

LSC Greenbook

Analysis of the Enacted Budget

**Department of
Job and Family Services**

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ATTACHMENT:

Budget Spreadsheet By Line Item

Overview of Department of Job and Family Services

- \$2.90 billion in additional federal reimbursements for Medicaid as part of the federal stimulus
- Ohio is to pay interest of \$64.5 million in FY 2011 for borrowing from the federal government to pay unemployment benefits
- Expected increases in enrollment for Medicaid, cash assistance, food assistance, and other public assistance programs

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, child support, and services to families and children through Medicaid, Family Stability programs (cash assistance, noncash supports, and food assistance), children and families services, Child Support, Workforce Development programs, and Unemployment Compensation.

Appropriations Overview

Appropriations by Fund Group

The budget provides total appropriations of \$19.88 billion in FY 2010 and \$20.71 billion in FY 2011 for ODJFS. Table 1 below shows actual expenditures for FY 2009 and the budget appropriations for FY 2010 and FY 2011 by fund group.

Fund Group	FY 2009	FY 2010	% Change	FY 2011	% Change
General Revenue	\$11,108,523,461	\$9,869,999,733	-11.2%	\$11,416,147,267	15.7%
General Services	\$488,339,070	\$501,351,804	2.7%	\$440,098,423	-12.2%
State Special Revenue	\$486,935,763	\$1,136,054,188	133.3%	\$1,204,041,157	6.0%
Federal Special Revenue	\$5,619,908,579	\$8,223,721,057	46.3%	\$7,496,689,687	-8.8%
Agency	\$145,863,913	\$148,000,000	1.46%	\$148,000,000	0.0%
Holding Account	\$337,338	\$2,210,000	555.13%	\$2,210,000	0.0%
TOTAL	\$17,849,908,124	\$19,881,336,782	11.4%	\$20,707,186,534	4.2%

*FY 2009 figures represent actual expenditures.

ODJFS will utilize more state special revenue and federal funds in the upcoming biennium than in FY 2009. The 133.3% increase in state special revenue funds from FY 2009 to FY 2010 is mainly due to an increase in Medicaid provider fees particularly

from hospitals and nursing facilities. The 46.3% increase in federal funds appropriations from FY 2009 to FY 2010 is mainly attributable to the state receiving federal stimulus funds in excess of what is usually received for existing programs. The state will receive federal stimulus dollars for Medicaid, Temporary Assistance for Needy Families (TANF), publicly funded child care, adoption assistance, and workforce development.

The fluctuations in GRF appropriations in each year are due to the federal stimulus received for Medicaid. As some Medicaid stimulus dollars are deposited into a non-GRF fund, the state can reduce the amount of GRF needed for Medicaid. However, when stimulus dollars expire in December 2010 (in FY 2011) more GRF dollars will be needed to account for a projected increase in Medicaid caseloads. This accounts for the 11.2% decrease in GRF from FY 2009 to FY 2010 and the subsequent increase from FY 2010 to FY 2011 of 15.2%.

**Chart 1: Appropriations by Fund Group
FY 2010-FY 2011**

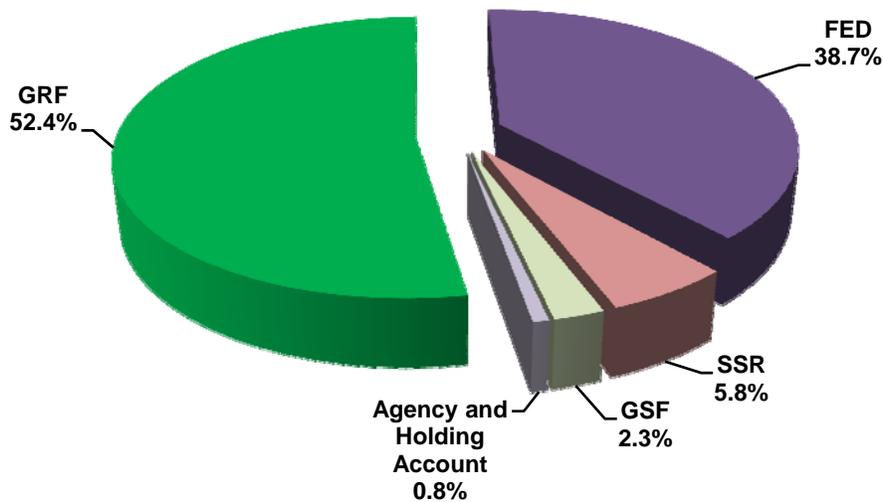


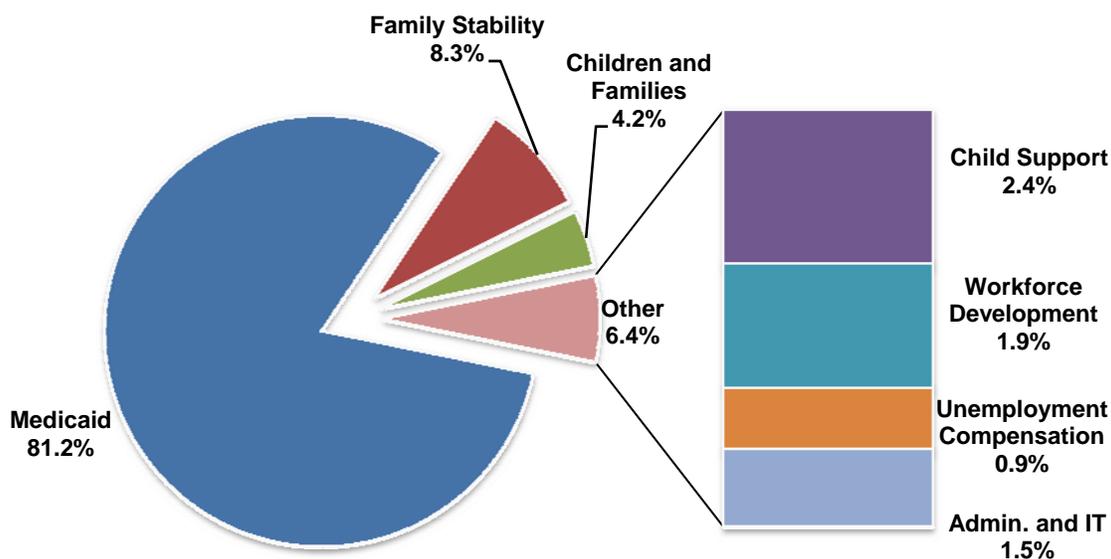
Chart 1 above shows appropriations by fund group. Appropriations from the GRF make up a majority of ODJFS's funding for the biennium at 52.4%. This includes state GRF funds and the federal reimbursement received for Medicaid expenditures which are deposited into the GRF as well as federal reimbursement for administration activities related to Medicaid and Adoption Assistance. Federal funds account for the next largest portion at 38.7%, which include federal reimbursement from non-GRF Medicaid payments, the TANF Block Grant, and funds for child support, adoption assistance, child care, workforce development, and other social service programs. The State Special Revenue Fund Group and the General Services Fund Group account for

8.1%, which include funds received from assessments on certain Medicaid providers. The Agency and Holding Account funds represent 0.8% of ODJFS's budget.

Appropriations by Program Category

Chart 2 shows appropriations by program category. About 81% of ODJFS's budget is for Medicaid expenses. The "Family Stability" category (8.3%) includes appropriations for TANF programs, publicly funded child care, and food assistance programs. The "Children and Families" category (4.2%) includes appropriations for adoption assistance, child welfare, foster care, kinship care, and adult protective services. Child Support, Workforce Development, and Unemployment Compensation account for about 5% of ODJFS appropriations over the biennium.

Chart 2: Appropriations by Program Category, FY 2010-FY 2011



The "Admin. and IT" category (1.5%) includes appropriations for administration activities and information technology projects that span across all program categories. These include the Director's office, fiscal services, legal services, and contracts services. It also includes appropriated funds that are directly disbursed to counties for administration of some subsidy programs (e.g., Medicaid and Food Assistance). Administrative appropriations that focus on one program category are included within that respective category.

Line Item Category Introduction

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

1. Medicaid;
2. Family Stability;
3. Children and Families;
4. Child Support;
5. Workforce Development;
6. Unemployment Compensation; and
7. Administration.

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.

Table 2. Categorization of ODJFS's Appropriation Line Items		
Fund	ALI and Name	Category
General Revenue Fund Group		
GRF 600321	Support Services	7: Administration
GRF 600410	TANF State	2: Family Stability
GRF 600413	Child Care Match/Maintenance of Effort	2: Family Stability
GRF 600416	Computer Projects	7: Administration
GRF 600417	Medicaid Provider Audits	1: Medicaid
GRF 600420	Child Support Administration	4: Child Support
GRF 600421	Office of Family Stability	2: Family Stability
GRF 600423	Office of Children and Families	3: Children and Families
GRF 600425	Office of Ohio Health Plans	1: Medicaid
GRF 600502	Administration – Local	4: Child Support
GRF 600511	Disability Financial Assistance	2: Family Stability
GRF 600521	Entitlement Administration – Local	7: Administration
GRF 600523	Children and Families Services	3: Children and Families
GRF 600525	Health Care/Medicaid	1: Medicaid
GRF 600526	Medicare Part D	1: Medicaid
GRF 600528	Adoption Services	3: Children and Families
GRF 600533	Child, Family, and Adult Community & Protective Services	3: Children and Families
GRF 600534	Adult Protective Services	3: Children and Families
GRF 600535	Early Care and Education	2: Family Stability
GRF 600537	Children's Hospital	1: Medicaid

Table 2. Categorization of ODJFS's Appropriation Line Items			
Fund		ALI and Name	Category
GRF	600540	Second Harvest Food Banks	2: Family Stability
GRF	600541	Kinship Permanency Incentive Program	3: Children and Families
General Services Fund Group			
4A80	600658	Child Support Collections	2: Family Stability
4R40	600665	BCII Services/Fees	7: Administration
5BG0	600653	Managed Care Assessment	1: Medicaid
5C90	600671	Medicaid Program Support	1: Medicaid
5DL0	600639	Medicaid Revenue and Collections	1: Medicaid
5DM0	600633	Administration and Operating	7: Administration
5FX0	600638	Medicaid Payment Withholding	1: Medicaid
5N10	600677	County Technologies	7: Administration
5P50	600692	Health Care Services	1: Medicaid
Federal Special Revenue Fund Group			
3270	600606	Child Welfare	3: Children and Families
3310	600686	Federal Operating	5: Workforce Development
3840	600610	Food Assistance and State Administration	2: Family Stability
3850	600614	Refugee Services	2: Family Stability
3950	600616	Special Activities/Child and Family Services	3: Children and Families
3960	600620	Social Services Block Grant	3: Children and Families
3970	600626	Child Support	4: Child Support
3980	600627	Adoption Maintenance/Administration	3: Children and Families
3A20	600641	Emergency Food Distribution	2: Family Stability
3AW0	600675	Faith Based Initiatives	2: Family Stability
3D30	600648	Children's Trust Fund Federal	3: Children and Families
3F00	600623	Health Care Federal	1: Medicaid
3F00	600650	Hospital Care Assurance Match	1: Medicaid
3G50	600655	Interagency Reimbursement	1: Medicaid
3H70	600617	Child Care Federal	2: Family Stability
3N00	600628	IV-E Foster Care Maintenance	3: Children and Families
3S50	600622	Child Support Projects	4: Child Support
3V00	600688	Workforce Investment Act	5: Workforce Development
3V40	600678	Federal Unemployment Programs	6: Unemployment Compensation
3V40	600679	Unemployment Compensation Review Commission – Federal	6: Unemployment Compensation
3V60	600689	TANF Block Grant	2: Family Stability
State Special Revenue Fund Group			
1980	600647	Children's Trust Fund	3: Children and Families
4A90	600607	Unemployment Comp Admin Fund	6: Unemployment Compensation
4A90	600694	Unemployment Comp Review Commission	6: Unemployment Compensation

Table 2. Categorization of ODJFS's Appropriation Line Items			
Fund	ALI and Name		Category
4E30	600605	Nursing Home Assessments	1: Medicaid
4E70	600604	Child and Family Services Collections	3: Children and Families
4F10	600609	Foundation Grants/Child & Family Services	3: Children and Families
4J50	600613	Nursing Facility Bed Assessments	1: Medicaid
4J50	600618	Residential State Supplement Payments	1: Medicaid
4K10	600621	ICF/MR Bed Assessments	1: Medicaid
4R30	600687	Banking Fees	6: Unemployment Compensation
4Z10	600625	HealthCare Compliance	1: Medicaid
5AJ0	600631	Money Follows the Person	1: Medicaid
5DB0	600637	Military Injury Grants	5: Workforce Development
5DP0	600634	Adoption Assistance Loan	3: Children and Families
5ES0	600630	Food Assistance	2: Family Stability
5GC0	600640	GOFBCI/Family Stability	2: Family Stability
5GF0	600656	Medicaid – Hospital	1: Medicaid
5Q90	600619	Supplemental Inpatient Hospital Payments	1: Medicaid
5R20	600608	Medicaid – Nursing Facilities	1: Medicaid
5S30	600629	MR/DD Medicaid Administration and Oversight	1: Medicaid
5U30	600654	Health Care Services Administration	1: Medicaid
5U60	600663	Children and Family Support	3: Children and Families
6510	600649	Hospital Care Assurance Program Fund	1: Medicaid
Agency Fund Group			
1920	600646	Support Intercept – Federal	4: Child Support
5830	600642	Support Intercept – State	4: Child Support
5B60	600601	Food Assistance Intercept	2: Family Stability
Holding Account Redistribution Fund Group			
R012	600643	Refunds and Audit Settlements	7: Administration
R013	600644	Forgery Collections	7: Administration

Medicaid

- \$2.90 billion in additional federal reimbursements for Medicaid as part of the federal stimulus
- Replacement for Managed Care Assessment
- New hospital assessment

OVERVIEW

Program Overview

Medicaid is a publicly funded health insurance program for low-income individuals. The program covers as many as 2.2 million low-income parents, children, pregnant women, seniors, and individuals with disabilities each year. Ohio Medicaid is the largest health insurer in the state. It is also the largest single state program with annual spending of more than \$13 billion in combined federal and state dollars. Medicaid accounts for 3% of Ohio's economy. Medicaid services are an entitlement for those who meet eligibility requirements. Entitlement means that if an individual is eligible for the program then they are guaranteed the benefits and the state is obligated to pay for them.

Another state health care program, which has been implemented as a Medicaid expansion in Ohio, is the State Children's Health Insurance Program (SCHIP). This program provides health care coverage for children in low- and moderate-income families who are ineligible for Medicaid but cannot afford private insurance.

Appropriation Overview

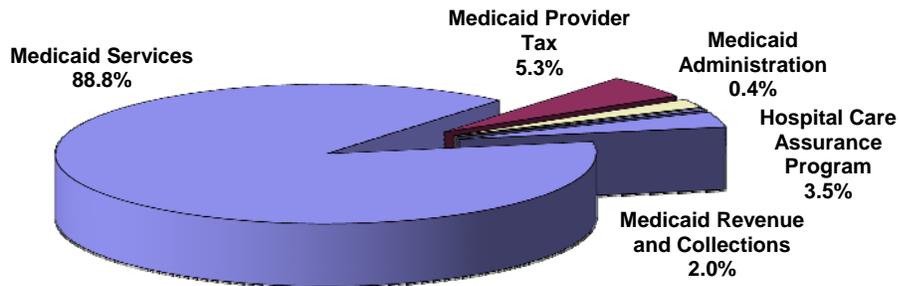
Fund Group	FY 2009	FY 2010	% Change	FY 2011	% Change
General Revenue	\$10,276,280,957	\$9,054,161,063	-11.9%	\$10,605,053,494	17.1%
General Services	\$460,668,359	\$454,961,247	-1.2%	\$393,632,716	-13.5%
State Special Revenue	\$468,067,052	\$1,091,820,341	133.3%	\$1,149,095,809	5.2%
Federal Special Revenue	\$3,212,298,625	\$5,433,822,614	69.2%	\$4,764,548,122	-12.3%
TOTAL	\$14,417,314,993	\$16,034,765,265	11.2%	\$16,912,330,141	5.5%

As can be seen in Table 3 above, the budget provides total funding of \$16.0 billion in FY 2010, an increase of 11.2%, and \$16.9 billion in FY 2011, an increase of 5.5%. Under the budget, GRF appropriations decrease by 11.9% in FY 2010, but increase by 17.1% in FY 2011. Most of the fluctuation in the appropriations between GRF and non-GRF funds can be attributed to the impact of the additional federal Medicaid reimbursement, also known as enhanced Federal Medical Assistance Percentage

(FMAP), Ohio may receive for the period of October 1, 2008 through December 31, 2010. During this period, the enhanced FMAP may vary quarterly based on Ohio's unemployment rate. In addition, the fluctuation reflects the shifting of the Medicaid spending away from GRF line items to non-GRF line items.

Chart 3 below shows the budget for the FY 2010-FY 2011 biennium by expense category. The largest expense category for Medicaid is Medicaid services. As seen from the chart below, 88.8% of the budget for the biennium is for Medicaid services, 5.3% is for spending from Medicaid provider tax, and 2.0% is for spending from Medicaid revenue and collections.

**Chart 3: Enacted Budget by Expense Category
FY 2010-FY 2011**



Major Initiatives

Federal Stimulus

According to the Office of Budget and Management, the state is to receive a total of \$2.9 billion in additional federal reimbursements for Medicaid, reducing the need for the GRF to support Medicaid. Table 4 below shows the enhanced FMAP assumptions used in the budget. The additional federal Medicaid reimbursement will be for the period of October 1, 2008 through December 31, 2010. During this period, the enhanced FMAP may vary quarterly based on Ohio's unemployment rate. The regular FMAP is 62.14% for federal fiscal year (FFY) 2009, 63.42% for FFY 2010, and an estimated 64.02% for FFY 2011. (The official FFY 2011 FMAP will be available in November 2009.) The budget has assumed the enhanced FMAP will be 8.11 to 10.20 percentage points above the regular FMAP.

Federal Fiscal Year	Federal Fiscal Quarter	Calendar Year	Calendar Quarter	Enhanced FMAP
2009	Q1	2008	Oct-Dec	70.25%
2009	Q2	2009	Jan-Mar	70.25%
2009	Q3	2009	Apr-Jun	71.29%
2009	Q4	2009	Jul-Sep	72.34%
2010	Q1	2009	Oct-Dec	73.47%
2010	Q2	2010	Jan-Mar	73.47%
2010	Q3	2010	Apr-Jun	73.47%
2010	Q4	2010	Jul-Sep	73.47%
2011	Q1	2010	Oct-Dec	74.00%

Managed Care Assessment

Due to changes in the Deficit Reduction Act of 2005, Ohio will no longer be allowed to collect the Medicaid managed care assessment effective October 1, 2009. The amounts of the Medicaid managed care assessment are reimbursed to Medicaid managed care plans through capitation rate payments. The capitation rates will be adjusted downward to account for the rollback of the Medicaid managed care assessment. To replace the \$194 million in revenue to the state, as well as the resulting federal match received when these funds would be used to pay for Medicaid services (roughly \$550 million including both state and federal shares), the budget subjects managed care plans (MCPs) to the state sales and use tax (5.5%) and to the existing health insuring corporation tax. MCPs were previously exempted from the latter tax.

