Department of Job and Family Services

- Health Care appropriations increase by $622 million in FY 2002 and by $489 million in FY 2003
- TANF Reserve stood at $721.6 million at the end of FFY 2000
- Reorganization of local operations will result in the closing of 56 local offices and the expansion of the number of Telephone Registration Centers from 7 to 21

Agency Overview

The Ohio Department of Job and Family Services (JFS) was formed by the merger of the Department of Human Services and the Bureau of Employment Services. The JFS vision is, through state and local partnerships, to be the nation's premier family support and workforce development system contributing to skilled, healthy Ohioans, successful businesses, and strong communities. It does this through the direction and supervision of programs that provide health care, employment and economic assistance, child support, and a host of other social services to families and children.

The merger of the two departments is seen as an opportunity (especially as presented by the Workforce Investment Act of 1998) to introduce efficiencies in the area of employment services. The federal Workforce Investment Act (WIA) emphasizes the concept of one-stop delivery services for employment and training programs. When coupled with the emphasis of the "work first" requirement of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), the merger of many functions of these two departments presented significant opportunities to bring together different funding streams to serve two substantially overlapping populations. The goal of the merger is to produce a system that provides maximum access to any Ohioan seeking a first job, a new job, or a better job.

The administration and funding of job and family services programs represent a unique cooperative partnership between three levels of government: federal, state, and local. The Department of Job and Family Services directs and supervises the delivery of these services through a network of local government agencies and several district offices. The direct delivery of services is administered by a combination of county offices, which includes county departments of job and family services, separate child support enforcement agencies, and separate public children services agencies.

The delivery of services by the counties is coordinated through written partnership agreements with each board of county commissioners. This partnership agreement specifies the expectations of county performance and details the State's commitment of support. All 88 partnership agreements are scheduled to be renewed prior to July 1, 2001.

Highlights of Executive Budget Recommendations

The Department of Job and Family Services is organized into six broad program areas. These include Workforce Development; Child Support; Children and Family Services; Health Care; Unemployment Insurance; and Administration.

For FY 2002, the Executive recommends $12,217,558,103 in all funds to totally fund the Department. This represents a 5.8 percent increase over the estimated spending level for FY 2001. When observed by object of expense, 86.6 percent or $10,575,615 is a subsidy to an individual or family; or to a provider on behalf of an individual or family. In FY 2003, the Executive recommends $12,823,685,259 to totally fund the Department. This reflects an increase of 5.0 percent or $606,127,156 above FY 2002. When observed by object of expense, subsidy still remains the largest at 87.4 percent in FY 2003.

Looking by object of expense, the Executive recommends for FY 2002 reductions in personal services, purchased services, maintenance, and equipment, and for FY 2003 recommends reductions in purchased services, maintenance, and equipment. Subsidy expenditures are recommended to increase by 8.5 percent in FY 2002, and by 5.9 percent in FY 2003.

For FY 2002, the Executive recommends increasing funding for the Health Care program series by 7.5 percent or $621,890,000 above the FY 2001 estimated level. Increased funding for Health Care in FY 2003 reflects a 5.5 percent or $489,002,000 increase above FY 2002.

In the Workforce Development program series, increased funding is recommended for expansion of the day care, disability assistance, staff training, and automation projects. The overall series, however, is recommended to receive a total appropriation for FY 2002 of $16,558,000 less than the estimated spending level of FY 2001. In FY 2003, the Executive recommends increasing funding for the entire program series by $29,132,000, or 1.7 percent, above the FY 2002 level.

In the area of Child Care, funding for the maintenance of effort requirement and the state match requirement increased by $7.8 million in FY 2002, a 10 percent increase over FY 2001 estimated expenditures. The Department projected that 85,124 children would receive child care by the end of FY 2001. The current number of children that have received child care so far in FY 2001 is 87,118. This increase over what was projected is due to the change in income eligibility as of October 1, 1998. Income eligibility for non-guaranteed child care increased to 185% of the federal poverty level as of that date. The 87,118 is reflective of children receiving child care as a condition of their parents' participation in the Ohio Works First Program and the those receiving child care due to income eligibility that is at, or below 185 percent of the federal poverty guidelines.

For the Child Support Enforcement program series, the Executive recommends funding of $416,771,089 in FY 2002, a 7.7 percent increase over estimated expenditures for FY 2001 and $417,915,594 in FY 2003, a 0.3 percent increase over the FY 2002 recommendation. Other than cutting back on some administrative expenses, the Child Support Enforcement program should be able to maintain current service levels for their customers.

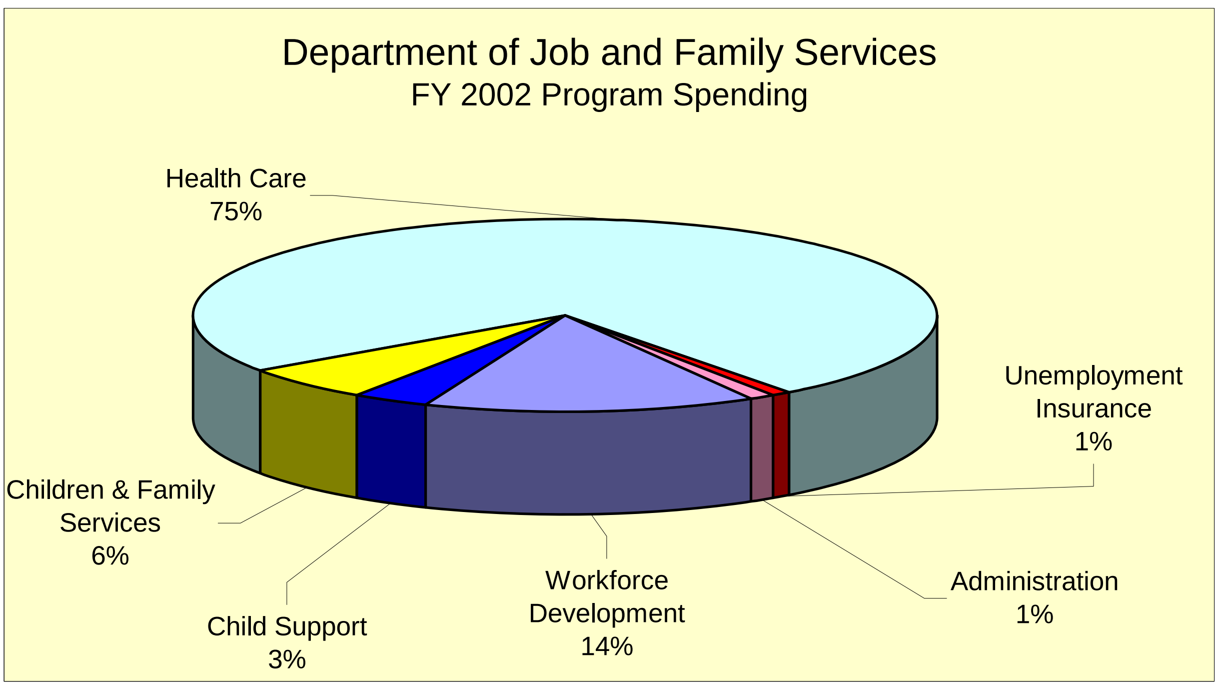
For the Children and Family Services program series, the Executive recommends funding of $698,371,899 in FY 2002, a 2.7 percent decrease from estimated expenditure for FY 2001 and $793,244,860 in FY 2003, a 13.6 percent increase over the FY 2002 recommendation.

The executive recommendation includes the use of $32.5 million of TANF funds to support child welfare initiatives, which may include some of the recommendations made by the Shareholders Group and the Auditor of State. The executive recommendation also includes the creation of a new line item, 600-691, New Child Welfare Initiatives. The recommended appropriation for this line item is for $5.5 million for each fiscal year for expansion and support of county public children services agency activities and $2.0 million per fiscal year for pilot programs targeted at violent and aggressive youth.

JFS proposes reorganization of the local service delivery system that includes the delivery of unemployment compensation services via telephone by state staff. This will result in the closing of 56 local offices and the expansion of the number of Telephone Registration Centers (TRCs) from seven to twenty-one.

The executive recommendation provides for some funding for the cost of the physical reorganization. However, since plans for the reorganization are still being discussed and not yet finalized, the implications of the executive recommendation on the local operation reorganization is not fully ascertainable.

The following pie chart provides a display of the Department of Job and Family Services' budget recommendations by each major program series.



ADMINISTRATION

OVERVIEW

Central Administration

JFS central administration consists of the Director's Office and the offices of the Chief Inspector; Communication; Fiscal Services; Internal Administration; Legal Services; Legislation; Professional Development and Quality Services; and Research, Assessment and Accountability. Besides the leadership and direction-setting roles of the Director's Office, the component offices provide most of the support services that allow the program offices to pursue accomplishments of the JFS outcomes.

The executive recommendation for Central Administration is $125,041,371 in FY 2002, a 53 percent increase over FY 2001 and $115,497,610 in FY 2003, a 7.6 percent decrease from the FY 2002 recommendation. Line items 600-100, Personal Service; 600-200, Maintenance; and 600-300, Equipment; while the primary source of funding for central administration, are allocated across program areas throughout JFS. The executive recommendation for FYs 2002-2003 includes in the 100, 200, and 300 line items funding previously appropriated in line items 600-406, Workforce Development; 600-407, UI/ES Operating; 600-408, Labor Market Projections; 600-414, Apprenticeship Council; and 600-429, Women's Programs.

Given the executive recommendation and the continuing transition period following the merger of the Department of Human Services and the Bureau of Employment Services, JFS proposes implementation of an early retirement incentive and a central office lay-off, as ways to cut administrative costs and eliminate duplicate functions.

Management Information Services

Through its Office of Management Information Services (MIS), JFS provides information systems to meet the Department's operational and managerial decision-making needs. It reviews and approves state and county data processing needs and processes Medicaid, public assistance, and social services claims. It designs, develops, implements, and provides technical support to the Department's computer systems for Medicaid, public assistance, social services, child support enforcement programs, employment services, and workforce development.

Primarily through line item 600-416, Computer Projects, JFS funds the development and implementation of various computer systems and projects. The executive recommends $171.9 million in FY 2002, an 11.2 percent increase over FY 2001, and $179.4 million in FY 2003, a 4.4 percent increase over FY 2002 for line item 600-416. Due to the many factors that affect MIS, resulting in continuous priority changes, the implication of the recommendation cannot be fully realized at this time.

