



House Finance and Appropriations Human Services Subcommittee
Ohio Department of Job and Family Services
Services to Families Testimony
March 12, 2009

Chairwoman Brown, Ranking Member Burke and members of the subcommittee, my name is Sandra Holt, and I am deputy director of the Ohio Department of Job and Family Services' Office for Children and Families. Today, two of my colleagues and I will be addressing issues related to the agency's Services to Families Division. Here with me today are Beth Kowalczyk, chief of our Office of Family Stability's Bureau of Program Policy, and Carri Brown, assistant deputy director with our Office of Child Support. We appreciate the opportunity to speak with you this morning.

The Services to Families Division is comprised of three major program offices: Children and Families, Family Stability and Child Support. Together, these offices are responsible for a range of programs that affect the lives of millions of Ohioans from birth through their senior years. To note, in the last year alone:

- More than a million children were served by the child support system.
- More than 26,000 children experienced more than 5.4 million days of foster care.
- Nearly 2,000 children achieved permanency through adoption finalization.
- More than 26,000 children were supported through adoption subsidies.
- More than 4,000 individuals received voluntary or court-ordered Adult Protective Services.
- More than 193,000 children received financial assistance for child care.
- More than 175,000 children and parents received Ohio Works First cash assistance.
- An average of 16,000 individuals received Disability Financial Assistance each month.
- More than 1 million Ohioans received Food Stamp benefits each month.

I cite these statistics just to give you an indication of the wide range of our services. We are present in every county and touch virtually every community in Ohio.

Of course, I don't want to leave you with the impression that we do this all on our own. Ohio has a state-supervised, county-administered human services system, which means that most direct service occurs at the local level. Our network includes 88 county departments of job and family services, 33 separate public children services agencies and 24 separate child support enforcement agencies. This framework represents a cooperative partnership between federal, state and local governments that best serves Ohio's children and families.

Our Executive Budget Recommendation for our Services to Families Division preserves the safety net that our programs represent for Ohio's children and families – a safety net that now, in these difficult economic times, is more crucial than ever. At the same time, we recognize that we are in a new economy, with new demands and fewer dollars. Because of that, this budget focuses on our core services and was crafted with Governor Strickland's guiding principle in mind: *to live within our means and to invest in what matters*. By any objective measure, this budget certainly invests in what matters.

I will take just a few moments to discuss the programs administered by our Office for Children and Families, and then I will defer to my colleagues to provide more details about the Office of Family Stability and Office of Child Support.

Office for Children and Families

The Office for Children and Families (OCF) is responsible for programs that prevent child abuse and neglect; provide services to children and families in the child protection system; place children for adoption; provide adult protective services; license foster homes, residential facilities, child care homes and centers; and operate the subsidized child care and early learning programs. Child welfare services in Ohio are provided by a network of 88 public children services agencies (PCSAs). Fifty-five of these are located within county departments of job and family services, and 33 operate separately.

Over the last two years, OCF has undertaken many initiatives aimed at improving the safety, well-being and permanency of children through the various programs administered in our office.

Child Abuse Prevention and Protective Services

Over the course of fiscal years 10 and 11, it is projected that county child welfare agencies will investigate complaints of child abuse and/or neglect involving more than 110,000 children each year; that around 26,000 children will spend approximately 5.4 million days in foster care placement settings each year; that the annual cost of those placements will be more than \$350 million; and that the number of adoption subsidies will increase by approximately 2 percent annually.

The fundamental objective of our protective services program is to ensure child safety by identifying needs and providing services. The measure of our success is evaluated by a variety of parties – at the community, state and federal level. At the state level, ODJFS personnel conduct a Child Protection Oversight Evaluation (CPOE) in each county every 24 months. This is a rigorous and ongoing program review of all county child welfare operations. At the federal level, Ohio is subject to the federal Children and Family Services Review (CFSR), which commits the state to meeting a series of national benchmarks, to evaluate the effectiveness of our child welfare system.