Managed Care Prescription Drug Carve Out

The budget "carves out" the MCP pharmacy program to increase Medicaid drug rebate revenue. By carving out the pharmacy benefit from managed care and returning its administration to ODJFS, the executive expects to generate \$5.2 million in savings and cost avoidance in FY 2010 and \$235.5 million in FY 2011.

Hospital Rates and Assessment

The budget increases inpatient and outpatient hospital payment rates by 5% beginning October 1, 2009. It also establishes a new hospital assessment at 1.52% and 1.61% of total facility costs for FY 2010 and FY 2011, respectively. State-share revenue generated from the assessment is estimated at \$338.5 million and \$370.9 million, respectively.

Nursing Facilities

The budget increases the nursing facility (NF) franchise fee from \$6.25 to an amount based on a formula that is to be created by ODJFS. The formula will be based in part on 5.5% of net patient revenues of nursing homes and hospital long-term care units and a base of \$11.95. If the franchise fee is \$11.95 per bed per day, the state-share revenue is estimated to be \$409.9 million each fiscal year. The budget adds the costs of oxygen, rather than just emergency oxygen, over-the-counter pharmacy products, services provided by physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, speech therapists, and audiologists to the costs that are reimbursable as part of a nursing facility's direct care costs. It also adds wheelchairs and resident transportation to the costs that are reimbursable as part of a nursing facility's ancillary and support costs.

Vetoed Provisions

Funding of Medicaid-Covered Community Behavioral Health Services

The budget provided that a community behavioral health board is (1) required to use state funds provided to the board for the purpose of funding community behavioral health services to pay a provider for services under a Medicaid component ODMH or ODADAS administers and (2) permitted to use money raised by a county tax levy to make the payment if using the money for that purpose is consistent with the purpose for which the tax was levied. It also provided that the comprehensive annual plan is permitted, rather than required, to certify the availability of unencumbered community mental health local funds to match Medicaid reimbursement funds earned by community mental health facilities. The Governor vetoed these provisions. The Governor stated that these provisions could fundamentally disrupt the existing financing structure for Medicaid-covered behavioral health services by eliminating local funding as a source for the Medicaid match necessary to draw down federal Medicaid

funds. The Governor also claimed that the potential loss to the state could be \$20 million per year for alcohol and drug services and \$144 million for mental health services.

Federal Medicaid Match Deadline for ADAMHS Boards

The budget required the ODJFS Director, before October 1, 2009, to seek federal approval to establish a system under which community behavioral health boards obtain federal financial participation for the allowable administrative activities the boards perform in the administration of the Medicaid Program. The Governor vetoed the provision of the filing deadline of October 1, 2009.

Medicaid Coverage of Oxygen Services to ICF/MR Residents

The budget (1) required the Medicaid Program to cover oxygen services provided by a medical supplier to a medically fragile child residing in an ICF/MR regardless of certain circumstances, (2) required medical suppliers of oxygen services to bill ODJFS directly for such services, and (3) earmarked \$30,000 in each fiscal year from GRF appropriation item 600525, Health Care/Medicaid, to reimburse medical suppliers of oxygen services to ICF/MR residents. The Governor vetoed the earmark and the entire (or part of this) provision. It is unclear whether this entire provision is vetoed or whether it is partially vetoed. There appears to be a discrepancy between the veto message and the boxed text.

School-Based Health Centers

The budget provided that a school-based health center may furnish health assistance services covered under the State Children's Health Insurance Program (SCHIP) Part I, II, or III if it meets the requirements applicable to other providers of those services. The Governor vetoed this provision and stated that this mandate is unnecessary because of implementation of the new Medicaid School Program.

Administrative Actions Relative to Medicaid Provider Agreements

The budget provided that ODJFS is not required to issue an order pursuant to an adjudication conducted in accordance with the Administrative Procedure Act when (1) denying, terminating, or not renewing a Medicaid provider agreement because a provider's owner, officer, authorized agent, associate, manager, or employee has been convicted of an offense that caused the provider agreement to be suspended, (2) terminating or not renewing a Medicaid provider agreement because the provider has not billed or otherwise submitted a Medicaid claim to ODJFS for at least two years, regardless of whether ODJFS has determined that the provider has moved from the address on record with ODJFS without leaving an active forwarding address, or (3) denying, terminating, or not renewing a Medicaid provider agreement because the provider fails to provide to ODJFS the National Provider Identifier assigned to the

provider. In addition, when action is taken against a provider for failing to give its National Provider Identifier to ODJFS, the budget required ODJFS to send a notice by certified mail rather than regular mail. The Governor vetoed the provision that ODJFS is to send a notice by certified mail.

Collection of Long-Term Care Facilities' Medicaid Debts

The budget revised the law governing the collection of a long-term care facility's Medicaid debts when the facility undergoes a change of operator, closes, or ceases to participate in Medicaid, including by (1) permitting rather than requiring ODJFS to withhold an amount from a Medicaid payment to a facility, (2) providing for a withholding to equal the total amount specified in a notice regarding the facility's estimated Medicaid debts rather than the greater of (a) the total amount of the facility's actual and potential Medicaid debts and (b) an amount equal to the average amount of monthly Medicaid payments to the facility for a 12-month period, (3) prohibiting ODJFS from making the withholding if an entering operator or qualified affiliated operator assumes liability for the entire amount of the facility's estimated Medicaid debts, (4) requiring ODJFS to reduce the amount to be withheld if an entering operator or qualified affiliated operator assumes liability for the portion of the facility's estimated Medicaid debts that represents the nursing home or ICF/MR franchise permit fee, (5) reducing from 90 to 60 the number of days ODJFS has to determine a facility's actual Medicaid debts following the date the facility files a cost report or ODJFS waives the cost report, (6) establishing a process for a facility or qualified affiliated operator to request an informal settlement conference regarding ODJFS's determination of the facility's actual Medicaid debts, (7) permitting a qualified affiliated operator who executes a successor liability agreement (in addition to the exiting operator) to request an adjudication under the Administrative Procedure Act regarding ODJFS's determination of the facility's actual Medicaid debts and providing that any part of ODJFS's determination is subject to the adjudication, and (8) revising the timeframes for ODJFS to release a withholding. The Governor vetoed these provisions and stated that these provisions could prevent ODJFS from securing and ultimately collecting the provider's debts to the state.

Pharmacy and Therapeutics Committee

The budget (1) required ODJFS's existing Pharmacy and Therapeutics Committee to assist ODJFS with developing and maintaining a preferred drug list for the Medicaid Program, (2) modified the administration and membership of the Committee and prohibited the Director from appointing a member who is employed by the Department, (3) required the Committee to establish guidelines necessary for the Committee's operation and allowed the Committee to establish one or more subcommittees, (4) required ODJFS to post Committee guidelines, agendas, and

recommendations, and any determinations made by the ODJFS Director, on the ODJFS web site and (5) required the Director to act on the Committee's recommendations not later than 30 days after the recommendations are posted on the Department's web site. The Governor vetoed numbers (2), (3), and (5) of this provision and stated that the language would compromise the efficient and effective operation of the Medicaid Program.

Medicaid, Fraud, Waste, and Abuse Report

The budget (1) required ODJFS to prepare an annual Medicaid fraud, waste, and abuse report and submit a copy of the report to the Governor and General Assembly, (2) required the report to include at least both of the following with regard to minimizing fraud, waste, and abuse in the Medicaid Program: (a) goals and objectives and (b) performance measures for monitoring all state and local activities. The Governor vetoed number (2) of this provision and stated that the language would be overly prescriptive and inflexible.

Prompt Pay Workgroup

The budget created the Prompt Payment Policy Workgroup to research and make policy recommendations by February 1, 2010, concerning prompt payment policy for Ohio's Medicaid Program. The Governor vetoed this provision and stated that the language would be unnecessary and administratively burdensome.

ICF/MR Reimbursement Study Council

The budget established the ICF/MR Reimbursement Study Council and required the Council to submit a report, not later than July 1, 2010, on its review of Ohio's system for Medicaid reimbursement of ICF/MR services. The Governor vetoed this provision and stated that the language may cause investment in care settings that are not the preferred choice of Ohio's families.

Nursing Facility Capital Costs Study

The budget required ODJFS, not later than December 31, 2010, to issue a report with recommendations for developing a new system for reimbursing nursing facilities' capital costs under the Medicaid Program. The Governor vetoed this provision.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the funding for each appropriation line item in Medicaid's budget. In this analysis, Medicaid's line items are grouped into five major categories. For each category, a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that were enacted in H.B. 1. The five categories used in this analysis are as follows:

1. Medicaid Services;
2. Medicaid Provider Taxes;
3. Medicaid Revenue and Collections;
4. Medicaid Administration; and
5. Hospital Care Assurance Program.

Medicaid Services

This category of appropriations includes the major sources of state and federal funding for Medicaid services expenditures. Some Medicaid services expenditures are paid with provider taxes and other revenue collections, which are discussed in those sections separately. Table 5 lists the line items associated with this category and the appropriated amounts.

Table 5. Appropriations for Medicaid Services				
Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund				
GRF	600525	Health Care/Medicaid	\$8,800,809,506	\$10,350,922,222
GRF	600526	Medicare Part D	\$221,686,721	\$228,356,466
GRF	600537	Children's Hospital	\$6,000,000	\$6,000,000
General Revenue Fund Subtotal			\$9,028,496,227	\$10,585,278,688
General Services Fund Group				
5FX0	600638	Medicaid Payment Withholding	\$26,000,000	\$26,000,000
General Services Fund Group Subtotal			\$26,000,000	\$26,000,000
Federal Special Revenue Fund Group				
3F00	600623	Health Care Federal	\$3,367,952,785	\$2,729,816,014
3G50	600655	Interagency Reimbursement	\$1,703,777,044	\$1,666,905,912
Federal Special Revenue Fund Group Subtotal			\$5,071,729,829	\$4,396,721,926
State Special Revenue Fund Group				
5AJ0	600631	Money Follows the Person	\$6,286,485	\$6,195,163
5Q90	600619	Supplemental Inpatient Hospital Payments	\$56,125,998	\$56,125,998
State Special Revenue Fund Group Subtotal			\$62,412,483	\$62,321,161
Total Funding: Medicaid Services			\$14,188,638,539	\$15,070,321,775

Health Care/Medicaid (600525)

This GRF line item is used to reimburse health care providers for covered services to Medicaid recipients. In addition, this line item funds the costs of health care-related contracts such as eyeglass purchases, inpatient hospital peer review, enrollment information centers, and contracted case management. The federal earnings on the payments that are made entirely from this line item are deposited as revenue into the GRF. Although other agencies also provide Medicaid services, the vast majority of Medicaid services spending occurs within this line item.

Spending within this line item generally can be placed into one of nine major categories: long-term care (nursing facilities and ICFs/MR), hospitals (inpatient and outpatient), physician services, prescription drugs, managed care plans, Medicare buy-

in, Ohio Home Care waivers, all other care, and Disability Medical Assistance (FY 2003-FY 2005 and FY 2008-FY 2009). The majority of expenditures from this line item earn federal Medicaid reimbursement. Expenditures for the State Children's Health Insurance Program (SCHIP) from this line item earn an enhanced federal participation rate of approximately 72%. The Disability Medical Assistance (DMA) Program is a state-funded only program; there are no federal match earnings.

The budget provides funding of \$8,800,809,506 for FY 2010, an 11.9% decrease from the FY 2009 expenditures, and \$10,350,922,222 for FY 2011, a 17.6% increase over FY 2010. The appropriation levels are based on the executive's baseline forecast of Medicaid spending, including the following policies:

- Effective January 1, 2008, an individual under age 21 is eligible for Medicaid if the individual (1) was in foster care under the responsibility of the state on the individual's 18th birthday, (2) received Title IV-E foster care maintenance payments or independent living services before turning age 18, and (3) meets all other applicable eligibility requirements. The executive projected that, on the average every month, this expansion will add 271 individuals in FY 2010 and 390 individuals in FY 2011 to the state Medicaid Program. The executive also estimated that this expansion will cost the state \$1.1 million all funds in FY 2010 and \$1.6 million all funds in FY 2011.
- Effective January 1, 2008, the income eligibility limit for pregnant women was raised from 150% to 200% of the Federal Poverty Guideline (FPG). The executive projected that, on the average every month, this expansion will add 1,774 pregnant women in FY 2010 and 1,823 pregnant women in FY 2011 to the state Medicaid Program. The executive also estimated that this expansion will cost the state \$21.6 million in FY 2010 and \$23.8 million in FY 2011.
- Effective April 2008, a new component of the Medicaid Program known as the Medicaid Buy-In for Workers with Disabilities Program was established. The executive projected that, on the average every month, this expansion will enroll 6,562 individuals in FY 2010 and 7,370 individuals in FY 2011. The executive also estimated that this expansion will cost the state \$37.0 million in FY 2010 and \$46.3 million in FY 2011.
- Effective April 2008, individuals under age 19 who have countable income exceeding 300% FPG, have not had creditable health insurance for at least six months, and meet other eligibility requirements are eligible for the Children's Buy-In Program. The executive projected that, on the average every month, this expansion will enroll 501 individuals in FY 2010 and 718

individuals in FY 2011. The executive also estimated that this expansion will cost the state \$1.2 million in FY 2010 and \$1.9 million in FY 2011.

- The executive plans to expand SCHIP III to include individuals under age 19 with family incomes up to 300% FPG during the FY 2010-FY 2011 biennium. The executive projects that, on the average every month, this expansion will add a total of 24,856 individuals in FY 2010 and 35,610 individuals in FY 2011 to the state Medicaid Program. Of this total, the executive projected that, on the average every month, this expansion will add 12,428 uninsured individuals in FY 2010 and 17,805 uninsured individuals in FY 2011 to the state Medicaid Program. In addition, of the total, the executive assumed, on the average every month, this expansion will add 12,428 insured individuals in FY 2010 and 17,805 insured individuals in FY 2011 to the state Medicaid Program as a result of the "woodwork effect."
- Due to changes in the Deficit Reduction Act of 2005, Ohio will no longer be allowed to collect the Medicaid managed care assessment effective October 1, 2009. The amounts of the Medicaid managed care assessment are reimbursed to Medicaid managed care plans through capitation rate payments. The capitation rates will be adjusted downward to account for the rollback of the Medicaid managed care assessment. The executive estimated an annual loss of approximately \$194 million in revenue to the state, as well as the resulting federal match received when these funds would be used to pay for Medicaid services.

In addition to the policies mentioned above that are assumed in the executive's Medicaid baseline forecast, Table 6 below provides a summary of policies accounted for in the appropriations to GRF line item 600525, Health Care/Medicaid, and the Executive's estimates. Some are accounted for directly while others are considered offsets to costs paid out of the line item.

Table 6. Medicaid Policies

	FY 2010	FY 2011
MCP: Change to retrospective payment	(\$270,400,000)	\$0
MCP: Carve out prescription drugs	(\$5,200,000)	(\$235,500,000)
MCP: Return ABD to mandatory in NE and NW regions	(\$6,700,000)	(\$20,300,000)
MCP: Rate increase due to changes in assessments	\$278,630,133	\$357,499,918
MCP: Provider panel contract change	(\$12,000,000)	\$0
NF: Increase franchise fee to about \$11.95	\$409,885,000	\$409,885,000
Hospital: Impose new assessment	\$338,505,284	\$370,861,816
Eliminate 200% to 300% SCHIP expansion	(\$34,689,606)	(\$66,992,899)
Eliminate DMA	(\$2,739,228)	(\$9,488,695)
Eliminate Children's Buy-in	(\$309,785)	(\$1,881,433)
Take down certain optional services	(\$82,787,281)	(\$344,073,156)
Restrict access to over-the-counter drugs	(\$3,541,667)	(\$8,500,000)
Reduce Rx dispensing fees to \$1.80	(\$6,177,154)	(\$14,825,169)
Community provider 3% decrease	(\$29,403,180)	(\$51,634,918)
MCP-Managed Care Plans		
NF-Nursing Facility		

Some of the policy changes are explained in more detail below.

- The executive plans to pay Medicaid managed care plans on a retrospective, rather than prospective, basis. With the exception of Medicaid managed care, all other Ohio Medicaid providers are paid after services are rendered. This one-time shift in costs is estimated to be \$270.4 million in FY 2010.
- The budget makes managed care mandatory for the Aged, Blind, and Disabled (ABD) category in the Northeast and Northwest regions. Currently, only one managed care plan is available in the Northeast and Northwest regions. Because there is only one managed care plan available, ABD Medicaid recipients in these regions are permitted to opt-out of managed care and receive services through the fee-for-service

system. The executive estimates that the state can save \$6.7 million in FY 2010 and \$20.3 million in FY 2011.

- The executive plans to take down optional services except for the Ohio Home Care Waiver, prescription drugs, and ICF/MR services. Optional services include Hospice, DME, dental, private duty nurse, vision, podiatry, physical therapy, psychology, and chiropractic for adults. The executive also plans to eliminate the SCHIP expansion between 200% and 300% FPG and Children's Buy-In Program. However, if a court allows the Treasurer of State to transfer \$258.6 million from the Tobacco Use Prevention and Control Foundation Endowment Fund to the General Health and Human Services Pass-Through Fund (Fund 5HC0), the budget requires the Director of Budget and Management to transfer up to \$31.8 million in FY 2010 and up to \$129.8 million in FY 2011 from the General Health and Human Services Pass-Through Fund to the Health Care Services – Other Fund (Fund 5HA0), used by ODJFS, to support health care services under the state Medicaid plan such as Children's Buy-in, State Children Health Insurance Program 200% to 300% expansion, and certain optional Medicaid services.
- The budget requires that the DMA Program be discontinued.
- The budget increases the rates for inpatient and outpatient hospitals by 5% effective October 2009.
- The budget requires that the Medicaid dispensing fee for each noncompounded drug covered by the Medicaid Program be \$1.80 for the period beginning January 1, 2010, and ending June 30, 2011.

FY 2010 Medicaid Reimbursement Rate for NFs

The budget adjusts the formula used to calculate nursing facilities' Medicaid reimbursement rates for FY 2010 by (1) increasing the cost per case-mix unit, rate for ancillary and support costs, rate for capital costs, and rate for tax costs as calculated under the formula by 2%, then by another 2%, and then by 1%, (2) providing for the mean payment used in the calculation of the quality incentive payment to be \$3.03 per Medicaid day, and (3) reducing, if the federal government requires that the nursing home franchise permit fee be reduced or eliminated, the payments as necessary to reflect the loss of revenue and federal financial participation generated by the fee.

The budget further adjusts nursing facilities' FY 2010 rate by (1) a \$5.70 workforce development incentive payment, (2) a consolidated services rate, and (3) a percentage to be based on the amount of revenue available due to a portion of the franchise permit fee after the consolidated services rate adjustment is applied.

A nursing facility's FY 2010 rate as determined under the statutory price formula, after the adjustments discussed above are made (other than the adjustments regarding the workforce development incentive payment and consolidated services rate), cannot be less than 99% or more than 101.75% of its FY 2009 rate. However, a nursing facility's FY 2010 rate is not to be subjected to a stop gain or stop loss adjustment, regardless of later statutory adjustments, if its initial rate for the fiscal year is not subject to a stop gain or stop loss adjustment.

