



Ohio Children's Alliance

Leading change for child and family service providers

House Children and Human Services Committee

February 26 2025

Proponent Testimony: HB 96

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Chair White, Vice Chair Salvo, Ranking Member Lett, and members of the House Children and Human Services Committee, thank you for the opportunity to offer testimony on House Bill 96, the executive budget proposal for state fiscal years 2026-2027.

My name is Mark Mecum, CEO of the Ohio Children's Alliance. For 13 years, I have led this statewide nonprofit advocacy organization, which has been instrumental in developing and improving Ohio's system of care for children and families since the 1970s. Our focus is on child welfare and behavioral health, working through partnerships with 90 community-based organizations, advocacy coalitions, funders, and state agencies. I'd like to start today by sharing a little information about the current state of Ohio's child welfare and community behavioral health sectors.

Ohio's child welfare and community behavioral health sectors serve distinct but sometimes overlapping purposes. Child welfare focuses on keeping families together and kids safe, while community behavioral health improves kids' overall functioning and ability to thrive. Many families receive services from both sectors, and sometimes additional sectors like special education, developmental disabilities, and juvenile justice. Multi-system youth is the term for many kids in our state, and they are at the forefront of our advocacy.

Ohio's child welfare sector relies on community-based organizations to keep families intact, support foster and adoptive families, and reunify families. These organizations face a workforce crisis, including a shortage of foster and adoptive caregivers. There are approximately 14,000 children in Ohio's foster care system, but only about 7,000 foster families available. These gaps mean many households lack resources to keep their families together, and children in foster care may not receive the right level of treatment or care due to local providers being at capacity. Despite these challenges, community-based organizations are innovative and continue to be accountable to the public.

In the community behavioral health sector, the need for services for kids and families is rising and is unsustainable. Only about 1 in 5 kids with a mental health condition accesses treatment. This misalignment of supply and demand has far-reaching consequences, affecting parent productivity, youth involvement, and family dynamics. Despite these challenges, Ohio has experienced and passionate community-based organizations leading the way. They develop evidence-based treatments, collaborate with universities on research projects, and integrate workforce development, physical health care, and disabilities services. They have become national leaders despite operating on shoestring budgets and offering lower pay than private behavioral health practices.

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Two years ago, this Legislature made historic investments into both sectors, saving them during a crisis. Today, we have an opportunity to change the dynamics with a long-term plan, perhaps a 10-year outlook, that each biennial budget builds toward. We encourage additional investments to the Ohio Department of Children and Youth (ODCY), Medicaid (ODM), and Department of Mental Health and Addiction Services (MHAS) to build and sustain enduring results. Without this vision, Ohio isn't reaching its potential.

As an Ohio taxpayer, I am thrilled by the strategic investments in manufacturing, IT, and healthcare. And for our state to become a competitive market in these industries, Ohio must invest in its families. A parallel investment can empower parents to thrive in the workforce and can prepare Ohio's kids to become the next generation of workers and leaders. Therefore, as a strategy to enhance our economy, we need to elevate direct service organizations embedded in our communities.

In the proposed biennial budget, there are clear opportunities to achieve this goal. We support the continued investments in the following areas, but also urge the Legislature to enhance them even further:

- County public children service agencies (ODCY)
- County behavioral health authorities (OhioMHAS)
- Multi-System Youth (MSY) Program (ODM)
- OhioRISE Medicaid Program for Youth (ODM)
- Student Success and Wellness Funds (ODEW)

Further, we are pleased with the proposed increased funding and new initiatives, including:

- Statewide expansion of Mobile Response Stabilization Service (MRSS) (OhioMHAS)
- Child Welfare Wellness Campus Pilot Program (ODCY)

However, there is a critical need for the Legislature to further prioritize two areas of the budget:

- The ODM fund that supports community behavioral health is a highly strategic area that warrants further investment. Two years ago, the Alliance and our partners from the Children's Mental Health Budget Coalition advocated for additional state investment to enable ODM to raise community behavioral health Medicaid rates by 20%. The final SFY 24-25 budget provided enough funding for a 12.5% rate increase, which was historic and critically needed. For the SFY 26-27 biennium, we urge the Legislature to continue this progress and empower ODM with the resources necessary to sustain this momentum and complete the investment. Presently, it is our understanding that the proposed budget would only sustain current rates set two years ago.
- There should be more targeted resources to incentive and empower kinship and foster families to serve children in their homes. We suggest inclusion of HB 7 into the budget bill. HB 7 would guarantee access to publicly funded child care for foster and kinship families, regardless of income. Access to quality child care is a critical need for these resource

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families and is consistently identified as a pain point and obstacle for families to open their homes to kin or foster children.

Finally, we have serious concerns about one policy initiative in HB 96:

- ODCY authority to establish statewide reimbursement rates for foster care payments to community-based organizations.

There is new and confusing language in HB 96 (in new section 5180.42) that appears to empower ODCY to have the ability to set foster care rates. Ohio's child welfare system is a state-supervised, county-administered model, where, for decades, foster care rates are individually negotiated between county government and private community-based organizations. We have had several discussions with ODCY about opportunities to standardize and improve the contracting process between counties and private organizations and I believe there is real synergy on this front.

However, proposed language in HB 96 is not consistent with what we believe are everyone's goals, nor is it clear what the language means. Given that foster care spending in Ohio is more than \$400 million annually, we want to ensure that any major, structural change in how rates are determined and how contracts are negotiated is thoughtful and inclusive of stakeholder input. Therefore, we suggest this language be stricken in the bill and replaced with the formation of a study committee to explore this issue before granting the department authority to change the financing model. This committee could examine root causes of cost variations, regulatory compliance costs, cost report best practices, and federal Title IV-E payment restrictions and recent case law.

Thank you for the opportunity to share our perspective. We are proud of the first version of HB 96 and hope the Legislature can improve the bill and align resources to maximize the potential of Ohio's kids and families. I am happy to answer any questions.

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