In August 2008, federal reviewers from the U.S. Department of Health and Human Services visited Ohio for the second round of reviews conducted as part of the CFSR. The first round of CFSR reviews was completed in 2004. We successfully completed our Round 1 Program Improvement Plan (PIP) and were notified in July 2008 that we successfully met all of the outcome objectives developed in the Round 1 PIP. As a result, we did not incur any federal financial penalties, which could have amounted to \$2.9 million.

In addition to implementing program improvements and strategies identified in the CFSR, on July 1 we implemented the Alternative Response Pilot Project. Alternative Response is a collaboration with the Supreme Court of Ohio that allows caseworkers more flexibility in deciding how to respond to reports of suspected child abuse and neglect. It acknowledges that families have individual needs and that caseworkers need the flexibility to use a variety of tools and strategies to respond to a range of situations. There is no one “right” solution for every family. Alternative Response is a family-engagement model designed to keep children and families together whenever possible.

In 10 participating pilot counties, cases are assigned to one of two tracks according to established criteria. For some families, the traditional child protection approach is necessary to determine whether abuse or neglect has occurred and to ensure child safety and well-being.

For many others, however, a more appropriate response involves working with families to jointly identify concerns and apply solutions that can help keep families together and give them the services and supports they need to keep their children safe.

Alternative Response builds collaborative connections among the child protection agency, community agencies and families to identify issues and meet families' needs using available supports and services.

Ohio leads a "second wave" of states that are implementing this creative approach. Approximately 15 states before us have implemented a form of Alternative Response that meets all of the criteria established by the U.S. Department of Health and Human Services. Ohio is working in close cooperation with the state of Minnesota, which also has a state-supervised, county-administered human services system, and which also completed an Alternative Response pilot project.

Minnesota's pilot was so successful that it has legislated Alternative Response as its preferred approach to responding to reports of child maltreatment. Approximately 60 percent of Minnesota's child maltreatment reports are assigned to the alternative track; it expects that percentage to eventually reach 70 percent.

Ohio was particularly interested in Minnesota's approach, not only because of our similarities in demographics and county structure, but also because of the rigorous and long-term evaluation it conducted. Minnesota's studies, which are regarded as the seminal research on Alternative Response, show that this approach results in increased child safety, increased family involvement and greater family satisfaction. These same studies also show long-term reductions in foster care placements, case recidivism, families' involvement with the child welfare system and cost to the system.

Ohio's 18-month Alternative Response Pilot Project is scheduled to end on December 31 of this year. Our study also involves a rigorous evaluation, and we anticipate experiencing the same positive outcomes as Minnesota. Our partnership with the Supreme Court of Ohio is based on the court's belief that this approach will decrease the number of children and families that will require court intervention as a result of reports of child maltreatment. If successful, we will work to make this approach standard practice statewide.

Also in 2008, Ohio was one of six states chosen to participate in a National Governors Association "Policy Academy" to safely reduce the number of children in foster care. The Policy Academy provided states an opportunity to partner with national and state experts to improve outcomes for children and families. States participating in the project develop two-year strategic plans to reduce the number of children in foster care while ensuring that safety remains paramount.

The strategic plans focus on reducing the number of children entering care, shortening length of stay for those in care, and reducing the number of children needing to re-enter care.

Ohio's Policy Academy team – which includes leaders from the governor's office, ODJFS, the Supreme Court of Ohio, public children services agencies, juvenile courts, Ohio's Youth Advisory Board, Ohio's Children Trust Fund board and the Center for Child and Family Advocacy at Nationwide Children's Hospital – identified an action plan of 19 strategies. These strategies, coupled with Ohio's CFSR Program Improvement Plan, support our goal for a 50 percent reduction of the number of children in foster care by 2020.

The Executive Budget supports child prevention and protection programming through allocations to county children services agencies. The State Child Protection Allocation is in excess of \$53 million a year and can be used by county agencies to support all child welfare activities. Additionally, the Executive Budget provides an allocation in excess of \$8.5 million a year to support Senate Bill 163 changes, also known as the Feisel legislation, which reformed Ohio's foster care and adoption program.