FY 2011 Medicaid Reimbursement Rate for NFs

The budget adjusts the formula used to calculate nursing facilities' Medicaid reimbursement rates for FY 2011 by (1) increasing the cost per case-mix unit, rate for ancillary and support costs, rate for capital costs, and rate for tax costs as calculated under the formula by 2%, then by another 2%, and then by 1%, (2) providing for the mean payment used in the calculation of the quality incentive payment to be \$3.03 per Medicaid day, and (3) reducing, if the federal government requires that the nursing home franchise permit fee be reduced or eliminated, the payments as necessary to reflect the loss of revenue and federal financial participation generated by the fee.

The budget further adjusts nursing facilities' FY 2011 rates by (1) a \$5.70 workforce development incentive payment, (2) a consolidated services rate, and (3) a percentage to be based on the amount of revenue available due to a portion of the franchise permit fee after the consolidated services rate adjustment is applied.

The budget (1) imposes a stop gain reduction on a nursing facility's FY 2011 rate as determined under the statutory price formula and after the adjustments discussed above are made (other than the adjustments regarding the workforce development incentive payment and consolidated services rate) if that rate is more than 102.25% of its FY 2010 rate, less the portion of its FY 2010 rate that equals the sum of the workforce development incentive payment and the consolidated services rate adjustments for that fiscal year and (2) provides a stop loss increase for a nursing facility's FY 2011 rate as determined under the statutory price formula and after the adjustments discussed above are made (other than the adjustments regarding the workforce development incentive payment and consolidated services rate) if that rate is less than 99% of its FY 2010 rate, less the portion of its FY 2010 rate that equals the sum of the workforce development incentive payment and consolidated services rate adjustments for that fiscal year. However, a nursing facility's FY 2011 rate is not to be subjected to a stop gain or stop loss adjustment, regardless of later statutory adjustments, if its initial rate for the fiscal year is not subject to a stop gain or stop loss adjustment or if its initial FY 2010 rate is an amount that is not subject to a stop gain or stop loss adjustment for FY 2010 even though its initial FY 2011 rate is an amount that otherwise would be subject to the adjustment.

FY 2010 Medicaid Reimbursement Rate for ICFs/MR

The budget adjusts the formula used to calculate ICFs/MR's Medicaid reimbursement rates for FY 2010 by (1) providing for an ICF/MR to be paid, for services provided during the period from the effective date of this provision to July 31, 2009, the Medicaid rate the ICF/MR was paid on June 29, 2009, (2) providing that the mean total per diem rate that is used in setting the Medicaid reimbursement rate for the period from August 1, 2009, to June 30, 2010, is \$278.15, (3) prohibiting, for the remainder of FY 2010, further adjustments otherwise authorized by law governing Medicaid payments to ICFs/MR, and (4) if the federal government requires that the franchise permit fee for ICFs/MR be reduced or eliminated, reducing the payments to ICFs/MR as necessary to reflect the loss of revenue and federal financial participation generated by the fee.

FY 2011 Medicaid Reimbursement Rate for ICFs/MR

The budget adjusts the formula used to calculate ICFs/MR's Medicaid reimbursement rates for FY 2011 by (1) requiring ODJFS to reduce the FY 2011 Medicaid rates for ICFs/MR if the mean total per diem rate for all ICFs/MR, weighted by May 2010 Medicaid days and calculated as of July 1, 2010, exceeds \$278.15, (2) prohibiting, for the remainder of FY 2011, further adjustments otherwise authorized by law governing Medicaid payments to ICFs/MR, and (3) if the federal government requires that the franchise permit fee for ICFs/MR be reduced or eliminated, reducing the payments to ICFs/MR as necessary to reflect the loss of revenue and federal financial participation generated by the fee.

Medicare Part D (600526)

This GRF line item is used to pay the phased down state contribution, otherwise known as the clawback payment, under the Medicare Part D requirements contained in the federal Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003. The clawback is a monthly payment made by each state to the federal Medicare Program that began in January 2006. The amount of each state's payment roughly reflects the expenditures of its own funds that the state would have made if it continued to pay for outpatient prescription drugs through Medicaid on behalf of dual eligibles, those eligible for both Medicare and Medicaid.

Prior to January 2006, prescription drug payments for dual eligibles were made by Medicaid from GRF line item 600525, Health Care/Medicaid. After January 2006, GRF line item 600526, Medicare Part D, is used for the clawback payments. H.B. 119 allowed the Director of Budget and Management to increase the state share of appropriations in either GRF line item 600525, or this GRF line item 600526, with a corresponding decrease in the state share of the other line item to allow the Ohio

Department of Job and Family Services (ODJFS) to implement the Medicare Part D requirements.

The budget provides funding of \$221,686,721 for FY 2010, an 11.7% decrease over the FY 2009 expenditures, and \$228,356,466 for FY 2011, a 3.0% increase over FY 2010. The budget allows, providing that ODJFS provides notification to the Controlling Board of any transfers between line items 600525 and 600526 at the next scheduled Controlling Board meeting, the Director of Budget and Management to increase the state share of appropriations in either GRF line item 600525 or GRF line item 600526, with a corresponding decrease in the state share of the other line item, to allow ODJFS to implement the Medicare Part D requirements for FY 2010 and FY 2011.

Children's Hospital (600537)

The budget creates this new GRF line item to replace line item 600636, Children's Hospitals – State. The federal match for the \$6,000,000 will be paid from federal line item 600623, Health Care – Federal. This new GRF line item will be used to make supplemental Medicaid payments to children's hospitals.

In addition to the \$6 million and the corresponding federal match, the budget requires ODJFS to pay children's hospitals an additional \$4.4 million in each fiscal year plus the corresponding federal match. The \$4.4 million and the corresponding federal match are appropriated in line item 600656, Medicaid – Hospital.

Medicaid Payment Withholding (600638)

This line item is used to release to providers payments that are withheld from providers that change ownership, and to transfer the withheld funds to the appropriate fund used by ODJFS at final resolution. The funds are withheld and temporarily deposited into the Exiting Operator Fund (Fund 5FX0) until all potential amounts due to ODJFS or the provider reach final resolution. Line item 600638, Medicaid Payment Withholding, was established by the Controlling Board in FY 2009. Creation of the fund allows ODJFS to maintain a distinct fund for Medicaid provider payment withholding. The FY 2009 expenditure for this line item was \$38,981. The budget appropriates \$26,000,000 for FY 2010 and FY 2011.

Health Care – Federal (600623)

This federally funded line item is used for the Medicaid federal share when the state share is provided from a source other than GRF line item 600525, Health Care/Medicaid, or line item 600649, Health Care Assurance Program. This line item was created to simplify accounting for the non-GRF federal share of Medicaid funding. Major activity in this line item includes the federal share of nursing facility and intermediate care facility for the mentally retarded franchise fees, eligibility outreach, county administration, and general Medicaid services. These moneys are deposited

into the Hospital Care Assurance Match Fund (Fund 3F00). The primary source of the funds is Medicaid. However, in October 2001, the Controlling Board added Health Care Financing Research, Demonstrations, and Evaluations grants to the fund. Effective July 1, 2006, H.B. 530 of the 126th General Assembly (the FY 2006-FY 2007 biennial corrective budget) required federal share of drug rebates and Medicaid revenues also be deposited into the fund.

The budget appropriates \$3,367,952,785 for FY 2010, a 130.1% increase over FY 2009 expenditures, and \$2,729,816,014 for FY 2011, an 18.9% decrease from the FY 2010 appropriation. The increase in the appropriation level from FY 2009 to FY 2010 for this line item is primarily due to the following:

- The increase in the nursing facility franchise fee from \$6.25 per bed per day to about \$11.95.
- A new assessment of 1.52% and 1.61% of total facility costs for FY 2010 and FY 2011, respectively. The state share of the new hospital assessment used to support Medicaid is appropriated in line item 600656, Medicaid – Hospital, and the federal share is appropriated in line item 600623.
- The federal match of the supplemental Medicaid payments to children's hospitals is through line item 600623, instead of through line item 600635, Children's Hospital – Federal.
- The carve-out of the pharmacy program from Medicaid managed care. The state share of the potential increase in drug rebates is appropriated in line item 600692, Health Care Services, and the federal share is appropriated in line item 600623.
- An enhanced federal reimbursement rate for the Medicaid Program based on the American Recovery and Reinvestment Act of 2009.

The decrease in the appropriation level from FY 2010 to FY 2011 for this line item is because the enhanced federal reimbursement rate ends midway through FY 2011.

Interagency Reimbursement (600655)

This federally funded line item is used to disburse federal reimbursement (primarily Medicaid) to other agencies for expenditures they have made. The grants deposited into the Interagency Reimbursement Fund (Fund 3G50) are:

- Medical Assistance (Medicaid, Title XIX);
- State Children's Health Insurance Program (SCHIP, Title XXI);
- Foster Care-Title IV-E; and
- State Survey and Certification of Health Care Providers and Suppliers.

The budget appropriates \$1,703,777,044 for FY 2010, a 19.8% increase over FY 2009 expenditures, and \$1,666,905,912 for FY 2011, a 2.2% decrease from the FY 2010 appropriation.

Money Follows the Person (600631)

This line item is used to support the federal Money Follows the Person Grant initiative. Ohio is one of 34 states that were awarded federal funding for the Money Follows the Person demonstration projects, which were enacted by Congress as part of the Deficit Reduction Act of 2005. The total grant amount is \$100 million over a five-year period. The funding will allow Ohio to relocate about 2,200 seniors and persons with disabilities from institutions to home and community-based settings. The federal government allocates a portion of the grant each year based upon the projected enrollment numbers as estimated by ODJFS. ODJFS cannot enroll more than their estimated projected enrollment. The grant is realized by the state as federal reimbursement on expenditures for transitioning eligible Medicaid members out of institutional settings and into home or community-based care. More specifically, for qualified and demonstrative services the federal government reimburses Ohio at an enhanced federal match rate of nearly 80% for Medicaid members for their first 12 months in home or community-based care, while other supplemental services will be reimbursed at the regular Medicaid federal reimbursement. After the 12-month period, ODJFS will draw down the regular federal reimbursement for each transitioned Medicaid member.

H.B. 119 provided funding of \$3.5 million in FY 2008 and \$30.5 million in FY 2009 to support the Money Follows the Person Grant initiative. H.B. 562 created the Money Follows the Person Enhanced Reimbursement Fund (Fund 5AJ0) into which the Director of Budget and Management is to transfer the enhanced portion of the federal grant the state receives under the Money Follows the Person demonstration project. Since the deposits made into this fund are "earned reimbursement," the cash in the fund may be expended as state funds. The enhanced federal allotment for FY 2009 is \$4.4 million based on enrollment estimates made by ODJFS. The budget appropriates \$6,286,485 in FY 2010 and \$6,195,163 in FY 2011 for this line item.

Supplemental Inpatient Hospital Payments (600619)

This line item is used to disburse the state share of Supplemental Inpatient Hospital Upper Limit Payments to public hospitals. The Supplemental Inpatient Hospital Upper Limit Payment Program gives public hospitals an option for reducing the gap between what Medicare would have paid and what Medicaid actually pays for inpatient services provided to Medicaid recipients. ODJFS estimates what Medicare would have paid for a set of inpatient services provided to Medicaid recipients by each hospital. ODJFS then calculates the "payment gap" or the difference between the two.

The public hospitals then send the state share of the payment gap to ODJFS. These dollars are deposited into the Supplemental Inpatient Hospital Fund (Fund 5Q90) and then disbursed back to the public hospitals through line item 600619, Supplemental Inpatient Hospital Payments, along with federal match from federal line item 600623, Health Care Federal. The budget appropriates \$56,125,998 for FY 2010 and FY 2011.

Medicaid Provider Taxes

This category of appropriations includes the major sources of funding for spending on Medicaid services through the Medicaid provider taxes. Table 7 lists the line items associated with this category and the appropriated amounts.

Table 7. Appropriations for Medicaid Provider Taxes				
Fund	ALI and Name		FY 2010	FY 2011
General Services Fund Group				
5BG0	600653	Managed Care Assessment	\$168,914,857	\$0
General Services Fund Group Subtotal			\$168,914,857	\$0
State Special Revenue Fund Group				
4J50	600613	Nursing Facility Bed Assessments	\$36,713,984	\$36,713,984
4K10	600621	ICF/MR Bed Assessments	\$29,696,029	\$28,976,838
5GF0	600656	Medicaid – Hospital	\$338,505,284	\$370,861,816
5R20	600608	Medicaid – Nursing Facilities	\$359,332,500	\$381,710,000
State Special Revenue Fund Group Subtotal			\$764,247,797	\$818,262,638
Total Funding: Medicaid Provider Taxes			\$933,162,654	\$818,262,638

Managed Care Assessments (600653)

This line item is used to pay for Medicaid services, administrative costs, and contracts with Medicaid health insuring corporations. The source of funds for this line item is the Medicaid managed care franchise fee payments. The money collected from the franchise permit fee is credited to the Managed Care Assessment Fund (Fund 5BG0).

Under current federal law, Medicaid managed care organizations are identified as a separate class of providers, and are therefore not subject to the provisions of the Social Security Act that require provider-based taxes to be broad based in nature. Effective October 1, 2009, the Deficit Reduction Act of 2005, removes this distinction for Medicaid managed care organizations. As such, Ohio's Medicaid managed care franchise fee will no longer be in compliance with federal regulations after that date. Collection of that fee will therefore cease, resulting in an annual loss of approximately \$194 million in revenue to the state, as well as the resulting federal match received when these funds would be applied to Ohio's Medicaid Program.

To replace this lost revenue, the budget removes the Medicaid managed care exemption to the existing health insuring corporation tax, thereby including the Medicaid managed care plans in this tax structure. Additionally, Ohio's Medicaid managed care plans are added to another part of the existing state tax structure via the state sales and use tax. The sales and use tax is levied at the same percentage as the

current Medicaid managed care franchise fee. Furthermore, the plans' participation in this tax will be recognized in their Medicaid reimbursement rate.

The budget appropriates \$168,914,857 for FY 2010, a decrease of 23.7% from FY 2009 expenditures. There is no funding in this line item for FY 2011 due to changes in federal law that no longer allow collection of the Medicaid managed care assessment.

Nursing Facility Franchise Permit Fee (600608 and 600613)

Line item 600608, Medicaid – Nursing Facilities, is used to make Medicaid payments to nursing facilities (i.e., nursing homes and hospitals). The source of funds for this line item is to be determined by a formula that ODJFS is to create. ODJFS is required by the budget bill to create a formula for determining how much of the money raised by the franchise permit fee is to be deposited into SSR Fund 4J50, Home and Community-Based Services for the Aged, rather than as under previous law, specifying the percentage. (SSR Fund 5R20, Nursing Facility Stabilization, continues to receive the remainder of the money raised by the franchise permit fee.) Line item 600613, Nursing Facility Bed Assessments, is used to (1) fund Medicaid,¹ and (2) transfer funds to the PASSPORT Program in the Department of Aging. H.B. 94 of the 124th General Assembly (the FY 2002-FY 2003 biennial budget) included temporary language to specifically allow the funding of nursing facility audits and the Ohio Access Success Project. Later budget bills have also included this language.

ODJFS is required to assess an annual franchise permit fee on each long-term care bed in a nursing home or hospital. The money generated by the franchise permit fee on nursing homes and hospitals is required to be deposited into two funds. One fund, the Home and Community-Based Services for the Aged Fund (Fund 4J50), gets the first \$1 of the franchise permit fee. ODJFS and the Department of Aging are required to use the money in the fund for Medicaid, including PASSPORT. The other fund into which money generated by the nursing home and hospital franchise permit fee goes is the Nursing Facility Stabilization Fund (Fund 5R20). This fund is to receive all such franchise permit fees and related penalties that are not deposited into the Home and Community-Based Services for the Aged Fund. ODJFS is required to use money in the Nursing Facility Stabilization Fund to make Medicaid payments to nursing facilities.

The budget appropriates \$36,713,984 for FY 2010 and FY 2011, a 7.7% increase over FY 2009 expenditures for line item 600613, Nursing Facility Bed Assessments. The budget appropriates \$359,332,500 in FY 2010, a 105.3% increase over FY 2009

¹ The only medical payments charged to line item 600613 historically have been the state share of nursing facilities franchise fees and nursing facility costs.

expenditures, and \$381,710,000 in FY 2011, a 6.2% increase over FY 2010 appropriations for line item 600608, Medicaid – Nursing Facilities.

The budget requires ODJFS to (1) create a formula for determining the franchise permit fee that is based in part on 5.5% of net patient revenues of nursing homes and hospital long-term care units and a base of \$11.95 and (2) recalculate the franchise permit fee if the amount assessed for a fiscal year exceeds 5.5% of the actual net patient revenues for all nursing homes and hospital long-term care units for that fiscal year and to credit nursing homes' and hospitals' franchise permit fees for the following fiscal year. Medicaid rates for nursing facilities will be increased to recognize the collection of this increased fee, which is expected to generate approximately \$409.9 million in state revenue in each fiscal year.

ICF/MR Bed Assessments (600621)

This line item provides the funding mechanism to pay the state share of reimbursements to intermediate care facilities for the mentally retarded (ICFs/MR) for their cost of the franchise fee. Funds are also transferred to the Ohio Department of Developmental Disabilities (ODODD) to use as state matching funds for their Medicaid waiver programs.

The source of funds for this line item is the ICF/MR franchise fee payments. Money generated by this franchise permit fee and related penalties is required to be deposited into the Home and Community-Based Services for the Mentally Retarded and Developmentally Disabled Fund (Fund 4K10) and the Intensive Behavioral Needs Programs Fund (Fund 5CT0). The departments of Job and Family Services and Developmental Disabilities are required to use money in Fund 4K10 for Medicaid and home and community-based services to persons with mental retardation or other developmental disabilities.

The budget appropriates \$29,696,029 for FY 2010, a 27.7% increase over FY 2009 expenditures, and \$28,976,838 for FY 2011, a 2.4% decrease over FY 2010 appropriations. The budget subjects the state developmental centers to the ICF/MR franchise permit fee, but provides that developmental centers are not subject to franchise permit fee until August 1, 2009. The budget (1) continues the franchise permit fee of \$11.98 until August 1, 2009, (2) increases the fee to \$14.75 for the period between August 1, 2009, and June 30, 2010, (3) sets the fee at \$13.55 for FY 2011, and (4) sets the fee, for each successive fiscal year, at the amount set for the previous fiscal year as adjusted by a composite inflation factor.

The budget also requires ODJFS to recalculate the franchise permit fee if the amount assessed by the fee for a fiscal year exceeds 5.5% of the actual net patient revenue for all ICFs/MR for that fiscal year and to credit the franchise permit fees to ICFs/MR for the following fiscal year. Furthermore, the budget (1) requires 84.2% (in

FY 2010) and 79.12% (in FY 2011 and thereafter) of the money raised by the franchise permit fee to be deposited into SSR Fund 4K80, Home and Community-Based Services, and 15.8% (in FY 2010) and 20.88% (in FY 2011 and thereafter) to be deposited into the new Developmental Disabilities Operating and Services Fund and (2) abolishes SSR Fund 5CT0, Children with Intensive Behavioral Needs Programs, but maintains the requirement for the Director of Developmental Disabilities to establish one or more programs for individuals under age 21 who have intensive behavioral needs which, under current law, are funded with money in SSR Fund 5CT0.

