



**For Immediate Release**

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## **CHILD PROTECTION INVESTMENTS SLASHED**

On March 10, 2011, PCSAO was proud to testify on Capitol Hill, at the invitation of the US Senate Finance Committee, about the innovations and good outcomes of Ohio's child welfare system. The US Department of Health and Human Services also praised Ohio's performance while renewing a budget neutral waiver for innovative use of our federal child welfare funds. **Data shows Ohio's 42% Safe Reduction in Foster/Group care between 2002 and 2010, by investing in birth, kinship and adoptive families, was the highest rate of reduction in the nation.** In late 2010, Ohio's child welfare system earned a 96% compliance rate on our federal audit, and local communities strongly endorsed child welfare with investments of their local taxpayer dollars.

**Practice reform, budget neutrality, excellent outcomes, and strong fiscal accountability for Ohio's child welfare system. This is a model for success based on outcomes, what this administration has indicated worthy of investment.**

**Unfortunately, the newly proposed Biennial Budget, HB 153, disinvests in a variety of ways, in our efforts to keep children safe and in permanent homes.** There are cuts in the state allocation to the local agencies that deliver and pay for services, cost shift in commitments to adoptive families, elimination of support to kinship families, tax structure changes that resulted in loss of local revenues and creation of state revenues, and reduction in the local government fund that is critical for those 43 counties without a local dedicated children services levy. These reductions and cost shifts to local communities, create troubling disparities for children and families in poor communities.

The big picture impact of this newly proposed budget includes the following:

- **The State Child Protection Allocation is Cut by 10%** (line 523) - Ohio's state support of child welfare was already the lowest in the nation, at only 10% toward the total cost of child welfare - the rest being federal or local revenues. While this cut is shameful, it is a significant part of child protective services in poor communities without a levy.
- **State Support to Adoptive Families Shifted to Counties** (line 528) - the state currently guarantees a \$250/month subsidy to families that adopt special needs children; county agencies supplement this to meet the special needs of a child, with average subsidies topping \$400/month. The proposed budget would guarantee only \$230/month. As the subsidy agreements are legally binding, this is a direct cost shift from the state to the counties.
- **State Support to Permanent Kinship Families Eliminated** (line 541) - the Kinship Permanency Incentive Program - the most cost effective program in the state, with amazing outcomes, was eliminated. *Funded at \$5 Million/year, this program supports over 8,000 children in safe, permanent homes - minimizing governmental intervention and improving child outcomes at school and in the community. The same investment for paid foster care would support only 685 children.*
- **Local Levy Revenues Lose Value** - a previous budget eliminated the Tangible Personal Property tax on business equipment, valued at \$31.5 Million/year for the 45 counties with child welfare levies. (The state allocation to all counties would be only \$47 M in SFY 2012.) The new state held Commercial Activity Tax (CAT) receipts were slated to replace lost funds until a more permanent solution was found. This budget appears to significantly reduce the replacement revenues with a gradual disappearance, without a reinvestment into services that are losing the funds, such as child welfare.

*PCSAO is a membership driven association serving Ohio's 88 County Public Children Services Agencies through the support of program excellence and sound public policy for safe children, stable families and supportive communities.*

*To learn more about PCSAO go to [www.pcsao.org](http://www.pcsao.org).*

- **Local Government Fund Cut in Half** - an important source for County Commissioners as they support a broad array of local services including child protection, this fund appears to lose half its value in this budget. The 43 counties without children services levies depend upon local support for their work to keep children safe and in stable, permanent homes.

It is heartening to experience national recognition and see successful outcomes for our work toward safe children, stable families and supportive communities. **Perhaps state officials have missed the big picture impact of these multiple cuts and cost shifts. Governor Kasich said in his introduction of the budget that if mistakes were made, he would work to fix them. We look forward to working with the Administration and the General Assembly to do just that.**

PCSAO recognizes the need for shared pain, but basic statewide supports, especially for cost effective high outcome programs, such as the Kinship Permanency Incentive program, deserve an Ohio investment. Ohio cannot depend upon local taxpayers to foot more of the bill – especially when 43 counties have no local levy. PCSAO urges the General Assembly not to abandon Ohio's children.

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