Social Services

In SFY 2008, more than 400,000 individuals were served through local allocations for social services. Most of those served—nearly 313,000—were vulnerable adults. Ohio counties received more than 15,000 reports of abuse, neglect and exploitation of adults 60 and older, and more than 4,000 adults received court-ordered protective services. Nearly 89,000 children received protective-related services.

The primary objective of the Title XX Social Services Block Grant program is to enable Ohioans to restore, maintain or improve their capabilities for self-support, self-care, independence and successful family life.

The Executive Budget allows for annual allocations of Title XX funds to county agencies to support social services programming. Additionally, the Executive Budget provides General Revenue Funds equal to \$522,040 in SFY 2010 and \$511,453 in SFY 2011 to support Adult Protect Services in Ohio. Lastly, the Executive budget provides for Social Services Operation Allocations in excess of \$8.1 million per state fiscal year.

Foster Care and Adoption Assistance

The goals of Ohio's foster care and adoption program are to protect children from abuse and neglect. As stated previously, around 26,000 children will spend approximately 5.4 million days in foster care placement settings each year. The annual cost of those placements is more than \$350 million.

Of the 26,000 children who will be involved in the foster care system in fiscal years 10 and 11, more than 4,300 will be ages 15 to 18 and will receive independent living services. More than 6,000 children will be placed with relatives.

More than 23,000 children will receive an adoption subsidy. Of the 23,000, approximately 21,300 will receive a subsidy under the Title IV-E adoption assistance program. Another 1,700 will receive an adoption subsidy under the State Adoption Maintenance Subsidy Program. The total cost for adoption subsidies will exceed \$298 million in both years.

Additionally, under these programs, more than 900 recipients will receive a Post Adoption Special Services Subsidy (PASSS), more than 450 youth will receive funding under the Education Training Voucher Program, more than 1,500 foster parents will receive a training stipend and, where applicable, adoptive parents will receive up to \$2,000 to defray the out-of-pocket cost of adopting a special needs child.

The Executive Budget provides funding to maintain these programs at their current levels.

Additionally, the American Recovery and Reinvestment Act of 2009 will increase federal reimbursement to Ohio's custodial agencies for the cost of providing services to children eligible for Title IV-E foster care. The increased federal funds will allow local county funds to be used for other child welfare purposes. The federal stimulus package also increases the federal reimbursement to Ohio's custodial agencies and to ODFJS for the cost of providing services to children eligible for Title IV-E adoption assistance. This will allow a savings of both local county funds and state GRF funds.

Family and Children Information Technology

In December 2008 ODJFS successfully completed the roll-out of Ohio's new Statewide Automated Child Welfare Information System (SACWIS) for managing child welfare cases. Ohio can now boast the first fully Web-based SACWIS system and a more comprehensive reporting environment than any other state in the nation. All 88 counties are now actively using SACWIS to improve the safety, permanency and well-being of Ohio's children and families. The system allows more than 5,000 county caseworkers to track children throughout Ohio and across county lines, 24 hours a day. It supports cases from intake to closures and includes such tools as alerts and reminders, for help in day-to-day case management.

Among other features, SACWIS provides performance data to the state and federal governments. It records the receipt and investigation of child abuse complaints, tracks foster care placements, records and tracks training provided to foster parents, maintains a public Web site listing special needs children who are available to be adopted, records the placement of newly adopted children, sends monthly adoption subsidy payments for special needs children, and creates and sends medical cards to all eligible adopted youth and youth in foster care.

Children's services agencies were key participants in virtually every aspect of the SACWIS development, beginning with the establishment of business requirements and continuing through the design and user acceptance testing. The last remaining task is to roll out the system's financial component and to support necessary enhancements to the system. At the end of 2008, 14 counties were already using all parts of the financial module, and 36 counties were using at least some parts of the financial module.

