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ATTACHMENT:

Budget Spreadsheet By Line Item

Department of Job and Family Services

- Total appropriations of \$3.32 billion in FY 2018 and \$3.28 billion in FY 2019
- GRF appropriations increase by 2.9% in FY 2018 and decrease by 5.7% in FY 2019
- Approximately 79% of ODJFS' budget is distributed in the form of subsidies

OVERVIEW

Agency Overview

The Ohio Department of Job and Family Services' (ODJFS) mission is, through state and local partnerships, to help all Ohioans improve the quality of their lives. ODJFS develops and oversees programs that provide health care, employment and economic assistance, and services to families and children through a variety of programs including public assistance programs (cash assistance, noncash supports, and food assistance), child welfare services, Child Support, Workforce Development programs, and Unemployment Compensation.

The administration and funding of ODJFS's programs represent a cooperative partnership between federal, state, and local government. The federal government contributes funds in the form of reimbursements and grants for most programs operated by ODJFS and sets guidelines for program operations. ODJFS supervises the administration of these programs, channels funds to local agencies, and provides technical support to ensure federal and state compliance. The direct delivery of services is administered by ODJFS and a combination of county offices, which includes county departments of job and family services (CDJFSs) as well as joint CDJFSs.

Appropriations Overview

Agency Appropriations by Fund Group, FY 2018-FY 2019 (Am. Sub. H.B. 49)					
Fund Group	FY 2017*	FY 2018	% change	FY 2019	% change
General Revenue	\$766,262,659	\$788,245,245	2.9%	\$743,317,793	-5.7%
Dedicated Purpose	\$76,780,182	\$80,608,000	5.0%	\$80,858,000	0.3%
Internal Service Activity	\$180,209	\$2,000,000	1,009.8%	\$2,000,000	0.0%
Fiduciary	\$102,671,748	\$125,000,000	21.8%	\$125,000,000	0.0%
Holding Account	\$0	\$500,000	N/A	\$500,000	0.0%
Federal	\$2,038,228,669	\$2,327,585,766	14.2%	\$2,328,575,378	0.0%
TOTAL	\$2,984,123,467	\$3,323,939,011	11.4%	\$3,280,251,171	-1.3%

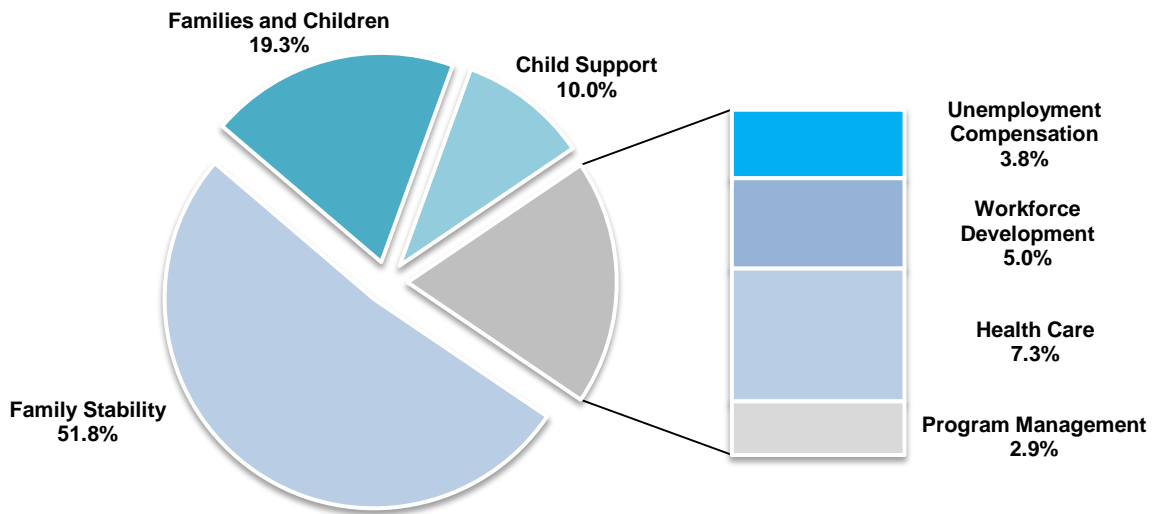
*FY 2017 figures represent actual expenditures.

The table above shows, by fund group, actual expenditures for FY 2017 and the appropriations for FY 2018-FY 2019. The budget provides a total appropriation for ODJFS of \$3.32 billion in FY 2018, an 11.4% increase from FY 2017 actual expenditures, and \$3.28 billion in FY 2019, a 1.3% decrease from FY 2018.

Appropriations by Program Category

The chart below shows the appropriations by program category for the FY 2018-FY 2019 biennium.

Chart 1: Percentage of Funding by Program Category, FY 2018-FY 2019



Family Stability programs account for about 51.8% of ODJFS's recommended budget for the biennium. Family Stability programs include TANF, publicly funded child care, and administration of the Food Assistance Program and other food programs. The Families and Children category (19.3%) includes appropriations for child welfare programs including adoption assistance and foster care, as well as the Social Services Block Grant. The Child Support category (10.0%) includes federal reimbursement for the administration of child support activities. Unemployment Compensation (3.8%) includes the federal grants received and state funds to administer the state's unemployment compensation system. The Workforce Development category (5.0%) includes the federal Workforce Innovation and Opportunity Act (WIOA) grants, as well as other federal grants for various employment services. The Health Care category (7.3%) includes funds provided to CDJFSs to administer certain aspects of the Medicaid Program at the local level. Program Management accounts for the remaining 2.9%.

H.B. 49 provisions and any vetoes are listed under the appropriate category's section.

Line Item Category Introduction

ODJFS's line items are grouped into seven major program categories. These seven categories are as follows:

1. Family Stability;
2. Families and Children;
3. Child Support;
4. Unemployment Compensation;
5. Workforce Development;
6. Health Care; and
7. Program Management.

To aid the reader in finding each item in the analysis, the following table shows the program category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

Categorization of ODJFS's Appropriation Line Items for Analysis of Enacted Budget			
Fund	ALI and Name		Category
General Revenue Fund Group			
GRF	600321	Program Support	7: Program Management
GRF	600410	TANF State/Maintenance of Effort	1: Family Stability
GRF	600413	Child Care State/Maintenance of Effort	1: Family Stability
GRF	600416	Information Technology Projects	7: Program Management
GRF	600420	Child Support Programs	3: Child Support
GRF	600421	Family Assistance Programs	1: Family Stability
GRF	600423	Families and Children Programs	2: Families and Children
GRF	600445	Unemployment Insurance Administration	4: Unemployment Compensation
GRF	600502	Child Support – Local	3: Child Support
GRF	600504	Healthier Buckeye Grant Program	1: Family Stability
GRF	600511	Disability Financial Assistance	1: Family Stability
GRF	600521	Family Assistance – Local	1: Family Stability
GRF	600523	Family and Children Services	2: Families and Children
GRF	600528	Adoption Services	2: Families and Children
GRF	600533	Child, Family, and Community Protection Services	2: Families and Children
GRF	600534	Adult Protective Services	2: Families and Children
GRF	600535	Early Care and Education	1: Family Stability
GRF	600541	Kinship Permanency Incentive Program	2: Families and Children
GRF	600546	Healthy Food Financing Initiative	1: Family Stability
GRF	655425	Medicaid Program Support	6: Health Care
GRF	655522	Medicaid Program Support – Local	6: Health Care
GRF	655523	Medicaid Program Support – Local Transportation	6: Health Care
Dedicated Purpose Fund Group			
1980	600647	Children's Trust Fund	2: Families and Children
4A80	600658	Public Assistance Activities	1: Family Stability
4A90	600607	Unemployment Compensation Administration Fund	4: Unemployment Compensation
4E70	600604	Family and Children Services Putative Father Registry	2: Families and Children
4F10	600609	Family and Children Activities	2: Families and Children
5DM0	600633	Audit Settlements and Contingency	7: Program Management
5ES0	600630	Food Bank Assistance	1: Family Stability
5HC0	600695	Unemployment Compensation Interest	4: Unemployment Compensation
5KT0	600696	Early Childhood Education	1: Family Stability
5NG0	600660	Victims of Human Trafficking	2: Families and Children
5RX0	600699	Workforce Development Projects	5: Workforce Development
5RY0	600698	Human Services Project	7: Program Management
5TZ0	600674	Children's Crisis Care	2: Families and Children

Categorization of ODJFS's Appropriation Line Items for Analysis of Enacted Budget			
Fund	ALI and Name		Category
5U60 600663	Family and Children Support		2: Families and Children
Internal Service Activity Fund Group			
5HL0 600602	State and County Shared Services		7: Program Management
Fiduciary Fund Group			
1920 600646	Child Support Intercept – Federal		3: Child Support
5830 600642	Child Support Intercept – State		3: Child Support
5B60 600601	Food Assistance Intercept		1: Family Stability
Holding Account Fund Group			
R012 600643	Refunds and Audit Settlements		7: Program Management
Federal Fund Group			
3270 600606	Child Welfare		2: Families and Children
3310 600615	Veterans Programs		5: Workforce Development
3310 600624	Employment Services		5: Workforce Development
3310 600686	Workforce Programs		5: Workforce Development
3840 600610	Food Assistance Programs		1: Family Stability
3850 600614	Refugee Services		1: Family Stability
3950 600616	Federal Discretionary Grants		2: Families and Children
3960 600620	Social Services Block Grant		2: Families and Children
3970 600626	Child Support – Federal		3: Child Support
3980 600627	Adoption Program – Federal		2: Families and Children
3A20 600641	Emergency Food Distribution		1: Family Stability
3AW0 600675	Faith Based Initiatives		1: Family Stability
3D30 600648	Children's Trust Fund – Federal		2: Families and Children
3F01 655624	Medicaid Program Support – Federal		6: Health Care
3H70 600617	Child Care – Federal		1: Family Stability
3N00 600628	Foster Care Program – Federal		2: Families and Children
3S50 600622	Child Support Projects		3: Child Support
3V00 600688	Workforce Innovation and Opportunity Act Programs		5: Workforce Development
3V40 600632	Trade Programs		5: Workforce Development
3V40 600678	Federal Unemployment Programs		4: Unemployment Compensation
3V40 600679	Unemployment Compensation Review Commission – Federal		4: Unemployment Compensation
3V60 600689	TANF Block Grant		1: Family Stability

Family Stability

- Federal funds account for about 72% of appropriations
- The bulk of this category of expenditures is for the TANF Program

OVERVIEW

Office Overview

The Office of Family Stability administers programs that deliver cash assistance, noncash supports, and food assistance to low-income families with the goal of equipping those families to achieve self-sufficiency. Some of the programs are entitlement programs, meaning that individuals or families that meet eligibility requirements are guaranteed to receive services. Other programs may limit enrollment based on available funding. Enrollment in these programs is often affected by the economy or by federal or state changes to eligibility criteria. Programs are funded with a combination of federal and state funds.

The operations of Family Stability programs represent a cooperative partnership between state and local governments. ODJFS supervises the administration of those programs, channels federal and state funds to local agencies, and provides technical support to ensure compliance with federal and state regulations. The direct delivery of services is administered by a combination of county offices, which includes all 88 county departments of job and family services (CDJFS).

Appropriations Overview

For Family Stability programs, the budget appropriations \$1.70 billion for FY 2018, a 10.1% increase over FY 2017 actual expenditures and \$1.71 billion for FY 2019, a 0.6% increase over FY 2018.

Family Stability Budget by Fund Group					
Fund Group	FY 2017*	FY 2018	% Change	FY 2019	% Change
General Revenue	\$437,751,066	\$425,326,860	-2.8%	\$421,399,408	-0.9%
Dedicated Purpose	\$45,040,948	\$46,500,000	3.2%	\$46,500,000	0.0%
Federal	\$1,064,281,658	\$1,231,437,504	15.7%	\$1,244,935,211	1.1%
Fiduciary	\$842,558	\$1,000,000	18.7%	\$1,000,000	0.0%
TOTAL	\$1,547,916,229	\$1,704,264,364	10.1%	\$1,713,834,619	0.6%

*FY 2017 figures represent actual expenditures.

Temporary Assistance for Needy Families Overview

The federal TANF Program was implemented by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Under TANF, states receive federal funding through an annual block grant. The block grant amount is based on the amount of federal funds expended in federal fiscal year (FFY) 1994 for the Aid to Families with Dependent Children (AFDC) Program, the Job Opportunity and Basic Skills (JOBS) Program, and the Family Emergency Assistance (FEA) Program, which are the three programs that were eliminated with enactment of PRWORA.

In order to receive the block grant, states must meet a Maintenance of Effort (MOE) requirement equal to 80% of what they spent in FFY 1994 on the three eliminated programs. (The MOE may be lowered to 75% if the state meets its work participation requirements.) After cash benefits are paid from these sources, the remaining funds may be used to fund other programs that meet at least one of the four purposes of TANF. The four purposes are:

1. Assisting needy families so that children can be cared for in their own homes;
2. Reducing the dependency of needy parents by promoting job preparation, work, and marriage;
3. Preventing out-of-wedlock pregnancies; and
4. Encouraging the formation and maintenance of two-parent families.

Funding

The federal block grant and the state MOE total about \$1.15 billion in TANF resources each year. Ohio's annual federal TANF Block Grant award is about \$728 million, which is deposited in quarterly installments into the TANF Block Grant Fund (Fund 3V60). Ohio's MOE at the 80% level is \$416.9 million. If the state fails to meet the MOE, the block grant amount for the next federal fiscal year will be reduced by the amount of the shortage, and the state will be required to increase its TANF spending by an amount equal to the penalty.

Expenditures

TANF resources must be used to provide cash assistance payments under the Ohio Works First (OWF) Program, which is an entitlement to eligible families. After that, TANF funds may be used to provide short-term benefits and other types of services to TANF-eligible families (mainly, families with incomes under 200% FPL). Most TANF expenditures are made toward OWF, publicly funded child care, and allocations to counties to administer eligibility and supportive services.

Ohio Works First

The OWF Program provides time-limited cash assistance to help needy families with children to care for those children in their own homes, and to eliminate the barriers to work that lead to reliance on government assistance. In addition to cash assistance, OWF provides job placement services, child care services, and transportation. The program also promotes preparation for work, job search, and early entry into employment.

Eligibility

To be eligible for OWF cash assistance, applicants must have a minor child or pregnant woman (at least six months pregnant) in the assistance group. Families must also have incomes of no more than 50% of the federal poverty level (FPL) (\$10,210 annually for a family of three in 2017). H.B. 49 removed a requirement that the first \$250 of an assistance group's gross income be disregarded when determining eligibility, replacing it with a provision that the ODJFS Director specify in rules the initial amount of gross income to be disregarded for this purpose.

Adults or minor heads-of-household must sign a self-sufficiency contract that specifies work requirements for the assistance group to receive cash assistance. Ohio law limits participation in OWF to a maximum of 36 months (federal TANF law limits participation in cash assistance to a lifetime maximum of 60 months). However, after this 36-month limit, assistance groups may apply for limited extensions in certain cases due to economic hardship or after 24 continuous months of not receiving benefits.

However, the "child only" eligibility category for OWF is not limited by income levels, work requirements, or time limits. These cases are typically instances when a child is living with a specified relative caregiver instead of a parent or when the adults in the household are recipients in other public assistance programs such as Supplemental Security Income (SSI). Such children remain eligible until age 18. Adults who receive the OWF benefit on behalf of the child are not subject to adult work participation requirements. The child is the only person counted in the assistance group, so most child-only cases receive a benefit for one person, which is \$283 per month in 2017. Income limits only apply to the child (not to the adult caretakers), so the countable income for the assistance group is typically \$0.

Benefits

OWF benefits increase each year in accordance with state law based on a mandated cost-of-living adjustment (COLA) as determined by the federal Social Security Administration (SSA). The COLA used by SSA is based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). For 2017, the COLA was 0.3%.¹

The table below shows OWF benefits by assistance group size in 2017.²

OWF Monthly Cash Benefits, 2017	
Assistance Group Size	2017 Monthly Benefit
1	\$283
2	\$387
3	\$474
4	\$584
5	\$684

Work Requirements

In Ohio, adults (in an assistance group that is not a child-only group) are required to begin a qualified work activity as soon as possible after applying for OWF; some counties may require that adult members of an assistance group participate in work activities before processing the application. A single parent in an assistance group is required to work 30 hours per week (with exceptions for a parent with young children), and two parents in an assistance group are required to work 35 hours per week; two-parent assistance groups that receive federal child care assistance are required to work 55 hours per week. Work activities allowable by the federal government include regular employment as well as other activities that fit into the following categories:

- **Work experience** – work without payment in order to gain work experience;
- **Subsidized employment** – work for payment and the state pays subsidies to the employer for a specified time period;
- **On-the-job training** – combination of classroom instruction and paid or unpaid work experience;

¹ Social Security Administration. Cost-of-Living Adjustment (COLA). <https://www.ssa.gov/oact/cola/colasummary.html>.