Medicaid – Hospital (600656)

The budget creates this new line item 600656, Medicaid – Hospital, that will be used to support the Medicaid Program. The line item will be funded with the revenue generated from a new hospital assessment. Money generated by the new hospital assessment will be deposited into the newly created Hospital Assessment Fund (Fund 5GF0). The assessment will be 1.52% and 1.61% of total facility costs for FY 2010 and FY 2011, respectively. Revenue generated from the assessment is estimated at \$338.5 million in FY 2010 and \$370.9 million in FY 2011. The additional fee will be collected over the course of three payments during each state fiscal year. This fee is separate from the established assessment fee currently used to support the state's Disproportionate Share Hospital (DSH) Program. The budget provides \$338,505,284 in FY 2010 and \$370,861,816 in FY 2011 for this new line item 600656, Medicaid – Hospital. The federal match for expenditures from this line item will be made from line item 600623, Health Care Federal.

Medicaid Revenue and Collections

This category of appropriations includes the major sources of funding for Medicaid utilizing various Medicaid revenue and collections such as prescription drug rebates and third-party liability (TPL) collections. Table 8 lists the line items associated with this category and the appropriated amounts.

Table 8. Appropriations for Medicaid Collections				
Fund	ALI and Name		FY 2010	FY 2011
General Services Fund Group				
5C90	600671	Medicaid Program Support	\$76,076,838	\$77,563,238
5DL0	600639	Medicaid Revenue and Collections	\$99,916,750	\$63,600,000
5P50	600692	Health Care Services	\$84,052,802	\$226,469,478
Total Funding: Medicaid Collections			\$260,046,390	\$367,632,716

Medicaid Program Support (600671)

This line item is primarily used to support the state share of offsets (i.e., DSH) to GRF line item 600525, Health Care/Medicaid, and transfers to the Ohio Department of Mental Health (ODMH). This line item is supported by federal Medicaid Institutions for Mental Disease Disproportionate Share (IMD/DSH) funds, which are generated from state-funded expenditures made by ODMH and the Ohio Department of Job and Family Services' (ODJFS's) back billing for the Disability Assistance Program. Additionally, this line item is funded with revenue from the Ohio Department of Developmental Disabilities' targeted case management and the state share of pharmacy payments made by ODJFS for individuals in state developmental centers.

The budget appropriates \$76,076,838 for FY 2010, a 14.4% increase from FY 2009 expenditures, and \$77,563,238 for FY 2011, a 2.0% increase from the FY 2010 appropriation.

Medicaid Revenue and Collections (600639)

This line item is used by ODJFS to pay for Medicaid services and contracts. The sources of funds for this line item are Medicaid revenues and collections such as the TPL collections. In addition, monthly premiums charged under the Children's Buy-In Program and the Medicaid Buy-In for Workers with Disabilities Program are credited to Fund 5DL0 and used for the Children's Buy-In Program as well as Medicaid services and contracts. The money collected is deposited into the Medicaid Revenue and Collections Fund (Fund 5DL0).

The budget appropriates \$99,916,750 for FY 2010, a 33.8% increase over FY 2009 expenditures, and \$63,600,000 for FY 2011, a 36.3% decrease from FY 2010

appropriations. The fluctuation in appropriations is attributable to the executive's plan to use non-GRF cash balances to offset GRF spending in FY 2010.

Health Care Services (600692)

This line item is used to offset Medicaid expenditures that would otherwise be paid from GRF line item 600525, Health Care/Medicaid. This line item is funded with rebates from drug manufacturers. The money collected from rebates is deposited into the Prescription Drug Rebate Fund (Fund 5P50). The federal match for expenditures from this line item is made from line item 600623, Health Care – Federal.

The budget appropriates \$84,052,802 for FY 2010, a 14.2% decrease over the FY 2009 expenditures, and \$226,469,478 for FY 2011, a 169.4% increase over FY 2010 appropriations. The increase in the FY 2011 appropriation is primarily due to carving out the pharmacy benefit from Medicaid managed care plans. The executive plans to carve out the pharmacy program from Medicaid managed care in order to maximize drug rebates. According to the executive, Ohio is able to benefit from significant pharmacy rebate arrangements that are available only to state Medicaid programs. The managed care plans are not able to take advantage of this rebate structure and thus have not been as successful in recouping rebate dollars for reinvestment. By carving out the pharmacy benefit from managed care and returning its administration to ODJFS, the executive expects to generate \$5.2 million in savings and cost avoidance in FY 2010 and \$235.5 million in FY 2011.

Medicaid Administration

This category of appropriations includes the major sources of funding for Medicaid administration. Table 9 lists the line items associated with this category and the appropriated amounts.

Table 9. Appropriations for Medicaid Administration				
Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund				
GRF	600417	Medicaid Provider Audits	\$1,210,625	\$1,191,010
GRF	600425	Office of Ohio Health Plans	\$24,454,211	\$18,583,796
General Revenue Fund Subtotal			\$25,664,836	\$19,774,806
State Special Revenue Fund Group				
4E30	600605	Nursing Home Assessments	\$4,759,914	\$4,759,914
4J50	600618	Residential State Supplement Payments	\$15,700,000	\$15,700,000
4Z10	600625	HealthCare Compliance	\$10,000,000	\$10,000,000
5S30	600629	MR/DD Medicaid Administration and Oversight	\$2,070,707	\$5,493,954
5U30	600654	Health Care Services Administration	\$12,017,389	\$14,393,903
State Special Revenue Fund Group Subtotal			\$44,548,010	\$50,347,771
Total Funding: Medicaid Administration			\$76,008,317	\$75,217,753

Medicaid Provider Audits (600417)

This GRF line item provides the funding mechanism for payroll for the Office of Research, Assessment, and Accountability (ORAA) and the Medicaid provider audits conducted by the Auditor of State. H.B. 119 of the 127th General Assembly (the FY 2008-FY 2009 biennial budget) earmarked \$2,000,000 in FY 2008 and FY 2009 in GRF line item 600417, Medicaid Provider Audits, to be used by the Auditor of State to perform audits of Medicaid providers. The Governor vetoed the provision. The Governor stated that ODJFS already performs audits of providers, and paying the Auditor to repeat this task is an unnecessary expense in view of the funding limitation being imposed on ODJFS in the budget. However, the Governor did not remove the provided funding for the audits. The actual expenditures were \$1,292,040 in FY 2008.

The budget provides funding of \$1,210,625 for FY 2010, a 23.1% decrease from the FY 2009 expenditures, and \$1,191,010 for FY 2011, a 1.6% decrease over FY 2010 appropriations. GRF line item 600417 expenditures for FY 2008 and FY 2009 consisted of payroll, travel, office supplies, printing, and the interagency agreement for the Auditor of State. In FY 2010 and FY 2011, the expenditures will also include personal service contracts.

Office of Ohio Health Plans (600425)

This GRF line item is used to fund the operating expenses of the Office of Ohio Health Plans. The federal earnings on the payments from this line item are deposited as revenue into the GRF. The Office of Ohio Health Plans is responsible for administering Ohio's Medicaid, State Children's Health Insurance Program (SCHIP), Hospital Care Assurance Program (HCAP), and the state-funded Disability Medical Assistance (DMA) Program.

The budget provides funding of \$24,454,211 for FY 2010, a 27.3% decrease from the FY 2009 expenditures, and \$18,583,796 for FY 2011, a 24.0% decrease from FY 2010 appropriations. The decreases in the appropriation levels are due to (1) the reduction in contracts or administrative workload with the implementation of Medicaid Information Technology Systems (MITS) and (2) the executive's efforts to shift Medicaid administrative spending away from GRF line item 600425, Office of Health Plans, to non-GRF line items such as 600629, MR/DD Medicaid Administration and Oversight.

Nursing Home Assessments (600605)

This line item is used to pay the costs of relocating residents to other facilities, maintaining or operating a facility pending correction of deficiencies or closure, and reimbursing residents for the loss of money managed by the facility. Currently, funds in the line item are transferred to the Department of Aging and the Department of Health. The source of funding for this line item is all fines collected from facilities in which the Ohio Department of Health finds deficiencies. The fines collected are deposited into the Nursing Home Assessments Fund (Fund 4E30). The budget appropriates \$4,759,914 for FY 2010 and FY 2011.

Residential State Supplement Payments (600618)

This line item is used to provide payments to Residential State Supplement (RSS) recipients. As a result of H.B. 152 of the 120th General Assembly, control of the Optional State Supplement Program (the former name of RSS) was transferred to the Ohio Department of Aging (ODA), although payments are still to be made by ODJFS. The source of funding for this line item is transfers from ODA. The RSS Program provides a cash supplement to low-income aged, blind, or disabled adults who have need for assistance with daily activities due to a medical condition, but do not require institutional care if other protective care can be arranged. The budget appropriates \$15,700,000 for FY 2010 and FY 2011.

Health Care Compliance (600625)

This line item is used to collect and redistribute sanctions levied against Medicaid providers. Medicaid Managed Care providers who fail to comply with health care data collection requirements are fined. When providers come into compliance, they are reimbursed for the fines paid. The source of funding for this line item is the refundable monetary sanctions levied against Medicaid Managed Care providers that fail to comply with encounter data requirements. The money is deposited into the Health Care Compliance Fund (Fund 4Z10). The budget appropriates \$10,000,000 for FY 2010 and FY 2011.

MR/DD Medicaid Administration and Oversight (600629)

This line item is used to disburse funds received from the Ohio Department of Developmental Disabilities (ODODD). ODODD charges the county boards of DD an annual fee of 1.5% of the value of all Medicaid claims paid for home and community-based services. ODODD then transfers 30% of the funds collected to the MR/DD Medicaid Administration and Oversight Fund (Fund 5S30). That is the source of funding for this line item.

The budget appropriates \$2,070,707 for FY 2010, a 636.3% increase over the FY 2009 expenditures, and \$5,493,954 for FY 2011, a 165.3% increase over FY 2010 appropriations. The increases in the appropriation levels reflect the executive's efforts to shift Medicaid administration spending from GRF line item 600425, Office of Health Plans, to non-GRF line items.

Health Care Services Administration (600654)

This line item is used to pay costs associated with the administration of Medicaid, including the Medicaid Information Technology Systems (MITS). MITS will be funded at either 10% state and 90% federal or 25% state and 75% federal depending on the type of expenditure for the project. Funding for this line item comes from a variety of Medicaid financing activities. The money is deposited into the Health Care Services Administration Fund (Fund 5U30).

The budget appropriates \$12,017,389 for FY 2010, an 82.7% increase over the FY 2009 expenditures, and \$14,393,903 for FY 2011, a 19.8% increase over FY 2010 appropriations. The increases in appropriation levels are mainly due to the shifting of administrative costs from GRF line item 600425 to non-GRF line item 600654. According to ODJFS, the shift was done so ODJFS's GRF budget could be funded at a reduced level while maintaining funding for the Office of Ohio Health Plans.

Medicaid Information Technology Systems

The primary goal and objective of MMIS/MITS is to assure that ODJFS's medical policy is efficiently and effectively implemented. The system provides reimbursement to medical providers for services rendered to eligible recipients. MITS is being developed to reduce or eliminate manual and other paper intensive processes. The following are examples of improvements that will come with the implementation of MITS:

- **Provider Claims Submission:** Using the current Medicaid web portal (<https://medicaidremit.ohio.gov/default/home.jsf>), Medicaid providers using professional claims can submit them via direct data entry. Once implemented, MITS will expand this capability to include additional types of Medicaid claims including additional professional, dental, and limited institutional claims.
- **Claims Status and Adjustments/Resubmissions:** With MITS implementation, Medicaid providers may check the status of any claim submitted regardless of how submitted (paper, web portal, EDI, etc.). Providers may also submit claims adjustments or resubmit corrected claims.
- **Prior Approval for Medical Services and Equipment:** With MITS implementation, requests for Medicaid prior approval can be submitted electronically using the Medicaid web portal. The only prior approvals requiring documentation in addition to the on-line submission will be those requiring submission of a study model or physical exhibit that cannot be submitted in an electronic format.
- **Submission and Renewal of Provider Applications:** Medical service providers seeking to participate in Medicaid will be able to complete and submit a provider application on-line using the Medicaid web portal. Existing providers whose provider agreements are expiring may also submit application renewals. Independent providers serving Medicaid consumers enrolled in waiver programs will be able to submit their required annual background checks.

Hospital Care Assurance Program

This category of appropriations includes the major sources of state and federal funding for the Hospital Care Assurance Program. Table 10 lists the line items associated with this category and the appropriated amounts.

Table 10. Appropriations for Hospital Care Assurance Program				
Fund		ALI and Name	FY 2010	FY 2011
Federal Special Revenue Fund Group				
3F00	600650	Hospital Care Assurance Match	\$362,092,785	\$367,826,196
State Special Revenue Fund Group				
6510	600649	Hospital Care Assurance Program Fund	\$220,612,051	\$218,164,239
Total Funding: Hospital Care Assurance Program			\$582,704,836	\$585,990,435

Hospital Care Assurance Program (600649 and 600650)

These two line items are used to fund the Hospital Care Assurance Program (HCAP). The federal government requires state Medicaid programs to make subsidy payments to hospitals that provide uncompensated, or charity, care to low-income and uninsured individuals at or below 100% FPG under the Disproportionate Share Hospital (DSH) Program. HCAP is the system Ohio uses to comply with the DSH Program requirement. Under HCAP, hospitals are assessed an amount based on their total facility costs, and government hospitals make intergovernmental transfers to ODJFS. ODJFS then redistributes back to hospitals money generated by the assessments, intergovernmental transfers, and federal matching funds based on uncompensated care costs. ODJFS distributes to hospitals money generated by assessments, intergovernmental transfers, and federal matching funds generated by the assessments and transfers. The federal funds are appropriated in line item 600650, and the state funds (assessment revenues) are appropriated in line item 600649.

The budget appropriates \$220,612,051 for FY 2010, a 4.9% decrease from the FY 2009 expenditures, and \$218,164,239 for FY 2011, a 1.1% decrease from FY 2010 appropriations for line item 600649, Hospital Care Assurance Program Fund. The budget appropriates \$362,092,785 for FY 2010, an 11.1% increase over the FY 2009 expenditures, and \$367,826,196 for FY 2011, a 1.6% increase over FY 2010 appropriations for line item 600650, Hospital Care Assurance Match. The funding levels for HCAP are based on the executive's projected assessment revenue and spending. Under current law, HCAP is scheduled to sunset on October 16, 2011.

Family Stability

- Appropriates \$223.5 million in federal stimulus dollars over biennium
- Assumes increases in enrollment for cash assistance, food assistance, and other public assistance programs
- Executive veto discontinues the Early Learning Initiative (ELI)

OVERVIEW

Program Overview

Family Stability is a group of programs that deliver cash assistance, noncash supports, and food assistance to low-income families with the goal of equipping these families to achieve self-sufficiency. Family Stability programs are funded with a combination of federal, state, and local funds. Ohio Works First (OWF) cash assistance and Prevention, Retention and Contingency (PRC) are primarily funded through the federal Temporary Assistance for Needy Families (TANF) Block Grant and the state GRF match referred to as Maintenance of Effort (MOE). Publicly funded child care, though operated by the Office of Children and Families, is partially funded by the TANF Block Grant and state TANF MOE, and is therefore included in this section. Other assistance programs operated by the Office of Family Stability (OFS), such as food assistance programs, Refugee Services, and Disability Financial Assistance (DFA) are funded with other state, federal, and local funds.

Appropriation Overview

The budget appropriates \$1.68 billion in FY 2010 and FY 2011 for Family Stability programs. The table below shows Family Stability expenditures by fund group for FY 2009 and budget appropriations for FY 2010 and FY 2011.

Fund Group	FY 2009	FY 2010	% Change	FY 2011	% Change
General Revenue	\$360,691,228	\$408,959,050	13.4%	\$418,312,160	2.3%
General Services	\$27,425,363	\$26,000,000	-5.2%	\$26,000,000	0.0%
State Special Revenue	\$510,161	\$570,000	14.0%	\$570,000	0.0%
Federal Special Revenue	\$1,331,117,992	\$1,241,174,835	-6.8%	\$1,228,922,598	-1.0%
Agency	\$396,140	\$2,000,000	404.9%	\$2,000,000	0.0%
TOTAL	\$1,720,140,884	\$1,678,703,885	-2.4%	\$1,675,804,758	-0.2%

Family Stability will utilize more GRF and less federal funds in the upcoming biennium than in FY 2009. The 6.8% decrease in FY 2010 appropriations of federal dollars from FY 2009 actual expenditures is mainly attributable to ODJFS spending down the TANF surplus in FY 2009 and to shifting a portion of publicly funded child

care funding from the TANF Block Grant to the GRF. This shift in funding for child care also accounts for the 13.4% increase in GRF appropriations.

Federal Stimulus

Four line items used for Family Stability include appropriations of federal stimulus dollars in the amount of \$136.3 million in FY 2010 and \$87.2 million in FY 2011. Table 12 shows federal stimulus appropriations for FY 2010 and Table 13 shows appropriations for FY 2011. The columns in each table show the total appropriations in the budget and the amount and percentage of the appropriation that is federal stimulus. These federal stimulus appropriations are discussed in more detail in the Analysis of Enacted Budget section.

Table 12. FY 2010 Federal Stimulus Appropriations					
Appropriation Item			H.B. 1 Appropriations	Federal Stimulus	% Federal Stimulus
3840	600610	Food Assistance and State Administration	\$159,109,776	\$6,000,000	3.8%
3A20	600641	Emergency Food Distribution	\$9,953,222	\$4,983,222	50.0%
3H70	600617	Child Care Federal	\$241,862,780	\$34,070,420	14.1%
3V60	600689	TANF Block Grant	\$819,207,893	\$91,239,633	11.1%
Total			\$1,230,133,671	\$136,293,275	11.1%

Table 13. FY 2011 Federal Stimulus Appropriations					
Appropriation Item			H.B. 1 Appropriations	Federal Stimulus	% Federal Stimulus
3840	600610	Food Assistance and State Administration	\$159,109,427	\$6,000,000	3.8%
3A20	600641	Emergency Food Distribution	\$4,970,000	\$0	0.0%
3H70	600617	Child Care Federal	\$241,862,779	\$34,070,420	14.1%
3V60	600689	TANF Block Grant	\$811,170,741	\$47,117,003	5.8%
Total			\$1,217,112,947	\$87,187,423	7.2%

Vetoed Provisions

Early Learning Initiative

The executive vetoed a provision in the budget that reauthorized the Early Learning Initiative (ELI), which is a component of the child care program. Delivered through a partnership between ODJFS and the Ohio Department of Education, ELI provided young children (three to four years old) educational experiences to prepare them for kindergarten while meeting the child-care needs of working families on a full-day or part-day basis. Children were eligible to receive services if their family incomes were less than 200% FPG (\$36,620 for a family of three). Some children enrolled in ELI when the budget passed were still eligible to receive services up through late August, when contracts with providers expired. About half of the children that were enrolled in ELI are eligible to enroll in kindergarten this year and others may qualify to receive publicly funded child care. In FY 2008, the state expended \$114.6 million from the TANF Block Grant for ELI services for 12,000 monthly slots.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the funding for each appropriation item in the Family Stability budget based on the enacted budget. In this analysis Family Stability line items are grouped into five categories. For each category a table is provided listing the appropriations in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used. The five categories used in this analysis are as follows:

1. Temporary Assistance for Needy Families;
2. Child Care;
3. Food Assistance Programs;
4. Other Assistance Programs; and
5. Administration.