Kinship Permanency Incentive Program

The Kinship Permanency Incentive Program offers time-limited incentive payments to eligible caregivers who accept legal custody or guardianship of children to whom they are related. In SFY 2008, nearly 9,000 people were enrolled in this program, with incentive payments totaling more than \$6 million. Since the program started, more than \$9.8 million has been paid to kin providers. In SFY 2010 and 2011, the surplus TANF funding that had been used to support this program is no longer available. However, in the next biennium, we will be working to implement parts of the federal "Fostering Connections to Success and Increasing Adoptions Act of 2008" – specifically, this act's "Kinship Guardianship Assistance Program," which will provide continued financial support for kin providers.

Early-Care and Education

As you know, ODJFS offers financial assistance to help eligible parents pay for child care while they engage in work education and/or training efforts. In conjunction with our county partners, the agency is responsible for regulating out-of-home child care settings. Every day in Ohio, an estimated 350,000 children under age 6 are cared for in regulated family child care homes and licensed centers.

Of those 350,000 children, more than 193,000 received financial assistance last year for their care. Recognizing that the quality of care provided to young children lasts a lifetime – and knowing that 85 percent of a child's brain is developed within the first three years of life – investments that we make today will enhance the success and futures of these, our youngest leaders.

The governor's budget recommends maintaining rates paid by the state to child care providers at the 65th percentile of the 2006 market rate survey. The governor's budget also establishes eligibility levels for all early care and education programs at 200 percent of the federal poverty level (FPL), and it adjusts the definition of hourly, part-time and full-time reimbursement for child care providers. For example, it changes the definition of full-time care from 25 hours a week to 35 hours a week.

The governor's budget also proposes funding for 8,000 full-time enrollment slots for the Early Learning Initiative (ELI), which is a collaboration between ODJFS and the Ohio Department of Education. ELI provides children 3 to 5 years old, often identified at risk of school failure, with educational experiences that help them enter kindergarten ready to succeed.

In the coming months, ODJFS will be automating the eligibility of this program and streamlining payment procedures to reduce errors and increase efficiencies at the county level. These program improvements will bolster the stability of the ELI provider network, stabilize the enrollment of children of parents who choose this care option, and ensure continuity of care for preschoolers participating in the program.

Another of our successful programs is Step Up To Quality, a voluntary, three-tier quality rating system that encourages, recognizes, supports and rewards child care providers as they "step up" to higher levels of care for children. While all centers in Ohio must meet minimum health and safety standards, the Step Up To Quality three-star rating system gives parents an indication of the level of care they can expect their children to receive at participating centers. Ohio currently has 679 star-rated programs located throughout 73 counties. With this 48 percent increase over last year, we are now serving 52,000 children in star-rated programs.

I would now like to introduce you to Beth Kowalczyk, chief of our Office of Family Stability's Bureau of Program Policy.

Office of Family Stability

Good morning, Chairwoman Brown, Ranking Member Burke and members of the subcommittee. Thank you for inviting me to be here today.

The ODJFS Office of Family Stability is responsible for developing and overseeing programs that address the basic needs of economically disadvantaged Ohioans. This includes programs that provide them with work and training experiences to prepare them for entry in the workforce, and that promote personal responsibility and self-sufficiency. Primary among these is Ohio Works First, which is the financial assistance portion of Ohio's Temporary Assistance to Needy Families (TANF) program. Family Stability also oversees other TANF-funded programs, the Food Assistance program (formerly known as Food Stamps), the Disability Financial Assistance program and Refugee Services.

Temporary Assistance to Needy Families

As Director Lumpkin stated in his testimony last month before the full House Finance and Appropriations Committee, at the start of the current biennium, Ohio's TANF balance stood at \$549 million. Our annual TANF revenue (both federal and state dollars) amounts to only \$1.1 billion. HB 119 obligated these available resources at \$1.5 billion a year. Therefore, the 2008-2009 spending plan liquidated all surplus TANF funds. Moving into SFY 2010-2011, the TANF budget, with no carryover remaining, has been budgeted at the same level as the current year's revenues.