² Definitions of age groups and provider types are in O.A.C. section 5101:2-16-41. Actual reimbursement ceiling rates by county are listed in an appendix to that section.

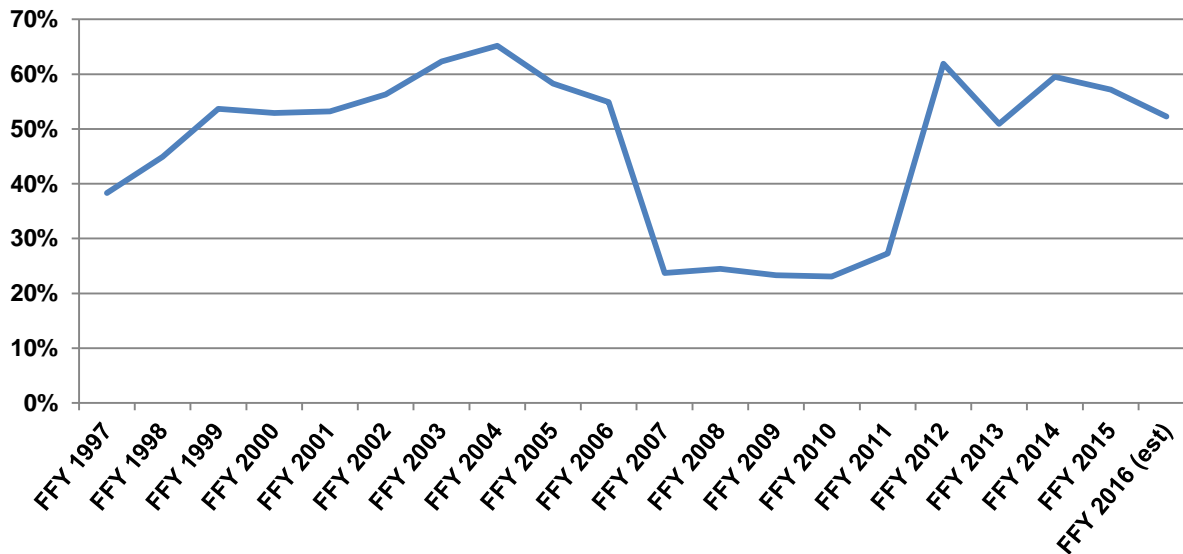
- **Job search and job readiness activities** – programs that assist individuals in obtaining employment;
- **Vocational education** – college, technical, vocational, or other course work leading to a degree, certificate, or license;
- **Job skills training** – vocational education and structured programs such as rehabilitation services, counseling, etc.;
- **Education related to employment** – any education program for individuals without a high school diploma or GED; and
- **Basic education activities** – high school or equivalent education and adult literacy education.

In addition to these work activities, the federal government allows certain individuals to engage in alternative work activities in cases where individuals have difficulty participating in federally allowable work assignments. Alternative work activities include parenting classes, counseling, life-skills training, or other activities deemed to help families achieve self-sufficiency.

Work Participation Rates

All states are required to ensure that 50% of all assistance groups (i.e., "all families") and 90% of two-parent assistance groups are meeting the work requirements. However, these "target" rates can be reduced if a state receives certain credits from the federal government (e.g., credits may be received if there is a decline in a state's cash assistance caseload compared to FFY 2005). Ohio failed to meet the "all families" work requirement in FFY 2007 through FFY 2011 and was assessed penalties against the state's TANF Block Grant (which was assessed by raising the state's MOE requirement from 75% to 80%). Since the beginning of FFY 2013, however, Ohio's "all families" work participation rate has been consistently above 50%, and averaged an estimated 52.3% in FFY 2016. The chart below shows the participation rates for the last several FFYs.

Chart 2: Ohio Works First "All Families" Work Participation Rates, FFY 1997-FFY 2016



Child Care

TANF dollars may be used to provide child care subsidies to families receiving OWF as well as to other low-income families. TANF dollars are used in conjunction with federal Child Care and Development Grants to provide subsidies. The federal child care grants are also used to administer child care licensing and quality programs.

Eligibility

Families enrolled in OWF are guaranteed to receive child care subsidies. In addition, subsidies are guaranteed to families that are within the lesser of a 12-month period following the last month of eligibility for OWF or until income exceeds 150% FPL (\$30,630 annually for a family of three in 2017). Non-OWF families may be eligible for nonguaranteed child care with incomes up to 130% FPL (\$26,546 for a family of three in 2017). These families may remain eligible until their incomes exceed 300% FPL (\$61,260 for a family of three in 2017). Families are required to contribute to the costs of child care in the form of copayments, which are established based on a sliding scale of family incomes.

Payments

Child care subsidies are paid by ODJFS directly to child care providers. ODJFS provides families with a card and providers with card-swipe machines to register hours in attendance. ODJFS pays providers weekly, based on rates set in the Ohio Administrative Code (O.A.C.). Actual rates vary considerably for each child based on a number of factors: the child's age, the type of provider, the amount of time the child receives child care services, and the location of the provider. As younger children

require more care, services, and a higher ratio of care workers per child than older children, payment rates are highest for infants and lowest for school-age children. Payment rates are generally higher for licensed centers and Type A providers as these facilities can serve many children and must meet state licensing requirements; other certified home providers serve no more than six children and are usually in personal residences.³

County Allocation

Each CDJFS receives an allocation of TANF dollars each year from the TANF Block Grant. Most of these funds are used for administrative purposes associated with the TANF Program. County case managers determine eligibility for OWF, publicly funded child care, the Prevention, Retention, and Contingency (PRC) Program, as well as other smaller local programs funded with TANF dollars. Counties are also responsible for transitioning OWF recipients into work activities in order to fulfill federal work participation requirements.

Prevention, Retention, and Contingency

Counties use a portion of their allocation to fund PRC activities.⁴ The PRC Program was implemented by H.B. 408 of the 122nd General Assembly, replacing the Family Emergency Assistance Program. PRC is a county-administered "noncash" support program that is designed to divert families from cash assistance by providing short-term, customized assistance to overcome immediate problems or barriers that could, if not addressed, result in a situation where families would apply for cash assistance. PRC provides short-term assistance for shelter, job-required clothing, household necessities, home repair, and transportation. PRC benefits may also include counseling, employment services, and short-term training.

To participate in the PRC Program, an assistance group must include at least one minor child. Additional PRC Program eligibility criteria based on family income are established by counties in partnership agreements with ODJFS. Counties set income ceilings for eligibility for PRC services from 100% FPL (\$20,420 annually for a family of three in 2017) to 200% FPL (\$40,840 annually for a family of three in 2017). In addition to setting income eligibility criteria, counties have considerable latitude in determining the types, amounts, and duration of benefits to provide to eligible families. The policies that counties develop must be consistent with state and federal law.

³ Definitions of age groups and provider types are in O.A.C. section 5101:2-16-41. Actual reimbursement ceiling rates by county are listed in an appendix to that section.

⁴ County PRC plans are posted online: <http://jfs.ohio.gov/owf/prc/county/countytable.stm>.

Title XX

The federal government allows states to use up to 10% of their TANF Block Grant (\$72.8 million per year for Ohio) to fund social services, which are eligible for funding under Title XX. Under Title XX of the Social Security Act, each state receives the federal Social Services Block Grant (SSBG) on a quarterly basis each year. Ohio usually receives about \$63 million per year. There is no maintenance of effort requirement or matching requirement to receive this grant. The state uses block grant funds for adoption, residential treatment services, child and adult day care and protective services, home-based services, job training, counseling, and legal services.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the funding for each appropriation item in the Family Stability budget. In this analysis, Family Stability line items are grouped into four categories. For each category a table is provided listing the appropriation in each fiscal year of the biennium. The four categories used in this analysis are:

1. Temporary Assistance for Needy Families (TANF);
2. Child Care;
3. Food Assistance; and
4. Other Assistance and Administration.

Category 1: Temporary Assistance for Needy Families (TANF)

This category of appropriations includes the sources of funding for state TANF programs. The table below shows the line items included in this category and the appropriated funding.

Appropriations for TANF				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	600410	TANF State Maintenance of Effort	\$148,650,326	\$148,650,326
General Revenue Fund Subtotal			\$148,650,326	\$148,650,326
Dedicated Purpose Fund Group				
4A80	600658	Public Assistance Activities	\$26,000,000	\$26,000,000
Dedicated Purpose Fund Group Subtotal			\$26,000,000	\$26,000,000
Federal Fund Group				
3V60	600689	TANF Block Grant	\$836,437,504	\$848,935,211
Federal Fund Group Subtotal			\$836,437,504	\$848,935,211
Total Funding: TANF			\$1,011,087,830	\$1,023,585,537

TANF State Maintenance of Effort (600410)

This GRF line item is used to fund the OWF cash assistance program in conjunction with the other two line items in this category. The budget appropriates \$148.7 million for FY 2018 and FY 2019, a 2.3% decrease from FY 2017 actual expenditures.

Expenditures from this GRF line item count toward the state's MOE for TANF. Ohio's total MOE is \$416.9 million. Ohio must expend MOE dollars in order to receive the federal TANF Block Grant. Ohio's annual federal TANF Block Grant award is about \$728.0 million, which is deposited in quarterly installments into the TANF Block Grant Fund (Fund 3V60). The Block Grant and the state MOE will total about \$1.15 billion in TANF resources.

H.B. 49 includes two earmarks for this appropriation item. The first earmarks \$500,000 in each fiscal year for the Ohio Parenting and Pregnancy Program. The second earmarks \$150,000 in each fiscal year for the YWCA of Greater Cleveland to support the Early Learning Center.

Public Assistance Activities (600658)

This line item is used in conjunction with GRF line item 600410, TANF State Maintenance of Effort, and a portion of federal line item 600689, TANF Block Grant, to cover OWF cash benefits, and is funded from the nonfederal share of county OWF child support collections; the federal share is returned to the federal government. Persons receiving child support and OWF cash assistance are required to assign their child

support payments to ODJFS to cover part of their cash assistance benefits. OWF cash benefits paid from this line item are counted toward the state's TANF MOE. The budget appropriates \$26.0 million for FY 2018 and FY 2019, a 27.2% increase from FY 2017 actual expenditures.

H.B. 49 requires that this line item be used by ODJFS to meet the state's TANF MOE requirements. Once the state is assured that it will meet the MOE requirements, ODJFS may use the remaining funds to support public assistance activities. ODJFS plans to count all expenditures from this line item in each fiscal year toward the state's TANF MOE.

TANF Block Grant (600689)

This federally funded line item is used to expend the federal TANF Block Grant for OWF, PRC, publicly funded child care, ODJFS operating and management information system development, Title XX services, and the Governor's Office of Faith-Based and Community Initiatives. The budget appropriates \$836.4 million in FY 2018, a 17.8% increase over FY 2017 expenditures, and \$848.9 million for FY 2019, a 1.5% increase over FY 2018. The increases in appropriations will allow ODJFS to spend some of the remaining balance of last year's TANF grant.

TANF dollars and the state's TANF MOE must be used to provide cash assistance payments. After budgeting for those payments, TANF funds may be used to provide short-term benefits and other types of services to TANF-eligible families (mainly families with incomes under 200% FPL), such as child care and noncash supports. In the next biennium, publicly funded child care, OWF, and allocations to counties will likely account for the largest share of TANF spending.

H.B. 49 includes earmarks of the TANF Block Grant for each fiscal year. The earmark amounts are listed below followed by descriptions of each office or program:

- \$6.5 million in each fiscal year for the Governor's Office of Faith-Based and Community Initiatives;
- \$2.0 million in each fiscal year for the Independent Living Initiative;
- \$1.0 million in each fiscal year for the Ohio Commission on Fatherhood;
- \$1.0 million in each fiscal year for the Ohio Alliance of Boys and Girls Clubs;
- \$500,000 in each fiscal year for food banks or food pantries unaffiliated with the Ohio Association of Food Banks;
- \$15.0 million in each fiscal year to support a kinship caregiver child care program;
- \$500,000 in each fiscal year for Big Brothers Big Sisters of Central Ohio;

- \$5,000,000 in each fiscal year to provide services to youth with complex care needs whose parent or legal guardian is at risk of relinquishing custody to access needed services;
- \$300,000 in each fiscal year for court-appointed special advocates; and
- \$250,000 in each fiscal year for the Children's Hunger Alliance.

Governor's Office of Faith-Based Community Initiatives

This Office disburses grants to nonprofit organizations and administers the Ohio Benefit Bank. In the current biennium, the Office implemented the Community Connectors Program, which seeks higher outcomes in educational achievement, well-being and health, and workforce readiness through civic engagement and mentoring programs. In addition, grants were provided on a competitive basis to charities and nonprofits for providing assistance services. The Office also provides various supportive services to other state and local agencies and charitable organizations.

Independent Living Initiative

The goal of this program is to help youth between 16 and 18 successfully transition from substitute care to adulthood self-sufficiency. Program services include life skills development training, education and vocational training, preventative health activities, financial assistance, housing, employment services, self-esteem counseling, and assistance with developing positive relationships and support systems. Individuals 18 to 21 years old, who have aged out from substitute care, are also eligible to receive independent living services upon request. The TANF dollars earmarked for this program supplement other federal dollars for adoption assistance.

Ohio Commission on Fatherhood

The Ohio Commission on Fatherhood is part of ODJFS and seeks to strengthen families by funding community-based programs that serve low-income fathers. The Commission issues grants to local fatherhood programs, organizes state summits on fatherhood, and prepares an annual report on issues related to fatherhood.

Ohio Alliance of Boys & Girls Clubs

The Ohio Alliance of Boys & Girls Clubs is a statewide nonprofit organization which seeks to protect at-risk children and enable youth to become responsible adults through after school and summer programs. Of this earmark, \$50,000 in each fiscal year is directed to the Boys & Girls Club of Massillon.

Unaffiliated Food Banks

This earmark allocates funds to food banks and pantries that are not affiliated with the Ohio Association of Foodbanks, thus excluding Ohio's 12 Feeding America food banks from receiving funds from this earmark.

Kinship Caregiver Child care Program

This program will provide kinship caregivers access to assistance paying for childcare. Kinship relationships are explained in more detail in the "**Family and Children**" program category.

Big Brothers Big Sisters of Central Ohio

Big Brothers Big Sisters of Central Ohio is a nonprofit organization which, among other services, provides mentoring services to children of incarcerated parents.

Youth with Complex Care Needs

This program will provide services to youth with complex care needs whose parent or legal guardian is at risk of relinquishing custody of the youth in order to access needed services, such as services related to drug addiction. H.B. 49 additionally requires that the Director of the Ohio Family and Children First Cabinet shall seek stakeholder input and issue written guidance regarding requirements to access these funds.

Court-appointed Special Advocates

Court appointed special advocates are volunteers that are assigned to a child to advocate on their behalf during cases of abuse and neglect. Of this earmark, \$100,000 in each fiscal year will be used for each of the following: establishment of up to three local court appointed special advocate programs; recruitment and training of additional local court-appointed advocates in areas with high rates of heroin use and overdoses; and to enhance the role of local court-appointed special advocate programs in the recruitment, training, and support of local court-appointed special advocates.

Children's Hunger Alliance

The Children's Hunger Alliance is a statewide nonprofit with a mission to end childhood hunger. The earmark will be used to assist with meal sponsorship, consultations and nutrition education, school district nutrition programs, after school nutrition programs, and summer nutrition programs.

Category 2: Child Care

This category of appropriations includes the sources of funding for publicly funded child care as well as child care licensing and administration. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Child Care				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	600413	Child Care State Maintenance of Effort	\$83,461,739	\$83,461,739
GRF	600535	Early Care and Education	\$141,285,241	\$141,285,241
General Revenue Fund Subtotal			\$224,746,980	\$224,746,980
Dedicated Purpose Fund Group				
5KT0	600696	Early Childhood Education	\$20,000,000	\$20,000,000
Dedicated Purpose Fund Group Subtotal			\$20,000,000	\$20,000,000
Federal Fund Group				
3H70	600617	Child Care Federal	\$231,000,000	\$232,000,000
Federal Fund Group Subtotal			\$231,000,000	\$232,000,000
Total Funding: Child Care			\$475,746,980	\$476,746,980

In addition to the recommended appropriations above, a portion of federally funded line item 600689, TANF Block Grant, will be used for subsidized child care.

Child Care State/Maintenance of Effort (600413)

This GRF line item is used to provide payments for publicly funded child care services. Expenditures from this line item are used to draw down two federal Child Care and Development Fund (CCDF) grants. For one CCDF grant, the state must meet a MOE of \$45.4 million; this amount may be double counted as MOE for the TANF Block Grant as long as dollars are used to meet the purposes of both programs. For the other CCDF grant, the state must provide a match to draw down federal reimbursement based on the Federal Medical Assistance Percentage. The budget appropriates \$83.5 million for FY 2018 and FY 2019, a decrease of 1.5% from FY 2017 actual expenditures.