Temporary Assistance for Needy Families

This category of line items includes the major sources of state and federal funding for state TANF programs. The table below lists the line items associated with this category and the appropriated amounts.

Table 14. Appropriations for TANF				
Fund		ALI and Name	FY 2010	FY 2011
General Revenue Fund				
GRF	600410	TANF State	\$155,494,648	\$161,298,234
General Services Fund Group				
4A80	600658	Child Support Collections	\$26,000,000	\$26,000,000
Federal Special Revenue Fund Group				
3V60	600689	TANF Block Grant	\$819,207,893	\$811,170,741
Total Funding: TANF			\$1,000,702,541	\$998,468,975

TANF resources fund cash assistance payments and other assistance programs that meet at least one of the four purposes of TANF. The four purposes are:

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

As cash benefits under Ohio Works First (OWF) are entitlements to those that meet eligibility criteria, TANF funds are budgeted for OWF first based on forecasted caseload. The remaining funds are then budgeted for county allocations (which fund Prevention, Retention, and Contingency programs and county administration for family stability programs), publicly funded child care, and other social services programs.

TANF State (600410)

This GRF line item is used to fund the OWF cash assistance program in conjunction with line item 600658, Child Support Collections, and a portion of federally funded line item 600689, TANF Block Grant. Expenditures from this GRF line item count toward the state's MOE for TANF. In FY 2008 and FY 2009 expenditures from this line item were \$262.6 million and \$252.9 million, respectively. The budget provides \$155.5 million for FY 2010, a 38.5% decrease from FY 2009 expenditures, and \$161.3 million for FY 2011, a 3.7% increase over FY 2010.

Ohio Works First

The OWF Program provides time-limited cash assistance to help needy families with (or expecting) 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. Cash benefits are an entitlement to those who meet the eligibility criteria. 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 guidelines (FPG), which is about \$9,155 annually for a family of three. Adults or minor heads-of-household must sign a self-sufficiency contract, which specifies work requirements for the assistance group to receive cash assistance.

In FY 2009, Ohio expended \$360.8 million in OWF cash benefits to an average of 85,300 assistance groups each month (\$352 per assistance group per month). ODJFS projects OWF expenditures to increase in FY 2010 to \$421.4 million for 94,100 average monthly assistance groups, and to increase in FY 2011 to \$451.4 million for 99,400 average monthly assistance groups.

Child Support Collections (600658)

This line item is used in conjunction with GRF line item 600410, TANF State, and a portion of federally funded line item 600689, TANF Block Grant, to cover OWF cash benefits, and is funded from the nonfederal share of county OWF child support collections. 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. The budget appropriates \$26.0 million for FY 2010 and FY 2011, a 5.2% decrease from FY 2009 expenditures. The budget requires 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 \$23.0 million in expenditures in each fiscal year towards the state's MOE.

TANF Block Grant (600689)

This federally funded line item is used by ODJFS to expend the federal TANF Block Grant for multiple programs including OWF; Prevention, Retention, and Contingency (PRC) programs; publicly funded child care; state and local administration; management information system development; and, other social service programs. The budget appropriates \$819.2 million in FY 2010, an 18.8% decrease from FY 2009 expenditures, and \$811.2 million in FY 2011, a 1.0% decrease from the FY 2010 appropriation. The decrease in appropriations from FY 2009 to FY 2010 is attributable

to ODJFS spending down the TANF surplus for various initiatives and demonstration projects (the decrease would have been greater if not for the federal stimulus). The appropriated amount in FY 2010 includes the annual TANF Block Grant award of \$728.0 million and federal stimulus of \$91.2 million. The appropriated amount in FY 2011 includes the TANF Block Grant (\$728.0 million), \$47.1 million in federal stimulus, \$20.2 million for an assumed TANF balance to carry into FY 2011, and an additional \$15.8 million to accommodate the possibilities of carrying a potentially higher TANF balance from FY 2010 or of receiving more federal stimulus than estimated, which may occur if OWF caseloads are higher than estimated.

The appropriated federal stimulus amounts of \$91.2 million in FY 2010 and \$47.1 million in FY 2011 in this line item are estimated based on the TANF Emergency Fund provision in the American Recover and Reinvestment Act. This provision states that the federal government will pay 80% of the cash assistance payments for increased OWF caseloads in FFY 2009-FFY 2010 above a base average of the lower of FFY 2007 or FFY 2008 quarterly caseloads, up to 50% of a state's federal block grant amount (\$364.0 million in Ohio). This provision will apply retroactively beginning in October 2008, and last two full years, ending September 2010.

Prevention, Retention, and Contingency

The budget allows counties to voluntarily and temporarily suspend their PRC programs. PRC programs are county-administered "noncash" support programs 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. As PRC services are not entitlements, counties previously had the ability to reduce the array of services provided or reduce eligibility based on income (but to no lower than 100% FPG). The budget makes this ability to reduce or eliminate services more explicit.

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 each county's partnership agreement with ODJFS. In addition to setting income eligibility criteria, counties have considerable latitude in determining the types, amounts, and duration of assistance to provide to eligible families. The policies that counties develop must be consistent with state and federal law. In FY 2009, the state expended \$167.3 million on noncash supports and services to families through counties' PRC programs from the TANF Block Grant.

Child Care

This category of line items includes the major sources of state and federal funding for publicly funded child care. The table below lists the line items associated with this category and the appropriated amounts.

Table 15. Appropriations for Child Care				
Fund		ALI and Name	FY 2010	FY 2011
General Revenue Fund				
GRF	600413	Child Care Match/MOE	\$79,401,065	\$84,732,730
GRF	600535	Early Care and Education	\$137,367,699	\$134,269,120
General Revenue Fund Subtotal			\$216,768,764	\$219,001,850
Federal Special Revenue Fund Group				
3H70	600617	Child Care Federal	\$241,862,780	\$241,862,779
Federal Special Revenue Fund Group Subtotal			\$241,862,780	\$241,862,779
Total Funding: Child Care			\$458,631,544	\$460,864,629

In addition to the appropriations above, ODJFS plans to use \$240.8 million in FY 2010 and \$217.8 million in FY 2011 from federally funded line item 600689, TANF Block Grant, towards child care. This totals about \$699.4 million in FY 2010 and \$678.7 million in FY 2011 for publicly funded child care and child care licensing activities. The executive estimates publicly funded child care average monthly caseloads to be 106,550 in FY 2010 and 110,400 in FY 2011.

The state provides child care subsidies to families based on different eligibility criteria. Families enrolled in OWF are guaranteed to receive subsidies as well as families that are within a 12-month period following the last month of eligibility for OWF or until income exceeds 150% FPG (\$27,465 annually for a family of three). Non-OWF families with incomes up to 150% FPG qualify for nonguaranteed child care and remain eligible for assistance as long as their incomes do not rise above 200% FPG (\$36,620 for a family of three). 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 families' incomes.

The budget creates groups to research and make recommendations pertaining to coordinating all state early childhood programs and services under the Department of Education. These groups include the Center for Early Childhood Development, the Early Childhood Financing Workgroup, and the Early Childhood Advisory Council.

Child Care Match/MOE (600413)

This GRF line item is used to provide payments for publicly funded child care services for low-income families. Funds expended from this GRF line item are counted

toward the state's MOE for the federal Child Care and Development Fund Grant and the state's TANF MOE. Ohio must contribute about \$83.0 million in MOE to receive the federal child care grant; \$45.4 million of this appropriation is applied to the state's TANF MOE. The budget provides \$79.4 million for FY 2010, a 0.9% decrease from FY 2009 expenditures, and \$84.7 million for FY 2011, a 6.7% increase over FY 2010. (Appropriations from GRF line item 600535, Early Care and Education, may also be used to meet MOE for the child care grant.)

Early Care and Education (600535)

This new GRF line item will be mainly used to provide payments for publicly funded child care services for low-income families. The budget provides \$137.4 million for FY 2010, and \$134.3 million for FY 2011, a 2.3% decrease from FY 2010. ODJFS plans to count expenditures from this GRF line item towards the state's TANF MOE. This line item may also be used towards MOE for the child care grant. In FY 2010, about \$16.0 million from this line item is budgeted for ELI payments. Though ELI was vetoed in the budget, children enrolled in the summer may have received services in July and August until contracts expired.

Child Care Federal (600617)

This federally funded line item is used to pay costs for publicly funded child care for low-income families and to fund child care regulation activities. This line item is supported by the federal Child Care and Development Fund Grant, which is deposited into the Child Care Federal Fund (Fund 3H70). The budget appropriates \$241.9 million for FY 2010 and FY 2011, a 30.2% increase over FY 2009 expenditures. This amount includes an additional \$34.1 million in each fiscal year as part of the federal stimulus, which accounts for most of the growth from FY 2009 to FY 2010. This federal line item is also used for the child care information system and child care regulation.

ODJFS's Office of Children and Families staff is responsible for regulating child care centers in the state. Ohio child care centers have the capacity to serve 323,400 children at over 4,240 centers, from infants to school age. 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 Children and Families 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 collects incident and injury reports from licensed facilities, sets standards through administrative rules, and inspects all licensed child care programs. Licensed programs are required to submit a corrective action plan for all rule violations. ODJFS provides technical support and monitors the center to assure that it has achieved compliance.

Food Assistance Programs

This category of line items supports food programs for the indigent including the Food Assistance Program, the Emergency Food Assistance Program, and the Ohio Association of Second Harvest Food Banks. The table below lists the line items associated with this category and the appropriated amounts.

Table 16. Appropriations for Food Assistance Programs				
Fund		ALI and Name	FY 2010	FY 2011
General Revenue Fund				
GRF	600540	Second Harvest Food Banks	\$3,500,000	\$3,500,000
General Revenue Fund Subtotal			\$3,500,000	\$3,500,000
Federal Special Revenue Fund Group				
3840	600610	Food Assistance and State Administration	\$159,109,776	\$159,109,427
3A20	600641	Emergency Food Distribution	\$9,953,222	\$4,970,000
Federal Special Revenue Fund Group Subtotal			\$169,062,998	\$164,079,427
State Special Revenue Fund Group				
5ES0	600630	Food Assistance	\$500,000	\$500,000
State Special Revenue Fund Group Subtotal			\$500,000	\$500,000
Agency Fund Group				
5B60	600601	Food Assistance Intercept	\$2,000,000	\$2,000,000
Agency Fund Group Subtotal			\$2,000,000	\$2,000,000
Total Funding: Food Assistance Programs			\$175,062,998	\$170,079,427

The federal government recently changed the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). The budget allows ODJFS to continue to refer to the program as the "Food Stamp Program" or to rename it the "Food Assistance Program" in rules and documents. ODJFS plans to use the term the "Food Assistance Program" to refer to this program. This analysis will refer to the program as the Food Assistance Program.

Second Harvest Food Banks (600540)

This new GRF line item will be used to provide funds to the Ohio Association of Second Harvest Food Banks. The budget provides \$3.5 million in FY 2010 and FY 2011. In addition to appropriations in this line item, the budget requires ODJFS to provide funds to the Ohio Association of Second Harvest Food Banks in each fiscal year in an amount equal to the funds provided in FY 2009, which was \$8.5 million. According to ODJFS, the Association will receive \$8.5 million in each fiscal year from the following sources:

- \$8.0 million from federally funded line item 600620, Social Services Block Grant;
 - \$6.0 million from a transfer from TANF Block Grant to the Social Services Block Grant;
 - \$2.0 million from the Social Services Block Grant;
- \$500,000 from line item 600630, Food Assistance, through a transfer from Fund 3840 to Fund 5ES0.

Based on the GRF appropriation and language specifying that ODJFS provide the Association with funds equal to what the Association received in FY 2009 (notwithstanding the GRF appropriation), the budget provides the Association with \$12.0 million in each fiscal year.

Food Assistance and State Administration (600610)

This federally funded line item is used to reimburse state and county departments of job and family services' costs of administering the Food Assistance Program. The Food Assistance Program supplements the incomes of the indigent with food benefits. For most activities, the federal government reimburses states 50% for managing the program. The amount of the appropriations is the federal match for state and county allowable expenditures for administrative activities.

The budget appropriates \$159.1 million for FY 2010 and FY 2011, a 25.8% increase over FY 2009 expenditures. Included in this appropriation is \$6 million in each fiscal year in federal stimulus for Food Assistance administration. This line item is also used to fund information technology expenses related to Food Assistance benefits, including the Electronic Benefit Transfer System.

Emergency Food Distribution (600641)

This federally funded line item is used to disburse 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.

The budget appropriates \$10.0 million for FY 2010, a 223.4% increase over the FY 2009 expenditures, and \$5.0 million for FY 2011, a 50.1% decrease from the FY 2010 appropriation. The increase from FY 2009 to FY 2010 is due to an additional \$5 million in federal stimulus for this grant program (the stimulus amount is only appropriated in FY 2010) and to an expected increase in the allotment of the grant that Ohio will receive.

State grant 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 federal 2008 Farm Bill increased funds available for state distribution; also, the state has increasing numbers of individuals with incomes under the poverty level and increasing numbers of unemployed. In FFY 2008, the state received about \$2.0 million from the TEFAP Grant and \$1.0 million from the CSFP Grant. According to ODJFS, 850,000 individuals receive food benefits through the TEFAP Program every month.

Food Assistance (600630)

This line item is used to distribute funds to the Ohio Association of Second Harvest Food Banks. The budget appropriates \$500,000 for FY 2010 and FY 2011, which equals FY 2009 expenditures. The budget permits the Director of Budget and Management to transfer \$1.0 million in cash from Fund 3840 to Fund 5ES0 over the biennium. The transfer supports expenditures from this line item.

Food Assistance 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 United States 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 \$2.0 million for FY 2010 and FY 2011.

Other Assistance Programs

This category of line items supports other assistance programs in the state including the Disability Financial Assistance Program, Refugee Services, and faith-based initiatives. The table below lists the line items associated with this category and the appropriated amounts.

Table 17. Appropriations for Other Assistance Programs				
Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund				
GRF	600511	Disability Financial Assistance	\$29,399,013	\$30,759,074
General Revenue Fund Subtotal			\$29,399,013	\$30,759,074
Federal Special Revenue Fund Group				
3850	600614	Refugee Services	\$10,497,024	\$11,265,511
3AW0	600675	Faith Based Initiatives	\$544,140	\$544,140
Federal Special Revenue Fund Group Subtotal			\$11,041,164	\$11,809,651
State Special Revenue Fund Group				
5GC0	600640	GOFBCI/Family Stability	\$70,000	\$70,000
State Special Revenue Fund Group Subtotal			\$70,000	\$70,000
Total Funding: Other Assistance Programs			\$40,510,177	\$42,638,725

Disability Financial Assistance (600511)

This GRF line item is used to fund the Disability Financial Assistance (DFA) Program. DFA provides financial assistance to disabled persons who are unemployable due to physical or mental impairment, and who are not eligible for public assistance programs that are supported in whole or in part by federal funds (for example, OWF or Supplemental Security Income). Eligibility is limited to individuals that received financial assistance under the program in June 2003, or to individuals age 60 and older that are determined disabled by the ODJFS Disability Determination Unit. Applicants to DFA must also apply for federal Social Security Disability Insurance.

In FY 2008, 16,400 recipients on average per month were enrolled in DFA at a cost of \$27.9 million. 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. This benefit is not time-limited.

The budget provides \$29.4 million for FY 2010, an 18.2% increase over FY 2009 expenditures, and \$30.8 million for FY 2011, a 4.6% increase over FY 2010. ODJFS estimates average monthly caseloads to increase to 18,900 in FY 2010 and 20,600 in FY 2011 mainly due to forecasted economic conditions over the biennium as well as enrollment trends and processing back-log applications.

Refugee Services (600614)

This federally funded line item funds the operation and administration of Ohio's Refugee Services programs. These 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. These programs are fully funded by the federal government. The budget appropriates \$10.5 million for FY 2010, a 59.1% increase over FY 2009 expenditures, and \$11.3 million for FY 2011, a 7.3% increase over the FY 2010 appropriation. ODJFS estimates that these appropriations will provide social services to 5,000 refugees and cash assistance to 1,500 refugees in each fiscal year. In FY 2008, 1,360 primary refugees settled in Ohio.

Faith Based Initiatives (600675)

This federally funded line item is used to expend the Healthy Marriage Initiative Grant, which is deposited into the Faith Based Compassion Grants Fund (Fund 3AW0), used by the Governor's Office of Faith-Based and Community Initiatives (GOFBCI). The grant amount is \$544,410 annually for five years and may be expended on activities that promote and support marriages. GOFBCI uses funds from this grant specifically for marriage education courses in five Ohio metropolitan areas: Akron, Cincinnati, Cleveland, Columbus, and Toledo. The budget appropriates \$544,140 for FY 2010 and FY 2011, a 4.7% decrease from FY 2009 expenditures.

The main functions of GOFBCI include disbursing grants to nonprofit organizations, administering the Ohio Benefit Bank, and overseeing the Ohio Anti-Poverty Task Force. In addition to receiving federal grants, GOFBCI receives funds from other line items in ODJFS's budget. According to ODJFS, GOFBCI will receive \$7.3 million in FY 2010 and \$6.5 million in FY 2011 from the TANF Block Grant to fund community initiatives. Also, expenditures for administration and the Ohio Benefit Bank will be supported through GRF line items 600321, Support Services, and 600416, Computer Projects.

GOFBCI/Family Stability (600640)

This new line item is used to expend funds from a grant from the Living Cities' National Community Development Initiative. Living Cities is a private foundation. The grant funds the salary of a temporary staff person to support and coordinate the activities of the Ohio Anti-Poverty Task Force's subgroup on Work Supports and Benefits. The budget appropriates \$70,000 in FY 2010 and FY 2011.

Administration

The table below shows the GRF line item associated with administrative activities in the Office of Family Stability and the appropriated amounts. In addition to this GRF line item, administrative expenditures for TANF programs, publicly funded child care, food assistance programs, and other assistance programs are paid from those programs' respective line items.

Table 18. Appropriations for Administration				
Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund				
GRF	600421	Office of Family Stability	\$3,796,625	\$3,753,002
Total Funding: Administration			\$3,796,625	\$3,753,002

Office of Family Stability (600421)

This GRF line item is the primary source of administrative and operating expenses for the Office of Family Stability. The budget provides \$3.8 million in each fiscal year, a 35.5% increase from FY 2009 expenditures. Part of this increase in appropriation from FY 2009 to FY 2010 is due to planning to pay some existing staff out of this line item instead of GRF line item 600416, Computer Projects.