Local Operations Reorganization

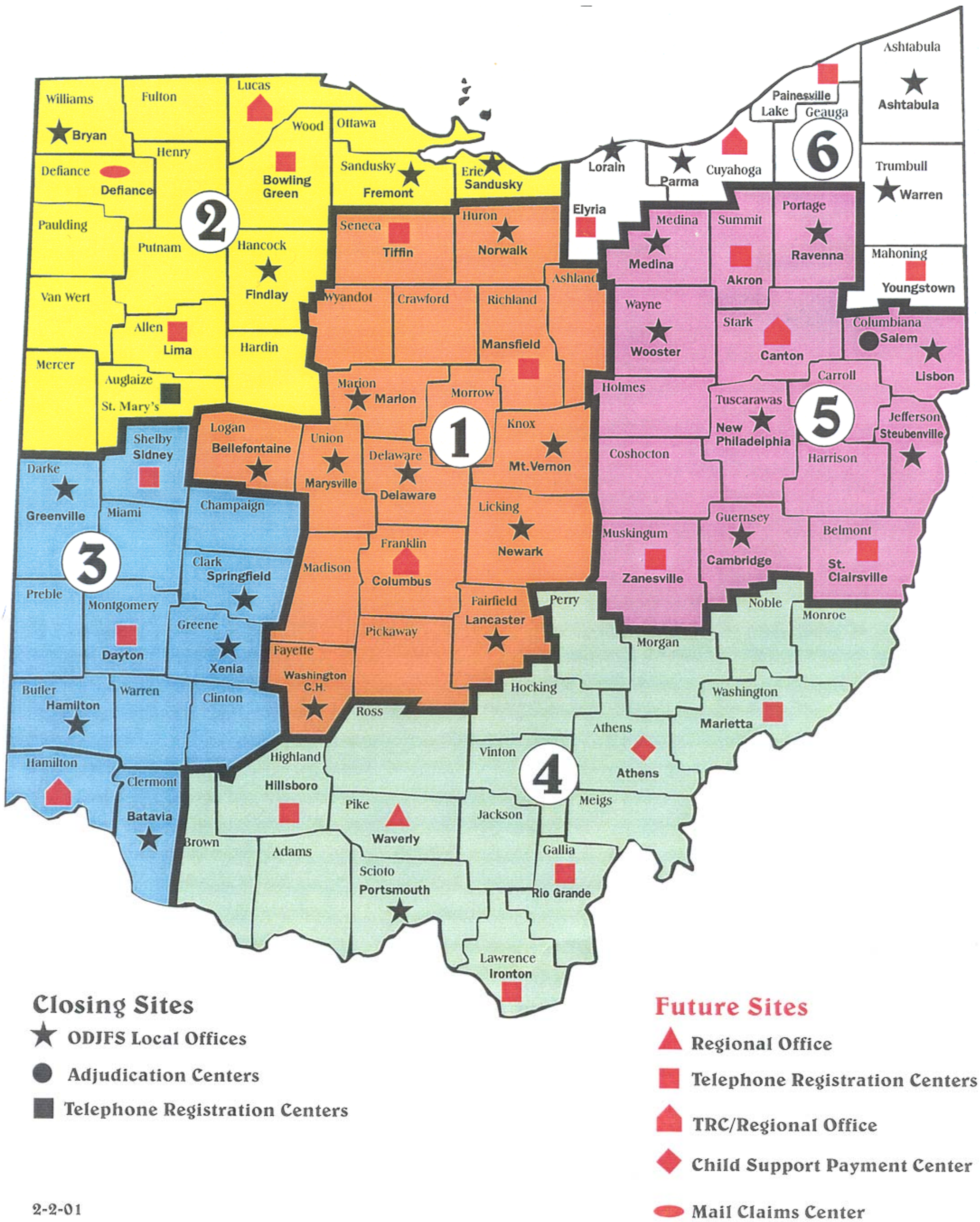
JFS proposes reorganization of the local service delivery system that includes the delivery of unemployment compensation services via telephone by state staff. This will result in the closing of 56 local offices and the expansion of the number of Telephone Registration Centers (TRCs) from seven to twenty-one.

The executive recommendation provides for some funding for the cost of the physical reorganization. However, since plans for the reorganization are still being discussed and not yet finalized, the implications of the executive recommendation on the local operation reorganization is not fully ascertainable.

Additional Facts and Figures

Ohio Department of Job and Family Services Staffing Levels as of March 1, 2001	
Division	**Staff**
Director's Office	18
Office of Constituent Affairs	24
Office of Fiscal Services	138
Office of Research, Assessment & Accountability	246
Office of Legal Services	74
Office of Internal Administration	291
Office of Management Information Services	308
Office of Local Operations	1,165
Office of Child Support	91
Office of Ohio Health Plans	392
Office for Children and Families	186
Office of Workforce Development	142
Office of the Chief Inspector	41
Office of Unemployment Compensation	502
Office of Unemployment Compensation Review Committee	60
TOTAL	**3,678**

Ohio Department of Job and Family Services
Local Operations Organization Plan as of Feb. 2, 2001
(Note: This plan is subject to change.)



ODJFS LOCAL OPERATIONS
CURRENT/FUTURE COMPARISON

REGION	CURRENT # OF SITES	TYPE FACILITY	FUTURE # OF SITES	TYPE FACILITY
1	14	12 Local Offices 1 TRC 1 District Office	3	2 TRCs 1 TRC/Regional Office
2	13	9 Local Offices 3 TRCs 1 District Office	4	2 TRCs 1 TRC/Regional Office 1 Mail Claims Center
3	11	8 Local Offices 2 TRCs 1 District Office	3	2 TRCs 1 TRC/Regional Office
4	7	7 Local Offices	6	4 TRCs 1 Regional Office 1 Child Support Payment Center
5	14	11 Local Offices 1 TRC 1 District Office 1 Adj. Center	4	3 TRCs 1 TRC/Regional Office
6	12	9 Local Offices 1 TRC 1 District Office 1 Adj. Center	4	3 TRCs 1 TRC/Regional Office
TOTALS	**71**		**24**	

ANALYSIS OF EXECUTIVE PROPOSAL

Central Administration

Purpose The role of the administrative series is to provide funding for administrative activities in the three major services delivery systems: cash assistance and employment, health care, and children and family services. Federal, state, and county government provide funding for this state-supervised, county-administered services delivery system.

The following table shows the line items that are generally used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	600-100	Personal Services	$76,019,900	$78,821,939
GRF	600-200	Maintenance	$38,115,556	$30,453,890
GRF	600-300	Equipment	$5,705,915	$1,021,781
5R1	600-677	County Computers	$5,000,000	$5,000,000
R12	600-643	Refunds and Audit Settlements	$200,000	$200,000
Total funding: Administrative Series			**$125,041,371**	**$115,497,610**

Note: Line items 600-100; Personal Service, 600-200, Maintenance; and 600-300, Equipment, while the primary source of funding for central administration, are allocated across program areas throughout JFS.

The following table shows the line items designated by the executive as Mutli-Program Items.

Fund	ALI	Title	FY 2002	FY 2003
GRF	600-416	Computer Projects	$171,907,608	$179,411,876
331	600-686	Federal Operating	$41,600,896	$41,640,897
4A9	600-607	Unemployment Compensation Administration Fund	$9,420,000	$9,420,000
Total funding: Multi-Program Items			**$222,928,504**	**$230,472,773**

Specific issues within the Administrative Program series upon which this analysis will focus include:

- ***Early Retirement Incentive***
- ***Central Office Lay-off***
- ***Management Information Systems***
- ***Reorganization of Local Operations***

Offices within Central Administration

JFS central administration consists of the Director's Office and the offices of the Chief Inspector; Communications; Fiscal Services; Internal Administration; Legal Services; Legislation; Professional Development and Quality Services; and Research, Assessment and Accountability. The **Office of the Chief Inspector** is responsible for department security matters, monitoring and follow-up to audits of the Department conducted by outside entities, and ensuring civil rights compliance. The **Office of Communications** informs the public, via the news media, and other customers about JFS programs and issues. The **Office of Fiscal Services** provided a wide range of financial management and support to the Department's program areas, other administrative offices, and county agencies. The **Office of Internal**

Administration includes the Department's personnel, office services, facility management, Equal Employment Opportunity, and contract management functions. The **Office of Legal Services**' responsibilities, in addition to managing all litigation ad providing legal counsel and advice to the Department, include legislation, administrative rule and policy review, and operation of a State Hearings Unit to ensure due process for department customers. The **Office of Legislation** responds to constituent inquires and is the Department's principal liaison to the General Assembly. The **Office of Professional Development and Quality Services** administers and develops programs for employee training, development, education and cultural awareness. The **Office of Research, Assessment and Accountability** provides a range of services for department offices, including program research and evaluation, quality assessment, labor market information and auditing.

Given the executive recommendation and the continuing transition period following the merger of the Department of Human Services and the Bureau of Employment Services, JFS proposes implementation of the following as ways to cut administrative costs and eliminate duplicate functions:

Early Retirement Incentive

JFS will be offering a one-year early retirement incentive to all eligible employees. Approval for the retirement incentive program is expected in the next few months and then the window of opportunity to take advantage of early retirement will last for one year. This opportunity is available statewide to employees of JFS. Five hundred seventy-six employees have been identified as eligible, and so far 270 have indicated their intention to take advantage of the incentive (indication of intention is not binding and an individual may change his or her decision).

JFS expects the retirement incentive to be self-funded. While JFS will be required to pay the employees' contributions to the Public Employees Retirement Program, it will save on the salaries that would have been paid if the individuals had not taken advantage of the early retirement incentive. JFS will only be able to back fill approximately 33% of those positions left open from retiring employees. If all 576 eligible employees take advantage of the early retirement incentive, the cost to JFS will be $9,858,897. However, JFS does not expect all who are eligible to take advantage of this program and at this time JFS does not know what the final number will be.

Central Office Lay-off

JFS has been identifying overlapping functions of its staff since the merger. During FYs 2002 and 2003, JFS will be laying-off approximately 85 employees at its central office in Columbus. The lay off will include both program staff and management. Final decisions regarding the lay-off have not been made.

Management Information Systems

Program Description: Through its Office of Management Information Services, JFS provides information systems to meet the Department’s operational and managerial decision-making needs. It reviews and approves state and county data processing needs and processes Medicaid, public assistance, and social services claims. It designs, develops, implements, and provides technical support to the Department’s computer systems for Medicaid, public assistance, social services, child support enforcement programs, employment services, and workforce development.

Primarily through line item 600-416, Computer Projects, JFS funds the development and implementation of computer projects, such as the Client Registration Information System-Enhanced (CRIS-E) and the Medicaid Management Information System (MMIS). Other major projects include the Support Enforcement Tracking System (SETS) and the Family and Children Services Information System (FACSIS). There are several new projects in the development phase including: the Electronic Integrated Client Management System (eICMS), Ohio Works, Statewide Automated Child Welfare Information System (SACWIS), and Ohio Job Insurance (OJI). MIS currently has a staff that includes 310 state employees and, at any given time, approximately 750 contractors.

According to JFS, there are a number of challenges that MIS will face in FYs 2002 and 2003, including contract rates, workloads, management of new development, rapid technology changes, and the integration of still separate Department of Human Services' (DHS) and Bureau of Employment Services' (BES) computer systems and network.

Contract Rates: The Department's ability to fill MIS positions has been somewhat problematic. Due to many factors, including a tight labor market, JFS has made use of contract employees to fill the voids.

Many of the MIS contracts have been around for the past eight to ten years (two-year contracts with renewal). MIS is preparing to rebid all the contracts and is not sure of what to expect. Since many of the rates were negotiated several years ago and have been augmented with only annual cost of living increases, the new rates could be considerably higher.

