

- **Foster care**, when children cannot safely remain in their homes and must be placed with foster parents or in other care settings;
- **Children services caseworkers** who are responsible for reunifying children with their parents when possible or finding permanent homes with other loving caregivers when it is not possible to reunify;
- **Recruiting and supporting** more foster caregivers and prospective adoptive parents; and
- **Prevention and supportive safety services** that stabilize families in crisis and avoid the need to remove and further traumatize children.

To support key services that federal funds cannot pay for: Federal children services funding streams are limited in purpose, requiring key services to be funded by local communities. PCSAs use SCPA funds to help support:

- **Initial intake and investigation** of child abuse and neglect reports, as required by federal and state law;
- **Foster care and adoption costs** for children whose families do not meet Title IV-E eligibility guidelines; and
- **Kinship services and supports.**

How SCPA Funds Are Distributed³

As outlined in statute, SCPA funds are distributed to county PCSAs based on a formula that includes a baseline distribution as well as relative proportion of child population and poverty. Specifically: 12% divided equally among all counties, 48% distributed based on child population in the county, and 40% distributed based on number of county residents with incomes under the federal poverty level.

In HB 49 (2018-2019 biennial budget), the General Assembly earmarked the SCPA investment within ODFJS line item 523 for the first time. In HB 166, the General Assembly also established that \$17.6 million in each fiscal year shall be used to provide an initial allocation of \$200,000 to each county.

¹The SCPA is included in Line Item 600523, Family and Children Services, within the Ohio Department of Job and Family Services budget.

²See this [Child Welfare Finance graphic](#) for an explanation of federal children services funding.

³The Ohio Department of Job and Family Services (ODJFS) disburses SCPA funds to counties in accordance with section 5101.14 of the Ohio Revised Code and 5101:9-6-19 of the Ohio Administrative Code.