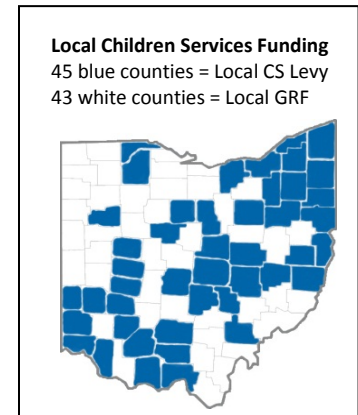


# The **SHARED OHIO CHILD WELFARE INCENTIVE FUND**

## Improving Child Outcomes with Accountability and Shared Investment

Child Safety and Permanency is critical for every child in Ohio – but available resources (which definitely impact child outcomes) vary widely, primarily based on the presence or absence of a local children services levy. **Ohio voters have shown impressive support of children services, with 100% passage of all such levies in the past three years, many with over 60% voter support.** Initiating a new levy, however, is a daunting task for all involved.

**Recognizing state and local budget environments, PCSAO seeks to partner with the Administration, General Assembly and Local Governments to create an Incentive Fund to offer local voters the chance to target additional support for child protection.**



### **Requirements to access the Shared Ohio Child Welfare Incentive Fund:**

- **Shared Local Voter Support** - counties would need to approve a new or increased Local Children Services Property or Sales Tax Levy as match for the Shared Ohio Child Welfare Incentive Fund.
- **Required Performance Improvement** – based on recently available ODJFS and Supreme Court of Ohio child outcomes data, counties would demonstrate performance improvement or, based on areas of needed improvement, engage from a menu of practice enhancements to improve performance. There are known innovation opportunities for outcomes improvement, and Ohio has excellent partners.
- **Addressing Equity Concerns** – the very passage of a local levy, where none exists, would greatly ease inequities. While the state incentive fund match would be used to extend or initiate key performance improvement efforts, the counties that take advantage of the incentive opportunity would have passed that initial levy which is by far the most difficult levy. Going back for continued voter approval in the future, absent the enhanced state incentive match, would be less daunting, but continue to allow voters to choose how to invest their funds.

**Inequities between counties that have local children services levy support vs. those that do not, are widening** due to tax and budget changes; according to recent analysis, the average 2009 per child population child welfare investment in Ohio was \$344/child. **Yet 16 counties had less than a \$110/child investment.** (Statewide Ohio Maltreatment Needs Assessment and Evaluation Services, *Child Trends*, June 30, 2011). **State GRF support, averaging only 5% of local child welfare costs (10% when figuring in state level supports)** – clearly becomes critical when a county has weak local support, as total available child safety and stability resources is much less – the state budget cuts over the past few years have heightened inequities among counties.

### **Shared Ohio Child Welfare Incentive Fund Logistics**

- **Revenue Source** - Commercial Activity Tax revenues, Gaming revenues, new Energy revenues or other sources, as identified. This would demonstrate a targeted yet responsible and accountable incentive investment in an age of prioritized, and performance based budgeting. The funds would be placed in a dedicated custodial fund, outside the regular State GRF.
- **Time Limited Incentive Support** – For maximum effectiveness, the fund would be available for levies lasting up to five years. At that time, communities would need to return to their voters for ongoing support, without the state incentive match.
- **1:1 Matching Rate** – as millage is collected locally, the Shared Ohio Child Welfare Incentive Fund match would be directed to that county's children services fund in the same amount, and available to be used flexibly for child safety, stability and permanency. Voted local millage would allow for ease of budgeting at the state level.

- **Accountability & Evaluation** – Data driven accountability must be incorporated. Counties benefitting from the incentive fund would outline which outcomes they are working to impact, and what practice innovations will be employed. ODJFS and the Supreme Court of Ohio would facilitate a menu of opportunities. Suggest tracking the Supreme Court of Ohio child outcomes data (which is also linked to our federal Child and Family Service Review data).
- **Levy Campaign Support** – PCSAO already offers significant technical support for local levy efforts, as seen with the PCSAO [Levy Guide](#) updated in October 2010; we would work to create a team of peer county supports, and we would seek active partnerships with our state and local governments.

**Ohio's child welfare system demonstrates impressive results**, including leading the nation in a safe reduction of children in out of home care; consistently receiving excellent fiscal accountability audit reviews; we are engaged in innovations and performance data tracking to ensure ongoing quality improvements.

**Ohio primarily depends upon federal and local funding for child safety and stability.** Not only does Ohio receive excellent federal child welfare fiscal audits (96% compliance), but Ohio county public children services agencies have an impressive legacy of allowably leveraging federal funds for child welfare – other states seek technical assistance at times. And local voters have confirmed their value for child safety and stability and confidence in the county public children services agencies in the 45 counties that support local children services levies - they have enjoyed a high level of voter support in recent years (100% passage in the past three years).