Workloads: As mentioned above, MIS has 310 state employees and approximately 750 contractors. State employees include information technology employees and data processing/project support professionals. One year ago MIS had 370 state employees. Between attrition of information technology employees and a limit on contract expenditures, MIS must carefully balance its staff to ensure services are being provided.

Management of New Development: Changes in state and federal law and customer user needs require continual changes or additions to various computer systems and projects that can entail considerable resources (time, personnel, and equipment).

Industry Changes: The information technology industry changes rapidly and software and equipment quickly become obsolete. For example, as of April 1, 2001, Novell no longer supports the version of Netware that MIS uses. This means that should MIS have any problems with Netware, the software company that developed and sells Netware is no longer available for assistance in troubleshooting problems. This software is the fundamental component to operating the network that supports over 20,000 state and county users.

Merger: Operationally, MIS still operates two computer systems. MIS has established a three to five year plan for full integration of the DHS and BES computer systems. The DHS system is an IBM platform-based system and the BES system is a Unisys platform-based system. With two systems, it is difficult to achieve economies of scale.

Funding Source for MIS: GRF, Federal Special Revenue (FED), and General Services Fund (GSF)

Line Items for MIS: 400-416, Computer Projects (GRF); 600-525, Health Care/Medicaid (GRF); 600-617, Day Care Federal (FED); 600-626, Child Support (FED); 600-627, Adoption Maintenance/Administration (FED); 600-689, TANF Block Grant (FED); 600-677, County Computers (GSF)

Implication of the Executive Recommendation: The Executive recommends $171.9 million in FY 2002 and $179.4 million in FY 2003 for line item 400-416, Computer Projects. According to JFS, the implication of the recommendation cannot be fully realized at this time. As federal and state law changes, MIS contracts are rebid, the information technology industry continues to change at an ever-increasing rate, and JFS continues to work through merger issues, MIS priorities may change.

Reorganization of Local Operations

Program Description: Currently, JFS manages and maintains 1.5 million square feet of state-owned and leased properties. JFS proposes reorganization of the local service delivery system. The reorganization will reduce the amount of square feet needed to house employees by 50 percent. JFS will deliver unemployment compensation services via telephone by state staff. This will result in the closing of 56 local offices and the expansion of the number of Telephone Registration Centers (TRCs) from seven to twenty-one. Adjudication Services will be transferred from the local offices to TRCs and be performed by state staff. Specially trained state staff will be dedicated to work closely with claimants to help them find work.

JFS will intensify support of business-driven local Workforce Policy Boards as they continue to create workforce systems that meet local needs; specifically, providing more technical assistance and support to the development of One-Stop Service Centers. JFS will establish a team dedicated to ensuring a smooth transition as services are transferred from local offices to TRCs. JFS plans to continue face-to-face services for veterans.

Implication of Recommendation: The executive recommendation provides an increase in line item 600-300, Equipment, which according to JFS, will help fund the cost of the physical reorganization. JFS plans to purchase modular furniture for the new local offices so that it can be easily configured and reconfigured as needed. Since plans for the reorganization are still being discussed and have yet to be finalized, LSC was not able to ascertain more fully the implications of the executive recommendation on the local operation reorganization.

JFS estimates that the reorganization will reduce GRF-funded operating costs by $10.0 million in FY 2003.

Permanent and Temporary Law

This section describes permanent and temporary law provisions contained in the executive budget that will affect the general administration of the Department of Job and Family Services (JFS).

Permanent Law Provisions

Family Services Stabilization Fund (ORC sections 131.41 and 131.44)

The bill states that it is the intent of the General Assembly to maintain a $100 million balance in the Family Services Stabilization Fund and it requires the Office of Budget and Management to transfer any surplus revenue remaining after the Budget Stabilization Fund is funded to the Family Services Stabilization Fund as necessary to bring its balance up to $100 million. (See also Temporary Law Provision.)

The current balance of the Family Services Stabilization Fund is $100 million.

Indigent burial expenses (ORC sections 5101.52 (repealed) and 5101.521)

The bill eliminates the law under which persons entitled to receive payment for funeral, cremation, cemetery, and burial expenses of certain deceased public assistance recipients may receive state funds to defray those expenses.

Elimination of the indigent burial provisions requires the counties to decide how such expenses will be paid at the local level. In FY 2000, JFS expended $786,688 of the $1,338,062 appropriated for this purpose. JFS reimburses counties for these expenses. The cost JFS is currently authorized to pay is $750, if the deceased person was age 11 or older, or $500 if under age 11.

Temporary Law Provisions

Family Services Stabilization Fund (Section 62.02 of the bill)

In the event that moneys are transferred from the Family Services Stabilization Fund to the General Revenue Fund pursuant to ORC section 131.41, such amounts are appropriated in those appropriation items designated by the Director of Budget and Management (OBM). If the appropriation items contain both federal and state share, the amount of the transfer is to constitute the state share. The federal share of such amounts is appropriated in appropriation items designated by the Director of OBM.

Holding Account Redistribution Group (Section 62.04 of the bill)

The foregoing appropriation items 600-643, Refunds and Audit Settlements, and 600-644, Forgery Collections, in the Holding Account Redistribution Fund Group, must be used to hold revenues until they are directed to the appropriate accounts or until they are refunded. If it determined that additional appropriation authority is necessary, such amounts are appropriated.

Agency Fund Group (Section 62.04 of the bill)

The Agency Fund Group must be used to hold revenue until the appropriate fund is determined or until they are directed to the appropriate governmental agency other than JFS. If it is determined that additional appropriation authority is necessary, such amounts are appropriated.

REQUESTS NOT FUNDED

Central Administration

Personal Services, Maintenance, and Equipment						
Fund -Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF- 100	$100,384,640	$76,019,900	($24,364,740)	$112,263,873	$78,821,939	($33,441,934)
GRF - 200	$40,733,800	$38,115,556	($2,618,244)	$32,998,811	$30,453,890	($2,544,921)
GRF – 300	$10,561,709	$5,705,915	($4,855,794)	$1,101,611	$1,021,781	($79,830)
Total	$151,680,149	$119,841,371	($31,838,778)	$146,364,295	$110,297,610	($36,066,685)

The executive recommendation for total combined funding of line items 600-100, Personal Services; 600-200, Maintenance; and 600-300, Equipment; was $31.8 million less in FY 2002 and $36.1 million less in FY 2003 than was requested. Estimated expenditures in FY 2001 total $81,352,963, however, it should be noted that the executive recommendation for FYs 2002-2003 includes in the 100, 200, and 300 line items funding previously appropriated in line items 600-406, Workforce Development, 600-407, UI/ES Operating, 600-408, Labor Market Projections, 600-414, Apprenticeship Council, and 600-429, Women's Programs.

Funding at the recommended level will require JFS to cut administrative costs throughout the agency. Approximately 40% of funding in the 600-100 line item funds staffing costs at the central office in Columbus. The other 60% funds staffing costs throughout the Department. JFS has been identifying overlapping functions of its staff since the merger of the Department of Human Services and the Bureau of Employment Services. During FYs 2002 and 2003, JFS will be laying off approximately 85 employees at its central office in Columbus. The lay off will include both program staff and management. Final decisions regarding the lay off have not been made.

In addition, JFS will be offering a one-year early retirement incentive to all eligible employees. Approval for the retirement incentive program is expected in the next few months and then the window of opportunity to take advantage of early retirement will last for one year. This opportunity is available statewide to employees of JFS. Five hundred seventy-six employees have been identified as eligible, and so far 270 have indicated intention to take advantage of the incentive (indication of intention is not binding and an individual may change his or her decision).

JFS expects the retirement incentive to be self-funded. While JFS will be required to pay the employees' contributions to the Public Employees Retirement Program, it will save on the salaries that would have been paid if the individuals had not taken advantage of the early retirement incentive. JFS will only be able to back fill approximately 33% of those positions left open from retiring employees.

Computer Projects						
Fund -Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF- 416	$196,968,910	$171,907,608	($25,061,302)	$204,296,578	$179,411,876	($24,884,702)

The Executive recommends $171,907,608 in FY 2002 and $179,411,876 in FY 2003 for appropriation line item 600-416, Computer Projects. The recommendation is approximately $25 million less than JFS requested in each fiscal year. According to JFS, the implication of the recommendation cannot be fully realized at this time. As federal and state law change, MIS contracts are rebid, the information technology industry continues to change at an ever-increasing rate, and JFS continues to work through merger issues, MIS priorities may change.

One particular component of the request that was explicitly not funded was the request for videoconferencing equipment replacement. JFS operates a 95-site videoconference network to facilitate communication between JFS and county partners. The system was installed five years ago to enable JFS the opportunity to take part in regional, state, and national meetings and educational activities at nominal administrative costs. This initiative was presented to absorb the costs of upgrading and stabilizing the original JFS videoconferencing network in order to ensure continued and expanded use of this automated tool.

Consolidated Audit Proposal						
Fund - Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF- 100	$833,000	$0	($833,000)	$833,000	$0	($833,000)
3H7 - 617	$63,000	$0	($63,000)	$63,000	$0	($63,000)
397 – 626	$104,000	$0	($104,000)	$104,000	$0	($104,000)
Total	$1,000,000	$0	($1,000,000)	$1,000,000	$0	($1,000,000)

JFS proposed the funding outlined in the table above for outsourcing Medicaid provider audits that JFS is required to perform pursuant to federal and state law. JFS performs audits of county agencies, workforce development areas, and public and private Title IV-E providers. Audits of these agencies and providers require approximately 118,824 audit hours annually. On the Medicaid side, federally mandated audits include providers in the Community Alternative Funding System (CAFS) program, Medicaid clinics, PASSPORT Administrative Agencies, Department of Mental Retardation and Developmental Disabilities development centers, and long-term care facilities. Audits of these facilities require an additional 84,830 audit hours annually, for a total annual audit resource requirement of 203,654 audit hours.

The JFS audit unit, if fully staffed, can provide approximately 112,000 audit hours annually. Other budget proposals for audit contracting resources and for audit support from the Auditor of State would provide an additional 41,600 audit hours annually, leaving a shortage of approximately 50,000 audit hours annually. At a $60 per hour rate, this produces an annual funding requirement of $3.0 million to contract for professional audit services to address the shortage. JFS proposed that this deficit be met in part by an additional $1.0 million in funding in each fiscal year. This would provide approximately 16,666 audit hours annually, which would eliminate one-third of the projected deficit. The remainder of the deficit would be addressed by deferral of less time sensitive audits, replacement of retiring supervisory staff with line audit staff, and, if otherwise unavoidable, adjustment of the audit scope.

CHILDREN AND FAMILY SERVICES AND CHILD SUPPORT

OVERVIEW

Children and Family Services

The Department of Job and Family Services (JFS), Office for Children and Families (OCF) develops and administers programs and services designed to protect children and vulnerable adults and to preserve and strengthen families. OCF provides administration for a continuum of care, from prevention and protection to permanency. JFS provides funding and support for a number of services, including prevention services, protective services, foster care, and adoption services. The services are provided directly by the county departments of job and family services and public children services agencies with JFS providing program planning, technical assistance, training, and monitoring.

