

The Ohio Senate Finance Committee

The Honorable Chris Widener, Chairman

May 18, 2011

Mr. Chairman and members of the Committee, thank you for the opportunity to speak with you today regarding House Bill 153. My Name is Joel Potts and I am the Executive Director of the Ohio Job and Family Service Directors' Association.

County Department of Job and Family Service (CDJFS) agencies are responsible for administering programs to the state's most economically vulnerable citizens. Systems operated through the local agencies include cash assistance, food assistance, childcare, Medicaid (including long-term care, children's health insurance, services to aged, blind and disabled), adoption, adult protective service, child protective service, foster care, refugee service, local workforce initiatives and child support programs.

Over the past four years county department of job and family service (CDJFS) agencies have experienced the deepest cuts in state history while at the same time sustaining the largest caseload growth on record.

Unemployment is up, incomes are down, jobs are scarce and those that are available often pay significantly less than previous employment opportunities in the community, and with fewer benefits. Bankruptcies, debt and foreclosures are all at record level and resulting in increased demands on the job and family service system. An increase in the severity of cases in the child welfare system as well as massive requests for child support modifications, most resulting in less dollars for children, are also a result of the current economic situation.

Overall, during the last four years the CDJFS system has sustained a 40 percent cut in funding with many programs experiencing a larger than 50 percent increase in need. Counties have responded in numerous ways to manage the system in order to ensure we operate a viable, safe, effective, efficient system while maintaining program integrity and operating as good shepherds of the public trust.

Counties have reorganized and restructured their local operations, reduced staff through attrition and lay-offs, and utilized furlough days to meet budgetary limits. Overall county agencies are operating with 4000 fewer staff than what was available three years ago.

Government entities continue under increased pressure to reduce costs while expected to provide services on a massive scale never experienced. To meet these challenges in the CDJFS system and provide better services to Ohio citizens, county agencies have made modernization of the state's service delivery system a top priority. By focusing on outcomes instead of processes, streamlining programs and reducing bureaucracy we have already seen a significant improvement in efficiencies, reducing costs while speeding up processing times for services.

We are proud of our service and continue to push for modernization efforts to simplify the program, enhance services, reduce costs and live within our budget. Despite the challenges, county agencies have been meeting the demands to the system and overcoming unprecedented barriers to serve Ohio's most vulnerable citizens.

Counties appreciate the severe budget shortfalls facing the state and entered the current budget cycle recognizing that further cuts were likely even though the need for services would continue to increase. We have worked diligently with ODJFS to make sure clients' needs are being met as cuts are made and ensure that services are in place to help our families and individuals through this economic crisis.

However, there are four major budget cuts being proposed which are far greater than anticipated and will significantly hamper counties' abilities to serve families during this time of need. If these cuts go through as planned, families and individuals in this state will experience greater hardships than have already transpired, effecting parents who are struggling to care for their children, adversely effect employment, increase pressures in the child welfare system, reduce care, decrease services in programs such as child support, education, work and training, and losses in federal incentives and funding. County agencies are experiencing cuts in every state line item of a minimum of 10 percent (which we are prepared to absorb) but cuts to the local government fund, tangible personal property tax, child support and the Temporary Assistance to Needy Family (TANF) program far exceed these levels.

Other county associations will be discussing these cuts as well and I would like to focus on the loss in TANF. The impact of the state's TANF plan in the budget is a proposed cut of \$83 million annually to Ohio's welfare to work program. This is in addition to the current budget cut of \$128 million per year. If implemented as proposed, Ohio will be spending less money in our welfare to work program than at any time in the last 20 years. This budget means that for the first time since the inception of TANF, and the promises of welfare reform to support work, that we will be investing less money than we did under the old Aid to Families with Dependent Children (AFDC) program.

When Ohio's welfare reform strategy was implemented, with tremendous bipartisan support, it was the clear consensus that the best strategy to reduce dependency was to support work. Ohio created the Prevention, Retention and Contingency (PRC) program aimed at the goals to prevent welfare dependency where possible, help address barriers and move individuals into work while providing support services and provide emergency/contingency services to families in crisis. This was the only program of its kind in the nation. It was also believed that the funding should be provided through the local communities where those closest to the problem could make the best investments and team with local organizations to enhance available services to families.

This highly successful strategy showed incredible promise as caseloads plummeted, more individuals left welfare for work than at any time in history and we experienced major drops in poverty, especially among single mothers. Since the state began cutting TANF funds in 2007 for Ohio's welfare to work program we have seen caseloads grow, poverty increase and work opportunities decrease.

Since the beginning of TANF we have operated under the belief and strategy that we would make work pay. We supported work. Without the funds to move this strategy forward we will now have a program that supports dependency. No one wants this to happen but we see firsthand the need of the clients coming through our doors every day and understand most what these cuts have meant, and will mean, to our poorest families.

Programs supported through the local TANF allocation which have already been eliminated, been reduced or will be reduced when these cuts are implemented include:

- Work and Training Programs
- Summer Youth Programs
- Transportation
- Housing
- Utilities
- English as a Second Language
- GED Services
- Workforce Development
- Child Care Administration
- Child Support
- Child Welfare
- Family Support Services
- Fatherhood Programs
- School Clothing
- Back to School Programs
- Before and After School Programs
- Boys and Girls Clubs
- United Ways
- Goodwill
- Urban League
- Social Workers in the Schools
- Head Lice Eradication
- Food Banks and Food Pantries

Failures in welfare programs lead to increased dependency and caseload growth. And if our caseloads grow, there will be less money to fund our other TANF priorities.

We believe the current budget plan for TANF in the next biennium significantly overestimates costs for Ohio Works First cash assistance and assumes continued growth in the program. However, caseloads have consistently gone down in the past six months as the economy shows improvement, from 109,000 in October of 2010 to 101,000 by March of 2011. County experiences and expertise lead us to believe this trend will continue throughout the next biennium due to the improving economy, renewed focus on welfare to work programs and the number of families scheduled to reach their 36 month time-limit during the next two years.

To help address the significant shortfalls in Ohio's welfare to work programs, OJFSDA recommends moving a small portion of the funds currently dedicated to the TANF Ohio Works First program to the county agencies to fund welfare reform efforts. This move will help Ohio dramatically improve services for welfare to work programs, provide needed assistance to families and save jobs. This proposal requires **no** new dollars.

One other major program of note is in the state's child care program. The House passed budget included an amendment which would begin addressing a significant problem counties have seen in the past several years regarding a provider payment issue in some Type B (home) situations. Changes proposed in the House budget, along with actions underway within the Administration, have led to the first major effort in the state to correct a problem whereas in some circumstances the state unintentionally pays for child care services multiple times.

OJFSDA is proposing a further amendment which would eliminate this practice altogether. While we believe this language is necessary to ensure program integrity and save taxpayer dollars, we also are working with the Administration to correct this problem through the rule process.

We welcome the opportunity to work with the legislature, the Governor, ODJFS and child care providers to find solutions that best serve the children of the state, provide assistance to our most needy families through this economic crisis and ensure program reliability.

Thank you for the opportunity to speak and I welcome the opportunity to answer any questions.