



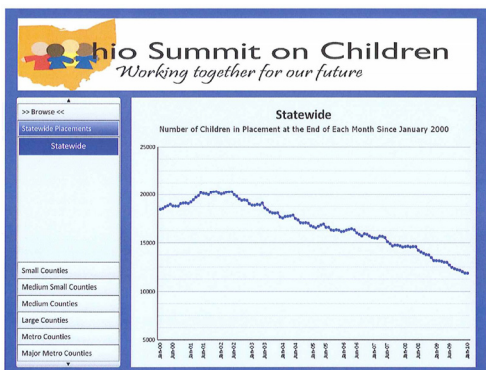
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House Finance Committee Testimony

Impact of HB 153, Biennial Budget on Child Welfare

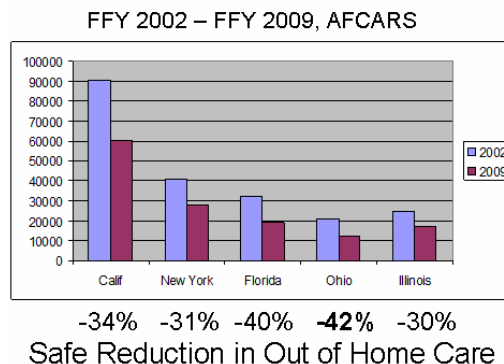
April 14, 2011

Greetings Chairman Amstutz, Ranking Member Sykes, and other members of the Finance Committee. I am Crystal Ward Allen, Executive Director for Public Children Services Association of Ohio – a non profit membership organization serving Ohio’s 88 county public child welfare agencies through support of program excellence and sound public policy for safe children, stable families and supportive communities.



The Child Welfare System in Ohio has reformed the way we do business by Protecting Children through Strengthening Families – and our outcomes are excellent. This effort has been very successful as you can see from the Supreme Court of Ohio’s Court Improvement Program chart - Ohio has made a **steady, intentional safe reduction in child placements**, between January 2002 and January 2010. See more at <http://www.summitonchildren.ohio.gov/AttySvcs/cfsr>.

This federal AFCARS (Adoption and Foster Care Analysis and Reporting System) chart, shows **Ohio’s performance compared to other states – leading in the rate of Safe Reduction of out of home care, over time.** Four of the five high performing states – California, Florida, Ohio and Illinois – had Title IV-E Waivers. We are pleased that Ohio has just been awarded a renewal of our ProtectOhio Title IV-E Flexible Funding Waiver, enjoyed by one-third of the state. You can view more at http://www.acf.hhs.gov/programs/cb/stats_research/index.htm#afcars.



Ohio data shows even when experiencing a **15% increase of reports of child maltreatment** – we believe due to the stressed economy – Ohio continues to better serve our children by safely investing in families vs. placement. Not only are we placing fewer children, but they are staying in care for shorter length of stays – with more timely reunifications, permanency with relatives or adoptive families. *And safety, as measured by repeat reports of child maltreatment, has not been compromised.*

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	15 % increase



To achieve such excellent outcomes, we have invested our flexible resources and professional talents in the whole continuum of child welfare services: community based prevention services, family strengthening diversion and safety planning services, support of relatives and other kin, enhancing the quality of services for children and youth in care, and targeted and aggressive reunification services and post placement services. **Please do look for a CHIPS bill and a Budget Neutral Kinship bill.** We are pursuing a plan.

ODJFS has provided some significant supports I do want to mention – their leadership moving child welfare to a new **Differential / Alternative Response** has been excellent, and is supporting our Safe Reduction in Out of Home care. ODJFS has also really **improved our SACWIS system** – I know you hear complaints about statewide computer systems and you

should know our SACWIS team has regularly achieved important “fixes” to this statewide case management system. And since SACWIS cannot produce needed, real time, management reports for the county agencies doing the work of child welfare, excellent work has been done to map SACWIS to the subscription free ROM (Results Oriented Management) service that will produce real time management reports. We look forward to connection.

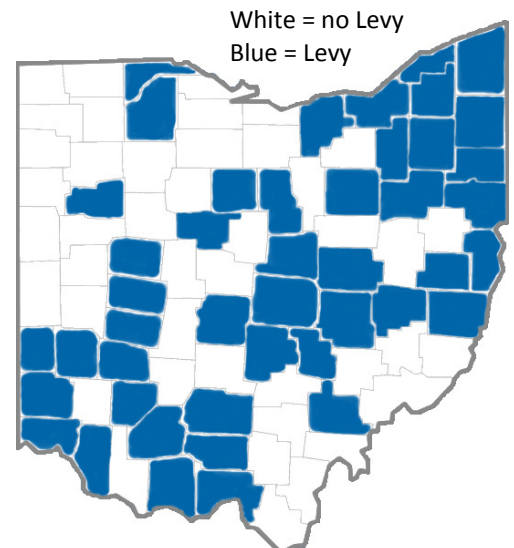
Thus, **we are proponents of change and redesigning government**, and we can appreciate the strategic steps sought by the administration and legislative leadership thus far. But – in this budget, child welfare is hit in a way that I believe is unintended, not in keeping with investing in policy of importance and demonstrated outcomes, and dangerous.