Children and Families

- Funding of \$853.7 million for FY 2010 and \$839.2 million for FY 2011
- 80% of funding provided by federal grants

OVERVIEW

Program Overview

The Office of Children and Families (OCF) is responsible for state level administration and oversight of programs that prevent child abuse and neglect. OCF provides services to abused and neglected children and their families (birth, foster, and adoptive) and licenses foster homes, residential facilities, child care homes and centers.

Ohio operates in a state supervised, county administered system. ODJFS sets the policies and procedures and guides county agencies in program and service delivery. Each county is responsible for creating, operating, and financing a child welfare program within the context of state and federal laws, regulations, and policies. State and federal laws require county child welfare agencies to investigate reports of child abuse and neglect, issue a finding concerning an investigation, and if necessary, intervene to protect children who are at risk of maltreatment.

Child welfare services are provided by 88 county public children services agencies (PCSAs) which provide direct services to children and families. The PCSAs were created by Ohio law and the structure of each is determined at the local level. There are 55 PCSAs located within the administrative body of the county departments of job and family services. The remaining 33 are separate children services boards.

Appropriation Overview

The budget appropriates \$853.7 million in FY 2010 and \$839.2 million in FY 2011 for the Children and Families category. The table below shows expenditures by fund group for FY 2009 and budget appropriations for FY 2010 and FY 2011.

Fund Group	FY 2009	FY 2010	% Change	FY 2011	% Change
General Revenue	\$157,092,744	\$158,472,608	0.9%	\$155,026,369	(2.2%)
Federal Special Revenue	\$490,919,947	\$683,796,459	39.3%	\$672,667,047	(1.6%)
State Special Revenue	\$8,282,937	\$11,471,799	38.5%	\$11,471,799	0.0%
TOTAL	\$656,295,628	\$853,740,866	30.1%	\$839,165,215	(1.7%)

The Children and Families category is funded through a mix of state and federal funds. The budget provides a 30.1% increase in FY 2010 over FY 2009 expenditures and a 1.7% decrease in FY 2011 from FY 2010.

Vetoed Provision

The Governor vetoed a \$1.5 million earmark of line item 600523, Children and Families Services, in each fiscal year for independent living services for foster youth and former foster youth between 16 and 21 years of age.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the appropriations for each line item in the Children and Families category. In this analysis, a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used. The table below shows the appropriation for each line item in this category.

Table 20. Appropriations for Children and Families				
Fund		ALI and Name	FY 2010	FY 2011
General Revenue Fund				
GRF	600423	Office of Children and Families	\$5,298,150	\$5,232,561
GRF	600523	Children and Families Services	\$60,538,878	\$59,005,915
GRF	600528	Adoption Services	\$72,209,708	\$70,381,223
GRF	600533	Child, Family, and Adult Community & Protective Services	\$15,000,000	\$15,000,000
GRF	600534	Adult Protective Services	\$425,872	\$406,670
GRF	600541	Kinship Permanency Incentive Program	\$5,000,000	\$5,000,000
General Revenue Fund Subtotal			\$158,472,608	\$155,026,369
Federal Special Revenue Fund Group				
3270	600606	Child Welfare	\$33,972,321	\$33,984,200
3950	600616	Special Activities/Child and Family Services	\$3,113,200	\$2,813,200
3960	600620	Social Services Block Grant	\$120,000,000	\$120,000,000
3980	600627	Adoption Maintenance/Administration	\$355,345,646	\$352,184,668
3D30	600648	Children's Trust Fund Federal	\$2,040,524	\$2,040,524
3N00	600628	IV-E Foster Care Maintenance	\$169,324,768	\$161,644,455
Federal Special Revenue Fund Group Subtotal			\$683,796,459	\$672,667,047
State Special Revenue Fund Group				
1980	600647	Children's Trust Fund	\$5,881,011	\$5,881,011
4E70	600604	Child and Family Services Collections	\$121,318	\$121,318
4F10	600609	Foundation Grants/Child and Family Services	\$250,000	\$250,000
5DP0	600634	Adoption Assistance Loan	\$500,000	\$500,000
5U60	600663	Children and Family Support	\$4,719,470	\$4,719,470
State Special Revenue Fund Group Subtotal			\$11,471,799	\$11,471,799
Total Funding: Children and Families			\$853,740,866	\$839,165,215

Office of Children and Families (600423)

This GRF line item is used to provide the primary source of funding for the operating expenses of OCF including payroll, purchased personal services, conference fees, maintenance, and equipment. Also included in this line item is funding for the Bureau of Automated Services, which is responsible for the implementation of the Statewide Automated Child Welfare Information System. The budget provides \$5.3 million for FY 2010, an 18.4% increase over FY 2009 expenditures and \$5.2 million for FY 2011, a 1.2% decrease from FY 2010.

OCF is responsible for the oversight of ODJFS programs at both the state and county levels. Programs and services offered include: performing licensing and regulatory inspections of childcare and foster care providers; administering child abuse prevention and protection, adoption and foster care services, child care subsidies for low income working families; developing and maintaining information systems 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 all 88 county agencies.

Children and Families Services (600523)

This GRF line item provides the state share for the Foster Parent Stipends Program and the federal Chaffee Education Training Vouchers, which allows ODJFS to reimburse foster caregivers for attending and completing ODJFS-approved training courses; the State Operating Allocation, which provides state funds to supplement the Title XX funds a county receives; the State Child Protection Allocation, which is a general block grant to each PCSA to partially reimburse costs incurred by the PCSA in performing its duties; and to implement the Feisal Case Review recommendations. In FY 2009, the Foster Parent Stipends Program provided \$4.4 million to about 15,000 recipients. For the 2008-2009 school year, \$1.7 million in Education Training Vouchers was awarded to 500 youth. The budget provides \$60.5 million for FY 2010, a 10.8% decrease from FY 2009 expenditures and \$59.0 million for FY 2011, a 2.5% decrease from FY 2010.

Adoption Services (600528)

This GRF line item is used for the state adoption program, which provides maintenance payments to families who adopt children with special needs. Many of the children available for adoption are considered special needs because they are older, part of a siblings group, or have physical, mental, or emotional health, and developmental delays. Some children labeled as special needs 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. In FY 2009, about 70% of the children adopted through the child welfare system had special needs. The budget provides \$72.2 million (\$22.9 million state share) for FY 2010, a 13.8% decrease from FY 2009 expenditures and \$70.4 million (\$24.1 million state share) for FY 2011, a 2.5% decrease from FY 2010.

The budget eliminates the requirement that a PCSA must provide subsidy payments to the adoptive parents of a child with special needs, or the adoptive parents of a child as determined by the PCSA, after the adoption is finalized, to be in need of public care or protective services and instead permits the PCSA to enter into a subsidy payment agreement if state funds are available.

Child, Family, and Adult Community & Protective Services (600533)

This new GRF line item will be used to help individuals achieve or maintain self-sufficiency; to respond to reports of abuse, neglect, or exploitation of children and adults; to provide outreach and referral services regarding home and community-based services to individuals at risk of placement in a group home or institution; and to provide outreach, referral, application assistance, and other services to assist individuals in receiving assistance, benefits, or services from public assistance programs including Medicaid. The budget appropriates \$15.0 million for FY 2010 and FY 2011, which is to be distributed to counties using the formula that is used by ODJFS to determine each county's Title XX allocation.

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. County departments of job and family services 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 the report is received. Upon completion of the 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 and self-sufficiency. The budget provides \$425,872 for FY 2010, a 57.2% decrease from the FY 2009 expenditures and \$406,670 for FY 2011, a 4.5% decrease from FY 2010.

Kinship Permanency Incentive Program (600541)

This new GRF line item is for the Kinship Permanency Incentive (KPI) Program which was previously funded by earmarks of federally funded line item 600689, TANF Block Grant. The KPI Program provides time-limited incentive payments to kinship

caregivers who meet eligibility criteria. The budget appropriates \$5.0 million for FY 2010 and FY 2011; that amount is 50% less than the TANF earmark in FY 2009.

Kinship 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. Families in the program receive an initial payment of \$1,000 per child with additional \$500 payments every six months over three years, up to a maximum of \$3,500. KPI eligibility is determined by PCSA or private child placing agency approval, a court-issued custody or guardianship order issued on or after July 1, 2005, and an income that does not exceed 300% of Federal Poverty Guidelines (\$54,930 for a family of three). In FY 2009, more than 4,800 children were placed in certified or approved relative care.

Child Welfare (600606)

This federally funded line item provides the funding mechanism for the Federal Child Welfare Services Title IV-B, Parts 1 and 2, under Title IV of the Social Security Act. 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 expenses. The balance of the grant award is distributed between ODJFS and PCSAs for child welfare program related expenses. The Title IV-B, Part 2 grant permits states to claim expenditures for family preservation, support services, case worker visitation, and adoption promotion services at 75%. Funds from the Title IV-B, Part 2 grant are predominantly allocated to the PCSAs. The budget appropriates \$34.0 million for FY 2010 and FY 2011, a 58.4% increase over FY 2009 expenditures.

PCSA's are required to receive reports of child abuse and neglect, and to investigate those reports in a timely manner. When necessary, the PCSA works with families to identify services and develop a case plan that reduces 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 remain safely in the home and it becomes necessary for the PCSA to work with the local court system to remove the child from the situation. 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, permanent living situation that promotes the child's health, growth, and development. Alternative living arrangements include: kinship care, foster care, and adoption.

Special Activities/Child and Family Services (600616)

This federally funded line item provides the funding mechanism for 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 investigation of cases of child sexual abuse and exploitation. The Child Abuse, Neglect, and Treatment Grant is used for creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations and improving legal preparation and representation, including 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 overall 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 \$3.1 million for FY 2010, an 80.8% increase over FY 2009 expenditures and \$2.8 million for FY 2011, a 9.6% decrease from the FY 2010 appropriation.

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). The SSBG is appropriated under Title XX of the Social Security Act. Three state departments share in the total grant received: ODJFS (72.50%), the Department of Mental Health (12.93%), and the Department of Developmental Disabilities (14.57%). The SSBG 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. This line item also includes TANF funds transferred to the SSBG. The budget appropriates \$120.0 million for FY 2010 and FY 2011, a 12.3% increase over FY 2009 expenditures.

Adoption Maintenance/Administration (600627)

This federally funded line item 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 costs incurred on behalf of eligible children. Reimbursement is made quarterly to counties for their administrative and training expenses. This line item is also used to pass the federal share of Title IV-E adoption assistance payments over \$300 to the counties. This line item also provides Independent Living Grants to assist states and localities 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 \$355.3 million for FY 2010, a 48.4% increase over FY 2009 expenditures and \$352.2 million for FY 2011, a 0.9% decrease from the FY 2010 appropriation. According

to ODJFS, the basis of the appropriations for FY 2010 and FY 2011 is the original appropriation for the previous biennium (about \$318 million each year) and not the expenditures for those years (\$229 million in FY 2008, \$240 million in FY 2009), which explains the 48.4% increase.

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 those 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. In FY 2009, 1,321 children were adopted, of those 497 (38%) were adopted by foster parents and 470 (36%) were part of a sibling group.

The budget eliminates the requirement that ODJFS maintain a listing of all children available for adoption and all approved persons who wish to adopt children, and submit a report with conclusions regarding the effectiveness of the listing program to the General Assembly.

Independent Living Program

The county PCSAs are required to provide independent living services for youth 16 to 18 years old that 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 15 to 21 years old, who have been emancipated from substitute care, are also eligible to receive independent living services upon request. The PCSAs are also permitted to use a portion of their allocation to assist these individuals with rent and other costs. In FY 2009, the Independent Living Program served 533 individuals, including 376 that were over the age of 18.

IV-E Foster Care Maintenance (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. The budget appropriates \$169.3 million for FY 2010, a 39.6% increase over FY 2009 expenditures and \$161.6 million for FY 2011, a 4.5% decrease from the FY 2010

appropriation. In FY 2008, placement costs were about \$218.4 million. Costs in excess of amounts provided from state and federal sources are paid by the county.

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 and/or, find other permanent living arrangements when children cannot safely return home. During FY 2009, foster children were placed in 7,219 licensed foster homes in Ohio, including 598 with adoptive placements. During FY 2009, 25,507 children were living in foster care.

Children's Trust Fund (600647 and 600648)

Line item 600647, Children's Trust Fund, provides the state funding mechanism for the expenditures related to the Ohio Children's Trust Fund (OCTF). The OCTF was created in 1984 and is the state's primary funding agent for programs designed to prevent child abuse and neglect. The 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. The daily operations of OCTF are managed by the ODJFS Bureau of Prevention staff that review proposals, participate in grantee selection, monitor services and expenditures, and provide technical assistance and training to grantees. The budget appropriates \$5.9 million for FY 2010 and FY 2011, a 27.5% increase over FY 2009 expenditures.

Federally funded line item 600648, Children Trust Fund Federal, provides Community Based Family Resource Program Grant dollars to support family resource centers. The goal of family resource centers (FRC) is to provide a continuum of prevention services that target at-risk populations. FRCs attempt to reach parents early and provide interventions that can positively influence long-term parent-child relationships. The centers can offer parent education and support, early development screening of children, parent mentoring, job readiness and counseling, and crisis intervention. The budget appropriates \$2.0 million for FY 2010 and FY 2011.

Child and Family Services Collections (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 Putative Father Registry receives in excess of 1,000 requests to search each year. The budget appropriates \$121,318 for FY 2010 and FY 2011.

Foundation Grants/Child and Family Services (600609)

This line item is used to expend grants for families and children awarded to ODJFS by nonprofit private philanthropic foundations. The major expenditures funded by this line item include state-issued subgrants to counties and nonprofit private organizations. Currently this line item is being used to implement the Alternative Response Pilot Program. The budget appropriates \$250,000 for FY 2010 and FY 2011, a 3.7% decrease from FY 2009 expenditures. ODJFS had anticipated funding from this grant at \$750,000 per year, the actual amount awarded was \$250,000 with the remainder being given directly to the counties participating in the Alternate Response Pilot Program. The appropriations in FY 2010 and FY 2011 reflect the amount of grant funding that ODJFS anticipates receiving in those years.

The Alternative Response Pilot Program began July 1, 2008 and will last 18 months using foundation funds from the Casey Family Programs Grant. This program tests a broader set of responses to possible cases of child abuse or neglect and is meant to improve Ohio's response to reports of child abuse and neglect. Under the pilot program, if a child's safety is not in question, case workers can use early intervention and prevention strategies with families to address issues pertaining to child welfare and safety and improve access to other supportive services.

The pilot program will include a 15 month evaluation period that runs concurrently with the program. If the independent evaluation recommends statewide implementation, the budget permits ODJFS to expand the Alternative Response approach and requires that rules for the program be adopted through the Joint Committee on Agency Rule Review prior to statewide implementation.

Adoption Assistance Loan (600634)

This new line item is the funding mechanism for providing loans for the financial needs of prospective adoptive parents. Originally established in Am. Sub. H.B. 562 of the 127th General Assembly, this loan program allows prospective adoptive parents with an approved home study to apply for a loan for certain costs incurred when adopting a child. A prospective parent can receive no more than \$3,000 if the child being adopted resides in Ohio and no more than \$2,000 if the child resides in another state. H.B. 562 requires that \$500,000 be transferred on July 1 of each fiscal year from the Unclaimed Funds Trust Fund (Fund 5430) used by the Department of Commerce to the Adoption Assistance Loan Fund (Fund 5DP0), which supports this line item. Future revenue will be collections received on repayment of loans from this line item. The budget appropriates \$500,000 for FY 2010 and FY 2011. The budget specifies that ODJFS may use up to 10% of this appropriation item for the administration of loans to prospective adoptive parents.

Children and Family Support (600663)

This line item funds the state portion of the Ohio Child Welfare Training Program (OCWTP) for county personnel and child welfare related administrative expenses. 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's training and operations budget is funded through a 5% hold-back imposed on Title IV-E administrative payments that are made to juvenile courts that have agreements with ODJFS. OCWTP also provides tuition assistance to students using a 2.5% hold-back imposed by ODJFS on Title IV-E administrative payments that are made to county child welfare agencies in addition to federal funding that the hold-back revenue draws, in part, as matching money. In FY 2009, OCWTP provided \$460,000 in financial assistance to 92 students. The budget appropriates \$4.7 million for FY 2010 and FY 2011, a 38.4% increase over FY 2009 expenditures.

Child Support

- Funding of \$479.1 million for FY 2010 and \$478.1 million for FY 2011
- Federal financial participation for a large portion of administrative expenses is 66%

OVERVIEW

Program Overview

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. Within ODJFS, the Office of Child Support (OCS) has the responsibility for providing program direction, overseeing local activity, and administering statewide contracts for some services (i.e., genetic testing). The local support enforcement agency has the responsibility for the 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. There are over one million child support cases statewide. In federal fiscal year (FFY) 2008, Ohio collected and disbursed almost \$2.0 billion in child support. Of the amount collected, approximately \$1.53 billion (76.7%) was current support obligations; approximately \$417.6 million was collected toward arrears.

Appropriation Overview

The Child Support Program is funded through a mix of state and federal funds. For this category, the budget appropriates \$479.1 million for FY 2010, a 22% increase over the FY 2009 expenditures and nearly flat funding of \$478.1 million in FY 2011. The table below shows expenditures by fund group for FY 2009 and appropriations for FY 2010 and FY 2011.

Fund Group	FY 2009	FY 2010	% Change	FY 2011	% Change
General Revenue	\$33,087,134	\$26,718,205	-19.2%	\$25,747,498	-3.6%
Federal Special Revenue	\$215,442,446	\$306,365,031	42.2%	\$306,366,391	0.0%
Agency	\$145,467,774	\$146,000,000	0.4%	\$146,000,000	0.0%
TOTAL	\$393,997,354	\$479,083,236	21.6%	\$478,113,889	-0.2%

Funding Sources

Federal reimbursement is available for IV-D allowable state and county administrative expenditures. 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. Around 96% of child support enforcement agency (CSEA) cases are considered IV-D and thus eligible for federal reimbursement. The federal share is referred to as federal financial participation (FFP). The FFP reimbursement rate for allowable IV-D expenditures is 66%.

Federal reimbursement dollars are allocated to the state for operation and administration expenses associated with the Child Support Enforcement Program. The state then passes a portion of these funds, the federal share of county administrative expenditures, on to the counties as part of each county's GRF administrative advance. The remaining funding for the Child Support category comes from state appropriated general revenue and agency funds. The state and county GRF earn federal reimbursement, a portion of which is allocated to the county CSEAs.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the appropriations for each line item in the Child Support category. In this analysis, a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation. The table below shows the line items in this category and the appropriated amounts.

