



Senate Finance Committee

HB96 Written Interested Party Testimony Regarding Children Services

Submitted jointly by

County Commissioners Association of Ohio (CCAO)/ Jack Everson, Ross County Commissioner

Public Children Services Association of Ohio (PCSAO)/Angela Sausser, Executive Director

Highland County Job and Family Services/Jeremy Ratcliff, Agency Director

May 27, 2025

Chairman Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, the County Commissioners Association of Ohio (CCAO), Public Children Services Association of Ohio (PCSAO), and Highland County Job and Family Services (JFS) are pleased to submit this joint written testimony to highlight Ohio's treatment/placement crisis for youth and to ask for this Committee's support for the investments and policy changes included in the House-passed version of HB96.

County commissioners are the budgetary authority for the counties, responsible for ensuring public dollars are spent appropriately and for allocating those dollars to the various officeholders and departments. In most counties, the public children services agency (PCSA) is combined with the county job and family services agency, a department under the commissioners' umbrella. In others, an independent children services board appointed by the county commissioners is the county PCSA. CCAO stands with PCSAO and the county children services agencies in supporting the continuation of the state-county partnership regarding placement costs proposed in the budget. We are grateful for the Governor's proposal, thank the House for maintaining the administration's funding and policy improvements, and respectfully request that the Senate do the same:

- **Maintain the increased funding for counties through the State Child Protection Allocation (SCPA)** to \$180M in SFY2026 and \$185M in SFY2027, representing an additional \$55 million over the biennium.

- **Maintain the new language allowing the Department of Children and Youth to “establish statewide rate cards for placement and care of children eligible for foster care maintenance payments”** and requiring DCY to review and accept the reasonable cost established through these rate cards. (Sec. 5180.42 (G) (2)).
- **Maintain the one-time investment (\$20M in SFY2026 and \$10M in SFY2027) to establish regional child wellness campuses** so that children will not have to sleep at a county agency but instead can be in a safe short-term setting (45 days).

As we have testified in recent budget cycles, Ohio faces an ongoing statewide treatment/ placement crisis with a lack of appropriate and affordable placement options to meet the needs of children and youth who enter PCSA custody when they cannot safely stay at home. This placement crisis can be summed up in these key points:

- Between 2020 and 2024, placement costs¹ have risen 68% (by \$158M) even as the number of children in PCSA custody and in paid settings has declined by 9% (by 1,120)
- Placement costs have increased across all settings and have outpaced inflation – foster homes by 29%, group homes by 64%, and residential treatment facilities by 54%.
- Currently, per diem rates (the amount charged for routine daily care of children in foster care) vary widely from child to child and from agency to agency, especially for residential placements. Greater transparency, predictability, and stability are needed so counties can better manage escalating placement costs.
- Some children have to spend a night—sometimes much longer --at their county PCSA due to lack of placement and treatment options.²

¹ Placement costs are the expenses associated with the care and maintenance of a child in foster care. In addition to room and board, placement costs may include expenses associated with the child’s special needs (such as increased supervision), other items such as clothing, special diets, personal incidentals, and transportation. Placement costs also include a portion of the placement setting’s administrative costs. Medicaid covers most treatment and services for children in foster care.

² An October 2022 ODJFS study showed that approximately 500 youth in 2021 had to spend at least one night at their county PCSA; unfortunately, this continues to occur.

For many years, the responsibility for funding the lion's share of these placement costs and the operation of the PCSA has fallen to the counties. Counties pay nearly three-quarters of all placement costs using local and state dollars, with federal reimbursement covering the remaining amount. Counties fund PCSAs and placement through a mix of county general fund dollars and voted property tax levies (53 counties currently have a children services levy). The state contributes via the State Child Protection Allocation (SCPA), which is the only general revenue fund line item that provides state dollars to all county PCSAs.

These statewide numbers translate to local crises and create ripple effects in communities. Consider, for example:

- Ross County is a member of a multi-county job and family services agency, South Central Ohio Job and Family Services, which comprises Ross, Hocking, and Vinton counties. The cost of care in this three-county area has increased by 152%, from \$3,993,000 in 2015, to \$10,083,000 in 2024. In Ross County, the increase has been steeper at 165%, with costs rising from \$2,395,000 in 2015 to \$6,343,000 in 2024. Even with property tax levies in each of the three counties, specifically for child welfare cost of care, the commissioners have had to budget additional funds from the general revenue fund.
- In 2018 Highland County's placement costs were approximately \$1.8 million. By 2024, costs rose to approximately \$4.3 million, nearly a 140% increase in just six years. As costs have continued to rise, Highland County JFS has diverted all possible funds from other programs and services to child protective services. For example, the JFS cannot fully utilize federal Title XX funding for supports to senior citizens as a result of placement costs. The majority of Federal Temporary Assistance to Needy Families (TANF) funds are expended for services and supports to families involved with child protective services, preventing the JFS from the ability to develop a robust TANF program targeting workforce supports or stabilizing families in short-term crisis. The repeated failure to replace/renew a long-time levy has led to a general fund budget request to the Highland County Commissioners of \$1.5 million for 2025, approximately 9.5% of the total general fund budget for Highland County. This is not sustainable.