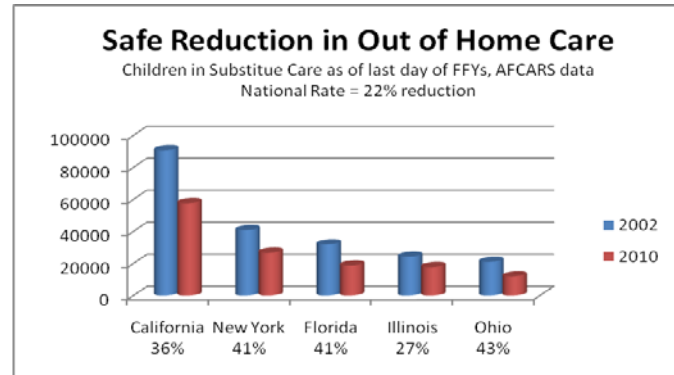
**Unfortunately, the 8-10% proportional child welfare contribution from the State of Ohio continues to erode** in recent years. This proposal would NOT impact current state funding, but provide incentive for greater local voter investment – especially as local GRF is diminishing. While PCSAO is grateful to the General Assembly for restoring funds directly supporting permanent kinship and adoptive families in the 2012-13 biennial budget, we remain concerned about the capacity of all 88 county public children services agencies to provide consistent, quality safety and permanency services for our children.

**Not a Silver Bullet** – it is recognized that not every community will choose to seek voter support for children services levy funds – even with a state incentive match. But this proposal has the potential to greatly improve the chance for a brighter future for many children impacted by child maltreatment, using data, focusing on improved outcomes and allowing the state to offer a time limited opportunity for engagement.

PCSAO is very excited to share in Ohio's progress in improving child outcomes, while maintaining accountability and engaging all in a shared investment. We know what works, we know where our strengths and weaknesses are, and we are a responsible child welfare system. We have excellent partners in ODJFS, the Ohio Supreme Court, Casey Family Programs and others.

## Background and Supporting Information

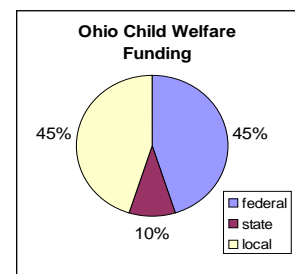
**OHIO CONTINUES TO LEAD NATION IN SAFE RATE OF REDUCTION 2002-2010** – federal AFCARS data were recently released by the US Dept. of Health and Human Services, Administration for Children and Families. Looking at the number of children in care as of the last day of each federal fiscal year, Sept. 30, the displayed chart shows ***Ohio continues to lead the nation in the Safe Rate of Reduction of Children in Care between 2002 and 2010.***



Knowing the trauma involved with disrupting a child from his or her family, it is gratifying to see that Ohio continues to take our job seriously and seek safe strategies for better outcomes. The Safe Rate of Reduction rate results from a variety of strategies including using our CAPMIS Safety, Risk Assessment tools to safely load services up front to prevent removal from the home, using Case Planning tools to actively engage with families and communities to connect needed services and supports, effectively identifying and supporting kinship caregivers for temporary and/or permanent caregiving when needed, and identifying permanent adoptive homes for children when parents or extended family cannot. Ohio's Differential Response expansion is also having an impact to safely maintain more children in their home.

**FUNDING TRENDS** - The PCSAO Factbook and other state data have demonstrated persistent trends for child welfare funding:

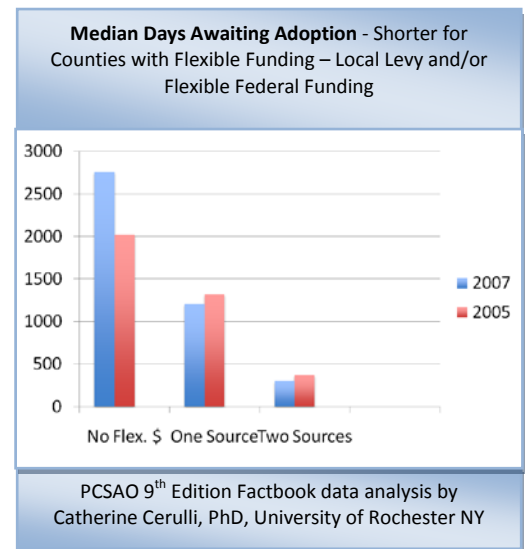
- Federal Funds** - Ohio's child welfare system is accountable and aggressive in allowably claiming federal funds to ensure child safety, stability and permanency (primarily Title IV-E but also Title IV-B and CAPTA funds). Ohio child welfare professionals are very competent at identifying eligible children and allowable activities, allowing maximum federal claiming; and we have consistently performed excellently on our federal Title IV-E Fiscal Reviews with a 96% compliance rate. However, federal policies are diminishing who is eligible, and recent interpretations have reduced eligible activities. Still, the percentage of federal investment for Ohio's child welfare program usually ranges from 43-49% of the total costs. 18 counties (one-third of the state population) enjoy flexible Title IV-E waiver funding for any child welfare activity, other counties must categorically claim the funds for certain allowable activities.
- State Funds** – State GRF contributes 8-10% to the total cost of child welfare, the lowest state investment in the nation. In absolute dollars, state funds have deteriorated in recent years. Half of the funds provide a true partnership for adoptions with a small but important support for permanent kinship caregivers, as well as statewide SACWIS (computer) system. The other half (5% of the total cost of child welfare) is distributed to the 88 PCSAs by formula, primarily based on population.
- Local Funds** – constituting between 41-49% of the total costs, these funds come from either Local GRF (43 counties, 20% child population) or Local Levies (45 counties, 80% of the child population). Available local GRF revenues have been hit hard due to cuts in the Local Government Fund, and both local GRF and Local Levies are being cut due to Tangible Personal Property Tax losses. ***Nevertheless, levy funded counties have enjoyed 100% passage rate of children services levies in the past three years, demonstrating citizens value their local CPS services.***