Early Care and Education (600535)

This GRF line item is used to provide payments for publicly funded child care services. The budget appropriates \$141.3 million for FY 2018 and FY 2019, an increase of 0.3% from FY 2017 actual expenditures.

Early Childhood Education (600696)

This line item is used to support early learning and development programs that are either operating in smaller communities or are rated in the Step Up to Quality Program at the third highest tier or higher, or both. The budget appropriates \$20.0 million in FY 2018 and FY 2019, an increase of 6.3% from FY 2017 actual

expenditures. H.B. 49 additionally requires the ODJFS Director to ensure reimbursement rates for each tier are not lower than those in effect on December 31, 2016.

Child Care Federal (600617)

This federally funded line item is used for publicly funded child care and for child care regulation activities. This line item is also used for information technology that supports the child care information system. The budget appropriates \$231.0 million for FY 2018, a 13.1% increase over FY 2017 actual expenditures, and \$232.0 million for FY 2019, a 0.4% increase from FY 2018.

Subsidized Child Care – Direct Services

Direct services and quality payments historically account for the largest share of child care expenditures. For the FY 2018-FY 2019 biennium, ODJFS plans to maintain the income ceiling for enrollment from at 130% FPL (\$26,546 for a family of three in 2017) and the current income ceiling for disenrollment, at 300% FPL (\$61,260 for a family of three in 2017). ODJFS plans to generally maintain provider payment levels including enhanced provider payments for achieving high Step Up to Quality ratings and other accreditations.

Administration, Licensing, and Quality

The remaining child care expenditures include licensing and quality activities as well as county and state administration. ODJFS's Office of Family Stability is responsible for regulating child care centers and Type A family child care homes in the state.⁵ Regulation activities involve licensing and monitoring child care centers and Type A family child care homes and registering day camps. ODJFS also offers technical assistance and training to the child care community as a means to promote quality child care.

The Office of Family Stability also investigates complaints and allegations made against licensed programs as well as reports of unauthorized child care. Complaints and alleged licensing violations are required to be investigated. ODJFS also sets standards through administrative rules and inspects all licensed child care programs. Licensed programs are required to submit a corrective action plan for rule violations. ODJFS provides technical support, and varying degrees of monitoring occur to assure that the center or Type A family child care home has achieved compliance. If a center or Type A family child care home is unable to achieve compliance, the program's license could potentially be suspended or revoked.

⁵ Child Care Licensing Report for SFY 2016 is posted online: <http://jfs.ohio.gov/cdc/docs/2016ChildCareLicensingReport.stm>.

Category 3: Food Assistance

This category of appropriations includes the sources of funding for food assistance. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Food Assistance				
Fund		ALI and Name	FY 2018	FY 2019
General Revenue Fund				
GRF	600521	Family Assistance – Local	\$44,748,768	\$44,748,768
GRF	600546	Healthy Food Financing Initiative	\$100,000	\$100,000
General Revenue Fund Subtotal			\$44,748,768	\$44,748,768
Federal Fund Group				
3840	600610	Food Assistance Programs	\$145,000,000	\$145,000,000
3A20	600641	Emergency Food Distribution	\$4,000,000	\$4,000,000
Federal Fund Group Subtotal			\$149,000,000	\$149,000,000
Dedicated Purpose Fund Group				
5ES0	600630	Food Bank Assistance	\$500,000	\$500,000
Dedicated Purpose Fund Group Subtotal			\$500,000	\$500,000
Fiduciary Fund Group				
5B60	600601	Food Assistance Intercept	\$1,000,000	\$1,000,000
Fiduciary Fund Group Subtotal			\$1,000,000	\$1,000,000
Total Funding: Food Assistance			\$195,248,768	\$195,248,768

Family Assistance – Local (600521)

This GRF line item is used by ODJFS to advance to CDJFSs the state's share of county administration for public assistance programs, mainly Medicaid and the Food Assistance Programs. The budget appropriates \$44.8 million for FY 2018 and FY 2019, a 1.9% increase over FY 2017 actual expenditures.

Healthy Food Financing Initiative (600546)

This line item is used to support healthy food access in underserved communities in urban and rural low- and moderate-income areas, as defined by either the U.S. Department of Agriculture (USDA), as identified in the USDA's Food Access Research Atlas, or through a methodology that has been adopted for use by another governmental or philanthropic healthy food initiative. The budget appropriates \$100,000 in FY 2018 and FY 2019, a decrease of 92.4% from FY 2017 actual expenditures.

Food Bank Assistance (600630)

This line item is used to provide funds to the Ohio Association of Food Banks. The budget appropriates \$500,000 for FY 2018 and FY 2019, level with FY 2017 actual expenditures. The budget includes a provision that permits the OBM Director to transfer \$1.0 million in cash from the Food Stamps State Administration Fund (Fund 3840) to the Food Assistance Fund (Fund 5ES0), which supports line item 600630.

The budget also specifies that ODJFS provide to the Association, a total of \$17.1 million in each fiscal year from appropriation items 600410, TANF State Maintenance of Effort, 600658, Public Assistance Activities, and 600689, TANF Block Grant and an additional \$19.6 million in each fiscal year from unspecified, eligible funds.

Food Assistance Programs (600610)

This federally funded line item is used to reimburse ODJFS and CDJFS's costs of administering the Food Assistance Programs.⁶ For most activities, the federal government reimburses states 50% for managing the program. The appropriated amounts are the federal reimbursement for state and local expenditures to administer the program. (Line item 600521, Family Assistance – Local, is used to send CDJFSs the nonfederal share.) The budget appropriates \$145.0 million for FY 2018 and FY 2019, an 8.2% increase over FY 2017 expenditures. The goal of the Food Assistance Program is to increase nutritional intake of low-income persons by supplementing their income with food benefits. Benefits are fully funded by the federal government and are not appropriated in the state's budget.

Emergency Food Distribution (600641)

This federally funded line item appropriates funds received from The Emergency Food Assistance Program (TEFAP) Grant and the Commodity Supplemental Food Program (CSFP) Grant. TEFAP funds are used by ODJFS and local organizations for administrative expenses related to processing, storage, and distribution of food commodities in local storage centers. ODJFS passes most of these funds to emergency feeding organizations and retains a small amount for state administrative costs. All CSFP funds are distributed by the state to local food banks for administrative costs associated with distributing food items. Food items distributed under CSFP are provided separately by the federal government. State allotments are established by the federal government based on funds available, the number of individuals with incomes under the poverty level, and the number of unemployed in each state. The budget

⁶ About six years ago, the federal government changed the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). ODJFS uses the term the Food Assistance Program to refer to this program. This analysis refers to the program as the Food Assistance Program.

appropriates \$4.0 million for FY 2018 and FY 2019, a 2.3% increase over FY 2017 actual expenditures.

Food Stamp Intercept (600601)

This line item receives the collections the Internal Revenue Service makes through the Food Stamp Intercept Program. The moneys from this line item are sent back to the U.S. Department of Agriculture for reimbursement for fraudulent food stamp payments. A small portion of the collection is sent back to the county where the fraudulent benefits were issued as an incentive payment for participation in this program. The budget appropriates \$1.0 million for FY 2018 and FY 2019, an 18.7% increase over FY 2017 actual expenditures.

Category 4: Other Assistance and Administration

This category of appropriations includes the sources of funding for other public assistance programs and for administrative activities for Family Stability programs. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Other Assistance and Administration				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	600421	Family Assistance Programs	\$3,103,334	\$3,103,334
GRF	600504	Healthier Buckeye Grant Program	\$50,000	\$50,000
GRF	600511	Disability Financial Assistance	\$3,927,452	\$0
General Revenue Fund Subtotal			\$7,080,786	\$3,153,334
Federal Fund Group				
3850	600614	Refugee Services	\$12,000,000	\$12,000,000
3AW0	600675	Fatherhood Commission	\$3,000,000	\$3,000,000
Federal Fund Group Subtotal			\$15,000,000	\$15,000,000
Total Funding: Other Assistance and Administration			\$22,080,786	\$18,153,334

Family Assistance Programs (600421)

This GRF line item is used for administrative and operating expenses for Family Stability programs. These programs include TANF programs, publicly funded child care, food assistance programs, and the Disability Financial Assistance (DFA) Program. In addition to this GRF line item, some administrative expenditures are also funded from those programs' respective line items. The budget appropriates \$3.1 million for FY 2018 and FY 2019, a decrease of 39.1% from FY 2017 expenditures.

Healthier Buckeye Grant Program (600504)

This GRF line item will be used to continue the Healthier Buckeye Program which began in the previous biennium. The program encourages collaboration among different community stakeholders, including social service agencies, health care providers, businesses, and others to help low-income families get out of poverty. The budget appropriates \$50,000 in FY 2018 and FY 2019. The program was previously funded through dedicated purpose Fund 5RC0 appropriation item 600669, Healthier Buckeye Grant Pilot Program. Additionally, H.B. 49 transfers the remaining balance of Fund 5RC0 to the GRF on July 1, 2017, or as soon as possible thereafter, and authorizes the continuation of the Healthier Buckeye Advisory Council until December 31, 2020.

Disability Financial Assistance (600511)

This GRF line item is used for the DFA Program. The program provides cash payments to individuals with income up to 12% FPL (about \$1,447 annually for an individual and about \$1,949 for a two-person household in 2017) who are unemployable due to physical or mental impairment and ineligible for other public assistance programs that are supported in whole or in part by federal funds (for example, OWF cash assistance). The DFA Program provides a maximum cash grant of \$115 per month for a one-person assistance group and \$159 for a two-person assistance group. Individuals applying for DFA must also apply for federal Supplemental Security Income (SSI) and may receive DFA payments while awaiting an SSI eligibility determination. Once enrolled in SSI, individuals no longer receive DFA payments.

The budget appropriates \$3.9 million for FY 2018, a 59.1% decrease from FY 2017 and no funding in FY 2019. H.B. 49 eliminates the program beginning on December 31, 2017. The program was designed to provide benefits to individuals waiting for SSI and Social Security Disability Insurance (SSDI) determination, which previously took months to process. The Opportunities for Ohioans with Disabilities Agency has reduced processing times significantly, reducing the demand for this program. DFA payments made during the determination period are later refunded to the state by the Social Security Administration.

Refugee Services (600614)

This federally funded line item supports Ohio's Refugee Services programs. Refugee programs are designed to temporarily provide refugees with cash assistance, medical assistance, and social services in order to help their transition to living in the United States. Refugees are eligible for cash assistance and medical assistance (these are separate from OWF and Medicaid) for up to eight months after arriving in the country (as opposed to eight months after applying for benefits). Refugees are eligible to receive social services for five years after entering the country. Social services include citizenship classes, acculturation assistance, English language training, employment training, job placement, transportation, and child care. The budget appropriates \$12.0 million for FY 2018 and FY 2019, an increase of 11.8% from FY 2017 expenditures.

Fatherhood Commission (600675)

This federally funded line item will be used to expend funds awarded to ODJFS for the New Beginnings for New Fathers (NBNF) Program. The budget appropriates \$3.0 million for FY 2018 and FY 2019, an increase of 116.0% from FY 2017 expenditures. NBNF will help fathers strengthen their relationships with their children and the mothers of their children, improve the long-term economic stability of vulnerable families, and help fathers overcome barriers that prevent them from being effective and nurturing parents. The grant was awarded in FY 2017 and will be expended over a five-year period.

Families and Children

- Appropriates \$1.0 million in GRF in each year for the Kinship Permanency Incentive Program
- Appropriates \$2.7 million in GRF in each year for adult protective services

OVERVIEW

Office Overview

The Office of Families and Children (OFC) is responsible for administration and oversight of preventing child abuse and neglect, providing services to abused/neglected children and their families (birth, foster, and adoptive), licensing foster homes and residential facilities; and investigating allegations of adult abuse, neglect, and exploitation. Ohio operates in a state-supervised, county-administered system where each county is responsible for creating, operating, and financing a welfare program within the context of state and federal laws, regulations, and policies.

Child welfare programs are administered by county public children services agencies (PCSAs). ODJFS provides support to PCSAs by providing training programs for county workers and foster parents, information systems, and fiscal mechanisms for claiming federal reimbursement for allowable expenses. Of the state's 85 PCSAs (a few counties have consolidated), 61 are located within county departments of job and family services, 22 are separate agencies overseen by a board appointed by county commissioners, and two are under the authority of a county administrator or executive. OFC also supervises the Adult Protective Services Program by supporting county departments of job and family services (CDJFS), which administer these activities locally. Adult protective services help individuals age 60 and older who are in danger of harm or are unable to protect themselves.

Appropriation Overview

For the Families and Children category, the budget appropriates \$637.3 million for FY 2018 and FY 2019, an 11.7% increase from FY 2017 actual expenditures.

Families and Children Budget by Fund Group					
Fund Group	FY 2017*	FY 2018	% Change	FY 2019	% Change
General Revenue	\$143,040,827	\$139,651,001	-2.4%	\$139,651,001	0.0%
Dedicated Purpose	\$4,231,714	\$9,608,000	127.0%	\$9,608,000	0.0%
Federal	\$423,350,755	\$488,000,000	15.3%	\$488,000,000	0.0%
TOTAL	\$570,623,296	\$637,259,001	11.7%	\$637,259,001	0.0%

*FY 2017 figures represent actual expenditures.

Child Protective Services Overview

OFC is responsible for the oversight of child welfare programs at both the state and county levels. Programs and services offered include:

- Performing licensing and regulatory inspections of child care and child welfare providers;
- Administering child abuse prevention and protection, adoption, and foster care services;
- Developing and maintaining information systems, such as the State Automated Child Welfare Information System (SACWIS), for child care and child welfare operational needs;
- Developing and maintaining program plan requirements related to federal funding for family and children services;
- Managing and developing state administrative policies and rules for county administration of state-funded ODJFS child welfare and adoption programs and services;
- Supervising county practice performance and adherence to state and federal program mandates; and
- Providing technical assistance and training to county agencies.

Public Children Service Agency Activities and Oversight

PCSAs are required to receive reports of child abuse and neglect, and to investigate those reports in a timely manner. When necessary, PCSAs work with families to identify services and develop case plans that reduce the risk of future abuse or neglect. In most cases, the PCSA provides services to the child and family while the child remains in the home. However, there are instances when the child cannot safely remain in the home and it becomes necessary for the PCSA to work with the local court system to remove the child from the home. When the child is placed outside of the home, the PCSA must develop a plan detailing the activities that must occur to ensure that the child is able to return home safely. If that is not possible, the plan will identify an alternative safe, stable, and permanent living situation that promotes the child's health, growth, and development. Alternative living arrangements include: kinship care, foster care, and adoption.

ODJFS has a systematic process to monitor and provide oversight of the PCSA's compliance with state law and administrative rules. The monitoring and oversight process, called Child Protection Oversight and Evaluation, occurs at least every 18 months for each PCSA and is conducted by ODJFS staff. Following an onsite review, ODJFS prepares a final report that is shared with the PCSA. The PCSA is then required

to submit a quality improvement plan to ODJFS that will be implemented to correct findings of noncompliance.

The onsite review consists of data validation as well as identification of systemic, policy, or practice areas of strength, weakness, and concern for each core indicator. The onsite review also consists of development of strategies that affect positive improvement of the outcome indicators. Case records are reviewed for rule compliance and quality improvement plans are prepared for areas needing improvement. Benchmarks based on national standards found in the federal Child and Family Services Review are used to determine compliance.

Ohio Children's Trust Fund

The Ohio Children's Trust Fund (OCTF) was created in 1984 and is the state's primary funding agent for programs designed to prevent child abuse and neglect. OCTF is governed by a 15-member board which consists of state agency administrators, gubernatorial appointees, and legislators. Board members are responsible for overall child abuse and neglect prevention policy, program direction, and monitoring expenditures from the Ohio Children's Trust Fund. ODJFS staff provide administrative support to the board, which includes budgeting, procurement, accounting, and other management functions. As required by state law, OCTF funding focuses exclusively on support for primary and secondary prevention activities. Primary prevention services available to the community are designed to prevent child abuse and neglect before they occur, and include advocacy efforts, public awareness campaigns, and training of professionals. Secondary prevention services include those that target populations at risk for child abuse and neglect, such as parent education and support services.

Adoption

ODJFS provides support to local agencies in their efforts to decrease the number of children waiting for permanent homes, to prevent discrimination in the placement of children, to identify and recruit permanent families who can meet each child's needs, and to provide support to families to ensure the stability and well-being of children in their care. To assure permanency is maintained, ODJFS provides a variety of services to birth parents, adoptive parents, and children (particularly children who have been in foster care). These services are largely provided by PCSAs, private child placing agencies, and private noncustodial agencies in collaboration with ODJFS. ODJFS provides maintenance payments and subsidies to help offset associated costs.

There are four types of adoption subsidies: the Title IV-E Adoption Assistance Subsidy, State Adoption Maintenance Subsidy (SAMS), the Non-Recurring Adoption Payment, and the Post Adoption Special Services Subsidy (PASSS). These subsidies are briefly discussed below.