The executive recommendation for the Children and Families Program Series is $698,371,899 in FY 2002, a 2.7 percent decrease from estimated expenditure for FY 2001 and $793,244,860 in FY 2003, a 13.6 percent increase over the FY 2002 recommendation.

Child Support

Title IV-D of the Social Security Act of 1975, designates JFS as Ohio's Child Support Enforcement Agency (CSEA). The Act requires JFS to be responsible for supervising local entities in the establishment and enforcement of support obligations owed by non-custodial parents. Within the Department, the Office of Child Support (OCS) has the responsibility for overseeing local activity. The local CSEA 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. The child support program supports approximately 845,000 cases statewide, which assists almost one million Ohio children. In FY 2000, Ohio collected and disbursed approximately $1.1 billion of child support, which is 70.85 percent of all current support obligations. The other 29.15 percent that was not collected (approximately $434.4 million) was added to the arrears owed in FY 2001.

The objective of the Child Support Enforcement program is to enable children in Ohio to receive the child support to which they are entitled from a non-custodial parent. The program provides a variety of services including location activities, enforcement, paternity establishment, collection, and the enforcement of financial and medical obligations. The program is a cooperative venture between the federal, county and state governments with the federal government paying 66 percent of the costs. The program is administered locally by the 88 county child support enforcement agencies providing services to the residents of that county as well as any other counties and states over which the county court may have jurisdiction. Funding reflects administrative costs to operate the program.

The Family Support Act (FSA) of 1988 mandated that each state develop an automated system to manage child support enforcement by October 1, 1995. In Ohio, the automated system is called the Support Enforcement Tracking System (SETS). SETS aids in the location of absent parents, and the establishment, enforcement, tracking and reporting of child support cases. SETS is one of the largest statewide child support systems in the nation. While SETS was being implemented, Ohio failed on several occasions to comply with federally imposed deadlines and as a result paid millions of dollars in federal fines. Full conversion of cases to SETS was complete by September 30, 2000 and Ohio is awaiting certification from the federal government.

The executive recommendation for the Child Support Program Series is $416,771,089 in FY 2002, a 7.7 percent increase over estimated expenditure for FY 2001 and $417,915,594 in FY 2003, a 0.3 percent increase over the FY 2002 recommendation.

CHILDREN AND FAMILY SERVICES

ANALYSIS OF EXECUTIVE PROPOSAL

Children and Family Services

Purpose The role of the Children and Family Services Program Series is to provide funding for activities that enhance the ability of the local public children services agencies (PCSAs) to provide treatment for abused, neglected, and dependent children or to remove them from their homes on a temporary or permanent basis.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	600-427	Child and Family Services Activities	$7,241,501	$7,050,936
GRF	600-527	Child Protective Services	$60,178,847	$64,679,272
GRF	600-528	Adoption Services	$61,891,191	$68,226,310
GRF	600-534	Adult Protective Services	$2,879,773	$2,803,990
GRF	600-552	County Social Services	$11,469,242	$11,167,420
R4R	600-665	BCII Service Fees	$124,522	$136,974
3D3	600-648	Children's Trust Fund – Federal	$2,040,524	$2,040,524
3N0	600-628	IV-E Foster Care Maintenance	$152,981,760	$173,963,142
3V6	600-690	Wellness	$14,337,515	$14,337,515
327	600-606	Child Welfare	$34,594,191	$34,592,977
395	600-616	Special Activities	$9,491,000	$9,491,000
396	600-620	Social Services Block Grant	$51,195,100	$51,297,478
398	600-627	Adoption Maintenance/Administration	$277,806,175	$341,298,661
198	600-647	Children's Trust Fund - State	$4,368,785	$4,379,333
4E7	600-604	Child & Family Services Collection	$145,805	$149,450
4F1	600-609	Foundation Grants – Child/ Family Services	$116,400	$119,310
5E4	600-615	Private Child Welfare Agency Training	$10,568	$10,568
5P4	600-691	TANF Child Welfare	$7,500,000	$7,500,000
Total funding: Children and Family Services Series			**$698,371,899**	**$793,244,860**

Specific programs within the Children and Family Services Program Series that this analysis will focus on include:

- ***Child Protection Services***
- ***Child Foster Care and Adoption***
- ***Adult Services***

Child Protective Services

Program Description: JFS prevention programs are designed to prevent child abuse and neglect. These programs include: the Ohio Children's Trust Fund (OCTF), Family Resources Hub Network (FRHN), Family Stability Incentive Fund (FSIF), and Family Violence Prevention (FVP).

Ohio Children's Trust Fund (OCTF): OCTF was created in 1984 and it is the State's primary funding agent and advocate for programs designed to prevent child abuse and neglect. Revenues are generated from fees collected on divorce and dissolution fillings, and nominal surcharges for birth and death certificates. While the trust fund's board consists of state agency administrators, gubernatorial appointees, and legislators, daily operations of the trust fund are managed by the JFS Bureau of Prevention staff who review proposals, participate in grantee selection, monitor services and expenditures, and provide technical assistance and training to grantees.

As required by state law, OCTF funding focuses exclusively on support for primary and secondary prevention activities. Primary prevention services available to the community are designed to prevent child abuse and neglect before they occur, and include advocacy efforts, public awareness campaigns, and training of professionals. Secondary prevention services include services that target populations at risk for child abuse and neglect, such as, respite care for single parents, crisis intervention for families experiencing acute stress, parent education and support services, personal safety classes and life skills training for youth.

Family Resource Hub Network: The goals of the network include:

- Completing an inventory of current resources and services;
- Determining unmet needs for resources and services;
- Developing a strategic plan to address unmet needs; and
- Collaborating with consumers and other federal grantees to increase public awareness and access to services.

The network is partially funded with federal funds awarded under the Community-Based Family Resource and Support Program, with some local matching funds required. Currently, six local agencies have been awarded grants to build regional Hub networks encompassing all 88 counties. Each region is developing a website that will contain comprehensive information about resources and services available in the region and eventually, citizens will be able to register for programs and services through the websites.

Family Stability Incentive Fund (FSIF): FSIF is a child welfare prevention demonstration project committed to significantly reducing the number of children entering out-of-home care by implementing outcome-based child placement diversions. The target population is youth at risk of being removed from their homes. Services include, financial assistance, family support, crisis counseling, school-based mental health services, and respite care. A county receives grant money after placement reductions are achieved. The Department of Mental Health, pursuant to an agreement with JFS, administers the program.

Family Violence Prevention (FVP): The FVP program has the following goals:

- Prevent family violence through public awareness, education, and community outreach efforts aimed at children and adults;
- Encourage individuals involved in family violence to seek help;
- Assure statewide availability of safe, temporary shelter to victims of family violence and their dependents; and,
- Assure statewide availability of support services to victims and their families.

JFS has administered FVP since 1986. Currently, 80 domestic violence shelters and related service agencies, two advocacy coalitions, and one hospital receive grants through the program.

Implication of the Executive Recommendations:

Ohio Children's Trust Fund (OCTF): Throughout Ohio, 156 prevention programs were funded by the OCTF at a cost of $4.7 million during FYs 2000-2001. The executive recommendation proposes a $1 increase in the fee that is collected for birth and death certificates, and divorce and dissolution petitions. Without the fee increase, OCTF is estimated to generate revenue of approximately $3.1 million in each of FYs 2002 and 2003. The fee increase will generate an additional $1.3 million annually. The recommendation will permit continued funding for all current prevention services and an expansion of child abuse grants made to county commissioners. In FY 2003, the new revenue generated from the fee increase will expand the local purchasing power of the programs by approximately 27 percent.

Family Resource Hub Network: The executive recommendation will enable the family resource center program to maintain current service levels. These funds are 100 percent federal.

Family Stability Incentive Fund: JFS has historically provided approximately $4.6 million to support this program. Given the executive recommendation, JFS plans to continue its support of this program, although the blend of funds JFS will use is undecided at this time.

Family Violence Prevention: The Office of Criminal Justice Services (CJS) currently administers federal grants targeting family violence prevention services and victims of domestic violence. The executive recommendation transfers the administrative responsibilities for the federal Family Violence Prevention Program to CJS.

Child Foster Care and Adoptions

Program Description: The Child Foster Care and Adoptions program is administered by the county public children services agencies under state supervision. The program is responsible for increasing the proportion of Ohio's adoptable children living in stable, permanent homes by providing pre- and post-adoption services. The State has increased its adoption efforts, which has resulted in a steady increase in individuals qualifying for adoption assistance payments and services.

JFS has received a Title IV-E waiver from the federal government to implement a demonstration of a managed care delivery system for Title IV-E foster care services, called ProtectOhio. (Title IV-E of the Social Security Act relates to services for legal temporary custody of children through a public children services agency on finding of probable or actual finding of dependency, abuse, neglect and sometimes delinquency.)

AdoptOhio is a program designed to reduce the number of children waiting for a family. It uses multiple outreach and media strategies designed to recruit potential adoptive families and provide incentives to public and private placement agencies.

Protective Services: State and federal laws require county public children services agencies (PCSAs) 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. In FY 2000, PCSAs received reports alleging 78,384 incidents of child abuse and neglect, involving 107,516 alleged child victims.

JFS supports PCSAs' efforts through policy and practice development, training and skill acquisition, and management information technology. Policy and practice development are primarily driven by new federal and state legislation. Policy and practice skills are then communicated to county staff via ongoing training through the Ohio Child Welfare Training Program.

The Family and Children Services Information System (FACSIS) maintains the statewide registry of child abuse and neglect reports, and investigation outcomes. FACSIS allows PCSAs to identify prior abuse and neglect incidents involving the alleged child victim or alleged perpetrator. FACSIS is primarily a data repository of basic information. It tracks decisions at key points within casework activity such as assessment findings, court findings, custody and placement status, and eligibility for Title IV-E.

According to JFS, FACSIS is outdated and inflexible. State and county efforts continue to work toward replacing the system and the Family Assessment and Planning Tool systems with a Statewide Automated Child Welfare Information System (SACWIS). SACWIS is designed to meet all federal and state mandated child welfare reporting requirements, improve access to case and client information for intake, investigations, child protective and foster care services, and provide accountability for fiscal and service delivery.

Foster Care: When it is determined that a child can no longer be safely cared for in the child's own home, the State must act to place that child in a foster care setting. Foster care caseloads have been increasing for the past five years. Caseloads and placements have increased each year, except in 1999 when both measurements experienced a slight decline. This pattern of growth has occurred even in a period of declining child abuse incident reports. According to JFS, over the course of the next biennium, incident reports are forecast to remain flat or slightly decline. However, caseloads and placements days are forecast to grow between three percent and five percent annually. Placement costs, unless constrained, are forecast to grow at rates greater than medical inflation, and more than double the rate of general inflation.

When a child enters foster care, the State must ensure that the child is safe and treated well during the placement episode. This is accomplished via the enforcement of provider licensing standards. In addition, during FYs 2002 and 2003, JFS will fully implement the foster care training requirements enacted during the 123rd General Assembly (HB 332). Currently, there are over 11,000 licensed foster homes in Ohio.