Table 22. Appropriations for Child Support				
Fund		ALI and Name	FY 2010	FY 2011
General Revenue Fund				
GRF	600420	Child Support Administration	\$6,011,708	\$5,908,839
GRF	600502	Administration – Local	\$20,706,497	\$19,838,659
General Revenue Fund Subtotal			\$26,718,205	\$25,747,498
Federal Special Revenue Fund Group				
3970	600626	Child Support	\$305,830,981	\$305,832,341
3S50	600622	Child Support Projects	\$534,050	\$534,050
Federal Special Revenue Fund Group Subtotal			\$306,365,031	\$306,366,391
Agency Fund Group				
1920	600646	Support Intercept – Federal	\$130,000,000	\$130,000,000
5830	600642	Support Intercept – State	\$16,000,000	\$16,000,000
Agency Fund Group Subtotal			\$146,000,000	\$146,000,000
Total Funding: Child Support			\$479,083,236	\$478,113,889

The responsibility for implementation of the Child Support Program is shared by federal, state, and local agencies, each with clearly defined roles. The federal government provides program funding; sets program standards, policy, and regulations; evaluates and audits the state/local programs; and provides technical assistance and training to states.

Child Support Enforcement (600420, 600502, and 600626)

This group of line items provides the main sources of funding for the Child Support Enforcement Program. GRF line item 600420, Child Support Administration, provides the state share of administrative expenditures; GRF line item 600502, Administration – Local, is used to provide funds to the counties for operating expenses; and federal line item 600626, Child Support, provides the federal share of all county and state administrative expenditures.

The state operates the automated child support computer system, processes payments at a single centralized site, maintains a registry of all child support cases in the state (State Case Registry) and maintains a database of all newly hired employees in the state (New Hire Directory). GRF line item 600420, Child Support Administration, supports operating expenses of ODJFS's Office of Child Support. Expenditures from this line item earn federal reimbursement at a rate of 66%. The budget provides \$6.0 million for FY 2010, a 14.9% decrease from FY 2009 expenditures and \$5.9 million for FY 2011, a 1.7% decrease from FY 2010.

GRF line item 600502, Administration – Local, is used to provide funds to counties for operating expenses of the county child support enforcement agencies (CSEAs). This line item also provides a portion of the nonfederal share of county child support administrative expenditures for non-IV-D cases. The budget provides \$20.7 million for FY 2010, a 20.4% decrease from FY 2009 expenditures and \$19.8 million for FY 2011, a 4.2% decrease from FY 2010.

Federally funded line item 600626, Child Support, provides the federal share of all county and state child support administrative expenditures. The three major components of this line item are county administration, which provides funding for the CSEAs monthly based on current expenditures and county estimates; state administration, which includes personal services, purchased personal services, maintenance, equipment, and the federal share of the Support Enforcement Tracking System (SETS); and the federal child support incentive dollars. In addition, the FFP reimbursement is deposited into the Child Support Fund (Fund 3970) and appropriated through this line item. The budget appropriates \$305.8 million for FY 2010 and FY 2011, a 42.2% increase over FY 2009 expenditures.

Child support 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.

Administrative Procedure Changes

The budget includes several provisions that affect child support enforcement administration procedures. These provisions include a requirement that the Director of ODJFS adopt rules for the compromise and waiver of child support arrearages owed to the state and federal governments, consistent with the federal Title IV-D guidelines. There may be some initial costs associated with the adoption of rules regarding the compromise and waiver of owed child support arrearages. However, ODJFS expects this to result in overall administrative savings, as it will reduce the amount of permanently assigned arrears.

The budget requires employers with more than 50 employees to send child support payments electronically and authorizes courts and CSEAs to issue child

support withholding or deduction notices by secure electronic format instead of regular mail. The electronic income withholding and notice authorization is also likely to result in administrative savings for ODJFS.

The budget also requires health insurance providers, upon request, to send information to OCS identifying policy holders and policy information. This provision may also result in savings to ODJFS as it enables the Office of Ohio Health Plans, within ODJFS, to share certain information it receives with OCS.

Child Support Projects (600622)

This federally funded line item uses federal grant dollars to provide funding for the Access/Visitation Program. The program supports and facilitates the nonresidential parents' access to, and visitation of, their children to encourage the payment of child support obligations. These services include mediation centering on access and visitation, parenting education classes, and the development of visitation enforcement orders. CSEAs apply for these funds from OCS. In FY 2009, there were 515 child participants in the program. During that year, the program served 278 fathers, 305 mothers, 21 grandparents, and 52 legal guardians. The budget appropriates \$534,050 for FY 2010 and FY 2011, a 76.7% increase from FY 2009 expenditures.

Support Intercept (600646 and 600642)

The Support Intercept – Federal Fund (Fund 1920) and the Support Intercept – State Fund (Fund 5830), which fund these two line items, 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 Department of Taxation as part of a tax off-set program for obligors who owe arrearages. Through this program, the county CSEAs are able to submit the names of obligors who owe arrearages, and the obligor's tax returns are offset and forwarded to ODJFS. Upon receipt, the collections are disbursed to CSPC for processing and distributed to the obligee. The IRS retains a processing fee from the collections forwarded to ODJFS.

For line item 600646, Support Intercept – Federal, the budget appropriates \$130.0 million for FY 2010 and FY 2011. For line item 600642, Support Intercept – State, the budget appropriates \$16.0 million for FY 2010 and FY 2011.

Workforce Development

- WIA funding increases more than 73% over the biennium
- Rapid Response will focus on transitioning dislocated workers

OVERVIEW

Program Overview

The Office of Workforce Development (OWD) in the Ohio Department of Job and Family Services (ODJFS) administers the Workforce Investment Act (WIA) and works with the Department of Development (DOD), Board of Regents (BOR), the Governor's Office, U.S. Department of Labor (DOL), local workforce investment boards, and a variety of stakeholders, to distribute federal grant dollars to local workforce investment areas, provide administration and operational management for several federal programs, and offer specific services in support of the programs.

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, as well as provides services that assist Ohioans in removing barriers, entering employment, maintaining employment, and gaining self-sufficiency and independence. OWD also provides programs to assist Ohio's businesses in recruiting 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.

Appropriation Overview

The budget appropriates \$389.6 million in FY 2010 and \$385.7 million in FY 2011 for Workforce Development. The table below shows expenditures by fund group for FY 2009 and budget appropriations for FY 2010 and FY 2011. The increase in the Federal Special Revenue Fund Group can be attributed to the increase in federal stimulus dollars for WIA that Ohio will receive during the biennium for workforce development programs and services for unemployed and underemployed individuals. The Federal Special Revenue Fund Group comprises 99.5% of OWD's budget.

Table 23. Workforce Development Appropriations by Fund Group (Am. Sub. H.B. 1)					
Fund Group	FY 2009	FY 2010	% change	FY 2011	% change
Federal Special Revenue	\$229,928,651	\$387,595,855	68.6%	\$383,715,528	(1.0%)
State Special Revenue	\$446,278	\$2,000,000	348.2%	\$2,000,000	0.0%
TOTAL	\$230,374,929	\$389,595,855	69.1%	\$385,715,528	(1.0%)

ANALYSIS OF ENACTED BUDGET

Workforce Development

This line item category includes the major sources of funding OWD receives to administer the Workforce Investment Act Program. The table below lists the line items associated with this category and the appropriated amounts.

Table 24. Appropriations for Workforce Development				
Fund		ALI and Name	FY 2010	FY 2011
Federal Special Revenue Fund Group				
3310	600686	Federal Operating	\$60,672,731	\$56,569,912
3V00	600688	Workforce Investment Act	\$326,923,124	\$327,145,616
Federal Special Revenue Fund Group Subtotal			\$387,595,855	\$383,715,528
State Special Revenue Fund Group				
5DB0	600637	Military Injury Grants	\$2,000,000	\$2,000,000
State Special Revenue Fund Group Subtotal			\$2,000,000	\$2,000,000
Total Funding: Workforce Development			\$389,595,855	\$385,715,528

Federal Operating (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. This line item funds the administrative functions of the following programs: Labor Exchange Services, Migrant Seasonal Farm Workers Program, Foreign Labor Certification Program, Work Opportunity Tax Credit Program, Labor Market Information, and Services to Veterans. The budget appropriates \$60.7 million for FY 2010, a 45.3% increase from FY 2009 expenditures and \$56.6 million for FY 2011, a 6.8% decrease from the FY 2010 appropriation. The appropriations include \$28.1 million for FY 2010 and \$5.9 million for FY 2011 in federal stimulus dollars.

Workforce Investment Act (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 activities through local One-Stops. The state's WIA allotment is based on the rate of unemployment. ODJFS retains a portion of these dollars for statewide use, Rapid Response, and administration. In FY 2009, WIA funds provided services through the One-Stop system to 11,257 adults, 9,138 dislocated workers, and 3,349 youth. In the last year, Rapid Response funding focused on transitioning dislocated workers and ODJFS anticipates that same focus during the FY 2010-FY 2011 biennium. The budget appropriates \$326.9 million for FY 2010, a 73.8% increase over FY 2009 expenditures,

and \$327.1 million for FY 2011, a 0.1% increase over the FY 2010 appropriation. The increase is due to projections of anticipated federal stimulus dollars and additional National Emergency Grant funds.

Military Injury Grants (600637)

This line item is used to provide military injury grants to eligible veterans of Operation Enduring Freedom or Operation Iraqi Freedom. In FY 2009, 643 grants totaling \$482,250 were awarded. ODJFS increased the military injury relief grant amount from \$500 in FY 2008 to \$750 in FY 2009. The budget appropriates \$2.0 million in FY 2010 and FY 2011. At the appropriated level, ODJFS will be able to provide 2,000 grants to veterans at the rate of \$1,000 per grant for each year of the biennium.

Unemployment Compensation

- Federal funding for unemployment programs increases \$37.0 million in FY 2010

OVERVIEW

Program 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 the Unemployment Compensation Trust Fund, which is funded through state insurance taxes that are paid by employers and collected by the Ohio Department of Job and Family Services (ODJFS). The Office of Unemployment Compensation (OUC) within ODJFS administers the Unemployment Insurance Program. OUC's functions include paying unemployment compensation benefit claims, collecting state unemployment taxes, developing policies and procedures, facilitating training opportunities for trade-affected workers, and providing job search and relocation activities.

Appropriation Overview

The table below shows OUC's budget by fund group for FY 2009, as well as the appropriations for FY 2010 and FY 2011. Although the largest percentage increase in appropriation is in the State Special Revenue Fund Group in FY 2010 and FY 2011 (235.0% and 35.5% respectively), the most significant increase is in the Federal Special Revenue Fund Group in FY 2010 at 30.9%. The increase in both the Federal Special Revenue Group and State Special Revenue Fund Group can mainly be attributed to the anticipated increase in the number of unemployment claims processed and unemployment services provided during the biennium.

Fund Group	FY 2009	FY 2010	% change	FY 2011	% change
Federal Special Revenue	\$130,623,200	\$170,966,263	30.9%	\$140,470,001	(17.8%)
State Special Revenue	\$9,013,791	\$30,192,048	235.0%	\$40,903,549	35.5%
TOTAL	\$139,636,991	\$201,158,311	44.1%	\$181,373,550	(9.8%)

ANALYSIS OF ENACTED BUDGET

Unemployment Compensation

This category of line items includes the major sources of funding OUC receives to administer the Unemployment Compensation Program. The table below lists the line items associated with this category and the appropriated amounts.

Table 26. Appropriations for Unemployment Compensation				
Fund		ALI and Name	FY 2010	FY 2011
Federal Special Revenue Fund Group				
3V40	600678	Federal Unemployment Programs	\$167,478,790	\$136,982,528
3V40	600679	Unemployment Compensation Review Commission – Federal	\$3,487,473	\$3,487,473
Federal Special Revenue Fund Group Subtotal			\$170,966,263	\$140,470,001
State Special Revenue Fund Group				
4A90	600607	Unemployment Compensation Administration Fund	\$27,134,851	\$37,772,416
4A90	600694	Unemployment Compensation Review Commission	\$2,357,197	\$2,431,133
4R30	600687	Banking Fees	\$700,000	\$700,000
State Special Revenue Fund Group Subtotal			\$30,192,048	\$40,903,549
Total Funding: Unemployment Compensation			\$201,158,311	\$181,373,550

Federal Unemployment Programs (600678)

This federally funded line item is used to support the functions of OUC, Office of Workforce Development, and the Office of Local Operations to administer federal unemployment programs. OUC administers the Unemployment Compensation Program, which includes processing claims for unemployment benefits and Trade Act programs that provide benefit payments and services to individuals who have been dislocated due to the relocation of their employer or laid off due to foreign competition. The OUC office is responsible for collecting the state unemployment tax for ODJFS. In addition, the Office of Local Operations maintains six call centers and 16 processing centers throughout the state to process unemployment claims. In FY 2009, OUC processed more than 648,000 unemployment claims, collected more than \$1 billion in tax contributions from nearly 229,000 employers, and processed more than 23 million wage records from employers.

The budget appropriates \$167.5 million in FY 2010, a 31.4% increase over FY 2009 expenditures and \$137.0 million in FY 2011, an 18.2% decrease from the FY 2010

appropriation. According to ODJFS, OUC will operate at staffing levels above the FY 2009 level due to greater workload demands.

The budget also appropriates any unspent funds from FY 2009 in this line item to ODJFS and authorizes the Director of the Office of Budget and Management, at the ODJFS Director's request, to increase appropriations for FY 2010 by the amount remaining unspent from FY 2009 appropriations and increase appropriations for FY 2011 by the amount remaining unspent from FY 2010 appropriations. These funds must be used for administrative activities for the UC Program, employment services, or any other allowable expenditures under section 903(d) of the Social Security Act. The appropriation increase is limited to the balance of federal funds remaining after benefits have been paid and obligated administrative expenditures are reconciled.

Unemployment Compensation Review Commission (600679 and 600694)

These line items fund the payroll costs for the Unemployment Compensation Review Commission (UCRC). UCRC conducts reviews for applicants who wish to appeal a benefit determination. In FY 2009, UCRC received about 21,000 appeals. Of that number, UCRC issued more than 15,000 dispositions.

For federally funded line item 600679, Unemployment Compensation Review Commission – Federal, the budget appropriates \$3.5 million in FY 2010 and FY 2011, an 11.7% increase over FY 2009 expenditures. Funding for this line item is provided by DOL from revenues collected from employers by the IRS pursuant to the Federal Unemployment Tax Act.

For line item 600694, Unemployment Compensation Review Commission, the budget appropriates \$2.4 million in FY 2010 and FY 2011, a 50.7% increase over FY 2009 expenditures.

Unemployment Compensation Administration Fund (600607)

This line item is used to fund operations related to unemployment services for which federal funds are not available. Funding for this line item comes from the interest collected on delinquent employer contributions to the Unemployment Compensation Trust Fund plus all fines and forfeitures assessed on employers. The budget appropriates \$27.1 million in FY 2010, a 272.6% increase over FY 2009 expenditures and \$37.8 million in FY 2011, a 39.2% increase over the FY 2010 appropriation. The increase is attributed to an anticipated increase in administrative expenditures related to administering the UC Program.

Banking Fees (600687)

This line item is used to pay charges assessed by the Treasurer of State for clearing and accounting for unemployment compensation benefit warrants and other various processing charges. The budget appropriates \$700,000 in FY 2010 and FY 2011.

Administration

- GRF appropriations for Administration over biennium are 27.8% less than actual FY 2008-FY 2009 expenditures
- Includes new GSF line item 600633, Administration and Operating, for state hearings, audit adjustments, and other costs related to administration of grants

OVERVIEW

Administrative services to ODJFS program offices are provided by the Director's Office and the offices of Legislation; Legal Services; Communications; Employee and Business Services; Research, Assessment, and Accountability; Contracts and Acquisition; Chief Inspector; and Fiscal Services. Services 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 Management Information Services (MIS), 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 designs, develops, implements, and provides technical support for computer systems for Medicaid, 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 MIS applications and business functions.

ANALYSIS OF ENACTED BUDGET

Administration

This category of appropriations includes the major sources of funding for ODJFS 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 lists the line items associated with this category and the appropriated amounts.

Table 27. Appropriations for Administration				
Fund		ALI and Name	FY 2010	FY 2011
General Revenue Fund				
GRF	600321	Support Services	\$50,321,179	\$49,407,447
GRF	600416	Computer Projects	\$84,057,312	\$82,377,276
GRF	600521	Entitlement Administration – Local	\$87,310,316	\$80,223,023
General Revenue Fund Subtotal			\$221,688,807	\$212,007,746
General Services Fund Group				
4R40	600665	BCII Services/Fees	\$36,974	\$36,974
5DM0	600633	Administration and Operating	\$19,853,583	\$19,928,733
5N10	600677	County Technologies	\$500,000	\$500,000
General Services Fund Group Subtotal			\$20,390,557	\$20,465,707
Holding Account Redistribution Fund Group				
R012	600643	Refunds and Audit Settlements	\$2,200,000	\$2,200,000
R013	600644	Forgery Collections	\$10,000	\$10,000
Holding Account Redistribution Fund Group Subtotal			\$2,210,000	\$2,210,000
Total Funding: Administration			\$244,289,364	\$234,683,453

Support Services (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. Expenditures from this GRF line item for federal programs earn federal reimbursement, which is deposited into the GRF. In FY 2008 and FY 2009, expenditures from this line item totaled \$56.3 million and \$52.8 million, respectively. The budget provides \$50.3 million in FY 2010, a 4.8% decrease from FY 2009 expenditures, and \$49.4 million in FY 2011, a 1.8% decrease from the FY 2010 appropriation.

Computer Projects (600416)

This GRF line item provides funding for the development, implementation, and maintenance of computer systems used by ODJFS and the county departments of job and family services. Expenditures from this GRF line item for federal programs earn federal reimbursement, which is deposited into the GRF.

The Medicaid Management Information System (MMIS) is funded from this GRF line item. MMIS, implemented in 1984, currently supports benefits administration and payment services for Medicaid. MMIS is a federally certified system for the processing of all Medicaid payments and includes several subsystems. The Medicaid Information Technology System (MITS) is expected to replace MMIS during the coming biennium (MITS is funded out of line item 600654, Health Care Services Administration). Some MITS functions, such as a web portal for providers to submit claims electronically to ODJFS, are already on-line and functioning.

Other major computer projects include:

- Client Registry Information System-Enhanced (CRIS-E) – provides eligibility determination services for public assistance programs such as Medicaid, Food Assistance, and Temporary Assistance for Needy Families;
- Statewide Automated Child Welfare Information System (SACWIS) – provides information to support the protection of children and families and aligns with state and federal child welfare reporting requirements;
- Child Support Enforcement Tracking System (SETS) – monitors child support payments;
- Child Support Payment Central (CSPC) – provides employers the option of forwarding child support collections to one location;
- Electronic Benefit Transfer (EBT) System – provides Food Assistance benefits (formerly "Food Stamps") through the Ohio Direction Card, an on-line magnetic strip card; and
- The Medicaid Decision Support System (DSS) – provides a data warehouse and software tools to analyze aspects of the Medicaid Program.

In addition to these projects, other networking activities are paid from this GRF line item including personal computer maintenance and third party software support. In FY 2008 and FY 2009, expenditures from this line item totaled \$137.6 million and \$123.3 million, respectively. The budget provides \$84.1 million for FY 2010, a 31.2% decrease from FY 2009 expenditures, and \$82.4 million for FY 2011, a 2.0% decrease from the FY 2010 appropriation.