Title IV-E Adoption Assistance Subsidy

This subsidy is provided for children who meet eligibility guidelines. The program provides a monthly subsidy to eligible families that adopt children with special needs or circumstances. The subsidy is paid for with a combination of federal, state, and local funds.

State Adoption Maintenance Subsidy (SAMS)

This subsidy is provided to parents who have adopted children with special needs who are not IV-E eligible. The average SAMS monthly subsidy is \$310. This subsidy is paid for with state funds.

Non-Recurring Adoption Payment

This subsidy provides a one-time reimbursement for out-of-pocket costs incurred by families that adopt special needs children. Such costs include attorney fees, court costs, medical evaluations, and travel. The state will reimburse up to \$1,000 per child adopted. The federal government reimburses about half of the costs for these payments.

Post Adoption Special Services Subsidy (PASSS)

PASSS provides reimbursement for some post adoption services needed for special needs children. The maximum benefit amount is \$10,000 per child per year, but may be increased to \$15,000 in extraordinary circumstances. The child's adoptive parents are expected to share in the cost of services through a 5% copayment requirement. However, the PCSAs may waive the copay requirement if the gross annual income of the child's adoptive family is not more than 200% of the federal poverty line.

Foster and Substitute Care

ODJFS develops rules and guidelines to aid counties in implementing programs for children who cannot safely remain in their own homes. Foster or substitute care for children is one of the major program components of Ohio's child welfare system and is provided through public and private agencies. The program's main purpose is to reunify children with their families or find other permanent living arrangements when children cannot safely return home. Foster or substitute care includes foster care, kinship care, residential substitute care in group homes and treatment facilities, independent living, and placement through the Interstate Compact for the Placement of Children. H.B. 49 creates a Foster Care Advisory Group within ODJFS and requires that the Group issue a report regarding matters affecting foster caregivers.

When it is determined that a child must be removed from the home, and a court grants temporary custody of the child to the PCSA, the caseworker attempts to find a placement with a suitable relative to help maintain familial bonds. When a suitable relative is not available, the worker attempts to find a placement with a suitable

nonrelative with whom the child or family has a relationship. If the agency is unable to place the child with a relative or a nonrelative who has a relationship with the family, the child is placed into a licensed foster care setting. Once a child enters foster care, the state must ensure that the child is safe and treated well through the duration of the placement. This is accomplished by the enforcement of provider licensing standards.

Licensing Adoption and Substitute Care Providers

PCSAs and private network foster care agencies are responsible for making recommendations for licensing adoption and substitute care providers. The goal of licensing adoption and substitute care providers is to determine the fitness of those providing foster care, residential care, adoption, and independent living services. Placement settings such as foster homes, group homes, and residential care centers are routinely monitored to assure compliance with ODJFS rules. When it is necessary, technical assistance is provided to improve compliance with regulations. Licenses may be revoked for noncompliance.

Kinship Care

This type of care refers to a temporary or permanent arrangement in which a relative or any nonrelative adult, who has a long-standing relationship or bond with the child and/or family, has taken over substitute care of a child. Kinship care includes those relationships established through an informal arrangement, legal custody or guardianship order, a relative foster care placement, or kinship adoption. Kinship care represents the most desirable out-of-home placement option for children who cannot live with their parents. It offers the greatest level of stability by allowing children to maintain their sense of belonging and enhances their ability to identify with their family's culture and traditions.

ODJFS supports the Kinship Permanency Incentive Program, which provides time-limited payments to kinship caregivers to offset some costs of caring for a child. H.B. 49 made changes to the program by removing a 48-month time limit for the kinship caregiver to receive payments and specifies that the caregiver can receive up to eight payments per minor child.

Independent Living Program

The county PCSAs are required to provide independent living services to youth between 16 and 18 years old who are in substitute care. The goal of this program is to help these youth successfully transition into adulthood and become self-sufficient. Program services include life skills development training, education and vocational training, preventative health activities, financial assistance, housing, employment services, self-esteem counseling, and assistance with developing positive relationships and support systems. Individuals 18 to 21 years old, who have been emancipated from substitute care, are also eligible to receive independent living services upon request.

PCSAs are also permitted to use a portion of their allocation to assist these individuals with rent and other costs.

Interstate Compact for the Placement of Children

The Interstate Compact for the Placement of Children authorizes the placement of any child in Ohio from another state or placement of a child from Ohio in another state. Out-of-state and Ohio agencies must have placements approved before the child enters or leaves Ohio for placement with an adoptive family, in foster care, or in a group home or institutional setting.

Adult Protective Services Overview

CDJFSs are required to investigate and evaluate all reports of suspected abuse, neglect, and exploitation of adults age 60 and over. Investigations of reports alleging abuse, neglect, and exploitation are mandated to be initiated within 24 hours if any emergency exists, or within three working days after a nonemergency report is received. Upon completion of an investigation, the county department must determine whether or not the person is in need of protective services. Adults who experience abuse, neglect, or exploitation are offered supportive services for protection in order to achieve self-sufficiency.

H.B. 49 Provisions and Vetoes

H.B. 49 included numerous changes to continuing laws pertaining to adult protective services. These changes include:

- Expanding of the persons required to report suspected abuse, neglect, or exploitation of certain older adults;
- Modifying and adding definitions to the adult protective services statutes;
- Allowing a county prosecutor to petition courts for orders related to the provision of adult protective services;
- Requiring CDJFSs to notify law enforcement agencies if it has a reasonable cause to believe the subject of an abuse, neglect, or exploitation report has been criminally exploited;
- Creating the Elder Abuse Commission; and
- Mandating ODJFS provide training for implementing the statutes and make educational material available to mandatory reporters.

The Governor vetoed provisions that would have repealed a requirement that each CDJFS prepare a memorandum of understanding that establishes the procedures to be followed by local officials for elder abuse, neglect, and exploitation cases and that would have allowed local law enforcement agencies and county prosecutors to receive reimbursements from ODJFS for adult protective services activities.

ANALYSIS OF ENACTED BUDGET

Families and Children

This category of appropriations includes the sources of funding for the Families and Children category. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Families and Children				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	600423	Families and Children Programs	\$16,219,491	\$16,219,491
GRF	600523	Family and Children Services	\$77,268,993	\$77,268,993
GRF	600528	Adoption Services	\$28,922,517	\$28,922,517
GRF	600533	Child, Family, and Community Protection Services	\$13,500,000	\$13,500,000
GRF	600534	Adult Protective Services	\$2,740,000	\$2,740,000
GRF	600541	Kinship Permanency Incentive Program	\$1,000,000	\$1,000,000
General Revenue Fund Subtotal			\$139,651,001	\$139,651,001
Dedicated Purpose Fund Group				
1980	600647	Children's Trust Fund	\$5,000,000	\$5,000,000
4E70	600604	Family and Children Services Collections	\$650,000	\$650,000
4F10	600609	Family and Children Activities	\$708,000	\$708,000
5NG0	600660	Victims of Human Trafficking	\$100,000	\$100,000
5TZ0	600674	Children's Crisis Care	\$150,000	\$150,000
5U60	600663	Family and Children Support	\$3,000,000	\$3,000,000
Dedicated Purpose Fund Group Subtotal			\$9,608,000	\$9,608,000
Federal Fund Group				
3270	600606	Child Welfare	\$27,500,000	\$27,500,000
3950	600616	Federal Discretionary Grants	\$1,500,000	\$1,500,000
3960	600620	Social Services Block Grant	\$42,000,000	\$42,000,000
3980	600627	Adoption Program – Federal	\$175,000,000	\$175,000,000
3D30	600648	Children's Trust Fund Federal	\$2,000,000	\$2,000,000
3N00	600628	Foster Care Program – Federal	\$240,000,000	\$240,000,000
Federal Fund Group Subtotal			\$488,000,000	\$488,000,000
Total Funding: Families and Children			\$637,259,001	\$637,259,001

Families and Children Programs (600423)

This GRF line item is used to provide the primary source of funding for payroll, purchased personal services, conference fees, maintenance, and equipment for OFC. The budget appropriates \$16.2 million in FY 2018 and FY 2019, a 128.3% increase from

FY 2017 actual expenditures. H.B. 49 makes two earmarks from this appropriation item. The first earmark is for \$2.0 million in each fiscal year to fund Predictive Analytics, which will use current and historical data to predict future outcomes and behaviors in high-risk foster care children. The second earmark is for \$750,000 in each fiscal year for the Star House Youth Drop-In Center to provide services for homeless youth.

Family and Children Services (600523)

This GRF line item provides the State Child Protection Allocation, which is distributed to each PCSA to partially reimburse costs incurred by the PCSA in performing its duties; the State Operating Allocation, which directs state funds to supplement the Title XX funds a county receives; and funding to implement the Feisal Case Review recommendations. The budget appropriates \$77.3 million for FY 2018 and FY 2019, a 34.8% increase from FY 2017 actual expenditures. This increase is primarily due to the foster care expansion for individuals 18 to 21 years old. Of this amount, H.B. 49 specifies that not less than \$60,040,010 in each fiscal year is to be used for public children services agencies, including \$8,800,000 to provide an initial allocation of \$100,000 to each county.

In addition, this line item provides the state share for the Foster Parent Stipend Program, which allows ODJFS to reimburse foster caregivers for attending and completing ODJFS-approved training courses. This line item also provides the state share of funding for the federal Chaffee Education Training Vouchers Program, which provides up to \$5,000 in scholarships to youth previously or currently involved in the child welfare system.

H.B. 49 earmarks up to \$3.2 million to match eligible federal Title IV-B ESSA funds and federal Title IV-E Chafee funds allocated to PCSAs. In collaboration with the county family and children first council, a CDJFS or PCSA that receives an allocation from ODJFS from GRF appropriation items 600523, Family and Children Services, or 600533, Child, Family, and Community Protective Services, is permitted to transfer a portion of either or both allocations to a flexible funding pool.

Adoption Activities (600528 and 600627)

GRF line item 600528, Adoption Services, is used to provide state funds for four different adoption subsidies that provide maintenance payments to families who adopt children with special needs. Many of the children available for adoption are considered to have special needs because they are of an older age; part of a siblings group; have special physical, mental, or emotional health needs; or have developmental delays. Some special needs children have behavioral and attachment disorders that can present financial challenges for adopting families. ODJFS provides maintenance payments and subsidies to help offset some of these costs. The budget appropriates \$28.9 million for FY 2018 and FY 2019, a 50.1% decrease from FY 2017 actual expenditures. This decrease

is attributable to the federal portion of this line item being moved to line item 600627, Adoption Program – Federal.

Federal line item 600627, Adoption Program – Federal, is used to pass federal funds through to the counties for the administrative costs of placing children in public or private institutions and family foster homes. Counties are reimbursed for 50% of allowable administrative costs incurred on behalf of eligible children. This line item is also used to pass the federal share of the Title IV-E Adoption Assistance Subsidy over the state maximum to the counties. In addition, this line item provides Independent Living Grants to assist in establishing and carrying out programs designed to assist foster care children in making the transition from foster care to independent living. The budget appropriates \$175.0 million for FY 2018 and FY 2019, a 40.1% increase from FY 2017 actual expenditures.

Child, Family, and Community Protection Services (600533)

This GRF line item is used to distribute funds to counties for community and protective services programs. The budget appropriates \$13.5 million for FY 2018 and FY 2019, a 3.0% decrease from FY 2017 actual expenditures. Funds are distributed to each county department of job and family services using the formula ODJFS uses when distributing Title XX funds. As previously mentioned, H.B. 49 includes provisions that allow county family and children first councils to establish and operate a flexible funding pool; allocations from this line item would be eligible to be deposited into a flexible funding pool.

Services offered with funding from this line item include:

- Helping individuals maintain self-sufficiency;
- Responding to reports of abuse, neglect, and exploitation of children and adults;
- Providing outreach and referral services regarding home and community-based services to individuals at risk of placement in a group home or institution; and
- Providing outreach, referral, application assistance, and other services to assist individuals in receiving assistance, benefits, or services from public assistance programs.

Adult Protective Services (600534)

This GRF line item is used to provide supplemental funding to county departments of job and family services for adult protective services, which are provided to the elderly who are in danger of harm or are unable to protect themselves. The budget appropriates \$2.7 million for FY 2018 and FY 2019, a decrease of 5.8% from FY 2017 actual expenditures.

Kinship Permanency Incentive Program (600541)

This GRF line item is used to fund the Kinship Permanency Incentive (KPI) Program. The KPI Program provides time-limited incentive payments to kinship caregivers who meet eligibility criteria. The budget appropriates \$1.0 million for FY 2018 and FY 2019, a 72.9% decrease from FY 2017 actual expenditures.

Children's Trust Fund (600647 and 600648)

Line item 600647, Children's Trust Fund, provides state funding for the expenditures related to the Ohio Children's Trust Fund (OCTF). Revenues are generated from fees collected on divorce and dissolution filings, and nominal surcharges on birth and death certificates. These funds are earmarked for each county through a formula based on the number of children living in each county. The budget appropriates \$5.0 million for FY 2018 and FY 2019, a 417.4% increase from FY 2017 actual expenditures.

Federally funded line item 600648, Children Trust Fund Federal, provides Community-Based Child Abuse Prevention (CBCAP) grant dollars to support statewide investment in child abuse and neglect prevention programming. OCTF is awarded these grant funds. The budget appropriates \$2.0 million for FY 2018 and FY 2019, a 154.4% increase from FY 2017 actual expenditures.

Family and Children Services Collection (600604)

This line item funds the Putative Father Registry. This registry is designed to allow a man who believes he has fathered a child to register his interests in the child. By registering, the father will be notified if his child is placed for adoption. This may decrease the possibility for adoption disruption. The budget appropriates \$650,000 for FY 2018 and FY 2019, an increase of 316.1% over FY 2017 actual expenditures.

Family and Children Activities (600609)

This line item is used to expend grants awarded to ODJFS by nonprofit or private philanthropic foundations for families and children. The expenditures funded by this line item support programs that enhance the health, safety, and well-being of children and families. The budget appropriates \$708,000 for FY 2018 and FY 2019, an increase of 166.0% from FY 2017 actual expenditures. According to ODJFS, appropriations are consistent with estimated grant awards.

Victims of Human Trafficking (600660)

This line item is used to treat, care for, rehabilitate, educate, house, and provide assistance for victims of human trafficking. The fund consists of moneys seized during human trafficking law enforcement actions. The budget appropriates \$100,000 in each fiscal year.

Children's Crisis Care (600674)

This new line item will be allocated to children's crisis care facilities, which provides residential and other care to either preteens voluntarily placed in the facility by a caretaker who is facing a crisis or by a PCSA or private child placing agency. Funding will be based on the number of children at each facility and operators will have the option to decline this funding. The budget appropriates \$150,000 in FY 2018 and FY 2019.

Family and Children Support (600663)

This line item funds the state share of the Ohio Child Welfare Training Program (OCWTP) for county personnel, child welfare-related administrative expenses, and tuition assistance for students. The state share of OCWTP's training and operations budget is funded through a 2.5% hold-back imposed on Title IV-E administrative payments that are made to county child welfare agencies and a 5% hold-back on Title IV-E administrative payments made to juvenile courts.

OCWTP provides a comprehensive annual calendar of in-service child welfare training. Most of this training is mandated by law and ODJFS administrative rule. OCWTP activities include eight regional training centers and eight university partnership programs. OCWTP also provides tuition assistance to students involved in the child welfare system. The budget appropriates \$3.0 million for FY 2018 and FY 2019, a 5.5% increase from FY 2017 actual expenditures.

Child Welfare (600606)

This federally funded line item provides funding for Federal Child Welfare Services Title IV-B, Parts 1 and 2, under Title IV of the Social Security Act. The budget appropriates \$27.5 million for FY 2018 and FY 2019, a 16.1% increase from FY 2017 actual expenditures. The Title IV-B, Part 1 grant allows states to claim child welfare administrative costs and child welfare program costs. The administrative costs claimed to the grant are capped at 10% of IV-B, Part 1 expenses. The Title IV-B, Part 2 grant permits states to claim expenditures for family preservation, support services, caseworker visitation, and adoption promotion services at a 75% federal reimbursement rate. Funds from the Title IV-B, Part 2 grant are predominantly allocated to PCSAs.

Federal Discretionary Grants (600616)

This federally funded line item provides funding from three federal grants used for children and adult welfare activities. The Children's Justice Act Grant funds the handling of child abuse and neglect cases, particularly the investigation of cases of child sexual abuse and exploitation. The Child Abuse and Neglect Grant is used for creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations and improve legal preparation and representation. This includes procedures for appealing and responding to appeals of substantiated reports of abuse

and neglect, and provisions for appointment of an individual to represent a child in judicial proceedings. The Adoption Incentive Grant is awarded to states that exceed the national foster child adoption, older child adoption, or special needs adoption baselines. All activities allowable under Title IV-B and Title IV-E, including post adoption services, may be funded from this grant. The budget appropriates \$1.5 million for FY 2018 and FY 2019, a 17.7% increase from FY 2017 actual expenditures.