JFS is also responsible for evaluating placement service outcomes. The Child Protection Oversight and Evaluation system is the primary tool used for such evaluations. Using the data gathered since 1992, JFS evaluated county placement through the use of indicators such as recidivism, placement duration and moves during placement.

Title IV-E and the ProtectOhio Waiver: Title IV-E of the Social Security Act relates to services for legal temporary custody of children through a public children services agency on a finding of probable or actual dependency, abuse, neglect and sometimes delinquency. Title IV-E funding is federal money received by the State for partial reimbursement of allowable placement and adoption costs incurred on behalf of eligible children. Title IV-E funding received by the State is the largest single source of federal revenue for child welfare costs, and second only to local funds in its contribution to the statewide cost of children services.

Not all children are Title IV-E eligible and not all costs are Title IV-E allowable. ProtectOhio is a Title IV-E waiver demonstration project designed to test new child welfare program approaches that would enhance the quality of, and access to, services. Under the waiver, 14 counties, comprising approximately one-third of the foster care caseload, act as a managed care provider of foster care services for the federal government. In that capacity, each county receives a monthly pre-paid capitation and the flexibility to use the funds for any legitimate child welfare services, whether or not the child would be eligible for Title IV-E and whether or not the services are traditionally allowable under Title IV-E. The demonstration counties include: Ashtabula, Belmont, Clark, Crawford, Fairfield, Franklin, Greene, Hamilton, Lorain, Medina, Muskingum, Portage, Richland, and Stark.

Since the waiver's inception, the 14 demonstration counties have achieved aggregate internal savings of over 490,000 placement days valued at over $19 million in federal funds. Clark, Crawford, Lorain, and Medina counties have reduced cumulative placement utilization in excess of 10 percent and Belmont and Muskingum counties have achieved over a 30 percent reduction. The demonstration is scheduled to run through September 2000, and is subject to an ongoing evaluation by an outside contractor under the joint supervision of Ohio and the federal government.

Adoption and Permanency Services: If a child who has been placed in out-of-home care is unable to be reunited with the child's parents then a relative or extended family member may assume a parental role, or if that is not possible, an adopting family may be sought. Approximately 2,500 children are awaiting adoption in Ohio because a juvenile court has terminated parental rights and placed the child into the permanent custody of a public children services agency. Significant numbers of these children are, and will continue to be, part of a sibling group, African-American, older, and developmentally delayed. Over the course of FYs 2002 and 2003, the number of children awaiting adoption is expected to rise due to new federal laws that require states to terminate parental rights after 12 months of foster care, absent compelling reasons not to do so.

Several state and federal initiatives have guided developments in the adoption program area. AdoptOhio, which began in 1998, is one such initiative. It uses multiple outreach and media strategies designed to recruit potential adoptive families, coupled with fee-for-service payments and incentives to reward county and private agency efforts to increase adoptive placements, and ensure support for those placements after the adoption is finalized. JFS will undertake a pilot project targeting hardest to place children for intensive family recruiting efforts. The results of this effort may serve as the basis for some realignment of AdoptOhio activities in FYs 2002 and 2003.

State funding is specifically targeted to support adoption services. Most of this support comes in the form of monthly case subsidies for families who adopt special needs children. In January 2000, the average adoption subsidy was $346.42 per child per month.

Child Welfare Reform: In 1999, JFS formed the Shareholders Group to assist the Department in improving the quality of services to the children and families of Ohio. The Shareholders Group reviewed a myriad of financial, administrative, program and intersystem issues, looking at program quality, effectiveness and accountability. To accomplish this work, the Shareholders Group created nine subcommittees that made 58 recommendations for consideration. The Shareholders Group then prioritized its recommendations and issued an Executive Report containing 21 recommendations for review and consideration by the JFS Director.

In addition, reviews by the Auditor of State and the U.S. Department of Health and Human Services highlighted serious, but correctable, weaknesses in Ohio's administration and oversight of child welfare programs and foster care payments under Title IV-E of the Social Security Act.

Implication of the Executive Recommendations:

Protective Services: The executive recommendation includes $60.2 million in FY 2002 and $64.7 million in FY 2003, for general child welfare operating costs (line item 600-527, Child Protective Services). Funding at this level is an increase of $2.8 million in FY 2002 (5.0% above FY 2001) and an increase of $4.5 million in FY 2003 (7.5% above FY 2002). Counties have the flexibility to use this funding across the entire spectrum of their programs, including support for placement costs.

Foster Care: JFS will be fully implementing the foster parent training requirements enacted by Sub. H.B. 332 of the 123rd General Assembly.

Title IV-E and the ProtectOhio Waiver: The Title IV-E demonstration project is scheduled to run through September 2002, and is subject to an ongoing independent evaluation of an outside contractor under the joint supervision of the State and the federal government. The executive recommendation includes funding for the state's share of that evaluation.

Adoption: The executive recommendation enables the Office for Children and Families to provide the current level of services for post-adoption services.

Adoption subsidy caseloads have steadily increased since the early 1980's. Average monthly caseloads for the fourth quarter of FYs 1996, 1997, 1998, and 1999 were 10,105, 11,139, 12,364,and 13,844, respectively. For the third quarter of FY 2000 (the latest available data), the average caseload was 13,871. The flattening of the growth trend during FY 2000 parallels the decline in foster care utilization. However, according to JFS, recent, but incomplete data suggests that caseloads have started to increase again and an annualized growth rate of over 16 percent is forecast by the end of FY 2003.

The recent change in the federal law concerning the adoption subsidies may impact caseloads. Under federal law, parents that adopt a child through a private adoption are no longer eligible for a federal adoption subsidy. While it is too soon to tell exactly what effect the change in the federal law will have on the adoption rate, JFS can speculate that one possible result may be a pause in the growth rate of adoptions as children in private custody migrate to public children services agencies, which could create a backlog in processing of children for adoption. If adopting from the custody of a public agency, the adopting parents would be eligible for a federal adoption subsidy.

Child Welfare Reform: JFS will not be able to pay, out of appropriation item 600-527, Child Protective Services, the cost associated with instituting some of the recommendations made by the Child Welfare Reform Shareholders Group and the Auditor's Office.

However, the executive recommendation includes the use of $32.5 million of TANF funds to support child welfare initiatives, which may include some of the recommendations made by the Shareholders Group and Auditor. The executive recommendation also includes the creation of a new line item, 600-691, New Child Welfare Initiatives. The recommended appropriation for this line item is for $5.5 million for each fiscal year for expansion and support of county public children services agency activities and $2.0 million per fiscal year for pilot programs targeted at violent and aggressive youth.

Adult Services

Program Description: The Adult Services program addresses the needs of Ohio's vulnerable adults and families by providing services designed to bring about and continue self-support and self-sufficiency. The services are provided directly by the 88 county departments of job and family services with JFS providing program planning, technical assistance, training, and monitoring. Activities include protective services, homemaker services, guardian services, refugee services, and other related services funded through the federal Social Services Block Grant (SSBG) and state funds.

Social Services Block Grant: The SSBG is appropriated under Title XX of the Social Security Act. By federal statute, the delivery of SSBG services must be directed toward five goals:

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

To address these national goals, as well as fulfill the Department's mission, JFS established 31 service definitions that are designed to provide flexibility in targeting the populations to be served. Some examples of the service definitions include adoption, family planning, employment services, prevention and intervention, home delivered meals, and legal services. Twenty-nine of the definitions were already defined in the federal regulations. However, JFS took one of the definitions, "child care," and divided it into three groups; protective, special needs, and employment and training. Thus, Ohio has 31 service definitions.

JFS received 72.5 percent of Ohio's SSBG award. The remaining amount is divided between the departments of Mental Health and Mental Retardation and Developmental Disabilities. This distribution applies only to the initial federal award and not to any transfer of TANF funding into the SSBG (often referred to as Title XX).

JFS may use up to three percent of the SSBG for administration and up to two percent for statewide training. Historically, 20 percent is set aside to support childcare programs under the Workforce Development program area. The balance is allocated to the 88 county departments of job and family services.

The county departments are primarily responsible for the social services programs and must develop and implement a local plan for service delivery.

In FY 1998, the number of persons receiving at least one SSBG funded service was 523,419. In FY 1999, the number of persons was 454,819; a 13.1 percent decrease. The decrease can be attributed to the decline in federal revenue for the SSBG.

The following shows the historical decline in the amount of the SSBG Ohio has received in the past few years:

Fiscal Year	Amount of the SSBG for the State	JFS' portion of the SSBG (72.5%)
1997	$106.0 million	$76.9 million
1998	$97.0 million	$70.3 million
1999	$80.0 million	$58.0 million
2000	$73.8 million	$53.5 million
2001	$71.1 million	$51.2 million

Please note, a review of historical appropriations and expenditures for the SSBG line item (600-620) does not appear consistent with the above chart. However, it can be explained by the fact that this line item is affected by cash flow in and out of the line and the flexibility JFS has to move funds into this line. Appropriation and expenditures do not necessarily represent the grant amount received by the federal government. Also, the appropriation level for FYs 2002 and 2003 are set at the same level as in FY 2001. This appropriation level does not reflect the amount JFS will receive. Historically, the actual amount of the grant has been declining each year.

Refugee Resettlement Program: Ohio's Refugee Resettlement program seeks to integrate entering refugees into American society both economically and socially. It is operated in cooperation with the federal government. The two main components of the program are social services and cash and medical assistance.

The social services component of the program supports obtaining and retaining employment, acquisition of English language skills, interpreter services, community mutual assistance programs, and health and employment related transportation. Most social services are delivered through contracts with nonprofit organizations. Costs of these benefits and services, as well as costs associated with administering the program, are fully reimbursed by the federal government.

Ohio annually resettles approximately 1,500 refugees through voluntary resettlement agencies. Most resettlement activity is centered in Cleveland, Cincinnati, Columbus, Dayton, and Toledo.

Adult Protective Services: Under current law, county department of job and family services are required to investigate and evaluate all repots of suspected abuse, neglect, and exploitation of adults age 60 and older. The law further provides that those found in need of protective services should receive services to the extent funds are available. The services are designed to protect vulnerable Ohioans who are unable to care for themselves and to allow those individuals to achieve and maintain independence to the greatest extent possible.

The State has provided GRF funding through line item 600-534, Adult Protective Services, since 1989. Each county receives a base allocation of $20,000, with the balance of funds distributed by a formula based on the county's population of persons over the age of 60 compared to that of the State.

Implication of the Executive Recommendation:

Social Services Block Grant (SSBG): The social services provided through this program area are paid for through the SSBG, which is 100 percent federally funded. The portion of Ohio's grant award appropriated to JFS is approximately $51.2 million for FY 2002 and $51.3 million for FY 2003. Of the amounts appropriated, approximately $39.4 million is to be spent on social services provided through the Office for Children and Families in each fiscal year. JFS expects the number of individuals receiving at least one SSBG funded service to continue to decline as federal funding continues to decrease. However, if a person is unable to receive a particular service under the SSBG, the person may be able to get that same service elsewhere. For example, some services that would have been delivered through the SSBG are being offered through Prevention, Retention, and Contingency (PRC), which is a TANF program designed to divert families from public assistance.

