



Safe Children, Stable Families, Supportive Communities

Ohio House of Representatives  
House Ways and Means Committee  
Testimony on HB 344  
January 23, 2024  
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Chair Roemer, Vice Chair Lorenz, Ranking Member Troy, and members of the House Ways and Means Committee: Thank you for your consideration of this written opponent testimony on HB 344 from 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.

Many of you know your county children services agency director and staff quite well, whether it is a standalone children services board or part of your county job and family services agency. You may have participated in a ridealong with a caseworker, visited the agency, or, as a former county commissioner, overseen the agency's important function within county government. You are also aware that many county agencies continue to be gripped by a workforce shortage and a significant crisis in finding safe, close-to-home, appropriate placements for youth in foster care. PCSAO has appreciated the General Assembly's increased investment over the past three budget cycles. And while state allocations have significantly increased, from covering 10 cents on every dollar spent to 19 cents on the dollar at the end of SFY 2023, county agencies continue to rely heavily on locally generated funds to pay for children services (foster care, adoption, kinship, prevention). In that same fiscal year, the share of local money spent was 43 cents on the dollar, whereas federal funding was leveraged at 38 cents on the dollar.

This breakdown equates to relying on localities to generate \$586 million to cover 43 percent of the total cost of children services expenditures. In 53 of our 88 counties, that means a property tax levy is essential to paying for services that protect abused and neglected children, stabilize families, and underwrite the ever-increasing costs of foster care.

In particular, the cost of residential care for our young people with multi-system needs – including severe mental illness, profound intellectual disabilities, and criminogenic behaviors – has risen dramatically. Inflation is partially responsible, but a 2018 federal law, the Family First Prevention Services Act, which requires new and higher standards for youth residential facilities, has also contributed. That federal law, which went into effect in Ohio in 2021, was designed to make it harder to claim federal reimbursement for such placements, called Qualified Residential Treatment Providers (QRTPs), and the law is working as intended. We have sustained **a loss of \$15.3 million in what otherwise would have been federal match over the last three years**. The chart below reflects the unmet new federal requirements (a mix of facility compliance and court/assessment timeliness) that resulted in this shift from what would have been federal reimbursement to a county responsibility. **That’s a \$15.3 million shift that now rests on county agencies, county general funds, and county levies to meet.**

<b>Federal Revenue Loss Since Inception of Family First Act/QRTP by Reason</b>				
<b>Row Labels</b>	<b># Exceptions</b>	<b>Admin not reimbursed</b>	<b>Maintenance not reimbursed</b>	<b>Total</b>
NON-COMPLIANT	319	\$448,503.51	\$4,552,469.01	\$5,000,972.15
LATE MISSING ASSESSMENT	193	\$306,241.80	\$4,388,413.75	\$4,694,655.35
NOT RECOMMENDED ASSESSMENT	214	\$185,122.04	\$3,456,081.79	\$3,641,203.72
LATE MISSING RULING	46	\$71,710.42	\$1,485,779.62	\$1,557,489.98
NON-COMPLIANT BECAME COMPLIANT	46	\$15,514.25	\$212,672.64	\$228,186.89
NOT RECOMMENDED RULING	13	\$10,430.35	\$150,770.19	\$161,200.54
<b>Grand Total</b>	<b>790</b>	<b>\$1,037,522.37</b>	<b>\$14,246,187.00</b>	<b>\$15,283,708.63</b>

County agency directors are wise stewards of taxpayer dollars. They are well trained to take advantage of every federal dollar available to pay allowable costs. They are especially protective of local levy dollars, prioritizing them for when they can maximize a federal match.

They are responsive to voters’ community expectations for when to intervene in a family’s life. And they rely on the various types of levies – renewal, new, and replacement – to ensure that costs are covered so that they do not have to approach county commissioners for even more funding beyond the levy. Simply put, replacement levies are an effective and necessary tool that keeps pressure off the county general fund.

Some allege that voters are confused about the difference between renewal and replacement levies, and don’t recognize the increased tax they will pay under replacement levies. In fact, reforms that went into effect under 134-HB140, the *Ballot Uniformity and Transparency Act*, already ensure that ballot language is clear to voters. That law:

- Requires property tax election notices and ballot language to display a property tax levy’s rate in dollars for each \$100,000 of the county auditor’s appraised value (i.e., true value), instead of in dollars for each \$100 of taxable value, in the following manner:
  - For a levy that is a renewal, decrease, increase, or expansion of an existing tax, the levy’s effective tax rate for property classified as residential/agricultural;
  - For all other levies, the levy’s voted millage rate.
- Requires most election notices and ballot language to state the estimated amount the levy would collect annually.

Using an illustration from the LSC analysis of this law, voters have already seen dramatic changes to the ballot language on which they vote since this law went into effect in September 2022:

Prior law ballot language	H.B. 140 ballot language
“An additional tax for the benefit of . . . (subdivision) for the purpose . . . (purpose) at a rate not exceeding. . . mills for each one dollar of valuation, which amounts to. . . for each one hundred dollars of valuation, for. . . (term).”	“An additional tax for the benefit of . . . (subdivision) for the purpose of. . . (purpose), <u>that the county auditor estimates will collect \$ . . . annually, at a rate not exceeding. . . mills for each one dollar \$1 of valuation taxable value, which amounts to \$ . . . for each one hundred dollars \$100,000 of valuation the county auditor’s appraised value, for. . . (term).</u> ”

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In summary, voters by and large support children services levies, and are well informed of the financial impact of those levies. HB 344 would eliminate a critical tool that 1) protects children from abuse and neglect, 2) alleviates pressure on other county revenue sources as placement costs rise and shift from federal to local responsibility, and 3) help pay for 43 percent of children services spending compared to 19 percent contributed by the state and 38 percent reimbursed by federal funding.

Again, thank you for your consideration of our testimony. Please feel free to contact me at 614-224-5802 (office) or 614-507-5483 (cell) if you have any questions.