Social Services Block Grant (600620)

This federally funded line item is used to expend ODJFS's share of the federal Social Services Block Grant (SSBG). Title XX funds are received by ODJFS, which keeps 72.50% and distributes the remainder to the Department of Developmental Disabilities (14.57%) and to the Ohio Department of Mental Health and Addiction Services (12.93%). The budget appropriates \$42.0 million for FY 2018 and FY 2019, a 1.8% decrease from FY 2017 actual expenditures.

The SSBG is federally appropriated under Title XX of the Social Security Act. The grant provides funds for administration, training, and direct services. The services are for adults and children and include: adoption, day care, adult day care, physical protection, homemaker services, job training, counseling, and legal services.

By federal statute, the delivery of SSBG services must be directed toward the following five goals:

- To prevent, reduce, or eliminate dependence on public assistance;
- To maintain self-sufficiency once it is achieved;
- To prevent or remedy the neglect, abuse, or exploitation of children and vulnerable adults;
- To reduce inappropriate institutionalization by providing community-based care; and
- To provide quality institutional care when other forms of care are insufficient.

To address these national goals, ODJFS established 28 service categories that are designed to provide flexibility in targeting the populations to be served. Some examples of the service definitions include adoption, family planning, employment services, prevention and intervention, home delivered meals, and legal services. All counties are required to provide services within the 28 categories. However, counties have discretion, flexibility, and autonomy in deciding specific services that will be offered. Therefore, the amount, duration, and scope of services vary from county to county.

Foster Care Program – Federal (600628)

This federally funded line item is used to issue monthly foster care payments to foster parents or institutions to support an out-of-home placement for a child, as well as for administration expenses. The budget appropriates \$240.0 million for FY 2018 and FY 2019, a 4.4% increase from FY 2017 actual expenditures. PCSAs pay a portion of the nonfederal share of foster care placement costs using state child protection allocations. Costs in excess of amounts provided from state and federal sources are paid by PCSAs.

Child Support

- Appropriations of \$329.6 million in FY 2018 and FY 2019
- Over \$1.8 billion in child support collected annually

OVERVIEW

Office Overview

The Office of Child Support (OCS) has the responsibility for providing program direction, overseeing local activity, and administering statewide contracts for some services. Local child support enforcement agencies (CSEAs) have the responsibility of direct administration and provision of services to all individuals in need of child support services, including location of an absent parent, paternity and support establishment, support collection, and enforcement of financial and medical obligations.

Title IV-D of the Social Security Act of 1975 designates the Ohio Department of Job and Family Services (ODJFS) as the state's Child Support Enforcement Agency. The Act requires ODJFS to be responsible for supervising local entities in the establishment and enforcement of support obligations owed by noncustodial parents. The Child Support Program collects and disburses over \$1.8 billion in child support statewide each year. Child support obligations are collected and disbursed to recipients through a custodial fund that is separate from the state treasury and therefore not subject to appropriation.

Appropriation Overview

For the Child Support category, the budget appropriates \$329.6 million for FY 2018 and FY 2019, a 6.3% increase from FY 2017 actual expenditures.

Child Support Budget by Fund Group					
Fund Group	FY 2017*	FY 2018	% Change	FY 2019	% Change
General Revenue	\$28,975,315	\$30,033,688	3.7%	\$30,033,688	0.0%
Fiduciary	\$101,829,191	\$124,000,000	21.8%	\$124,000,000	0.0%
Federal	\$179,357,618	\$175,534,050	-2.1%	\$175,534,050	0.0%
TOTAL	\$310,162,124	\$329,567,738	6.3%	\$329,567,738	0.0%

*FY 2017 figures represent actual expenditures.

Child Support Overview

The objective of the Child Support Enforcement Program is to ensure children in Ohio receive the child support to which they are entitled from a noncustodial parent. The program is a cooperative venture between federal, state, and county governments. The program is administered locally by the county CSEAs providing services to the

residents of that county. CSEAs may be located within a county department of job and family services (65), adjunct to a county prosecutor's office (6), or as stand-alone local agencies (14). In addition, three counties jointly utilize a multicounty organization: Hocking, Ross, and Vinton counties. The federal government provides program funding; sets program standards, policy, and regulations; evaluates and audits state and local programs; and provides technical assistance and training to states. ODJFS is the designated IV-D agency and OCS has the primary responsibility for the Child Support Program. Each county is required to establish a CSEA. Thus, responsibility for the Child Support Program is shared by the state and each of Ohio's 88 counties.

The role of OCS is to provide the county CSEAs with resources to assist individuals owed support to obtain that support. OCS collects and distributes child support obligations through Child Support Payment Central and maintains the Support Enforcement Tracking System (SETS). In addition, OCS maintains statewide contracts for the New Hire Reporting Center, the Financial Institution Data Match, the Central Paternity Registry, and genetic testing.

CSEAs assist in the location of absent parents using several different databases including the New Hire Reporting Center, which fulfills state and federal requirements for employers to report all newly hired and rehired employees to ODJFS within 20 days of the date of hire. The New Hire Reporting Center speeds up the child support income withholding order process; expedites collection of child, spousal, and medical support from those who change jobs frequently; and locates noncustodial parents so that paternity orders can be established.

Local child support professionals use SETS for a variety of purposes including to:

- Initiate and maintain cases;
- Locate absent parents;
- Establish paternity and support;
- Adjust support obligations;
- Collect, allocate, and disburse support payments; and
- Increase inter-county access to data through a single statewide database.

CSEAs also enforce obligations owed by absent parents. The Financial Institution Data Match is used to identify accounts belonging to noncustodial parents who are delinquent in their child support payments and, if necessary, freeze and seize those accounts.

Child support enforcement activities include:

- Locating absent parents;
- Establishing paternity;
- Obtaining child, spousal, and medical support;

- Enforcing obligations owed by the absent parent; and
- Disbursement of support obligations.

To support these activities ODJFS does the following:

- Operates the automated child support computer system (CSPC);
- Processes payments at a single centralized site (SETS);
- Maintains a registry of all child support cases in the state; and
- Maintains a database of all newly hired employees in the state.

Location of Absent Parents

The Child Support Program helps locate the whereabouts of an absent noncustodial parent, their employer, or other sources of income and assets so that the CSEA may take steps to secure or enforce a child support order. CSEAs use database information from the Bureau of Motor Vehicles, the Bureau of Employment Services, the Internal Revenue Service, the Social Security Administration, and the New Hire Reporting Center to aid in the location of an absent parent.

New Hire Reporting

The Ohio New Hire Employer Center fulfills the federal requirement established in the Personal Responsibility and Work Reconciliation Act (PRWRA) of 1996 for employers to report new hires and rehires to a state directory. State and federal law requires employers to report all newly hired and rehired employees to ODJFS within 20 days of the date of hire. The information is kept for 12 months and is used for location purposes and identification of employment resources for noncustodial parents who may be delinquent on their child support payments.

Paternity and Support Establishment

The PRWRA of 1996 requires each state to develop a methodology for establishment of paternity and support obligations. These are the first two steps in collecting child support. The state's portion of federal incentive dollars is based on performance measures related to paternity and support order establishment. The Child Support Program assists the counties in meeting performance measure goals through contracts and interagency agreements. In Ohio, licensed contractors provide DNA testing for the establishment of paternity. ODJFS contracts with several vendors so that all 88 counties have access to genetic testing procedures. Statewide contracts allow the state to negotiate a lower price per test. By utilizing the statewide contracts, CSEAs do not have to secure individual vendors.

For a paternity order to be established, it can be court determined, an acknowledgement of paternity affidavit can be signed, or the genetic test results must show at least a 99% probability of fatherhood. Once paternity is established, CSEAs proceed with support establishment and enforcement of support collections. In

January 1998, OCS created the Central Paternity Registry (CPR). The purpose of the CPR is to collect and process all paternity documents initiated by CSEAs, hospitals, vital statistics registrars, and courts. The CPR extracts specific data elements from each source and within a few days the information is made available to CSEAs to allow them to move quickly in establishing support.

Medical Support

State and federal laws require the inclusion of health care coverage in child support orders when coverage is available and reasonable, or expected to become available. Health insurance coverage is considered available and reasonable if either parent, through the parent's employer or other group health insurance plan, can obtain it. CSEAs are responsible for establishing and enforcing health insurance orders.

The objective of medical support orders is to increase the number of children with health care coverage when it has been ordered. Medical support can also include orders to pay cash medical support. These orders are treated as cash obligations and are enforced using income or bank account withholding, tax intercept, and other methods used in the enforcement of any cash obligation.

License Suspension and Passport Denial

Pursuant to the Revised Code, upon a finding that an individual is in default of a child support order or has failed to comply with a subpoena or warrant issued by a CSEA or a court regarding the enforcement of a child support order, the CSEA may initiate the suspension or stop the issuance of the obligor's license (professional or driver's) by an Ohio license issuing agency. States submit child support cases with past due amounts to the federal Office for Child Support Enforcement. If the past due amount owed exceeds \$2,500, the federal office automatically forwards the case to the U.S. State Department for passport denial.

Disbursement

PRWRA requires ODJFS to establish and operate a state disbursement unit for centralized collection and disbursement of child support payments. CSPC, the state disbursement unit in Ohio, processes about \$2.0 billion in payments annually. CSPC services are provided through a contract with Xerox State and Local Solutions. In addition to CSPC, ODJFS operates the Payment Analysis and Account Reconciliation Bureau to handle the state's responsibilities not covered by the CSPC contract, including handling payment and disbursement exceptions and financial oversight and reconciliation of the master account.

In addition to paper checks, Ohio provides electronic disbursement of child support payments through direct deposit and e-QuickPay, which allows child support recipients to access payments through a Debit MasterCard. The e-QuickPay cards have the MasterCard logo and can be used anywhere MasterCard is accepted, including at

any bank or ATM to withdraw cash. There is no service fee if the card is used at a point of sale or to withdraw cash at a bank teller window. There is a \$0.75 transaction fee to withdraw cash at an ATM, plus any service fee charged by that ATM; however, Fifth Third, PNC Bank, and Alliance One have all agreed to waive the surcharge for e-QuickPay transactions. There is a \$0.40 transaction fee for a balance inquiry.

ODJFS began mandatory enrollment of all new orders and conversion of existing cases to a form of electronic disbursement in December 2005. Conversion of existing cases was completed in July 2006.

Support Enforcement Tracking System

The Family Support Act of 1988 mandated that each state develop an automated system to manage child support enforcement by October 1, 1995. In Ohio, the automated system is called the Support Enforcement Tracking System (SETS). The system aids in the location of absent parents and in the establishment and enforcement of child support cases. Funding for SETS is federally reimbursed at a rate of 66%. SETS is designed to accomplish several things. One of its main functions is to aid front-line child support professionals in a number of tasks, including:

- Initiating and maintaining cases;
- Locating absent parents;
- Establishing paternity and support; and
- Adjusting support obligations.

SETS also tracks the collection, allocation, and disbursement of support payments. It increases inter-county access to data through a single statewide database. SETS supports more than 1.0 million cases representing more than 3.0 million individuals, and processes and disburses approximately \$1.8 billion in child support payments annually.

Financial Institution Data Match

PRWRA established the Financial Institution Data Match (FIDM) in order to increase collection of delinquent child support, maintain the integrity and security of financial institution and child support data, and make use of technology to aid in the collection of child support. The FIDM is used to identify accounts belonging to noncustodial parents who are delinquent in their child support payments and, if necessary, freeze and seize the accounts of the delinquent obligor. Banks, savings and loans, federal and state credit unions, benefit associations, insurance companies, safe deposit companies, and money market mutual funds must participate in the FIDM.

ODJFS is required to enter into agreements with financial institutions doing business in Ohio for the purpose of performing quarterly data matches. These institutions may participate in the multi-state (MSFIDM) program or participate on a

state-by-state basis (SSFIDM). The MSFIDM is operated and funded through the federal Office of Child Support Enforcement. The SSFIDM includes those institutions doing business in only one state and those multi-state institutions that do not participate in the MSFIDM. ODJFS has a contract with a service provider that performs quarterly data matches for the SSFIDM.

ANALYSIS OF ENACTED BUDGET

Child Support

This category of appropriations includes the sources of funding for the Child Support category. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Child Support				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	600420	Child Support Programs	\$6,576,797	\$6,576,797
GRF	600502	Child Support – Local	\$23,456,891	\$23,456,891
General Revenue Fund Subtotal			\$30,033,688	\$30,033,688
Fiduciary Fund Group				
1920	600646	Child Support Intercept – Federal	\$110,000,000	\$110,000,000
5830	600642	Child Support Intercept – State	\$14,000,000	\$14,000,000
Fiduciary Fund Group Subtotal			\$124,000,000	\$124,000,000
Federal Fund Group				
3970	600626	Child Support – Federal	\$175,000,000	\$175,000,000
3S50	600622	Child Support Projects	\$534,050	\$534,050
Federal Fund Group Subtotal			\$175,534,050	\$175,534,050
Total Funding: Child Support			\$329,567,738	\$329,567,738

Child Support Activities (600420, 600502, and 600626)

GRF line item 600420, Child Support Programs, provides the nonfederal share (34%) of state administrative expenditures incurred by the Office of Child Support (OCS). The federal government reimburses Title IV-D expenditures from this line item at 66%.⁷ The budget appropriates \$6.6 million for FY 2018 and FY 2019, a 19.6% increase from FY 2017 actual expenditures.

GRF line item 600502, Child Support – Local, is used to provide state funds for operating expenses of the CSEAs. The federal government reimburses 66% of CSEA expenditures made for Title IV-D cases. This line item provides a portion of counties' nonfederal share of child support administrative expenditures. The budget appropriates \$23.5 million for FY 2018 and FY 2019, a decrease of 0.1% from FY 2017 actual expenditures.

⁷ In order for a case to be considered a IV-D case, a custodial parent must either receive federal assistance or fill out a IV-D application; there are no other eligibility requirements.

Federal line item 600627, Child Support – Federal, provides the federal share of all county and state Title IV-D child support administrative expenditures. The budget appropriates \$175.0 million for FY 2018 and FY 2019, a 2.3% decrease from FY 2017 actual expenditures. The major components of this line item are county administration, which provides monthly funding for the CSEAs based on current expenditures and county estimates; state administration, which includes personal services, purchased personal services, maintenance, equipment, and the federal share of SETS; and federal child support incentive dollars. Incentive dollars are provided to CSEAs to support operations – ODJFS holds back 10% of these incentives for administrative expenses at OCS.

Support Intercept (600646 and 600642)

The Support Intercept – Federal Fund (Fund 1920) and the Support Intercept – State Fund (Fund 5830) support line items 600646 and 600642, respectively. The funds are used to collect overdue child support payments from federal and state personal income tax returns. ODJFS partners with the Internal Revenue Service (IRS) and the Ohio Department of Taxation as part of a tax offset program for obligors who owe arrearages. Through this program, CSEAs are able to submit the names of noncustodial parents who owe arrearages, and their tax returns are offset and forwarded to ODJFS. Upon receipt, the collections are disbursed to Child Support Payment Central (CSPC) for processing and distributed to the custodial parent. The IRS retains a processing fee from the collections forwarded to ODJFS. For line item 600646, Support Intercept – Federal, the budget appropriates \$110.0 million for FY 2018 and FY 2019, a 21.8% increase from FY 2017 actual expenditures. For line item 600642, Support Intercept – State, the budget appropriates \$14.0 million for FY 2018 and FY 2019, a 21.6% increase from FY 2017 actual expenditures.

Child Support Projects (600622)

This federally funded line item is used to provide funding for the Access/Visitation Program. The program supports and facilitates the nonresidential parents' access to, and visitation of, their children and encourages the payment of child support obligations. These services include mediation centering on access and visitation, parenting education classes, and neutral drop-off and pickup points. CSEAs apply for these funds from OCS. Funding for this program is provided exclusively through federal grant dollars. The budget appropriates \$534,050 for FY 2018 and FY 2019, a 64.4% increase from FY 2017 actual expenditures.

Unemployment Compensation

- Payoff of federal borrowings in August 2016 stops payment of interest from GRF
- Trade Adjustment Assistance moves to ODJFS Office of Workforce Development

OVERVIEW

Office Overview

The Office of Unemployment Insurance Operations (OUIO), formerly the Office of Unemployment Compensation, administers programs and provides services related to unemployment insurance. OUIO is organized into four divisions: Benefits & Technology (B&T), Central Administration, Integrity & Review (I&R), and Tax & Employer Services (T&ES). The Division B&T has five Unemployment Insurance (UI) delivery centers and six adjudication centers across the state; the UI delivery centers provide a means for applying for unemployment insurance and adjudication centers provide judgements of UI claims. The Division of Central Administration (CA) is responsible for all aspects of budget development, implementation and monitoring, grant management, Controlling Board requests, United States Department of Labor (USDOL) program workload reports, forecasting of UI revenues, and managing accounting, reporting, and reconciliation of the UI Fund activity. The Division of I&R protects Ohio's UI Program while ensuring federal performance standards are met. The Division of T&ES collects contributions, ensures employer compliance with state and federal law, gathers wage information, provides support to employers who need assistance with the Employer Resource Information Center (ERIC) system, processes all labor disputes and seasonal employer matters, and represents the agency in tax appeals.