Refugee Resettlement Program: Operation and funding for the Refugee Resettlement Program are entirely driven by federal directives, U.S. foreign policy, and congressional appropriations. Federal cash and medical assistance awards typically range between $1.0 million and $1.4 million annually. Social service awards for this program are typically $1.3 million annually. The State has also applied for, and received, several federal grants that support specialized services to targeted refugee populations such as the elderly entrant. These grants are typically $150,000 to $430,000 annually. Since these grants are awarded via competitive application and proposal, the State is not guaranteed this revenue on a continual basis.

Adult Protective Services: In FY 2001, $3,031,340 was appropriated for adult protective services. The Executive recommends a decrease in funding for these services. The recommendation is for $2,879,773 for FY 2002 and $2,803,990 for FY 2003. The decrease in funding will be experienced by all the counties. Currently, there is no federal money specifically set aside for Adult Protective Services program. Federal Social Services block Grant funds can be used for Adult Protective Services at the county's discretion.

CHILD SUPPORT ENFORCEMENT

ANALYSIS OF EXECUTIVE PROPOSAL

Child Support Enforcement

Purpose The role of the child support enforcement series is to provide funding for activities that enhance the ability of the local child support enforcement agencies (CSEAs) to establish paternity in order to establish child support orders and to collect payments on those orders.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	600-420	Child Support Administration	$7,999,506	$7,964,959
GRF	600-502	Child Support Match	$17,559,588	$16,983,942
4A8	600-658*	Child Support Collections	$42,389,027	$42,389,027
3S5	600-622	Child Support Projects	$534,050	$534,050
397	600-626	Child Support	$248,001,590	$247,353,041
4V2	600-612	Child Support Activities	$124,993	$124,993
192	600-646	Support Intercept – Federal	$80,000,000	$82,000,000
583	600-642	Support Intercept - State	$20,162,335	$20,565,582
Total funding: Child Support Enforcement			**$416,771,089**	**$417,915,594**

* While the revenue for line item 600-658, Child Support Collections, is derived from collections from child support payments for current and former OWF/ADC recipients, the funding is not used to support child support activities. The funding is used for expenditures under the TANF program for meeting maintenance of effort requirements.

Specific programs within the Child Support Enforcement program series that this analysis will focus on include:

- ***Paternity/Support Establishment***
- ***Enforcement & Collection***
- ***County Funding for Child Support Projects & Activities***

Background

Title IV-D of the Social Security Act of 1975, designates the Ohio Department of Job and Family Services (JFS) as Ohio's Child Support Enforcement Agency (CSEA). The Act requires JFS to be responsible for supervising local entities in the establishment and enforcement of support obligations owed by non-custodial parents. Within the Department, the Office of Child Support (OCS) has the responsibility for overseeing local activity. The local CSEA 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. The child support program supports approximately 845,000 cases statewide, which assists almost one million Ohio children. In FY 2000, Ohio collected and disbursed approximately $1.1 billion of child support, which is 70.85 percent of all current support obligations. The other 29.15 percent that was not collected (approximately $434.4 million) was added to the arrears owed in FY 2001.

Paternity/Support Establishment

Program Description: The Personal Responsibility and Work Reconciliation Act of 1996 (PRWORA) requires each state to develop a methodology for establishment of paternity and support obligations, which are the first two steps in collecting child support. The State's portion of federal incentive dollars is based on performance measures related to paternity and support order establishment. OCS assists the counties in meeting these performance measure goals through contracts and interagency agreements.

Currently, the rate of paternity establishment, as calculated using the federal methodology, is at 109.37 percent. The federal formula for calculating the statewide paternity establishment percentage is: the number of children for whom paternity is established during the current calendar year divided by the number of children born out-of-wedlock during the prior calendar year. The use of two different reporting periods can result in a percentage greater than one hundred. With the current paternity establishment measure of 109.37 percent, Ohio should receive 100 percent of the federal incentive dollars available for paternity establishment.

The rate of support order establishment is 72.51 percent. This measure is calculated by dividing the number of IV-D orders established by the number of IV-D orders. ("IV-D" is a title of the Social Security Act relating to individuals who participate in available child support or spousal support services by applying for, or participating in, other benefit programs that establish and enforce a child support obligation.) With the current support establishment measure of 72.51 percent, Ohio should receive 86 percent of the incentive dollars available for support establishment.

The State also currently has vendor contracts for both establishment and genetic testing. The establishment contract is in place for the purpose of processing backlogged cases at the local level. Through the contract, the vendor attempts to establish support orders for county assigned cases, including paternity establishment if necessary, or to close cases that meet the federal case closure criteria. Since January 1999, the vendor has established support in 1,052 cases, established paternity in 64 cases, established case closure criteria in 1,837 cases, and located or confirmed the location of 4,141 absent parents. The vendor continues to work a total of 21,089 cases referred by Cuyahoga, Franklin, Butler, Lorain, and Lake counties.

The State also continues its genetic testing contracts, which provide testing in cases where fatherhood is contested. Statewide contracts allow the State to negotiate a lower price per test and the counties can utilize testing services without the administrative responsibility of developing local contracts. From 1998 through June 2000, 46,000 cases have been resolved resulting in establishing fathers for 34,500 children. Currently, the federal government reimburses 90 percent for the cost of genetic testing, however, numerous congressional and a federal administration proposals could reduce the reimbursement rate to 66 percent.

Central Paternity Registry: In January 1998, OCS created the Central Paternity Registry (CPR). The purpose of the registry is to collect and process all paternity documents initiated by the CSEAs, hospitals, vital statistics registrars, and courts. The state has contracted with a vendor for the registry's operation and maintenance. The vendor is also responsible for collection of the documents, continuing training, and monitoring hospital compliance.

The Department of Health (DOH), pursuant to an interagency agreement with JFS, processes all paternity paperwork that comes through the registry. Processing the paperwork requires DOH to coordinate with the vendor and involves comparing all paternity documentation with the child's birth record and updating the birth record, if necessary. DOH is responsible for permanently housing the original documents and assuring the paternity affidavits correspond to the child's birth record.

The registry extracts specific data elements from each document. Within a few days, the information is made available to the CSEAs to allow them to move quickly to establish support. During FY 2000, the registry processed 57,278 paternity documents.

Funding Source: GRF, Federal Special Revenue (FED), State Special Revenue (SSR)

Line Items: 600-420, Child Support Administration (GRF); 600-626, Child Support (FED); 600-612, Child Support Activities (SSR)

Enforcement & Collection

Program Description: The child and medical support enforcement and collection services assist CSEAs in locating absent obligors; enforcing orders; and collecting child support, medical support, and other monetary obligations from individuals who owe support. The State's role is to provide the county CSEAs with the resources to assist individuals owed child support obtain that support. OCS supports statewide contracts for new hire reporting, medical enforcement, financial institution data match, and in part, collections.

New Hire Reporting: State and federal law requires employers to report all newly hired and rehired employees to JFS within 20 days of the date of hire. The reports are to be made to a vendor that JFS has contracted with for collection of this information. The information is kept for 12 months and is used for location purposes and identification of employment resources for non-residential parents who may be delinquent in their child support payments. The database currently contains 3.9 million records from more than 330,000 Ohio employers and processes an average of 60,000 employer records each week. JFS has estimated that the State's annual child support collections have increased $30 million since the inception of the New Hire program in January 1996.

Medical Enforcement: State and federal law requires the inclusion of health care coverage in court and administrative child support orders when coverage is available and reasonable, or expected to become available. Health insurance coverage is considered available and reasonable if either parent, through the parent's employer or other group health insurance plan, can obtain it. Local child support enforcement agencies must obtain proof of insurance and then communicate that information periodically to JFS, Office of Ohio Health Plans. The Office of Ohio Health Plans must determine if there have been lapses in healthcare coverage for Medicaid recipients. The objective of the program is to increase the number of children with health care coverage who are in child support families where health care coverage has been ordered. JFS has contracted with a vendor to facilitate medical support enforcement. The vendor works in Butler, Clark, Clermont, Guernsey, Richland, Lucas, and Cuyahoga counties identifying children who may have a previously unknown source of health insurance that is available for the child (e.g. a non-custodial parent's health insurance through an employer). Once the vendor discovers the availability of health insurance for a child, the county is responsible for further investigation and establishment of a medical support order.

Financial Institution Data Match (FIDM): PRWORA established FIDM in order to increase collection of delinquent child support, maintain the integrity and security of financial institution and child support data, and make use of technology to aid in the collection of child support. FIDM is used to identify accounts belonging to non-custodial parents who are delinquent in their child support payments and, if necessary, freeze and seize the accounts of the delinquent obligor. There are two segments to the FIDM program; the multi-state FIDM (MSFIDM), which is operated and funded through the federal Office of Child Support Enforcement and the single state FIDM (SSFIDM), which in Ohio will not be operative until March 22, 2001 (the effective date of S.B. 180 of the 123rd General Assembly which authorizes and mandates the state's operation of a SSFIDM program). Banks, savings and loans, federal and state credit unions, benefit associations, insurance companies, safe deposit companies, money market, mutual funds, and similar institutions have the option to participate in the multi-state program through the federal Office of Child Support Enforcement or participate on a state to state basis. Since the establishment of the MSFIDM program in Ohio in 1999, more than 264,000 matches on arrearages of more than $2.4 billion in delinquent child support have been processed. JFS expects similar results for the SSFIDM, relative to the number of financial institutions involved.

Collection: PRWORA mandates that the state agency responsible for administering the state's child support plan under Title IV-D of the Social Security Act must establish and operate a State Disbursement Unit (SDU) for centralized collection and disbursement of child support payments. SDU for the State is known as the Ohio Child Support Payment Central (CSPC). In December of 1999, JFS, in partnership with the Treasurer of State, entered into a four and a half year contract with Bank One and its subsidiary, Anexsys, L.L.C. The contract requires Bank One to provide banking and client support services associated with the establishment and on-going operation of CSPC.

OCS created the Payment Analysis and Reconciliation (PAR) Bureau to handle the State's responsibilities not covered by the contract including, handling payment and disbursement exceptions and financial oversight and reconciliation of the newly created master account, which replaced the individual county accounts.

Support Enforcement Tracking System (SETS): The Family Support Act (FSA) of 1988 mandated that each state develop an automated system to manage child support enforcement by October 1, 1995. The Ohio automated system aids in the location of absent parents, and the establishment, enforcement, tracking and reporting of child support cases. In Ohio, it is called SETS. SETS is one of the largest statewide child support systems in the nation. The system maintains data on 1.9 million parents and children seeking child support payments and 634,000 cases. There are approximately 4,000 SETS users statewide. SETS is operational in a personal computer (PC) network environment, which allows the system to be easily maintained and enhanced to permit a flexible response to legislative actions or other future program initiatives.

The federal government extended the original October 1, 1995 deadline to October 1, 1997. Automation efforts were ongoing, so states were given two options for negotiating compliance: the State Plan Approval Procedure and the Alternative Penalty Procedure. The State Plan Approval option continued the penalty structure established in FSA, an all-or-nothing approach governed by compliance hearings and marked by the potential loss of all federal child support grants for failure to certify the state's system. Most states, including Ohio, chose the Alternative Penalty Procedure, a graduated and partial structure—based on the non-compliant state losing an increasing share of its federal child support grant.

