

**Ohio Senate Health Committee
Ohio Department of Job and Family Services
Executive Budget Recommendations for SFY 2024-2025
Matt Damschroder, Director
May 9, 2023**

Good morning, Chairman Huffman, Vice Chair Johnson, Ranking Member Antonio, and members of the Senate Health Committee. I am Matt Damschroder, Director of the Ohio Department of Job and Family Services. Thank you for the opportunity to discuss the DeWine-Husted budget for state fiscal years 2024 and 2025 as it relates to our department.

The majority of our programs are state-supervised and county-administered. This means that county agencies and workforce development boards are the front door, and their employees are on the front lines, of serving their communities on behalf of the state. While they administer services locally, we provide funds, technical assistance, information technology, and program supervision that contribute to their success.

In alignment with the Governor's BOLD Beginning! initiative, the executive budget request further supports programs currently housed at ODJFS that impact children's health, safety, and well-being. It also supports our employment services and initiatives to ensure that Ohio's employers have a ready pipeline of skilled workers. And it includes funding to maintain and operate our IT systems, which are the backbone of our services.

I'd like to highlight and share some of these priorities now.

Protective Services

Since Governor DeWine's Children Services Transformation Advisory Council issued its final report in 2020, every single one of its 37 recommendations has either been fully implemented or is in the process of being implemented. The Governor's budget request provides funding to continue that significant progress. It also provides funding for the following key priorities:

- Continuing the new Adoption Grant Program authorized by HB 45 of the prior General Assembly.
- Strengthening normalcy standards for youth in foster care by making it easier for them to get driver's license training and insurance.
- Supporting children, families, and caseworkers by requesting an additional \$25 million in SFY 2024 and \$35 million in SFY 2025 for county public children services agencies.
- Ensuring that counties also have the resources they need to protect vulnerable older adults, by increasing the Adult Protective Services allocations for county agencies.

Because the “Best Practice Incentives” for county agencies have been successful in helping us move the needle in our children services performance metrics – for example, for timely investigations and visitations – the executive budget proposes raising this amount to \$10 million each state fiscal year, up from \$5 million annually.

The executive budget also continues funding for Kinnect to Family and the Wendy’s Wonderful Kids program to help ensure the best possible placements for children. It provides funding to help counties align their payment rates with the new treatment foster care structure. The executive budget expands Ohio START, to help families struggling with child maltreatment and substance use disorder. And it invests in many programs for kinship caregivers.

Child Care

ODJFS and county JFS agencies are responsible for licensing and inspecting all child care settings in Ohio, from large child care centers to family child care homes. We also manage the state’s Publicly Funded Child Care Program.

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.

Last year, as part of his BOLD Beginning! initiative, Governor DeWine recommitted to increasing the initial eligibility threshold for Publicly Funded Child Care from 142 to 150% of the federal poverty level. In proposing this executive budget, Governor DeWine is doing that and more, by expanding eligibility to 160% of the federal poverty level. This will open the program to an estimated 15,000 additional children. It will allow more parents to engage in work and training activities while their children receive the early education experience they need to be ready for kindergarten.

Publicly Funded Child Care is supported by several funding sources, one of which is Ohio’s TANF Framework Funding. In past budgets, there have been concerns about TANF funding sustainability. As a result of an influx of federal pandemic child care funds and increases to the federal Child Care and Development Block Grant, the as-introduced executive budget estimates the TANF reserve to be in the black for at least the next four state fiscal years.

Unemployment Insurance

As you know, we have undertaken significant improvement efforts for our unemployment program. For example, we upgraded our call center software, began using data analytics and technology to process claims more efficiently, and put a variety of safeguards in place to prevent fraudulent claims.

The Auditor of State recommended that we look into opportunities to maximize federal funding allocations. As a result, we achieved the maximum allowable administrative funding increase from the U.S. Department of Labor last year.

Even with the maximum federal allocation, the reality is that the federal government does not fully fund this federally required program. The state has historically supplemented unemployment operational funding, even before the pandemic-era programs and costs. However, in the executive budget, we proposed a specific GRF amount as a standalone line item. Absent this funding, ODJFS will not have the funds necessary for essential unemployment operations, including the funding needed to support our customer assistance contact center and proven fraud mitigation strategies.

Food Assistance

ODJFS provides an income maintenance allocation to county JFS agencies so they can administer the Supplemental Nutrition Assistance Program (SNAP) and meet federal matching-fund requirements. Over the past 10 years, this funding has been held mostly flat. To ensure that counties are adequately supported, the operations line item within the executive budget request allocates a 10% increase to county JFS agencies.

The budget request maintains a targeted county allocation to fight fraud. It maintains funding for foodbanks, and it will allow us to create an improved data collection system for foodbanks.

Employment Services

According to state and federal labor market data, Ohio has more jobs than workers available to fill them. To address that, we have many initiatives under way to help individuals get the training they need to fill in-demand jobs and connect them to employers that need workers. The executive budget will allow us to continue these and other innovative efforts to help every Ohioan who wants a job get a job, no matter their background or life experiences.

In addition, to further Governor DeWine's goals of encouraging young people to live and work in Ohio, the executive budget prioritizes career services for high school students. These include services to promote "earn and learn" opportunities, career technical education, and post-graduation training so that all students leave high school with a plan, whether it's to go to college, complete career technical education, or take advantage of an apprenticeship.

Closing

In closing, we believe this is Ohio's time to achieve long-lasting, positive change for the families and children we serve. The DeWine-Husted proposed budget for the Ohio Department of Job and Family Services places children and families first while maximizing efficiencies and ensuring good stewardship of taxpayer dollars. It prioritizes children services, child care, and employment services, with the goal of helping all Ohioans thrive and reach their God-given potential.

Thank you again for the opportunity to be here today. I will now be happy to answer any questions.