Appropriation Overview

For the Unemployment Compensation (UC) category, the budget appropriates \$126.8 million for FY 2018, a decrease of 7.2% from FY 2017 actual expenditures, and \$121.8 million for FY 2019, a decrease of 3.9% from FY 2018.

Unemployment Compensation Budget by Fund Group					
Fund Group	FY 2017*	FY 2018	% Change	FY 2019	% Change
General Revenue	\$16,576,197	\$20,955,498	26.4%	\$20,955,498	0.0%
Federal	\$95,695,748	\$90,814,212	-5.1%	\$85,814,212	-5.5%
Dedicated Purpose	\$24,349,531	\$15,000,000	-38.4%	\$15,000,000	0.0%
TOTAL	\$136,621,477	\$126,769,710	-7.2%	\$121,769,710	-3.9%

*FY 2017 figures represents actual expenditures.

Unemployment Compensation Overview

Unemployment insurance was created as a federal and state partnership for income maintenance during periods of involuntary unemployment by providing partial compensation for lost wages to eligible individuals. Benefits are paid through Ohio's Unemployment Compensation Fund (the UC Fund), a federal bank account which is funded through state insurance taxes on employers. ODJFS collects the taxes, deposits the revenue into a clearing account, and then transfers it to the state's UC Fund. Funds for administration of unemployment insurance are provided by USDOL from revenues collected from employers by the IRS. Unemployment benefits are not appropriated in the state budget, but are paid from Ohio's Unemployment Compensation Fund, which is a federal account.

Employers

There are about 227,000 employers in the state that participate in the unemployment compensation system. State law classifies employers into one of two categories: "contributory" and "reimbursing" employers. Most nongovernment employers are contributory employers and most public employers and nonprofits are reimbursing. There are about 222,000 (98%) contributory employers and 5,000 (2%) reimbursing employers in the state; about 3,700 (74%) of reimbursing employers are government entities.

Contributory employers pay unemployment insurance taxes on a quarterly basis. If a contributory employer has a layoff, payment of the unemployment compensation benefit is paid from the employer's account in the UC Fund. When the system is operating normally, each employer should have sufficient funds in the employer's account to cover any charges against the employer. As the balance in an employer's account goes down, the future rate of contributions for the employer will increase to replenish those losses. Reimbursing employers are billed once a month, after the fact, for the amount of benefits paid to the employer's former employees from the UC Fund.

State Taxes

The state has various unemployment insurance tax rates for different employers that are applied to the first \$9,000 of each employee's taxable wage. In 2016, the average tax rate for Ohio employers was about 2.52%, which amounted to about \$227 per employee. In that year, contributions to Ohio's Unemployment Compensation Fund totaled \$1.36 billion from about 227,000 employers.

Experience Rate

The experience rate, which ranges from 0.3% to 8.8% (\$27 to \$792) per employee, is different for each employer. There are two components to the experience rate: the base rate and the minimum safe level tax.

The base rate ranges from 0.1% to 6.5% and varies based on the employer's experience of unemployment claims paid from the employer's account. It factors employers' taxable wages, contributions paid, and benefits charged to their accounts. Generally, rates are lower for employers that have contributed over many years with few layoffs. Rates are generally higher for employers with frequent layoffs. For new employers, the rate is set at 2.7%, until the employer's account has been chargeable with benefits for four consecutive calendar quarters ending June 30; after that, the employer is eligible for a base rate based on experience. Construction industry employers pay a higher rate of 6.2%.

The minimum safe level (MSL) tax is charged to employers who qualify for an experience rate when the UC Fund balance is 40% or less of the MSL. The MSL, as defined by state law, is \$2.85 billion (as of July 2016); therefore, 40% of the MSL is \$1.14 billion. This tax is currently in effect, as the UC Fund has been well below this threshold (the state borrows intermittently from the federal government to issue benefits). Employers are currently paying between 0.2% and 2.3% for this tax. Half of the amount from this tax is credited to the employer's account and the other half is credited to the state's mutualized account (explained below).

Mutualized Rate

In addition to experience rates, some years employers must pay the mutualized rate. This rate can be charged to restore the state's mutualized account to a positive balance. (The mutualized rate will not be charged to employers in 2017, as the mutualized account has a positive balance.) The mutualized account is separate from employer accounts in the UC Fund and maintained for the primary purpose of recovering the costs of unemployment benefits that were paid and not chargeable to individual employers for a variety of reasons. The mutualized account had a negative balance from FY 2006 through FY 2012, and employers paid a flat mutualized rate of 0.4% in 2011 and 2012 if they qualified for an experience rate.

While this tax will not be charged this year, employers will pay an additional amount in 2017 listed under the Mutual Rate portion of the rate notice in order to repay the loaned amount from Unclaimed Funds (explained below in the "**Unemployment Compensation Issues**" section).

Federal Tax

The Federal Unemployment Tax Act (FUTA) rate is 6.0% on the first \$7,000 of each employee's taxable wage (\$420 per employee). However, employers in states that have an unemployment program that is approved by USDOL receive a credit of 5.4 percentage points resulting in an effective tax rate of 0.6% (\$42 per employee). USDOL approval requires adherence to federal requirements and regulations. Ohio is

currently operating an approved program. Because Ohio repaid its federal debt in 2016, Ohio employers will receive the full rate offset for 2017.

The FUTA tax is collected by the Internal Revenue Service and transferred to USDOL. Most of the FUTA tax is disbursed to state governments to administer unemployment compensation programs. Some of the tax is used to pay for extended UC benefits and some of it is loaned by the federal government to states that do not have an adequate balance in the UC Fund to issue benefits. In 2015, Ohio employers paid about \$210.1 million in FUTA taxes.⁸

Eligibility

To be eligible for unemployment benefits an individual must have worked at least 20 weeks in covered employment with sufficient wages during a base period. Covered employment is time spent working for an employer that participates in the UC system. Sufficient wages amount to at least 27.5% of the statewide average weekly wage, updated annually (\$248 on average per week for 2017, before taxes or other deductions). The base period is the first four of the last five completed calendar quarters before the claim was filed. An alternative base period can be applied for those who did not have sufficient wages or who did not accumulate 20 weeks of work in the normal base period. The alternative base period is the last four completed calendar quarters before the claim was filed. To receive benefits, an individual must be able and available to work and seek work for every week while receiving benefits. Individuals must also be unemployed at the time of filing an unemployment claim.

Benefits

Regular UC benefits, which are issued from the state's UC Fund, are paid to individuals who lose employment through no fault of their own and who have worked at least 20 weeks. The benefit period equals the number of weeks worked, from a minimum of 20 weeks up to 26 weeks. In 2016, the average weekly benefit was about \$362, which was received for about 15 weeks for a full benefit of \$5,430. If received for the full 26 weeks, the benefit would total about \$9,412.

The weekly benefit amount an individual receives equals half of an individual's average weekly wage up to certain maximums based on the number of dependents an individual claims. The three dependency classifications and maximum weekly benefits for 2017 are:

- Class A (no dependents) \$435 per week;
- Class B (one to two dependents) \$527 per week; and

⁸ Data provided by the U.S. Department of Labor's FUTA Receipts vs. Amounts Returned: http://oui.doleta.gov/unemploy/futa/futa_report.asp.

- Class C (three or more dependents) \$587 per week.

These maximum thresholds increase each year with inflation in accordance with state law.

There are certain deductions that may reduce benefits, which include severance pay, vacation pay, pensions, company buy-out plans, and workers' compensation. However, Ohio law allows that 20% of such earnings can be exempt from deduction. Income that is not deducted from UC benefit payments include payments from the Social Security Administration, interest dividends, rental income, supplemental unemployment benefits, and U.S. National Guard and Armed Forces reserve pay for scheduled drills.

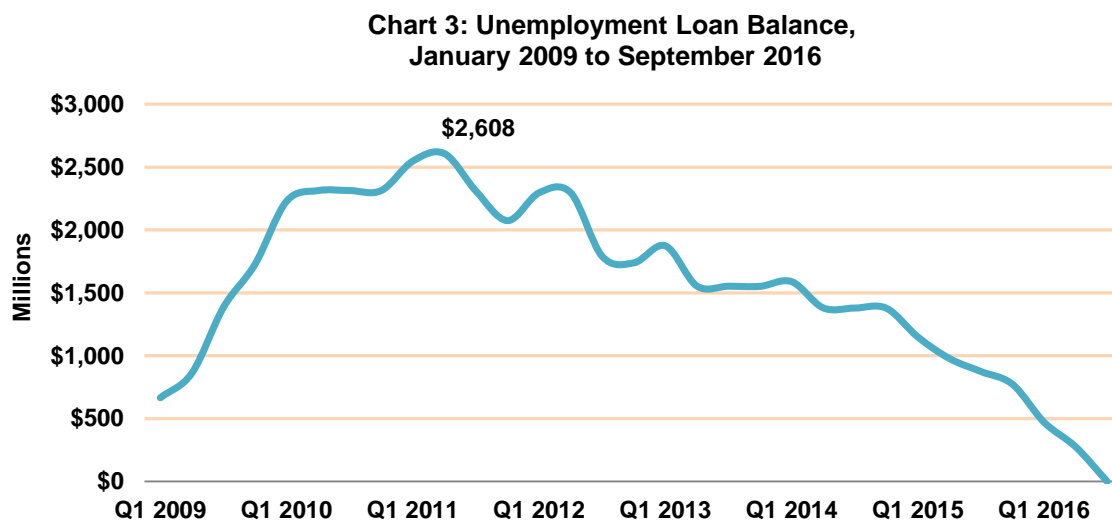
Unemployment Compensation Issues

Fund Solvency

In eight of the past 16 years unemployment benefits issued from Ohio's Unemployment Compensation Fund have exceeded revenues; revenues have exceeded benefits for the last five years however. During the years of shortfall, the state used the balance in the UC Fund to pay benefits, until January 2009, when the UC Fund was depleted. Ohio borrowed a total of \$3.39 billion from the federal government to cover benefit payments, an amount that has been repaid. Unemployment benefits are indexed to the state's average weekly wage, and therefore increase each year. Revenues are not indexed and fluctuate based on employers' experience rates.

Federal Borrowing

Ohio began borrowing to issue unemployment benefits in January 2009. The chart below shows the balance of Ohio's borrowings for unemployment benefits through August 2016, when the balance was repaid in full.



As shown in the chart, the loan balance peaked in Q1 2011, at \$2.61 billion, and then fell incrementally as Ohio made principal payments from the state's Unemployment Compensation Fund and FUTA credit rescissions were applied. The final payment was made on August 30, 2016, which included \$246 million loaned from the state's Unclaimed Funds, in the care of the Department of Commerce. With the debt repaid, and Ohio's unemployment compensation program in full compliance, the full FUTA offset on employers has been restored for 2017.

In addition to Ohio, 30 other states borrowed from the federal government to issue regular unemployment benefits, and eight of those states borrowed over \$2 billion. As of August 1, 2017, California and the U.S. Virgin Islands had remaining loan balances, totaling \$636.4 million.

Loan from Unclaimed Funds

H.B. 390 of the 131st General Assembly authorized a one-time use of Unclaimed Funds in order to repay the remaining federal debt. Contributory employers will pay an additional surcharge during 2017 of 0.6% listed under the mutualized portion of the rate notice in order to repay the amounts loaned from unclaimed funds. This amounts to approximately \$54 in additional taxes per employee over the course of the year (approximately \$13 per employee billed quarterly). Had the loan not been repaid by November 2016, employers would have paid about \$168 per employee in FUTA taxes for the year, instead of \$42.

Interest

States must pay the federal government interest on borrowed amounts at the end of every federal fiscal year that the state maintains a balance. Interest must be paid with state funds and cannot be paid from the state's UC Fund. The table below shows Ohio's interest payments, totaling \$257.7 million.

Ohio Interest Payments to Federal Government		
FFY	Interest Due	Status
2009	\$25.2 million	Waived by federal government
2010	\$89.5 million	Waived by federal government
2011	\$95.9 million	\$25.2 million waived by federal government \$70.7 million paid by ODJFS, September 2011
2012	\$65.8 million	Paid by ODJFS, September 2012
2013	\$44.5 million	Paid by ODJFS, September 2013
2014	\$37.2 million	Paid by ODJFS, September 2014
2015	\$27.6 million	Paid by ODJFS, September 2015
2016	\$11.7 million	Paid by ODJFS, September 2016

All of the interest was paid from the GRF; however, H.B. 390 of the 131st General Assembly included a provision that would require contributory employers to be assessed a surcharge to cover the cost of interest should Ohio borrow in the future. The federal government waived interest on borrowings through the end of 2010. Without this waiver, Ohio would have accrued a total of \$139.9 million in additional interest: \$25.2 million in FFY 2009, \$89.5 million in FFY 2010, and \$25.2 million in the first quarter of FFY 2011. Interest started to accrue January 1, 2011. It is estimated the state would have paid approximately \$30.0 million in additional interest if the federal debt was not paid off prior to November 2016.

Temporary Wage Base Increase and Benefit Freeze

S.B. 235 of the 131st General Assembly temporarily increases the taxable wage base on contributory employers from \$9,000 to \$9,500 and freezes the maximum weekly benefit amount (MWBA) to claimants for calendar years 2018 and 2019 at the 2017 level. In 2020, the taxable wage base would decrease back to \$9,000 and the MWBA would be unfrozen. This will result in an increase in contributions and a decrease in benefits during the two-year period.

Historical Perspective

Ohio last borrowed from the federal government to issue UC benefits from 1980 to 1988. To address borrowing, in July 1983, the General Assembly passed H.B. 404 of the 115th General Assembly, which formed the Unemployment Compensation Advisory Council (UCAC) and made changes to Ohio's unemployment taxes and benefits in order to restore the UC Fund's solvency. The table below lists the changes that were implemented in the bill. Due to these changes, Ohio qualified for a federal waiver for some of the interest charged on borrowings. The remaining interest was paid from the GRF.

Unemployment Compensation Changes Implemented by H.B. 404	
Category	Provisions
Taxes	<ul style="list-style-type: none"> Increased the taxable wage base from \$6,000 to \$7,000 in 1983, and to \$8,000 in 1984 Increased the experience rate ceiling from 5.1% to 5.4% in 1985 Added a 0.5% surcharge to the minimum safe level tax until the loan balance was repaid
Benefits	<ul style="list-style-type: none"> Maintained the maximum benefit rates for two years (not allowing an increase) Increased the minimal earnings required to qualify for benefits Implemented a one-week waiting period to receive benefits Rounded benefit amounts down to the lowest even dollar Increased the minimal earnings required to qualify for benefits after a suspension

A few years later, in 1987, H.B. 171 of the 117th General Assembly established a new surcharge tax on employers for two years in order to pay interest charged by the

federal government for borrowing for unemployment benefits. The surcharge was 0.2% in 1988 and 0.15% in 1989. In 1989, H.B. 111 of the 118th General Assembly continued the surcharge for an additional year, at 0.1% in 1990, after which it expired.

In 2006, UCAC unanimously approved numerous changes to Ohio's unemployment compensation laws, including a plan for improving solvency in Ohio's UC Fund. Though approved by UCAC, the plan was not introduced in legislation. The plan included increasing the taxable wage base for contributory employers from \$9,000 to \$9,500 and a two-year benefit freeze. After the two-year freeze, the plan called for a five-year phase-out of benefits based on the number of dependents, which would have resulted in a single maximum weekly benefit amount regardless of the number of dependents. Other approved changes included deleting or updating outdated language and addressing administrative processes.

ANALYSIS OF ENACTED BUDGET

Unemployment Compensation

This category of appropriations includes the major sources of funding for the Unemployment Compensation (UC) category. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Unemployment Compensation				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	600445	Unemployment Insurance Administration	\$20,955,498	\$20,955,498
<i>General Revenue Fund Subtotal</i>			\$20,955,498	\$20,955,498
Dedicated Purpose Fund Group				
5HC0	600695	Unemployment Compensation Interest	\$1,000,000	\$1,000,000
4A90	600607	Unemployment Compensation Administration Fund	\$14,000,000	\$14,000,000
<i>Dedicated Purpose Fund Group Subtotal</i>			\$15,000,000	\$15,000,000
Federal Fund Group				
3V40	600678	Federal Unemployment Programs	\$85,814,212	\$80,814,212
3V40	600679	UC Review Commission – Federal	\$5,000,000	\$5,000,000
<i>Federal Fund Group Subtotal</i>			\$90,814,212	\$85,814,212
Total Funding: Unemployment Compensation			\$126,769,710	\$121,769,710

Unemployment Insurance Administration (600445)

This GRF line item is used for administrative expenses associated with the Unemployment Insurance Program and is used in combination with administrative expenditures made from line item 600633, Audit Settlements and Contingency, nonrecurring federal revenue from line item 600678, Federal Unemployment Programs, and certain expenditures from line item 600321, Program Support. The budget appropriates \$21.0 million in FY 2018 and FY 2019, a 26.4% increase from FY 2017 actual expenditures.