Prior to state fiscal years 2008 and 2009, Ohio TANF funds were historically underspent, which resulted in a large reserve. In HB 119, the administration leveraged those funds to invest in the early care and education of children, an investment that will pay dividends well into the future. In addition, a number of discretionary programs ("earmarks") were enacted to further utilize the TANF reserve. All of this occurred prior to the challenging economic downturn in which we now find ourselves.

As a result, the reserve is gone, and we have had to make many difficult decisions, to limit our TANF allocations only to those services that align with the core purposes of this program and to the administration's priorities. Even then, we still have had to make reductions to the counties and support for early childhood development programs. Earmarks that were funded by our TANF grant in the past can no longer be supported with this funding stream. As Director Lumpkin said, this is not a value judgment on these programs; we simply had to live within our means.

Ohio Works First

Ohio Works First provides time-limited cash assistance to needy families with children (or families who are expecting children), by providing them with work, training and other support services so they can strive for self-sufficiency while meeting their families' ongoing basic needs. This is a core safety net for very low-income families (below 50 percent of the federal poverty level). Non-time-limited OWF cash assistance also is provided to child-only cases.

Our 2010-2011 Executive Budget plan supports a growing Ohio Works First cash assistance caseload. Specifically, it provides for OWF cash assistance to 80,000 assistance groups, more than half of which are child-only cases. The plan also provides for a county TANF allocation of funds to address locally identified needs and to assist families with education, training and work activities. The third major TANF investment supports the child care assistance provided to OWF and low-income working families.

Food Programs

The Office of Family Stability also supervises the administration of federally funded Food Assistance benefits to more than 1.1 million low-income Ohioans. Ohio's Food Assistance program issues more than \$1.3 billion each year in federal funds, which are redeemed for approved food purchases at local participating grocery stores and, in some cases, farmers' markets. These benefits are delivered via electronic benefits transfer (EBT) cards.

Not surprisingly, as the economy has declined, food assistance caseloads have risen. From SFY 2007 to SFY 2008, the average number of households receiving food assistance in Ohio went from more than 489,000 to nearly 516,000. From January 2008 to January 2009, we had a 13 percent increase – to a total of 590,000 households receiving food assistance.

Fortunately, the American Recovery and Reinvestment Act includes increases in food assistance programs that will benefit Ohioans. Starting next month, the food assistance benefit will increase by 13.6 percent, or about \$20 per person per household. In addition, the Recovery Act allocates \$144.5 million to states for administering the program, to help them serve more people and cover the costs of implementing the benefit increase. Ohio's share of these administrative funds is \$5.5 million. This funding is 100 percent federal and is included in the Executive Budget.

The Recovery Act also allocates additional funding to support the Emergency Food Assistance Program (TEFAP). This program provides food and federal administrative funds to states to distribute to food banks. In FFY 2008, Ohio food banks distributed 16 million pounds of emergency food through TEFAP. They also distributed 3 million pounds of food under the Commodity Supplemental Food Program (CSFP), another federal food assistance program we administer.

Starting this month, the Recovery Act will give Ohio an additional \$3.9 million for TEFAP. This will allow our food banks to purchase about 5.8 million additional pounds of food. The act also gives Ohio an additional \$998,000 in FFY 2009 to store and distribute food purchased through this program.

To further support food banks, the proposed biennial budget provides \$8.5 million a year for ODJFS to distribute to the Ohio Association of Second Harvest Foodbanks. This is the same amount allotted in the last biennial budget.

Disability Financial Assistance

The Disability Financial Assistance program provides a minimal cash payment to individuals who are unemployed due to disability and who are waiting for their applications for Supplemental Security Income to be processed. The Executive Budget provides an increase to allow for anticipated program growth and funding for more than 18,000 monthly recipients at \$115 a month.

County Funding

In order to alleviate reductions in county funds, at a time when caseloads for many programs are increasing, a decision has been made to allow the counties to use their “mandated share”—their local funding match—to administer Food Assistance, Medicaid and the Disability Financial Assistance program. In the past, this funding has been used for TANF maintenance of effort (MOE), to allow us to draw down federal TANF funds, but we have identified sufficient MOE funding elsewhere so that the counties’ local dollars can be used to support the administration of other programs.