JFS missed the October 1, 1997 and October 1, 1998 deadlines, incurring fine penalties of $5.25 million (representing 4 percent of Ohio's federal fiscal year 1997 child support program grants) and $9.4 million (representing 8 percent of FFY 1998 child support program grants). On June 21, 1999, the Controlling Board approved the transfer of $14.6 million in surplus Medicaid funds from line item 400-525, Health Care/Medicaid, to pay the fines in August 1999. The Department also failed to meet the October 1, 1999 deadline, incurring a fine of $28.8 million (representing 16% of the State's FFY 1999 child support grant). The U.S. Department of Health and Human Services (HHS) assessed this fine by reducing the State's child support grant award by $28.8 million on January 14, 2000. On January 24, 2000, the Controlling Board approved, with conditions, a request to use earned federal reimbursement for allowable Title XX expenditures to cover the shortfall.

Full conversion of cases to SETS was complete by September 30, 2000 and Ohio is awaiting certification from the federal government. Should the system fail certification, Ohio will be fined approximately $50 million. If Ohio achieves compliance and the system is certified, HHS will return 90 percent of the FY 2000 fines or approximately $25.7 million. Under H.B. 95, the returned funds would be deposited in the General Revenue Fund. Fines paid in previous years, totaling $14.6 million, cannot be recovered under current law.

Funding Source: GRF, Federal Special Revenue (FED), and Agency Fund Group (AGY)

Line Items: 600-420, Child Support Administration (GRF); 600-626, Child Support (FED); 600-642, Support Intercept-State (AGY); 600-646, Support Intercept-Federal (AGY)

Implication of Recommendation for Paternity/Support Establishment and Enforcement & Collection: The executive recommendation will enable the Office of Child Support (OCS) and the county support enforcement agencies to provide basic services to their customers. However, the recommended funding requires OCS to cut back on some administrative expenses, such as travel and expenses associated with staff professional development (e.g. conferences). In addition, at the recommended funding level, OCS may need to cut back on the dollar amounts of some of its contracts for various statewide services.

The activities that the Department will emphasize are those that the federal government will base distribution of incentive dollars. Those activities include, paternity establishment, support order establishment, current collections, collections on arrears, and cost effectiveness. Medical support establishment will soon become an additional performance measure on which the federal government will base distribution of incentive dollars to states. Establishment of medical support will be a priority for OCS in FYs 2002 and 2003. OCS has begun and will continue to monitor medical support establishment at the county level. In addition, the Auditor of State is involved in performance audits of medical support establishment.

County Funding for Child Support Projects & Activities

Program Description: The child support program involves federal, state, and local government. The federal government sets program standards and policy, evaluates state performance in conducting the program, and offers training and technical assistance to the state. JFS provides state supervision and the local CSEAs administer the program. The federal government funds a major share of the cost of the program by reimbursing states 66 percent of their administrative expenses, with the exception of genetic testing expenses, which are reimbursed at 90 percent. State and local governments must provide the funding not reimbursed by the federal government. The State provides funds to the counties, which are then used to match federal funds.

Each county is allocated $15,000, with some of the balance allocated based on the county's percentage of divorces, dissolutions, and annulments and percentage of children born out-of-wedlock compared to the entire state and some of it allocated based on their ratings according to performance standards. In FY 2002, the $17,559,588 appropriated will allow the counties to access an additional $34,086,259 in federal funds. In FY 2003, the $16,983,642 appropriated will allow counties to access an additional $32,968,829 in federal funds.

Additionally, JFS reimburses the counties for their participation in the Ohio Child Support Directors' Association annual training event. The counties are reimbursed for their employees' registrations and ancillary costs related to conference attendance.

Counties also receive funding for the Access/Visitation program. This program operates in Butler, Darke, Defiance, Mercer, Washington, Loraine, Mahoning, Scioto, Seneca, and Franklin counties. The program supports and facilitates the non-residential parents' access to, and visitation of, their children to encourage the payment of child support. The services provided include mediation services centering on access and visitation disputes, neutral drop-off and pick-up sites for visitation, supervised visitation, parenting education classes and the development of visitation enforcement orders. Funding for this program is 100 percent federal (line item 600-622, Child Support Projects).

Funding Source: GRF; Federal Special Revenue (FED)

Line Items: 600-502, Child Support Match (GRF); 600-622, Child Support Projects (FED); 600-626, Child Support (FED)

Implication of Recommendation for County Funding: The executive recommendation for state funds provided to the counties for administration of the Child Support Enforcement Program (line item 600-502, Child Support Match) is a 15.5 percent decrease in FY 2002 from estimated FY 2001 expenditures and the FY 2003 recommendation is a 3.3 percent decrease from the FY 2002 recommendation. In FY 2002, JFS will have $3.2 million less to provide to the counties than it did in FY 2001. In FY 2003, JFS will have $575,646 less to pass through to the counties than it did in FY 2002. Since counties use state funds to access additional federal funds for the program, the recommendation means fewer state dollars for the counties but also fewer federal dollars for the program. However, according to JFS, the centralization of collection and disbursement of child support, mitigates the impact on the counties, since some of the administrative responsibilities have shifted to the state. For example, the state is paying for the postage for child support checks, a cost formerly borne by the counties. The state is also picking up the cost of depositing and disbursing child support collections.

The total reduction in funds passed through to the counties (line item 600-502, Child Support Match) including the state's share and federally matched funds, is approximately $9.5 million in FY 2002 and $11.1 million in FY 2003. The total shift in costs to the state for postage and centralized collections is approximately $6.4 million in FY 2002 and $6.6 million in FY 2003. The counties, as a whole, will experience a total reduction of $3.1 million in FY 2002 and $4.5 million in FY 2003 from the current levels.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Department of Job and Family Services (JFS) in the program areas that affect children.

Permanent Law Provisions

Family Violence Prevention and Services Act (ORC sections 181.52 and 5101.251; Section 142)

The bill transfers from JFS to the Office of Criminal Justice Services (OCJS) the administration of funds received under the federal Family Violence Prevention and Services Act. (See also Temporary Law Provision for fiscal effect.)

Children's Trust Fund fee (ORC section 3109.14)

The bill increases the additional fee charged for a certified copy of a birth record, certification of birth, copy of a death record, filing for a divorce decree or dissolution that goes to the Children's Trust Fund.

The fee increase is expected to generate additional revenue of approximately $1.3 million annually. The additional revenue generated from the fee increase will expand the local purchasing power of the programs by approximately 27 percent.

Calculation of reduction in county child welfare allocation (ORC section 5101.14)

The bill eliminates the requirement that JFS reduce a county's child welfare allocation if the county reduced the amount it expended for services to children from federal social services (Title XX) funds. It also provides that a reduced allocation of funds to the county due to a sanction is no longer a reason for the county's reduction of expenditures.

Without consideration of Title XX funds, a county's welfare allocation could potentially be reduced by a lesser amount than before. However, with the inclusion of amounts paid for a sanction, the allocation could potentially be reduced by a greater amount. According to JFS, the counties have been spending the full amount of their allocations and the Department has not recently imposed any sanctions.

Child welfare services report (ORC section 5101.14)

The bill eliminates the requirement that JFS prepare an annual report detailing on a county-by-county basis the services provided with child welfare allocations.

JFS has been unable to produce the report due to limitations of its accounting system and the level of detail that the statute requires. Therefore elimination of this reporting requirement will not generate any administrative cost savings for the Department.

Funding of the Ohio Child Welfare Training Program (ORC sections 5101.141 and 5153.78)

The bill eliminates a restriction under which the federal funds for administrative and training costs incurred in the operation of foster care maintenance and adoption assistance programs that JFS withholds (up to 2%) from public children services agencies may be used only to fund the Ohio Child Welfare

Training Program. It also provides that JFS is permitted, rather than required, to use available federal and state funds to fund the Ohio Child Welfare Training Program adequately.

Historically, JFS has withheld the full two percent and expended it all on training. JFS will continue to withhold the full 2%. However, the change in the law will enable the Department to spend the funds on other child welfare efforts.

Child Welfare Training Fund (ORC section 5101.143 (repealed))

The bill eliminates a provision that allows each private agency or government entity to request that JFS determine what portion of an amount an entity charges for foster care maintenance for an eligible child qualifies for reimbursement under Title IV-E of the Social Security Act. The bill eliminates the Child Welfare Training Fund and the requirement that JFS levy a special assessment on each private agency or government entity seeking a foster care maintenance rate determination.

The federal government never approved this use of Title IV-E funds. In addition, there are currently no funds in the Child Welfare Training Fund. Elimination of funds and the provisions in law have no fiscal effect on the Department.

Single form for reporting foster care and adoption assistance and Medicaid reimbursements (ORC section 5101.145)

The bill eliminates the requirement that JFS establish a single form for reporting costs reimbursable under the federal foster care maintenance and adoption assistance program and Medicaid. It also requires that JFS's procedures to monitor cost reports for reimbursement for foster care maintenance and adoption assistance services and Medicaid services ensure that Medicaid reimbursable costs are excluded from the determination of which costs are reimbursable as foster care maintenance and adoption assistance costs.

Elimination of this requirement will have no fiscal effect on JFS' administrative costs.

Foster care training stipend (ORC sections 5103.0312 and 5103.0316)

The bill provides for JFS to reimburse the recommending public and private children services agencies for payments to foster caregivers for attending training courses rather than pay the foster caregivers directly. It also provides for the payments to be based on a stipend rate rather than a per diem rate.

JFS must process approximately 150,000 payments annually for such training reimbursement. By requiring the children services agencies to reimburse the foster caregiver and then seek reimbursement from JFS, the administrative cost of processing the payments is divided between JFS and the public children services agency. For example, under current law, if 30 foster caregivers are recommended by one public children services agency then JFS must process 30 separate payments. Under the bill, JFS would process one payment to each recommending agency and the recommending agency would process one payment for each foster caregiver that the agency recommended.

Kinship care navigator program (ORC sections 5101.85, 5101.851, 5101.852, and 5101.853)

The bill eliminates the requirement that JFS establish a program providing support services to kinship caregivers and replaces it with a Kinship Care Navigator program. The new program is to provide kinship caregivers information and referral services and assistance in obtaining the support services that were required to be provided under the eliminated support service program.

The executive recommendation provides $3 million of TANF funds (line item 600-689, TANF Block Grant) for each fiscal year, which JFS will use to support allocation to each public children services agency to help fund the Kinship Care Navigator Program.

Temporary Law Provisions

Child Support Collections/TANF Maintenance of Effort (Section 62.04 of the bill)

The foregoing appropriation item 600-658, Child Support Collections, must be used by JFS to meet the TANF maintenance of effort requirements (MOE) of Pub. L. No. 104-193. After the state has met the MOE requirement, JFS may use the funds from appropriation item 600-658 to support public assistance activities.