Unemployment Compensation Interest (600695)

This line item is used to pay accrued interest owed to the federal government for amounts borrowed to issue regular unemployment benefits (for up to 26 weeks) from Ohio's Unemployment Compensation Fund. The state may have to borrow during the first two quarters of the calendar year because benefits paid increase while collections decrease during the winter due to seasonal industries, such as construction. Borrowed amounts are repaid from the UC Fund. Interest must be paid from other state funds.

The budget appropriates \$1.0 million in FY 2018 and FY 2019, a 91.4% decrease from FY 2017 actual expenditures.

This line item is supported by the Unemployment Compensation Interest Contingency Fund (Fund 5HC0). H.B. 49 includes a requirement that not less than \$10.0 million be transferred from Fund 5HC0 to the GRF on July 1, 2018, or as soon as possible thereafter.

Federal Unemployment Programs (600678)

This federally funded line item is used to support the functions of the OUIO, Office of Workforce Development, and the Office of Local Operations to administer federal unemployment programs. Funding for this line item is provided by the federal government in the form of grants for administration of unemployment services, including federal unemployment taxes paid by employers to the Internal Revenue Service pursuant to the Federal Unemployment Tax Act (FUTA). The budget appropriates \$85.8 million for FY 2018, a 6.2% decrease from FY 2017 expenditures, and \$80.8 million in FY 2019, a 5.8% decrease from FY 2018. This decrease is primarily due to the transition of the Trade Adjustment Assistance programs from OUIO to the Office of Workforce Development.

Unemployment Compensation Review Commission (600679)

This line item funds the payroll costs for the Unemployment Compensation Review Commission (UCRC). The Commission conducts reviews for applicants who wish to appeal a benefit determination. The budget appropriates \$5.0 million in FY 2018 and FY 2019, a 19.0% increase from FY 2017 actual expenditures. This line item is funded through a carve-out of FUTA grant funds.

Unemployment Compensation Administration Fund (600607)

This line item is used to fund administrative activities related to unemployment compensation for which federal funds are not available. The budget appropriates \$14.0 million for FY 2018 and FY 2019, a 10.4% increase from FY 2017 expenditures. This line item supports the Treasury Offset Program, funds from which are deposited into Fund 4A90 and expended through this line item. This line item is also used for supplemental administrative costs related to the UCRC and reimbursements to the Ohio Attorney General's Office for expenses related to collection of fraudulent unemployment benefits. This line item is supported by Fund 4A90. Fund 4A90 receives revenues from the interest collected on delinquent employer contributions to the UC Fund plus all fines and forfeitures assessed on employers.

Workforce Development

- Appropriations of \$163.8 million in FY 2018 and FY 2019
- Federal funds currently account for about 99% of funding

OVERVIEW

Office Overview

The Office of Workforce Development (OWD) partners with the Ohio Development Services Agency, Ohio Department of Higher Education, the Governor's Office, U.S. Department of Labor (USDOL), local workforce investment boards, and a variety of stakeholders, including business partners, to promote job creation and advance Ohio's workforce. OWD develops and administers programs and services designed to support and enhance state and local workforce development initiatives that address the needs of workers, families, and employers throughout Ohio. OWD provides services to assist Ohio's businesses with recruitment of skilled workers, technical assistance with identification of funds, and resources for skills training for new and incumbent workers; it also provides federally and state-required training programs and other support services tailored to meet specific business needs. One of OWD's main responsibilities is to administer programs funded by the federal Workforce Innovation and Opportunity Act (WIOA) enacted in July 2014.

Appropriation Overview

For the Workforce Development category, the budget appropriates \$163.8 million for FY 2018 and FY 2019, a 27.7% increase over FY 2017 actual expenditures.

Workforce Development Budget by Fund Group					
Fund Group	FY 2017*	FY 2018	% Change	FY 2019	% Change
General Revenue	\$100,000	\$0	-100.0%	\$0	0.0%
Federal	\$127,533,517	\$161,800,000	26.9%	\$161,800,000	0.0%
Dedicated Purpose	\$604,151	\$2,000,000	231.0%	\$2,000,000	0.0%
TOTAL	\$128,237,668	\$163,800,000	27.7%	\$163,800,000	0.0%

*FY 2017 figures represent actual expenditures.

Workforce Innovation and Opportunity Act Overview

The main source of funding for Workforce Development comes from USDOL pursuant to WIOA. The Act reauthorizes the Workforce Investment Act of 1998 (WIA), which repealed the Job Training Partnership Act and replaced it with a locally based employment and training service delivery system for youth, adults, and dislocated workers with an emphasis on flexibility in the use of program dollars. These three categories designate the three funding streams of WIOA, which sets authorized funding levels for the WIA formula grant programs through FY 2020. Based on the latest available data from the Census Bureau for disadvantaged youth and adults, the federal government allocates funds to each state for the program year that begins the following July 1. Upon receiving the allotment notice, states then suballocate funds to local workforce investment areas in accordance with federally prescribed allocation procedures. Local workforce investment boards have two years to expend grant funds.

WIOA maintains the WIA provision which allows states to retain 15% of the total allotment of each program for statewide use. The dollars retained for statewide use are often called the Governor's discretionary funds. Funds held for statewide use must be expended within three years. States have considerable flexibility in how these dollars may be used. For the Dislocated Worker Program, an additional 25% may be retained at the state level for Rapid Response activities. Rapid Response allows ODJFS to provide assistance to local areas experiencing workforce-related events that create substantial increases in the number of unemployed individuals.

H.B. 49 Provisions

H.B. 49 made numerous changes to continuing law affecting the state's implementation of WIOA. In addition to replacing references to WIA in the Revised Code with WIOA, the bill makes the following changes:

- Changes the membership of the Governor's Executive Workforce Board and modifies that Board's duties with respect to Ohio's workforce development system;
- Modifies the requirements for written grant agreements for the allocation of funds under WIOA and requires the ODJFS Director to award grants only through these agreements;
- Requires every local area to ensure the availability of a physical one-stop location called an "OhioMeansJobs Center" in the local area for the provision of workforce development activities under WIOA;
- Changes the requirements for continuing law local workforce development plans, specifies that those plans must be four-year plans, and requires regional plans;

- Eliminates current state law requirements for the membership and responsibilities of local boards for workforce development and instead requires that the boards carry out the functions described in and meet the membership requirements of WIOA;
- Requires the Governor, on determining that there has been a substantial violation of a provision of WIOA, to take action to revoke approval of all or part of a local workforce development plan or to impose a reorganization plan for local workforce development activities; Requires the chief elected official or officials of a local area to monitor all private and government entities that receive funds allocated under a grant agreement to ensure that the funds are used in accordance with applicable state laws, policies, and guidance; and
- Requires the Governor's Office of Workforce Transformation (OWT) in consultation with ODJFS, Higher Education, Aging, and Opportunities for Ohioans with Disabilities to develop and maintain a uniform electronic application for adult training programs funded under WIOA by September 30, 2017, for use beginning not later than July 1, 2018.

One-Stops

As stated above, most WIOA dollars are suballocated by ODJFS to local workforce investment areas. There are 20 workforce investment areas in the state. The federal government requires that states and local workforce investment areas deliver services through "One-Stops." One-Stops, known in Ohio as OhioMeansJobs Centers, are mandated to serve communities by functioning as the primary public resource for job and career counseling, training, job searching, employment services, and a range of other ancillary services. There are 89 OhioMeansJobs Centers in Ohio with at least one in each county. One-Stops can be housed in any number of facilities such as a county department of job and family services, a county workforce development agency, a community college, a community action organization, a joint vocational school, or a stand-alone One-Stop.

OhioMeansJobs Centers are divided into two categories: "Level 2" and "Level 1." Level 2 sites generally provide a wider array of services than Level 1 sites. There is at least one Level 2 site in each local workforce investment area. In total, there are currently 30 full-service Level 2 OhioMeansJobs Centers with 59 affiliate Level 1 sites. Both Level 1 and Level 2 sites must have Americans with Disabilities Act access and accessible technology. H.B. 49 requires OhioMeansJobs Center operators, not later than September 1, 2018, and every two years thereafter, to enter into a memorandum of understanding with one or more public libraries to facilitate collaboration and coordination of workforce programs and education and job training resources.

Level 2 OhioMeansJobs Centers

Level 2 OhioMeansJobs Centers are full-service, comprehensive, integrated employment and training sites required by WIOA. This includes full partner participation in resources (services and staff), which includes core and intensive services and training services. All Level 2 partners are required to participate in cost-sharing of operational costs. Level 2 sites in Ohio have a fully functional resource room, training rooms, computer labs, updated technology, job search/upgrade resource materials, meeting/interview rooms, and other employment-related amenities. Some Level 2 sites also include a youth resource room.

Level 1 OhioMeansJobs Centers

Level 1 OhioMeansJobs Centers must be affiliated with a Level 2 site within the local workforce area. In many local workforce areas, there are multiple Level 1 sites associated with a Level 2 site. The minimum Ohio requirement for a Level 1 site is the participation of three or more distinct partners providing, at a minimum, core services. All Level 1 sites must have a fully functional resource room. Many of the Level 1 sites provide more than the minimum services noted above.

Funding

For FY 2017 Ohio's regular WIOA allocation was \$84.8 million. Of this amount, \$64.4 million (76%) was allocated to Ohio's 20 workforce investment areas, and the state retained about \$20.4 million (24%) for statewide activities and administration. The table below shows WIOA allocations for Ohio in FY 2017 by category.

Allocation of FY 2017 WIA Funds			
WIA Category	Total Allocation	Workforce Investment Areas	Statewide Use
Dislocated Worker*	\$30,539,787	\$18,323,872	\$12,215,915
Youth	\$28,162,375	\$23,938,019	\$4,224,356
Adult	\$26,068,489	\$22,158,216	\$3,910,273
TOTAL	\$84,770,651	\$64,420,107	\$20,350,544

*For this category 40% of the allocation may be retained for statewide use: 15% for administration and statewide activities and 25% for Rapid Response activities.

The table below shows FY 2017 allocations to Ohio's workforce investment areas by category. One workforce investment area (area 7) is separated into 11 regional groups, which are listed below. Each regional group has a Level 2 One-Stop.

Workforce Investment Areas and FY 2017 Allocation of New WIA Funds					
Area	Counties	Dislocated Worker	Youth	Adult	Total
1	Adams, Brown, Pike, and Scioto*	\$780,821	\$627,261	\$621,401	\$2,029,483
2	Medina and Summit*	\$950,418	\$1,280,038	\$1,212,630	\$3,443,086
3	Cuyahoga*	\$2,417,039	\$3,355,785	\$3,203,015	\$8,975,839
4	Lorain*	\$742,983	\$873,869	\$838,994	\$2,455,846
5	Lake*	\$331,576	\$395,328	\$399,346	\$1,126,250
6	Stark* and Tuscarawas	\$732,156	\$912,890	\$847,391	\$2,492,437
7	Eleven Regional Groups**	\$4,568,318	\$6,017,198	\$5,447,518	\$16,033,037
8	Auglaize, Hardin, Mercer,* and Van Wert	\$127,392	\$205,005	\$190,898	\$523,295
9	Lucas*	\$778,068	\$1,102,081	\$1,012,270	\$2,892,419
10	Crawford and Richland*	\$301,099	\$371,451	\$387,992	\$1,060,542
11	Franklin*	\$1,161,346	\$1,992,756	\$1,703,828	\$4,857,930
12	Butler,* Clermont, and Warren	\$822,373	\$1,240,442	\$1,107,492	\$3,170,307
13	Hamilton*	\$849,733	\$1,418,713	\$1,319,808	\$3,588,254
14	Athens,* Meigs, and Perry	\$368,414	\$508,960	\$368,795	\$1,246,169
15	Monroe, Morgan, Noble, and Washington*	\$461,981	\$297,393	\$299,238	\$1,058,612
16	Belmont,* Carroll, Harrison, and Jefferson	\$543,485	\$522,996	\$509,276	\$1,575,757
17	Columbiana* and Mahoning	\$721,817	\$875,205	\$851,727	\$2,448,749
18	Trumbull*	\$516,590	\$568,485	\$561,366	\$1,646,441
19	Ashtabula,* Geauga, and Portage	\$590,445	\$824,677	\$692,644	\$2,107,766
20	Fairfield,* Hocking, Pickaway, Ross, and Vinton	\$557,821	\$547,486	\$582,586	\$1,687,893
TOTAL		\$18,323,875	\$23,938,019	\$22,158,215	\$64,420,109

*Denotes location of a Level 2 One-Stop.

**See Workforce Investment Area 7 Counties by Regional Group table immediately below.

Workforce Investment Area 7 Counties by Regional Group	
Level 2	Level 1
Allen	Paulding and Putnam
Clark	Champaign, Logan, Madison, and Union
Hancock	Wood and Wyandot
Knox	Delaware, Marion, and Morrow
Lawrence	Gallia and Jackson
Licking	Coshocton, Guernsey, and Muskingum
Montgomery	Clinton, Fayette, Greene, and Highland
Sandusky	Erie, Huron, Ottawa, and Seneca
Shelby	Darke, Miami, and Preble
Wayne	Ashland and Holmes
Williams	Defiance, Fulton, and Henry

The remainder is used for state-level administration of WIOA as well as for some statewide programs. Since local WIA funds may be expended over two years, and state WIA funds over three years, there are usually "carry-over" dollars each year.

Performance Measures

States are required to track and report certain performance measures to the federal government. There are three common performance measures for each of the three WIA funding streams. For adults and dislocated workers the three measures are the percentage that entered employment, the percentage that retained employment, and average earnings. For youth, the three measures are the percentages who were placed in employment or education, attained a degree or certificate, and improved in literacy and math skills. States negotiate goals based on these performance measures with the federal government. States can either exceed, meet, or not meet these goals. "Exceed" means having a percentage higher than the goal. "Meet" means having a percentage within 80% of the goal. "Not meet" means having a percentage lower than 80% of the goal.

Partnerships

ODJFS partners with the Ohio Development Services Agency (ODSA) and the Ohio Department of Higher Education (ODHE) to better serve the workforce needs of their primary customers and maximize the benefits of their area of expertise. From a portion of adult WIA funds transferred from ODJFS, ODSA administers customized training programs for employers. ODSA uses this funding to staff the Governor's Executive Workforce Board and Office of Workforce Transformation, and to assist employers in the ODSA service delivery regions. ODHE administers the Ohio Skills Bank, which is a program that integrates adult education workforce training with the needs of Ohio employers. The program aligns curriculum and training with industry demands by analyzing relevant data and encouraging communication and collaboration between employers and institutions.

Workforce Programs Overview

Local Veterans Employment Representatives Program

The Local Veterans Employment Representatives Program ensures veterans receive a range of workforce and employment services needed to meet their employment and training needs. Program staff do all of the following:

- Advocate on behalf of veterans for employment and training;
- Establish, maintain, and facilitate regular contact with employers to develop employment and training activities for veterans;
- Provide and facilitate employment and training services for veterans in the workforce development system;

- Assist transitioning military personnel to civilian jobs through Ohio Transitional Assistance Program workshops; and
- Report Ohio's compliance with state directives on services to veterans and progress toward meeting Ohio's performance standards on a quarterly basis.

Disabled Veterans Outreach Program Specialist Program

The Disabled Veterans Outreach Program Specialist (DVOPS) Program provides intensive services to veterans that may include job-search coaching, vocational counseling, and specialized one-on-one job development assistance to meet veterans' needs. DVOPS services target veterans who are economically or educationally disadvantaged, including homeless veterans and veterans with barriers to employment.

Labor Market Information

The Labor Market Information Program collects, analyzes, publishes, and disseminates information about Ohio's industry, labor force, and economy. The program focuses on serving business initiatives and planning needs to support workforce and economic development activities and decisions. Delivery of this information is primarily via the Internet.⁹ Program staff also provide data support and administrative reports and assist in federal reporting activities for the Unemployment Compensation Program. OWD prepares reports on employment levels, unemployment levels, wages and earnings, employment outlook by industry and occupation, and other economic and industry-specific data.

Migrant Seasonal Farm Workers Program

The Migrant Seasonal Farm Workers Program insures that workers receive appropriate information regarding employment, such as career guidance, housing, job development and referral, and training as needed. In addition, the program ensures that housing for these workers meets standards set by the Occupational Safety and Health Administration (known as OSHA), and agricultural growers receive the information and support to locate and employ the seasonal workers they need.