- We have reached a point where there is no predictability and no apparent logic to per diem rates (rates charged for the routine daily care of children in foster care) for residential and group home placement, or to the add-on costs such as one-on-one coverage for kids with extraordinary needs. PCSA placement coordinators often are choosing between a child sleeping in the office or accepting a rate of \$800, \$1,000, \$1,200 or even higher per day and may not be provided with justification for the quoted rate and therefore not able to ascertain what services are included for varying levels of care. For example, regarding the need for additional staff supervision of a child, a recent PCSAO survey showed a provider charging one county \$150/day for 1:1 supervision and the same provider charging another county \$343 for the same service.

House-passed HB96 includes key investments and policy changes to help counties manage these escalating costs and respond to the placement crisis. We request this Committee's support to maintain the following:

- **Increased funding for counties through the State Child Protection Allocation (SCPA)** to \$180M in SFY2026 and \$185M in SFY2027, representing an additional \$55 million over the biennium. These additional funds will help counties respond to the steep increases in placement costs we are facing. (The SCPA is an earmark within DCY line item 830506 that allocates the state share of funding to county PCSAs to provide local match to draw down federal children services funding, and to support key services that federal funds cannot pay for, including the increased placement costs for youth.)
- **New language allowing the Department of Children and Youth to “establish statewide rate cards for placement and care of children eligible for foster care maintenance payments”** and requiring DCY to review and accept the reasonable cost established through these rate cards. (Sec. 5180.42 (G) (2)). This much-needed action will allow DCY to begin establishing a state-led process to stabilize placement costs and bring greater transparency and predictability to rates. Please note that contrary to what some stakeholders claim, this is not rate-setting by the state, nor is it a “one size fits all” rate. This is a positive step in providing more stability in county budgeting.

- **One-time investment (\$20M in SFY2026 and \$10M in SFY2027) to establish regional child wellness campuses** so that children will not have to sleep at a county agency but instead can be in a safe short-term setting (45 days) that can de-escalate and stabilize their behavior while providing much-needed behavioral health screenings, diagnostic assessments, and treatment planning. This would provide the PCSA with the information and time to find an appropriate placement that can meet the youth's level of need. This proposal was prioritized by the statewide Children Services Placement Crisis Working Group, which includes a wide range of state agencies and state and local stakeholders.

Members of the Committee, we ask your support to maintain this multi-pronged approach to addressing Ohio's treatment/placement crisis. At the end of the day, these are our kids, and they become our adults. They deserve to have quality care. With the system as it is today, we are too often falling way too short of this goal. Our youth get one childhood. Failing to invest properly in this system will continue to have consequences for the youth and upstream effects on our other adult-centered systems for years to come. Thank you and feel free to contact any of us with questions.

Jack Everson, Ross County Commissioner/CCAO Jackeverson@rosscountyohio.gov

P: 740-702-3085

Angela Sausser, Executive Director/PCSAO – Angela@pcsao.org P: 614-224-5802

Jeremy Ratcliff, Agency Director/Highland County JFS – Jeremy.ratcliff@jfs.ohio.gov P: 937-402-5003



CONTACT

Public Children Services
Association of Ohio
www.pcsao.org

Angela Sausser
Executive Director
614-507-3113
angela@pcsao.org

Mary D. Wachtel
Director of Public Policy
614-616-0328
mary@pcsao.org

Anthony Aquillo
The Success Group
937-243-0454

CONTACT

County Commissioners
Association of Ohio
www.ccao.org

Rachel Reedy
Outreach & Member
Engagement Manager
513-543-3723
rreedy@ccao.org

OHIO'S BIENNIAL BUDGET

Children Services in Focus: Placement

To ensure children in foster care are placed in safe settings that can meet their needs, counties need state-level policies and resources to address the escalating costs of placements and the limited placement options for children with challenging needs.