**Unfortunately, the resource gap between counties with and without levies continues to widen** – along with the ability to improve outcomes, sometimes to even meet minimal mandates. The average 2009 per child population child welfare investment in Ohio was \$344/child. *Yet 16 counties had less than a \$110/child investment.* (Statewide Ohio Maltreatment Needs Assessment and Evaluation Services, *Child Trends*, June 30, 2011). While most all counties do an excellent job of allowably claiming federal funds, counties cannot access the federal funds without adequate non-federal match. And unless counties are part of the ProtectOhio Title IV-E Waiver Consortium, most federal funds are only available to support placement activities – the most traumatic and most expensive form of safety and stability for Ohio’s children.

**ProtectOhio Title IV-E Waiver Impact** - 18 Ohio counties (one-third of the state) enjoy a flexible federal Title IV-E Waiver. The ProtectOhio evaluation for 2004-2009 clearly demonstrated IV-E waiver counties reduced child placement days, while reinvesting their available funding to provide a higher rate of in-home services to children and families at risk of placement, thus contributing to Ohio’s safe rate of reduction; and we have seen statewide replication of such strategies as local communities invest local levy funding.

**Local Levy Investment Impact** - PCSAO is engaged with researchers looking at Ohio and nationally at the child welfare outcome impacts of funding availability in regards to source of funds (local, state and federal) and flexibility of funds (categorical or not). While further research / analysis proposals are pending, initial analysis of 88 county Ohio data, clearly shows that flexible local levy funding (as does flexible Title IV-E funding) has a positive impact on outcomes such as timeliness to adoption.



**Child Protection Need and Performance** - reports of abuse and neglect have increased by 15% in recent years. Recent research released by Ohio’s Children’s Hospitals showed an increase in the cases of abusive head trauma, correlating with the stressed economy. Meanwhile Ohio’s child welfare system has *safely and intentionally reduced the number of children in out of home care*, utilizing critical risk assessment and safety tools, innovations, best practices and reinvestment of funds. This prevents significant trauma that children would experience, it also reduces the longer term governmental costs associated with placements (paid foster/group care) and poorer outcomes (lack of education, welfare dependency, behavioral health issues, incarceration.) Additional statewide performance trends can be seen below.

Ohio Statewide Trends	2009	% Change 2001 - 2009
Children in custody at least a day	23,139	34 % decrease
Children in custody at year-end	11,721	42 % decrease
Children awaiting adoption	2,897	46 % decrease
Reports of maltreatment	116,216	<b>15 % increase</b>

**Key Program Improvement Plan Areas** – with shared partnership between the Ohio Supreme Court and the Ohio Department of Job and Family Services, Ohio now can produce real time data identifying not only our successes, but also our areas for needed improvement. This new data driven information allows effective focus and investment of our time, talents and limited resources. We can build on our successes, we have evidence informed innovations for success, we have an innovative statewide training program, we have excellent technical assistance partners such as Casey Family Programs, and we have an inspired workforce. Differential Response, Family Search and Engagement/Permanency Roundtables, Foster Youth Educational Performance efforts, Improving Timeliness in the Courts, Trauma Informed Care are all innovation strategies that can be applied to improve outcomes.

Focus on the following outcomes are critical for Ohio's children to become productive, contributing citizens.

- Reducing the number of children re-entering foster care after reunification
- Reducing the length of stay for children in out of home care
- Timeliness of adoptions for children entering the system at age 11 or older
- Reducing the number of youth emancipating out of care without a permanent family
- Improving well-being outcomes for youth in care (e.g. - educational performance, reduced teen pregnancy rates, behavioral health outcomes as shown on tools measuring level of functioning)

Now is the time for Ohio to invest in child safety, stability and permanency - linking outcomes, performance and shared investment.