Entitlement Administration – Local (600521)

This GRF line item is used by ODJFS to advance counties the state's share of county administration for public assistance programs including the Food Assistance Program, Medicaid, and Disability Assistance programs. In FY 2008 and FY 2009, expenditures from this line item totaled \$125.9 million and \$104.6 million, respectively. The budget provides \$87.3 million for FY 2010, a 16.6% decrease from FY 2009 expenditures, and \$80.2 million for FY 2011, a 8.1% decrease from the FY 2010 appropriation.

BCII Services/Fees (600665)

This line item is used to pass through fees collected from individuals for the cost of criminal records checks to the Bureau of Criminal Identification and Investigation (BCII). A criminal records check is required for persons who have applied for employment as child care providers and employees. In FY 2008 and FY 2009, expenditures from this line item totaled \$561 and \$926, respectively. The budget appropriates \$36,974 for FY 2010 and FY 2011, which were the amounts appropriated in the FY 2008-FY 2009 biennium.

Administration and Operating (600633)

This new line item will be used to pay costs associated with state hearings, audit adjustments, and other related costs pertaining to grants. The budget appropriates \$19.9 million for FY 2010 and FY 2011. Funds appropriated will come from a transfer from the Refunds and Audit Settlements Fund (Fund R012). This transfer was deposited into the Food Assistance Fund (Fund 3840) and appropriated in 600610, Food Assistance and State Administration. The new line item will separate expenditures for state hearings and adjustments from expenditures for Food Assistance administration.

County Technologies (600677)

This line item is used to collect reimbursement from counties to ODJFS for the purchase of computer-related equipment. This allows the counties to contribute a share toward the purchase of computer equipment while ensuring that the equipment meets ODJFS's technical specifications. ODJFS purchases the equipment and the counties reimburse ODJFS. The budget appropriates \$500,000 for FY 2010 and FY 2011.

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 \$2.2 million for FY 2010 and FY 2011.

Forgery Collections (600644)

This line item is used to receive funds from banks and other entities that have cashed forged public assistance warrants. The budget appropriates \$10,000 for FY 2010 and FY 2011.

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Line Item Detail by Agency			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
Report For: Main Operating Appropriations Bill			Version: Enacted					
JFS	Department of Job and Family Services							
		Support Services-Federal	\$ 9,618,264	\$ 9,339,872	\$ 10,029,863	7.39%	\$ 9,848,154	-1.81%
		Support Services-State	\$ 46,698,055	\$ 43,489,812	\$ 40,291,316	-7.35%	\$ 39,559,293	-1.82%
GRF	600321	Support Services - TOTAL	\$ 56,316,319	\$ 52,829,684	\$ 50,321,179	-4.75%	\$ 49,407,447	-1.82%
GRF	600410	TANF State	\$ 262,618,810	\$ 252,885,072	\$ 155,494,648	-38.51%	\$ 161,298,234	3.73%
GRF	600413	Child Care Match/Maintenance of Effort	\$ 84,120,576	\$ 80,124,868	\$ 79,401,065	-0.90%	\$ 84,732,730	6.71%
		Computer Projects-Federal	\$ 24,073,327	\$ 18,993,995	\$ 10,742,500	-43.44%	\$ 9,039,372	-15.85%
		Computer Projects-State	\$ 113,488,542	\$ 104,343,633	\$ 73,314,812	-29.74%	\$ 73,337,904	0.03%
GRF	600416	Computer Projects - TOTAL	\$ 137,561,869	\$ 123,337,628	\$ 84,057,312	-31.85%	\$ 82,377,276	-2.00%
GRF	600417	Medicaid Provider Audits	\$ 1,292,040	\$ 1,574,913	\$ 1,210,625	-23.13%	\$ 1,191,010	-1.62%
GRF	600420	Child Support Administration	\$ 6,673,686	\$ 7,063,736	\$ 6,011,708	-14.89%	\$ 5,908,839	-1.71%
GRF	600421	Office of Family Stability	\$ 3,486,555	\$ 2,802,330	\$ 3,796,625	35.48%	\$ 3,753,002	-1.15%
GRF	600423	Office of Children and Families	\$ 5,257,898	\$ 4,476,639	\$ 5,298,150	18.35%	\$ 5,232,561	-1.24%
		Office of Ohio Health Plans-Federal	\$ 20,622,558	\$ 17,146,881	\$ 12,642,827	-26.27%	\$ 12,083,374	-4.43%
		Office of Ohio Health Plans-State	\$ 19,893,274	\$ 16,474,453	\$ 11,811,384	-28.30%	\$ 6,500,422	-44.96%
GRF	600425	Office of Ohio Health Plans - TOTAL	\$ 40,515,832	\$ 33,621,334	\$ 24,454,211	-27.27%	\$ 18,583,796	-24.01%
GRF	600440	Ohio's Best Rx Start Up Costs	\$ 36,858	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	600502	Administration-Local	\$ 33,660,414	\$ 26,023,398	\$ 20,706,497	-20.43%	\$ 19,838,659	-4.19%
GRF	600511	Disability Financial Assistance	\$ 26,896,418	\$ 24,878,958	\$ 29,399,013	18.17%	\$ 30,759,074	4.63%
GRF	600512	Non-TANF Disaster Assistance	\$ 138,056	\$ 562,493	\$ 0	-100.00%	\$ 0	N/A
GRF	600521	Entitlement Administration-Local	\$ 125,930,450	\$ 104,641,594	\$ 87,310,316	-16.56%	\$ 80,223,023	-8.12%
GRF	600523	Children and Families Services	\$ 73,625,846	\$ 67,862,377	\$ 60,538,878	-10.79%	\$ 59,005,915	-2.53%
		Health Care/Medicaid-State	\$ 3,550,108,456	\$ 3,180,521,626	\$ 2,483,515,766	-21.91%	\$ 3,206,274,820	29.10%
		Health Care/Medicaid-Federal	\$ 5,552,558,751	\$ 6,805,417,544	\$ 6,317,293,740	-7.17%	\$ 7,144,647,402	13.10%
GRF	600525	Health Care/Medicaid - TOTAL	\$ 9,102,667,207	\$ 9,985,939,170	\$ 8,800,809,506	-11.87%	\$ 10,350,922,222	17.61%
GRF	600526	Medicare Part D	\$ 243,172,531	\$ 251,076,115	\$ 221,686,721	-11.71%	\$ 228,356,466	3.01%
		Adoption Services-Federal	\$ 37,027,786	\$ 44,225,002	\$ 49,348,115	11.58%	\$ 46,254,540	-6.27%
		Adoption Services-State	\$ 32,331,631	\$ 39,534,471	\$ 22,861,593	-42.17%	\$ 24,126,683	5.53%
GRF	600528	Adoption Services - TOTAL	\$ 69,359,417	\$ 83,759,473	\$ 72,209,708	-13.79%	\$ 70,381,223	-2.53%

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Line Item Detail by Agency			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
JFS Department of Job and Family Services								
GRF	600529	Capital Compensation Program	\$ 1,504,320	\$ 4,069,425	\$ 0	-100.00%	\$ 0	N/A
GRF	600533	Child, Family, and Adult Community & Protective Services	\$ 0	\$ 0	\$ 15,000,000	N/A	\$ 15,000,000	0.00%
GRF	600534	Adult Protective Services	\$ 0	\$ 994,255	\$ 425,872	-57.17%	\$ 406,670	-4.51%
GRF	600535	Early Care and Education	\$ 0	\$ 0	\$ 137,367,699	N/A	\$ 134,269,120	-2.26%
GRF	600537	Children's Hospital	\$ 0	\$ 0	\$ 6,000,000	N/A	\$ 6,000,000	0.00%
GRF	600540	Second Harvest Food Banks	\$ 0	\$ 0	\$ 3,500,000	N/A	\$ 3,500,000	0.00%
GRF	600541	Kinship Permanency Incentive Program	\$ 0	\$ 0	\$ 5,000,000	N/A	\$ 5,000,000	0.00%
General Revenue Fund Total			\$ 10,274,835,103	\$ 11,108,523,461	\$ 9,869,999,733	-11.15%	\$ 11,416,147,267	15.67%
4A80	600658	Child Support Collections	\$ 31,244,887	\$ 27,425,363	\$ 26,000,000	-5.20%	\$ 26,000,000	0.00%
4R40	600665	BCII Services/Fees	\$ 561	\$ 926	\$ 36,974	3,892.87%	\$ 36,974	0.00%
5BG0	600653	Managed Care Assessment	\$ 172,178,992	\$ 221,484,259	\$ 168,914,857	-23.74%	\$ 0	-100.00%
5C90	600671	Medicaid Program Support	\$ 69,374,403	\$ 66,499,570	\$ 76,076,838	14.40%	\$ 77,563,238	1.95%
5DL0	600639	Medicaid Revenue and Collections	\$ 51,238,266	\$ 74,650,499	\$ 99,916,750	33.85%	\$ 63,600,000	-36.35%
5DM0	600633	Administration and Operating	\$ 0	\$ 0	\$ 19,853,583	N/A	\$ 19,928,733	0.38%
5FX0	600638	Medicaid Payment Withholding	\$ 0	\$ 38,981	\$ 26,000,000	66,598.60%	\$ 26,000,000	0.00%
5N10	600677	County Technologies	\$ 472,703	\$ 244,422	\$ 500,000	104.56%	\$ 500,000	0.00%
5P50	600692	Health Care Services	\$ 89,261,895	\$ 97,995,050	\$ 84,052,802	-14.23%	\$ 226,469,478	169.44%
General Services Fund Group Total			\$ 413,771,707	\$ 488,339,070	\$ 501,351,804	2.66%	\$ 440,098,423	-12.22%
3270	600606	Child Welfare	\$ 24,507,846	\$ 21,447,918	\$ 33,972,321	58.39%	\$ 33,984,200	0.03%
3310	600686	Federal Operating	\$ 43,604,892	\$ 41,771,835	\$ 60,672,731	45.25%	\$ 56,569,912	-6.76%
3840	600610	Food Assistance and State Administration	\$ 126,980,901	\$ 126,478,083	\$ 159,109,776	25.80%	\$ 159,109,427	0.00%
3850	600614	Refugee Services	\$ 7,148,354	\$ 6,597,152	\$ 10,497,024	59.11%	\$ 11,265,511	7.32%
3950	600616	Special Activities/Child and Family Services	\$ 2,140,330	\$ 1,721,869	\$ 3,113,200	80.80%	\$ 2,813,200	-9.64%
3960	600620	Social Services Block Grant	\$ 119,969,771	\$ 106,836,256	\$ 120,000,000	12.32%	\$ 120,000,000	0.00%
3960	600651	Second Harvest Food Banks	\$ 5,500,000	\$ 5,500,000	\$ 0	-100.00%	\$ 0	N/A
3970	600626	Child Support	\$ 207,916,986	\$ 215,140,118	\$ 305,830,981	42.15%	\$ 305,832,341	0.00%
3980	600627	Adoption Maintenance/Administration	\$ 229,126,145	\$ 239,514,589	\$ 355,345,646	48.36%	\$ 352,184,668	-0.89%
3A20	600641	Emergency Food Distribution	\$ 2,574,863	\$ 3,077,275	\$ 9,953,222	223.44%	\$ 4,970,000	-50.07%
3AW0	600675	Faith Based Initiatives	\$ 617,393	\$ 571,145	\$ 544,140	-4.73%	\$ 544,140	0.00%

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Line Item Detail by Agency			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
JFS Department of Job and Family Services								
3D30	600648	Children's Trust Fund Federal	\$ 1,500,000	\$ 61,420	\$ 2,040,524	3,222.27%	\$ 2,040,524	0.00%
3F00	600623	Health Care Federal	\$ 987,727,014	\$ 1,463,743,235	\$ 3,367,952,785	130.09%	\$ 2,729,816,014	-18.95%
3F00	600635	Children's Hospitals - Federal	\$ 3,994,090	\$ 0	\$ 0	N/A	\$ 0	N/A
3F00	600650	Hospital Care Assurance Match	\$ 328,655,603	\$ 325,956,555	\$ 362,092,785	11.09%	\$ 367,826,196	1.58%
3G50	600655	Interagency Reimbursement	\$ 1,258,402,177	\$ 1,422,598,835	\$ 1,703,777,044	19.77%	\$ 1,666,905,912	-2.16%
3H70	600617	Child Care Federal	\$ 201,714,009	\$ 185,789,978	\$ 241,862,780	30.18%	\$ 241,862,779	0.00%
3N00	600628	IV-E Foster Care Maintenance	\$ 104,572,138	\$ 121,337,895	\$ 169,324,768	39.55%	\$ 161,644,455	-4.54%
3S50	600622	Child Support Projects	\$ 235,192	\$ 302,328	\$ 534,050	76.65%	\$ 534,050	0.00%
3V00	600688	Workforce Investment Act	\$ 153,024,447	\$ 188,156,816	\$ 326,923,124	73.75%	\$ 327,145,616	0.07%
3V40	600678	Federal Unemployment Programs	\$ 123,819,664	\$ 127,501,872	\$ 167,478,790	31.35%	\$ 136,982,528	-18.21%
3V40	600679	Unemployment Compensation Review Commission - Federal	\$ 2,976,704	\$ 3,121,328	\$ 3,487,473	11.73%	\$ 3,487,473	0.00%
3V60	600689	TANF Block Grant	\$ 947,935,288	\$ 1,008,604,359	\$ 819,207,893	-18.78%	\$ 811,170,741	-0.98%
3W30	600659	TANF/ Title XX Transfer	\$ 10,477,423	\$ 4,077,716	\$ 0	-100.00%	\$ 0	N/A
Federal Special Revenue Fund Group Total			\$ 4,895,121,232	\$ 5,619,908,579	\$ 8,223,721,057	46.33%	\$ 7,496,689,687	-8.84%
1980	600647	Children's Trust Fund	\$ 4,454,772	\$ 4,611,689	\$ 5,881,011	27.52%	\$ 5,881,011	0.00%
4A90	600607	Unemployment Compensation Admin Fund	\$ 8,244	\$ 7,282,249	\$ 27,134,851	272.62%	\$ 37,772,416	39.20%
4A90	600694	Unemployment Comp Review Commission	\$ 2,261,177	\$ 1,592,070	\$ 2,357,197	48.06%	\$ 2,431,133	3.14%
4E30	600605	Nursing Home Assessments	\$ 0	\$ 0	\$ 4,759,914	N/A	\$ 4,759,914	0.00%
4E70	600604	Child and Family Services Collections	\$ 121,318	\$ 2,008	\$ 121,318	5,943.25%	\$ 121,318	0.00%
4F10	600609	Foundation Grants/Child & Family Services	\$ 250,000	\$ 259,563	\$ 250,000	-3.68%	\$ 250,000	0.00%
4J50	600613	Nursing Facility Bed Assessments	\$ 33,849,279	\$ 34,104,783	\$ 36,713,984	7.65%	\$ 36,713,984	0.00%
4J50	600618	Residential State Supplement Payments	\$ 9,470,125	\$ 9,837,795	\$ 15,700,000	59.59%	\$ 15,700,000	0.00%
4K10	600621	ICF/MR Bed Assessments	\$ 19,281,090	\$ 23,250,000	\$ 29,696,029	27.72%	\$ 28,976,838	-2.42%
4R30	600687	Banking Fees	\$ 32,328	\$ 139,472	\$ 700,000	401.89%	\$ 700,000	0.00%
4Z10	600625	Healthcare Compliance	\$ 372,074	\$ 0	\$ 10,000,000	N/A	\$ 10,000,000	0.00%
5AJ0	600631	Money Follows the Person	\$ 0	\$ 0	\$ 6,286,485	N/A	\$ 6,195,163	-1.45%
5BE0	600693	Child Support Operating	\$ 399,079	\$ 0	\$ 0	N/A	\$ 0	N/A
5CR0	600636	Children's Hospitals - State	\$ 3,000,000	\$ 0	\$ 0	N/A	\$ 0	N/A
5DB0	600637	Military Injury Grants	\$ 137,500	\$ 446,728	\$ 2,000,000	347.70%	\$ 2,000,000	0.00%

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Line Item Detail by Agency			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
JFS Department of Job and Family Services								
5DP0	600634	Adoption Assistance Loan	\$0	\$0	\$ 500,000	N/A	\$ 500,000	0.00%
5ES0	600630	Food Assistance	\$ 500,000	\$ 500,000	\$ 500,000	0.00%	\$ 500,000	0.00%
5F30	600668	Building Consolidation	\$0	\$ 314,575	\$ 0	-100.00%	\$ 0	N/A
5GC0	600640	GOFBCI/Family Stability	\$0	\$ 10,161	\$ 70,000	588.88%	\$ 70,000	0.00%
5GF0	600656	Medicaid - Hospital	\$0	\$0	\$ 338,505,284	N/A	\$ 370,861,816	9.56%
5Q90	600619	Supplemental Inpatient Hospital Payments	\$ 7,395,445	\$ 8,750,493	\$ 56,125,998	541.40%	\$ 56,125,998	0.00%
5R20	600608	Medicaid-Nursing Facilities	\$ 175,000,000	\$ 175,000,000	\$ 359,332,500	105.33%	\$ 381,710,000	6.23%
5S30	600629	MR/DD Medicaid Administration and Oversight	\$ 595,378	\$ 281,231	\$ 2,070,707	636.30%	\$ 5,493,954	165.32%
5U30	600654	Health Care Services Administration	\$ 4,763,485	\$ 6,576,985	\$ 12,017,389	82.72%	\$ 14,393,903	19.78%
5U60	600663	Children and Family Support	\$ 2,874,735	\$ 3,409,677	\$ 4,719,470	38.41%	\$ 4,719,470	0.00%
5Z90	600672	TANF Quality Control Reinvestments	\$ 656,620	\$ 300,518	\$ 0	-100.00%	\$ 0	N/A
6510	600649	Hospital Care Assurance Program Fund	\$ 219,304,532	\$ 210,265,765	\$ 220,612,051	4.92%	\$ 218,164,239	-1.11%
State Special Revenue Fund Group Total			\$ 484,727,181	\$ 486,935,763	\$ 1,136,054,188	133.31%	\$ 1,204,041,157	5.98%
1920	600646	Support Intercept-Federal	\$ 124,582,476	\$ 134,242,597	\$ 130,000,000	-3.16%	\$ 130,000,000	0.00%
5830	600642	Support Intercept-State	\$ 14,459,126	\$ 11,225,177	\$ 16,000,000	42.54%	\$ 16,000,000	0.00%
5B60	600601	Food Assistance Intercept	\$ 80,008	\$ 396,140	\$ 2,000,000	404.87%	\$ 2,000,000	0.00%
Agency Fund Group Total			\$ 139,121,610	\$ 145,863,913	\$ 148,000,000	1.46%	\$ 148,000,000	0.00%
R012	600643	Refunds and Audit Settlements	\$ 660,758	\$ 337,338	\$ 2,200,000	552.17%	\$ 2,200,000	0.00%
R013	600644	Forgery Collections	\$0	\$0	\$ 10,000	N/A	\$ 10,000	0.00%
Holding Account Redistribution Fund Group Total			\$ 660,758	\$ 337,338	\$ 2,210,000	555.13%	\$ 2,210,000	0.00%
Department of Job and Family Services Total			\$ 16,208,237,591	\$ 17,849,908,124	\$ 19,881,336,782	11.38%	\$ 20,707,186,534	4.15%