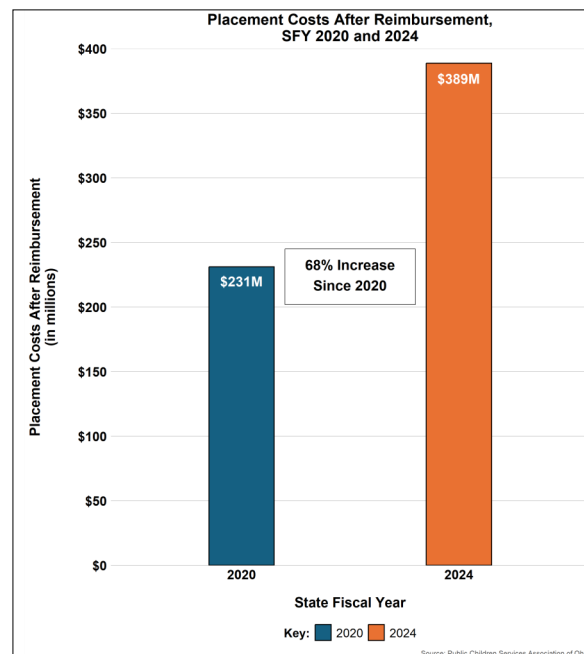
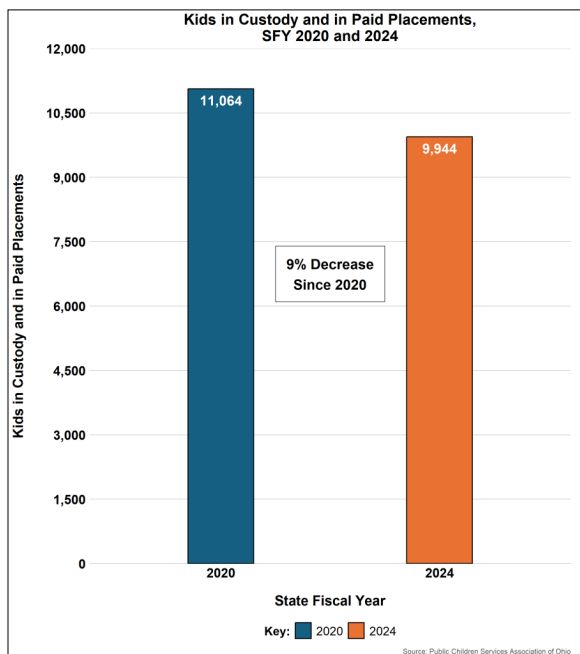
Maintain funding proposed in the Executive Budget to support counties and address the placement crisis:

- The **State Child Protection Allocation (SCPA)**¹ at \$180 million in SFY2026 and at \$185 million in SFY2027 to assure that children in foster care can stay in safe settings that meet their needs. (Earmark within DCY Line Item 830506)
- One-time investment of \$20 million in SFY2026 and \$10 million in SFY2027 to establish **regional child wellness campuses** that provide short-term treatment and care for youth with multi-system needs who are at risk of custody relinquishment or in protective custody and unable to access timely, appropriate placements. (Earmark within DCY Line Item 830506)

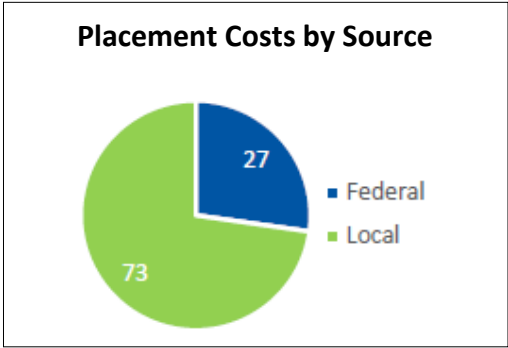
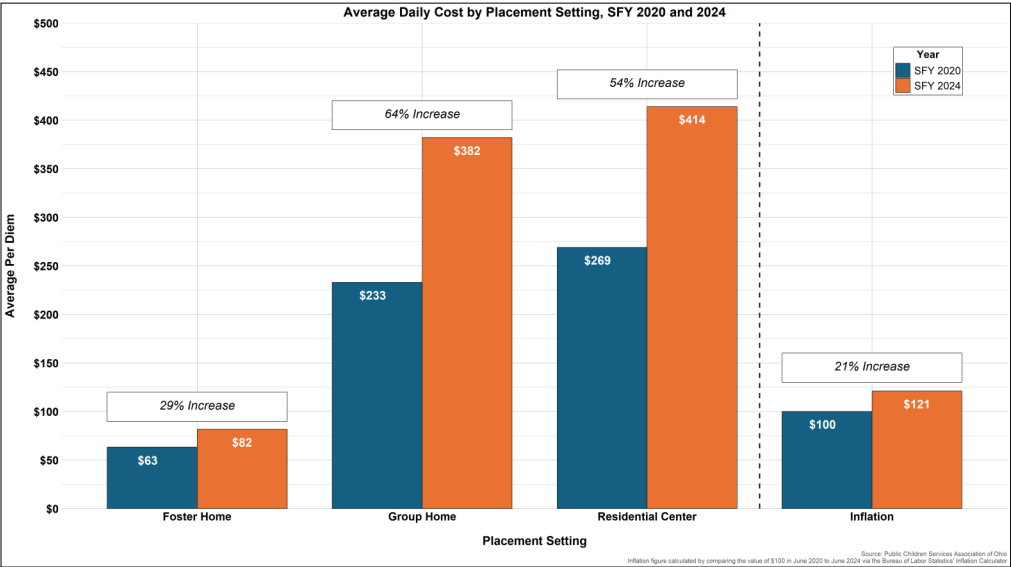
Support policy proposed in the Executive Budget to reverse the trend of escalating placement costs:

- The Executive Budget includes new language giving DCY the ability to “establish statewide rate cards for placement and care of children eligible for foster care maintenance payments” (Sec. 5180.42 (G)) and requires DCY to review and accept the reasonable cost established through these rate cards. This action will allow DCY to formalize a state-led process to stabilize placement costs, bring predictability to rates, and ensure placement settings are safe and meet children’s needs.

Placement costs have risen even as the number of kids in PCSA custody and in paid settings has declined



Placement costs have increased across all settings and have outpaced inflation; counties pay nearly three-quarters of all placement costs while federal reimbursement covers the remaining one-quarter



Key drivers of placement cost increases require state action

In addition to a shortage of placement options for children with challenging needs, declining federal IV-E reimbursement² for these reasons is driving the need for a state-led process to reverse the current trend of escalating placement costs:

- Failure of some providers to file a cost report which establishes a reasonable rate “ceiling” above which federal IV-E reimbursement is not available. Counties cannot claim reimbursement unless the placement setting has filed a cost report.
- New federal Family First Prevention Services Act (FFPSA) congregate care requirements went into effect in October 2021. IV-E reimbursements are disqualified if a placement setting does not meet these new requirements.

¹ The SCPA is an earmark within DCY Line Item 830506 that allocates the state share of funding to county PCSAs to provide local match for drawing down federal children services funding and to support key services that federal funds cannot pay for, including placement costs.

² Title IV- E eligibility is based on family income tied to the 1996 Aid to Families with Dependent Children (AFDC) income thresholds and on a set of requirements regarding the circumstances and process of removing children from their home.

Local Impact: Example A

Items	Quantity	Price	Amount
Rent -July	1	\$750.00	\$750.00
2:1 staffing - July	31	\$1,545.60	\$47,913.60
Transportation Monthly	1	\$300.00	\$300.00
Utilities (gas, electric , water)	1	\$100.00	\$100.00
Activity/Petty cash	1	\$250.00	\$250.00
Groceries/Food - Weekly	4	\$100.00	\$400.00
Subtotal:			\$49,713.60
Total:			\$49,713.60
Amount Due (USD):			\$49,713.60

August 14, 2024

“We have seen an unprecedented increase in our placement costs over the past few years. We saw an increase of 58% between September 30, 2021, and September 30, 2023, and since 2019 we have seen an increase of over 120%. My county, like all counties in Ohio, is affected by the lack of appropriate placement options, resulting in us having little to no choice when it comes to where we will place our children. The competition among county agencies, private agencies, Ohio RISE, and the Family and Children First Councils has made it possible for the placement facilities to steadily increase their costs over the past few years. These cost increases are happening quickly, and they are not sustainable.”

Invoice for youth with complex needs

Local Impact: Example B

This county has been keeping a spreadsheet of provider per diem increases by year.