Foreign Labor Certification Program

The Foreign Labor Certification Program insures that foreign workers who enter the United States on a temporary or permanent basis do not adversely affect the job opportunities, wages, and working conditions of naturalized workers. Through this program, OWD oversees the processes employers utilize when seeking foreign workers on a temporary or permanent basis. Foreign Labor Certification staff work with

⁹ <http://ohiolmi.com>.

employers to identify naturalized citizens who are qualified, willing, and able to fill job vacancies.

Work Opportunity Tax Credit Program

The Work Opportunity Tax Credit Program encourages employers to hire from nine target groups of disadvantaged individuals. The groups are:

- TANF recipients;
- Supplemental Nutrition Assistance Program (SNAP) recipients;
- Veterans;
- Ex-felons;
- Designated community residents (living in Empowerment Zones or Rural Renewal Counties);
- Vocational rehabilitation consumers;
- Summer youth employees;
- Social Security Income recipients; and
- Individuals who are a member of a family that received TANF or benefits under a successor program for at least 18 consecutive months.

Employers that hire such individuals receive federal tax credits that range from \$1,200 to \$9,600. Primary activities for this program involve marketing the tax credit to employers and processing certifications for the tax credit.

Trade Adjustment Assistance Programs

The Office of Unemployment Insurance Operations administered Trade Adjustment Assistance (TAA) programs for part of the FY 2016-FY 2017 biennium. These programs are now administered by OWD. These programs help workers affected by trade (increased imports from, or shifts in production to, foreign countries) to quickly return to suitable employment. Depending on their situation, workers can receive training, trade readjustment allowances, re-employment services, job search allowances, relocation allowances, a health coverage tax credit, and alternative trade adjustment assistance services. Each program has its own eligibility criteria and compensation arrangement. TAA programs are fully federally funded and do not require a state match or maintenance of effort.

To obtain trade adjustment assistance, a petition must be filed with USDOL. USDOL then certifies eligibility. Those who may file petitions include a group of three or more workers, a union official, a company official, and state workforce agencies including One-Stops. USDOL generally determines eligibility within 40 days.

Comprehensive Case Management and Employment Program

The Comprehensive Case Management and Employment Program (CCMEP) connects clients to resources and services across various assistance programs, standardizes eligibility, and combines resources to improve education and training outcomes and establish pathways to employment. ODJFS began its initial implementation of CCMEP in FY 2016 and began enrolling participants in FY 2017, using a combination of WIOA Youth and TANF funds. County departments of job and family services or local workforce development agencies serve as the lead agencies for CCMEP; lead agencies are accountable for operating CCMEP and are evaluated against certain performance standards. H.B. 49 codified the program and expanded the focus of the program from individuals aged 16 to 24 to encompass participants as young as 14. Additionally, the bill requires each local workforce investment board to decide whether to authorize the use of its youth workforce investment activity funds for CCMEP and, if a board decides against the authorization, requires ODJFS to use available TANF funds to operate CCMEP in the board's area.

Additional H.B. 49 Workforce Provisions

SNAP Employment and Training Program

H.B. 49 requires the Director of ODJFS, in consultation with the Chancellor of ODHE, to convene a SNAP Employment and Training Program planning committee to develop a plan for the expansion of the program. This program gives states flexibility and financial support to create a program designed to help SNAP recipients gain employment. In addition, the bill requires these agencies to identify providers of services, identify resources that could be reimbursed by the federal government, and include the resulting plan in the state's annual plan that is submitted to the federal government.

Pre-Apprenticeship Training Programs

H.B. 49 requires the Department of Education and ODJFS to establish an option for career-technical education students to participate in pre-apprenticeship training programs that impart the skills and knowledge needed for successful participation in a registered apprenticeship occupation course.

OhioMeansJobs Workforce Supply Tool

H.B. 49 requires the Governor's Office of Workforce Transformation, in collaboration with ODHE and ODJFS, to create and publish on the OhioMeansJobs website a workforce supply tool. This tool will provide information on past graduates from high-demand fields, projections of future graduates, and the number of skilled workers available for work in occupations that are on the in-demand jobs list maintained under continuing law by January 31, 2018.

Vetoed Workforce Provisions

The Governor vetoed provisions that would have required the OhioMeansJobs website to include a link to a website established by the Ohio Department of Veteran's Services (ODVS) for a labor exchange and job placement activity for veterans and prohibited the OhioMeansJobs website from including a veterans labor exchange and job placement function separate from the site created by ODVS.

ANALYSIS OF ENACTED BUDGET

Workforce Development

This category of appropriations includes the sources of funding for the Workforce Development category. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Workforce Development				
Fund	ALI and Name		FY 2018	FY 2019
Dedicated Purpose Fund Group				
5RX0	600699	Workforce Development Projects	\$2,000,000	\$2,000,000
<i>Dedicated Purpose Fund Group Subtotal</i>			\$2,000,000	\$2,000,000
Federal Fund Group				
3310	600615	Veterans Programs	\$7,000,000	\$7,000,000
3310	600624	Employment Services Programs	\$26,000,000	\$26,000,000
3310	600686	Workforce Programs	\$5,800,000	\$5,800,000
3V00	600688	Workforce Innovation and Opportunity Act Programs	\$108,000,000	\$108,000,000
3V40	600632	Trade Programs	\$15,000,000	\$15,000,000
<i>Federal Fund Group Subtotal</i>			\$161,800,000	\$161,800,000
Total Funding: Workforce Development			\$163,800,000	\$163,800,000

Workforce Development Projects (600699)

This line item is used to support program and administrative expenses related to the implementation of workforce initiatives, typically involving external agency contracts. The budget appropriates \$2.0 million in FY 2018 and FY 2019, an increase of 231.0% from FY 2017 actual expenditures.

Veterans Programs (600615)

This federally funded line item is used for the Local Veterans Employment Representatives Program and the Disabled Veterans Outreach Program. The budget appropriates \$7.0 million in FY 2018 and FY 2019, an increase of 18.6% from FY 2017 actual expenditures.

Employment Services Programs (600624)

As part of the One-Stop system, the Labor Exchange Services Program provides services to both job seekers and employers. OWD provides policy guidance and performance management measures while the Office of Local Operations provides services statewide that include job search assistance, referral and placement assistance to job seekers, re-employment services to unemployment insurance claimants, and recruitment services to employers with employment opportunities. The budget

appropriates \$26.0 million for FY 2018 and FY 2019, a 9.3% increase from FY 2017 actual expenditures.

Workforce Programs (600686)

This federally funded line item is used primarily to fund the operations of OWD, as well as the Office of Unemployment Compensation and the Office of Local Operations. Revenue to support this line item comes from Wagner-Peyser Act allocations to states through USDOL as well as various other federal grants for workforce development programs. The budget appropriates \$5.8 million for FY 2018 and FY 2019, an increase of 9.0% from FY 2017 actual expenditures.

Workforce Innovation and Opportunity Act Programs (600688)

This federally funded line item is used to distribute WIA dollars to local workforce investment boards to administer the Youth, Adult, and Dislocated Worker programs through local OhioMeansJobs Centers. ODJFS retains a portion of these dollars for statewide use, Rapid Response, and administration. The budget appropriates \$108.0 million for FY 2018 and FY 2019, a 16.7% increase from FY 2017 expenditures. Ohio's WIA funding allocation has decreased significantly (49%) since FY 2009 due to national WIA allocations set by Congress each year, Ohio's improved economy, and the exhaustion of federal stimulus funds by the end of FY 2011. This line item will also be used to expend funds to be redirected toward the Comprehensive Case Management and Employment Program described above.

Trade Programs (600632)

The budget appropriates \$15.0 million in FY 2018 and FY 2019 for this new appropriation item. This federally funded line item will be used to support Trade Adjustment Assistance (TAA) programs, formerly administered by the Office of Unemployment Insurance Operations during the FY 2016-FY 2017 biennium.

Health Care

- Transfers some Health Care functions to ODM during the biennium
- Appropriations of \$265.1 million in FY 2018 and \$216.6 million in FY 2019

OVERVIEW

ODJFS currently provides funding to county departments of job and family services (CDJFSs) to administer Medicaid at the local level and to provide certain transportation services to Medicaid enrollees. Local administrative activities mainly include caseworkers processing eligibility determinations. Transportation services are provided by CDJFSs under Medicaid to women with at-risk pregnancies, children in the Healthchek Program, as well as for certain nonemergency situations. The budget transfers the transportation functions to the Department of Medicaid (ODM) during the biennium.

Appropriation Overview

For Health Care programs, the budget appropriates \$265.1 million in FY 2018, a 20.0% increase from FY 2017 actual expenditures, and \$216.6 million in FY 2019, an 18.3% decrease from FY 2018. The large decrease in GRF funding in FY 2019 results from moving the funds for Medicaid transportation services to ODM.

Health Care Budget by Fund Group					
Fund Group	FY 2017*	FY 2018	% Change	FY 2019	% Change
General Revenue	\$72,920,185	\$85,119,931	16.7%	\$44,119,931	-48.2%
Federal	\$148,009,372	\$180,000,000	21.6%	\$172,491,905	-4.2%
TOTAL	\$220,929,557	\$265,119,931	20.0%	\$216,611,836	-18.3%

*FY 2017 figures represent actual expenditures.

ANALYSIS OF ENACTED BUDGET

Health Care

This category of appropriations includes the sources of funding for county Medicaid administration and transportation services. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Health Care				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	655425	Medicaid Program Support	\$7,000,000	\$7,000,000
GRF	655522	Medicaid Program Support – Local	\$37,119,931	\$37,119,931
GRF	655523	Medicaid Program Support – Local Transportation	\$41,000,000	\$0
General Revenue Fund Subtotal			\$85,119,931	\$44,119,931
Federal Fund Group				
3F01	655624	Medicaid Program Support – Federal	\$180,000,000	\$172,491,905
Federal Fund Group Subtotal			\$180,000,000	\$172,491,905
Total Funding: Health Care			\$265,119,931	\$216,611,836

Medicaid Program Support (655425)

The budget appropriates \$7.0 million in FY 2018 and FY 2019 to new appropriation item 655425, Medicaid Program Support. This appropriation item will be used to aid in the transfer of the Medicaid Local Transportation Program from ODJFS to ODM (along with appropriation item 655523, Medicaid Program Support - Local Transportation). The OBM Director is authorized to transfer appropriations between this appropriation item and appropriation item 651425, Medicaid Program Support – State, in ODM's budget.

Medicaid Program Support – Local (655522)

This GRF line item is used to send to CDJFSs the state's share of Medicaid costs for providing local administrative services for Medicaid and the State Children's Health Insurance Program (SCHIP). The budget appropriates \$37.1 million for FY 2018 and FY 2019, a 3.7% increase from FY 2017 actual expenditures.

Medicaid Program Support – Local Transportation (655523)

This GRF line item is used to send to CDJFSs the state's share of Medicaid costs for providing local transportation services for certain Medicaid enrollees, including Medicaid At-Risk Pregnancy, the Medicaid Healthchek Program, which provides services to children, and nonemergency transportation. The budget appropriates \$41.0 million for FY 2018, a 10.5% increase from FY 2017 expenditures, and \$0 for FY 2019. Local transportation services will be transitioned to ODM during the biennium, but includes

the option for ODJFS to continue to administer the program if the transition cannot be completed during FY 2018.

Medicaid Program Support – Federal (655624)

This federally funded line item will be used to send to CDJFSs the federal share of expenditures made for administration and transportation services from the prior three line items. The budget appropriates \$180.0 million for FY 2018, a 21.6% increase from FY 2017 expenditures, and \$172.5 million for FY 2019, a 4.2% decrease from FY 2018. Increases in this line item are a result of increased workloads for direct Medicaid coding due to Medicaid expansion.

Program Management

- Appropriations of \$58.6 million in FY 2018 and FY 2019 for ODJFS Information Technology Projects

OVERVIEW

Program Management services to ODJFS program offices are provided by the Director's Office and the offices of Communication, Employee and Business Services, Legal and Acquisition Services, Legislation, and Fiscal and Monitoring Services. The services provided by these offices include budget development, management, and monitoring; payroll projections; human resources processing; facilities management; responses to legislative, constituent, and media requests; performance management; contracting and acquisition procedures; accounting services, funding, and auditing of counties and service providers; financial reporting; legal services; mail processing; quality control; and internal audit compliance program implementation.

Through its Office of Information Services (OIS), ODJFS provides various computer systems to meet operational and managerial decision-making needs. The Office reviews and approves state and county data processing needs. It also designs, develops, implements, and provides technical support for computer systems for public assistance, social services, child support enforcement programs, employment services, and workforce development. The Office provides support services for information technology such as network and mainframe support, security, database maintenance, systems programming for all mainframe applications, client server support, standards, and configuration of applications and business functions.

Appropriation Overview

For the Program Management category, the budget appropriates \$97.1 million for FY 2018, a 39.5% increase from FY 2017 actual expenditures, and \$97.4 million for FY 2019, a 0.3% increase from FY 2018.

Program Management Budget by Fund Group					
Fund Group	FY 2017*	FY 2018	% Change	FY 2019	% Change
General Revenue	\$66,899,069	\$87,158,267	30.3%	\$87,158,267	0.0%
Dedicated Purpose	\$2,553,838	\$7,500,000	193.7%	\$7,750,000	3.3%
Holding Account	\$0	\$500,000	N/A	\$500,000	0.0%
Internal Service Activity	\$180,209	\$2,000,000	1,009.8%	\$2,000,000	0.0%
TOTAL	\$69,633,117	\$97,158,267	39.5%	\$97,408,267	0.3%

*FY 2017 figures represent actual expenditures.

ANALYSIS OF ENACTED BUDGET

Program Management

This category of appropriations includes the sources of funding for ODJFS's general administration activities that do not particularly align with any one of the program categories. Administrative line items which focus on one program category are included in this Greenbook in that respective category. The table below shows the line items included in this category and the appropriated funding.

Appropriations for Program Management				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	600321	Program Support	\$28,543,219	\$28,543,219
GRF	600416	Information Technology Projects	\$58,615,048	\$58,615,048
<i>General Revenue Fund Subtotal</i>			\$87,158,267	\$87,158,267
Dedicated Purpose Fund Group				
5DM0	600633	Audit Settlements and Contingency	\$5,000,000	\$5,000,000
5RY0	600698	Human Services Project	\$2,500,000	\$2,750,000
<i>Dedicated Purpose Fund Group Subtotal</i>			\$7,500,000	\$7,750,000
Internal Service Activity Fund Group				
5HL0	600602	State and County Shared Services	\$2,000,000	\$2,000,000
<i>Internal Service Activity Fund Group Subtotal</i>			\$2,000,000	\$2,000,000
Holding Account Fund Group				
R012	600643	Refunds and Audit Settlements	\$500,000	\$500,000
<i>Holding Account Fund Group Subtotal</i>			\$500,000	\$500,000
Total Funding: Program Management			\$97,158,267	\$97,408,267

Program Support (600321)

This GRF line item is the primary source of funding for operating expenses for support services provided by ODJFS component offices to the rest of the agency. The budget appropriates \$28.5 million for FY 2018 and FY 2019, an increase of 32.7% from FY 2017 actual expenditures.

Information Technology Projects (600416)

This GRF line item provides funding for the development, implementation, and maintenance of computer systems used by ODJFS and CDJFSs. This line item is also used for system support services such as personal computer maintenance, third-party software support, office automation, and network management. The budget appropriates \$58.6 million for FY 2018 and FY 2019, a 29.1% increase from FY 2017

actual expenditures. The increase beginning in FY 2018 is for projects that will increase state and county operational access to the Client Registry Information System Enhanced (CRIS-E) through the biennium. Additionally, SNAP and TANF will be transferred from CRIS-E to Ohio Benefits in FY 2019.

Audit Settlements and Contingency (600633)

This line item is used to pay costs associated with state hearings, audit adjustments, and other related costs pertaining to grants. The budget appropriates \$5.0 million for FY 2018 and FY 2019.

Human Services Project (600698)

This line item is used to support program and administrative expenses related to the implementation of human service initiatives within ODJFS. The budget appropriates \$2.5 million in FY 2018, a 17.7% increase from FY 2017 actual expenditures and \$2.8 million in FY 2019, a 10.0% increase from FY 2018.

State and County Shared Services (600602)

This line item is used to support the call center and mail transport services in the Shared Services Center (SSC). SSC is a division of the Office of Budget and Management (OBM) that provides administrative services to multiple state agencies. Services include accounts payable, travel and expense reimbursement, and vendor fiscal services. OBM pays ODJFS to operate a call center and provide mail delivery services. This line item also supports computer-related purchases and services provided to CDJFSs. ODJFS purchases computer equipment (to ensure that technical specifications are met) and the counties reimburse ODJFS. The budget appropriates \$2.0 million for FY 2018 and FY 2019.

Refunds and Audit Settlements (600643)

This line item is used to disburse funds that are held for checks whose disposition cannot be determined at the time of receipt. Upon determination of the appropriate fund into which the check should have been deposited, a disbursement is made from this line item to the appropriate fund. The budget appropriates \$500,000 for FY 2018 and FY 2019.

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