Ohio’s support to the counties that do the work of child welfare is the lowest in the nation, contributing only 5% of the total cost. We do appreciate an additional 5% for Statewide Programming – including Adoption Supports that go directly to parents, the statewide SACWIS computer system, and the 20% non-fed match for Education and Training Vouchers for our foster alums in college.

The impact of the cuts to the **Local Government Fund will devastate the 43 counties that do not have a local child welfare levy and depend upon Local General Revenue for \$23 M/year in support.**

The **45 counties with dedicated children services levies** are experiencing a **\$31.5 M/year loss due to Tangible Personal Property tax changes.** The state modernized to the Commercial Activity Tax with its resulting gain in State Revenues – but without a reinvestment in public services such as children services.

The \$80 M / year cut to the County TANF Allocation will negatively impact most county child welfare systems, as they invest TANF and TANF - Title XX Transfer, to maintain children in their own homes. But the counties need the same funds to support welfare to work programs.



I ask you reject the cost shift in Adoption Assistance, which will cost the counties \$7 Million / year. The subsidies only go to special needs adopted children, and they cannot be renegotiated down at the desire of state or county government. Adoption supports are the only one real shared child welfare fiscal investment – investigations / assessments and family safety services are local costs, and foster care is a local/federal cost share (with the 5% state contribution). This AA change is a cost shift, pure and simple.

Please restore the \$5 M / year Kinship Permanency Incentive program proposed for elimination – this efficient and cost effective program supports over 8,000 children in safe, permanent kinship families. Courts have reviewed and awarded judicial custody, research and child outcomes support the program, basic math shows lowered costs than foster care, adoption, aging out, or DYS. Recognizing your need for funding solutions, PCSAO suggests reducing the adoption tax credit and repurposing revenues for KPI, as well as funds slated for the never launched adoption loan program. While greatly valuing adoption, there is a generous array of federal supports for the adoption process. Restoring *KPI has been and can be used as \$5 M / year TANF MOE, freeing up Child Support Collection funds to be directed into the County Child Support Match line item. \$5 M becomes \$15 M when they can match such funds with their federal Title IV-D.*

PCSAO also supports efforts to continue to fund the Early Childhood Mental Health Consultation program that served over 22,000 children in early childhood settings last year. This successful initiative saw 87% of the young children at risk for removal for social emotional problems, maintained in the classroom and sent to kindergarten “ready to learn.” A Child Welfare Demonstration Project was recently added, providing early consultation and treatment services to child welfare involved preschool children and their families (birth, kinship, foster or adoptive). To date over 380 children are being served in this program.

PCSAO supports government redesign. But state level investment in services is critical as the gap between the agencies with resources and those without widens. Statewide investment should be put into our State Child Protection Allocation – Ohio has the lowest investment of any state. Permanency with adoptive and kinship families reduces costs and trauma for kids. ***The tax redesign should return investment from the statewide gain in the CAT to valued public services, such as child welfare.*** While I realize the CAT has not generated the projected revenues, I then think the General Assembly should review and adjust the level of taxation set for the CAT. I also question the wisdom of extending additional business exemptions to the CAT, in this proposed budget.

PCSAO supports a balanced approach to this budget – yes -

- redesign government – child welfare has reformed our services
- invest in what matters – child safety and permanency
- invest in efficiency – by protecting children through strengthening families, we have reduced the future cost and trauma of out of home placement
- invest in accountability - Ohio’s child welfare system just achieved a 96+% compliance rate on our federal fiscal audit, and our federal Child and Family Services Review performance is well above the national average.

Cuts alone cannot maintain the Safety Net. We have all heard children are of importance to the Administration and you, as Ohio’s elected officials. But the chart below tells a different story, showing current support to child welfare, proposed to be cut by 37%, thus a diminishing future investment.

Child Welfare Investment	Current Investmnt/yr	Proposed Cut	SFY 2012 & '13/year
State Child Protection Allocation	\$50.7 M	\$5.07 M	\$45 M
Local Government Fund (to child weflr)	\$23.0 M	\$11.5 M	(maybe...) \$11.5 M
Tangible Personal Property tax losses	\$31.5 M	\$31.5 M	\$0
Adoption Assistance	\$70.0 M	\$7 M	\$63 M
Kinship Permanency Incentive program	\$5 M	\$5 M	\$0
Totals	\$180.2 M	\$60.7 M	\$119.5 M

Thank you for the opportunity to explain this biennial budget’s impact on child welfare, and to offer a path for better public policy. I would be happy to respond to any questions.