The amount of county mandated share funding available for 2010-2011 is \$28,692,365 each year. If this amount is used in a manner similar to the income maintenance allocation, it can draw federal match funds from Medicaid or Food Stamps.

Thank you for the opportunity to speak with you today. I would now like to introduce you to Carri Brown, assistant deputy director with our Office of Child Support.

Office of Child Support

Good morning, Chairwoman Brown, Ranking Member Burke and members of the subcommittee. Thank you for the opportunity to be here today.

Ohio's child support program is based on the premise that Ohio's children need and deserve to be supported by their parents, financially and medically. Ohio has one of the nation's leading child support programs and the third-largest IV-D child support caseload in the country. The upcoming biennial budget supports the delivery of child support services to more than 1.3 million children. Child support services are administered by the 88 county child support enforcement agencies (CSEAs). Sixty-four (64) of these agencies are combined within county departments of job and family services; twenty-four (24) are stand-alone agencies or combined with a county prosecutor's office.

The federal Office of Child Support Enforcement awards incentive money to states based on established criteria in five performance areas: paternity establishment, support-order establishment, collections on current support due, collections on cases with arrears (unpaid support) and cost-effectiveness. The better Ohio performs on these measures, the more funds Ohio has to provide child support services for children and families.

In recent years, Ohio's performance in these categories has been excellent. In FFY 2008 the state collected nearly \$2 billion in support and earned \$29.9 million in incentives for FFY 2007 performance efforts. Even with Ohio's economy experiencing difficult times, in FFY 2008 the state's child support program improved its performance in four of five categories, as compared to the prior year:

- 97.6 percent of cases had paternities established for them.
- 75.6 percent of open IV-D cases had support orders established for them.
- 68.2 percent of IV-D cases with an arrearage due received at least one payment from the obligor.
- The state's cost effectiveness rate was \$6.78, which means for every dollar spent, Ohio collected \$6.78 in support.

As a result of this performance, over the past two years, Ohio has earned nearly \$60 million in federal incentives – money that, in turn, helps Ohio counties maintain or increase child support services for families. Ohio continues to earn federal incentives and, since FFY 2002, has consistently been ranked among the top three states.

The American Recovery and Reinvestment Act temporarily restored the federal incentive match provision that had been eliminated in the 2005 Deficit Reduction Act. This provision allows us to use earned federal incentives as local matches for the administration of our program through September 30, 2010.

In addition to the department's budget request for the Office of Child Support, four permanent law changes have been proposed in House Bill 1. Two measures are proposed to improve the efficiency of the collection and disbursement processes.

- The "Issuance of Income Withholding by Electronic Means" measure is part of a national initiative to allow electronic issuance of income withholding orders. If passed, this will reduce printing and mailing costs and, more importantly, will result in quicker payments to families. It also could help prevent cases from going into default because of time lapses in the withholding process.
- The "Mandatory Electronic Remittance" measure would require employers with more than 50 employees to send child support payments by electronic means. (Nearly half of payments are now remitted electronically.) Electronic remittance will reduce costs for both employers and the child support program by eliminating hard-copy payment and remittance documentation.

A third measure is designed to improve the effectiveness of enforcing medical support orders.

- The "Medical Insurance Information Initiative" would require health insurance providers to, upon request, send data to the Office of Child Support that identifies policy holders and provides related information. It will support the implementation of federal medical support establishment and enforcement requirements.

Finally, another initiative has been proposed, to increase the payment of current support by leveraging child support debt.

- The "Waiver Compromise Initiative" would allow the director to define local authority to waive or compromise child support arrears, under appropriate circumstances, when the arrears have been permanently assigned to the state. This is an effort to encourage the payment of current support owed to families.

All of these measures, if approved, will help us run our child support program even more effectively. Thank you for the opportunity to speak with you today. My colleagues and I will now be happy to answer any questions you may have.