



Public Children Services Association of Ohio

Crystal Ward Allen, Executive Director
400 East Town Street, Suite G-10 * Columbus, Ohio 43215
614-224-5802 * Fax 614-228-5150 * Email address: pcsaocwa@iwaynet.net
Website: www.pcsao.org

SB 153, Financial Accountability Bill (Sen. Jacobson, sponsor)

PCSAO strongly supports the concept of fiscal accountability when using public funds. In fact, PCSAO led the effort in the drafting, development and subsequent passage of HB 448, the Child Protection Accountability Bill, (which was unanimously passed by the General Assembly, effective date Oct. 5, 2000). All provisions and rules apply to Title IV-E agencies (Public Children Services Agencies) and the private providers of purchased out of home care, within our unique context and federal regulations related to Title IV-E funds. Many concepts addressed within SB 153 have already been thoroughly debated, and dealt with. Related provisions of HB 448 are provided below:

ORC Provisions Fiscal Accountability for Public and Private Child Welfare Agencies

- ODJFS to establish single cost accounting forms for Title IV-E and Medicaid, along with procedures to monitor cost reporting by public and private agencies. Sec. 5101.145.
- Penalties are established for failure to comply with fiscal accountability procedures: 1st failure - joint development of a scheduled, corrective action plan; 2nd failure, or failure to achieve the corrective action plan, possible state receivership of a PCSA, or loss of Title IV-E allowable rates or certificate revocation for a private agency. Sec. 5101.146
- Failure to comply with fiscal accountability procedures will result in notification of such to county commissioners (PCSA), or all PCSAs contracted with (private providers). Sec. 5107.147
- Personal loans of public money is prohibited. Sec. 5101.149
- Private foster care agencies are required to have proof of independent audit at initial and renewal of certification, to be done in accordance with Generally Accepted Governmental Accounting Standards. Sec. 5103.035.

Special Child Welfare Audits by State Auditor (*not required, to be performed upon problem identification*)

- All audits are to be direct billed to a private provider for negative findings; in the event of inconsequential findings, auditor will bill public, private and ODJFS in the amount of one third each. Sec. 117.13(B)(2).
- The state audit team is to consult with a national organization with child expertise, upon request of the agency being audited; they are to focus on fiscal versus clinical decision-making; they shall comply with the Generally Accepted Governmental Auditing Standards (GAGAS). Sec. 117.191.
- For private providers that underwent a special child welfare audit and had inconsequential findings, their next independent audit at certification renewal is excused. Sec. 5103.03

OAC Rules regarding fiscal accountability of child welfare agencies, that have since been adopted or revised subsequent to HB 448:

Contract Requirements for Transfer of Public Money:

- 5101:2-47-23.1 TITLE IV-E Agency contracting and contract monitoring requirements.
- 5101:2-47-24 Foster care maintenance reimbursement ceiling amounts: Title IV-E reimbursement for residential child care and purchased foster care homes.

Establishment of the cost of providing services (is addressed to assure accounting of 100% of costs – allowable IV-E, Medicaid, non-allowable; defines maintenance costs, and allowable in-direct or administrative costs):

- 5101:2-47-02 Administrative overview: Foster care maintenance. – *defines allowable reimbursable Maintenance costs*
- 5101:2-47-11 Administrative procedure: Reimbursement for foster care maintenance costs for children's residential centers, group homes, maternity homes, residential parenting facilities, and purchased foster care homes.
- 5101:2-47-16 Foster care maintenance program reimbursability: Reimbursable placement facilities.
- 5101:2-47-25 Foster care maintenance reimbursement ceiling amounts: Allowable costs for use in completing the JFS 02909 "Residential Child Care Facility Cost Report" and the JFS 02910 "Purchased Foster Care Cost Report."
- 5101:2-47-26 Foster care maintenance reimbursement ceiling amounts: Unallowable costs for use in completing the JFS 02909 "Residential Child Care Facility Cost Report" and the JFS 02910 "Purchased Foster Care Cost Report."
- 5101:2-47-27 Foster care maintenance and administration reimbursement ceiling amounts: Out-of-state residential care facilities.

Record Keeping and Audit Requirements

- 5101:2-47-26.1 Public children services agencies (PCSA), private child placing agencies (PCPA), private noncustodial agencies (PNA): monitoring Title IV-E cost report filing, record retention requirements and related party disclosure requirements.
- 5101:2-47-26.2 Public children services agencies, Title IV-E agencies, private child placing agencies (PCPA), private noncustodial agencies (PNA): audit of cost reports.

Remedies for Misuse of Public Money

- 5101:2-33-19 Public Children Services Agencies (PCSA), Private Child Placing Agencies (PCPA), Private Non-custodial Agencies (PNA): Penalties for failure to comply with fiscal accountability procedures.

Because of this full package of fiscal accountability for child welfare, PCSAO requests that Public Children Services Agencies be specifically exempted from the provisions of SB 153. The differences in HB 448 policy and SB 153 proposals would cause significant confusion in a system that was carefully crafted to work within the child welfare system.