Provider A	SFY2022	SFY2023	SFY2024	SFY2025	
Provider B	-	500.00	500.00	500.00	0.00%
Provider C	-	450.00	450.00	450.00	0.00%
Provider D	125.33	155.00	171.00	171.00	36.44%
Provider E	-	425.00	425.00	425.00	0.00%
Provider F	416.46	-	546.91	634.00	52.24%
Provider G	250.16	258.92	266.69	337.57	34.94%
Provider H	-	-	875.00	806.00	-7.89%
Provider I	145.91	160.96	196.16	229.00	56.95%
Provider J	340.00	492.00	492.00	439.00	29.12%
Provider K	-	64.00	64.00	64.00	0.00%
Provider L	116.78	148.54	142.94	142.94	22.40%
Provider M	-	-	-	375.00	
Provider N	-	-	-	425.00	
Provider O	-	-	374.00	374.00	0.00%
Provider P	173.00	225.00	225.00	225.00	30.06%
Provider Q	230.00	300.00	300.00	350.00	52.17%
Provider R	414.00	456.75	499.00	499.00	20.53%
Provider S	-	-	-		
Provider T	-	275.00	275.00	275.00	0.00%
Provider U					
Average Per Diems	116.40	205.85	305.41	373.42	220.80%

Local Impact: Example C

This County has experienced huge increases which have been catastrophic to the agency and budget. This same agency's Nov. 2024 levy failed.

Placement costs:
2019: \$1,300,000
2020: \$1,600,000
2021: \$2,000,000
2022: \$2,700,000
2023: \$3,600,000



173% increase from 2019 to 2023

INVOICE

Local Impact: Example D

Monthly room and board invoice for a child in congregate care

The county PCSA paid 100% of these costs as this placement was not eligible for Title IV-E reimbursement.

BILL TO







Invoice Number:

Invoice Date: February 6, 2025

Payment Due: February 6, 2025


Amount Due (USD): **\$37,163.52**

Items	Quantity	Price	Amount
 Staffing 3:1 (Jan 16th - Jan 29th)	13	\$2,400.00	\$31,200.00
 Staffing 2:1 (Jan 30 -31st)	2	\$1,781.76	\$3,563.52
 Housing Cost - Monthly	1	\$1,900.00	\$1,900.00
 Security Deposit - refundable	1	\$500.00	\$500.00

Total: \$37,163.52

Amount Due (USD): **\$37,163.52**

Notes / Terms

 start 1/16/25 as 3:1 staffing. On 1/30 we moved xxx down to 2:1 staffing.

Local Impact: Example E

Invoice from county paying a daily rate of \$2,4000 or \$2,000 for a total of \$56,000/month. This child is in PCSA custody and placed in a DODD-licensed home serving children with dev. disabilities. Because the setting is not licensed by DCY or OMHAS as a Title IV-E licensed setting, this child is not eligible for partial federal reimbursement. Therefore 100% of these costs are paid for by the county.

Other Services						
Date	Start Time	End Time	Rate	Total Days	Amount	Service(s) Performed
12/6/2024					\$2,400.00	Emergency Respite Services Only
12/7/2024					\$2,400.00	Emergency Respite Services Only
12/8/2024					\$2,400.00	Emergency Respite Services Only
12/9/2024					\$2,400.00	Emergency Respite Services Only
12/10/2024					\$2,400.00	Emergency Respite Services Only
12/11/2024					\$2,400.00	Emergency Respite Services Only
12/12/2024					\$2,400.00	Emergency Respite Services Only
12/13/2024					\$2,400.00	Emergency Respite Services Only
12/14/2024					\$2,400.00	Emergency Respite Services Only
12/15/2024					\$2,400.00	Emergency Respite Services Only
12/16/2024					\$2,000.00	Emergency Respite Services Only
12/17/2024					\$2,000.00	Emergency Respite Services Only
12/18/2024					\$2,000.00	Emergency Respite Services Only
12/19/2024					\$2,000.00	Emergency Respite Services Only
12/20/2024					\$2,000.00	Emergency Respite Services Only
12/21/2024					\$2,000.00	Emergency Respite Services Only
12/22/2024					\$2,000.00	Emergency Respite Services Only
12/23/2024					\$2,000.00	Emergency Respite Services Only
12/24/2024					\$2,000.00	Emergency Respite Services Only
12/25/2024					\$2,000.00	Emergency Respite Services Only
12/26/2024					\$2,000.00	Emergency Respite Services Only
12/27/2024					\$2,000.00	Emergency Respite Services Only
12/28/2024					\$2,000.00	Emergency Respite Services Only
12/29/2024					\$2,000.00	Emergency Respite Services Only
12/30/2024					\$2,000.00	Emergency Respite Services Only
12/31/2024					\$2,000.00	Emergency Respite Services Only
					\$56,000.00	Total for Emergency Respite Services

Items			
Date	Vendor Purchased From	Amount	Description
			Total for Reimbursement
		56,000.00	Grand Total