Refund of SETS Penalty (Section 62.10 of the bill)

Any and all refunds received for penalties that were paid directly or indirectly by the state for the Support Enforcement Tracking System (SETS) must be deposited in their entirety to the General Revenue Fund.

If the SETS system is certified, the U.S. Department of Health and Human Services will return 90 percent of the FY 2000 fines or approximately $25.7 million. Under the bill, these funds will be deposited in the General Revenue Fund.

Consolidated grant of state aid for county children services (Section 62.15 of the bill)

Permits JFS, with the consent of a county, to combine into a single and consolidated grant state funds provided to the county for child welfare services and kinship care. This provision is permissive. Combining state funds into a single and consolidated grant would provide a county with greater flexibility to use these funds to meet that particular county's needs.

Family Violence Prevention Program (Section 142 of the bill)

JFS and the Office of Criminal Justice Services (CJS) are required to enter into an interagency agreement regarding the transfer of duties, records, assets, and liabilities concerning the administration of funds received under the Family Violence Prevention and Services Act. Subject to statutory layoff provisions and any applicable collective bargaining agreement, JFS employees whose primary duties relate to the administration of the funds are transferred to CJS and retain their positions and all of the benefits accruing to them.

Currently, there are two staff positions at JFS that administer the Family Violence Prevention and Services Act. At present, one of the positions is vacant. The other is a state employee with 20 years of service with a Program Administrator-3 classification. CJS is required to pay the person's salary at the current rate upon transfer of the employee and fill the other position.

REQUESTS NOT FUNDED

Children and Family Services

Child Welfare Reform						
Fund - Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF - 100	$863,347	$0	($863,347)	$933,796	$0	($933,796)
GRF - 427	$7,454,000	$0	($7,454,000)	$7,881,000	$0	($7,881,000)
GRF - 527	$37,000,000	$2,845,850	($34,154,150)	$63,000,000	$7,346,275	($55,653,725)
327 - 606	$438,000	$438,000	$0	$657,000	$657,000	$0
398 - 627	$1,571,347	$1,571,347	$0	$1,995,796	$1,995,796	$0
398- 691	$0	$7,500,000	$7,500,000	$0	$7,500,000	$7,500,000
Total	$47,326,694	$12,355,197	($34,971,497)	$74,467,592	$17,499,071	($56,968,521)

In 1999, JFS formed the Shareholders Group to assist the department in improving the quality of services to the children and families of Ohio. The Shareholders Group reviewed a myriad of financial, administrative, program and intersystem issues, looking at program quality, effectiveness and accountability. To accomplish this work, the Shareholders Group created nine subcommittees that made 58 recommendations for consideration. The Shareholders Group then prioritized its recommendations and issued an Executive Report containing 21 recommendations for review and consideration by the JFS Director.

In addition, reviews by the Auditor of State and the U.S. Department of Health and Human Services highlighted serious, but correctable, weaknesses in Ohio's administration and oversight of child welfare programs and foster care payments under Title IV-E of the Social Security Act.

This requested funding outlined in the table above was intended to address some of the issues and recommendations set forth by the Shareholders Group and the Auditor of State.

The requested funding for line item 600-527, Child Protective Services, of $37.0 million in FY 2002 and $63.0 million in FY 2003 would have been passed through to the counties for child welfare activities. Historically, state funding has been approximately nine cents for every dollar spent on child welfare funding. Had this request been fully funded, the state share for child welfare would have increased to approximately fifteen cents for each dollar spent. The request also included funding for an additional 29 full-time employees to support the activities proposed by the Auditor and the Shareholders Group.

The Executive did not recommend the requested funding for the 600-527 line item as described above. However, the recommendation includes the use of $32.5 million of TANF funds to support child welfare initiatives, which may include recommendations made by the Shareholders Group and Auditor. The executive recommendation also includes the creation of a new line item, 600-691, New Child Welfare Initiatives. The recommended appropriation for this line item is for $5.5 million for each fiscal year for expansion and support of county public children services agency activities and $2.0 million per fiscal year for pilot programs targeted at violent and aggressive youth.

HEALTH CARE/MEDICAID

OVERVIEW

The Medicaid program was created by the Social Security Act as Title XIX, and became law in 1965. Medicaid is an entitlement program that provides health care coverage to about 1.3 million Ohioans every month at a cost of $6 plus billion annually. Medicaid is a state-federal partnership, which jointly funds the provision of adequate medical care to eligible needy persons. In this partnership, the federal government established broad national guidelines, and each state determines its own eligibility requirements, determines the scope of services, sets payment rates for services and administers its program.

In Ohio, Medicaid applies to people in the following four distinct insurance markets: low–income pregnant women; children in families with incomes at or below 200 percent of the federal poverty level (FPL); parents at or below 100 percent of the FPL; and low-income elderly and persons with disabilities of all ages, commonly referred to as the Aged, Blind and Disabled (ABD). Many consumers with disabilities have medical needs so extensive that commercial plans would deem them "uninsurable." Even though Medicare provides coverage for most of Ohio's elderly population, many of these individuals are "dually eligible," and Medicaid supplements their Medicare benefits by providing Medicaid coverage for services such as prescription medications and long-term care. Medicaid also provides assistance to certain seniors with their Medicare premiums, co-payments, and deductibles.

Although other state agencies provide Medicaid services, the vast majority of Medicaid spending occurs within the budget of the Department of Job and Family Services (JFS). Recognized by the federal government as Ohio's single Medicaid agency, JFS provides long-term care and basic medical services with state and federal moneys through GRF line item 600-525, Health Care/Medicaid. In addition, various provider tax programs and administrative expenses are funded in the department's budget.[1] Federal reimbursement for Medicaid spending outside the department passes through Fund 3G5 line item 600-655, Interagency Reimbursement. Please refer to the specific agency redbook for a more detailed description of these Medicaid related activities.

The Medicaid health plan provides a comprehensive package of benefits to eligible consumers that can be categorized into two broad benefit packages: (1) primary and acute care services are available to everyone on the Medicaid plan, and (2) long-term care (LTC) services are available to individuals with an institutional or nursing home level of care. Included in primary and acute care services are inpatient and outpatient hospital services, physician services, prescribed drugs, dental, and a variety of other health-related services. These services are delivered either on a fee-for-service basis or through licensed managed care plans. Long-term care services are delivered in community and institutional settings. In

[1] Provider tax programs refer to assessments on hospitals, as well as bed taxes on nursing facilities and intermediate care facilities for the mentally retarded. The programs serve as a mechanism by which to draw additional federal matching funds.

addition Medicaid benefits frequently supplement Medicare benefits for “dually eligible” individuals when Medicare’s benefit plan falls short, such as for prescription drugs and long-term care coverage.

Another important point to note is the federal financial share of Ohio’s Medicaid program changes every federal fiscal year. In accordance with federal law, the federal government shares in the state’s cost of Medicaid at a matching rate known as the FMAP (Federal Medical Assistance Percentage).[2] The FMAP is calculated for each state based upon the state’s per capita income in recent years relative to the entire nation. The general description of how this cost-sharing mechanism works has traditionally been as follows: for every $1 dollar we (Ohio) spend on Medicaid, the federal government gives us 60 cents.

However, it should be noted that the FMAP is recalculated each federal fiscal year (FFY). From FFY 1996 to FFY 1997, Ohio’s FMAP rate dropped by 0.89 percentage points from 60.17 percent to 59.28 percent. An even larger drop occurred in FFY 1998, as Ohio’s FMAP fell by 1.14 percentage points to 58.14 percent. In terms of Ohio’s 525 line item, this resulted in a shift of approximately $45.1 million from the Medicaid federal share to state GRF funding in FY 1998 and an additional shift of $7.2 million in FY 1999. However, Ohio’s FMAP rate stopped declining in more recent years, improving to 58.26 percent and 58.67 percent in FFY 1999 and FFY 2000, respectively. In FFY 2001, the FMAP rate is 59.03 percent, a 0.36 percent increase over FFY 2000. In FFY 2002, the FMAP rate will decrease by 0.24 percent to 58.78 percent, thus shifting more of the costs of the Medicaid program from the federal government to the state.

[2] While the majority of the spending in the 525, Health Care/Medicaid, line item is matched at the FMAP, a few items, primarily contracts, within the All Other Care category are matched at 50 percent, and all family planning services receive a 90 percent match. In addition, about 15 percent of Medicare buy-in premiums receive no federal match. Lastly, the CHIP-II program is matched at about 70 percent.

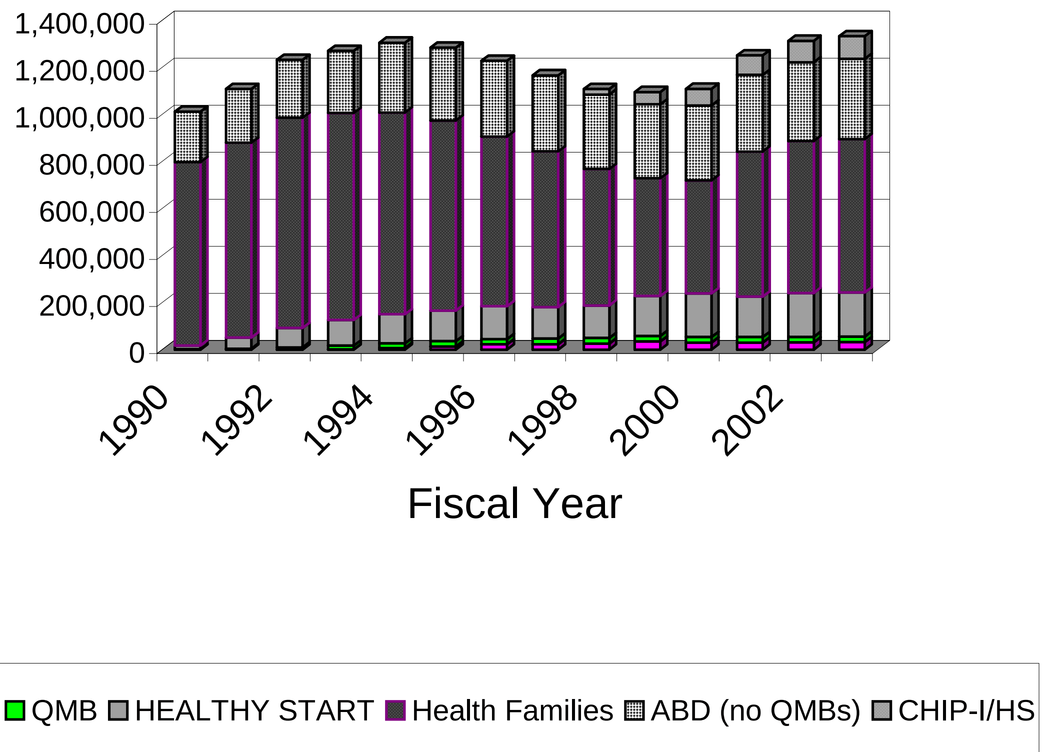
ADDITIONAL FACTS AND FIGURES

While individuals can become eligible for Medicaid programs by meeting any one of many sets of eligibility criteria, all of these various eligibility groups can be categorized into seven major eligibility types: Aged, Blind and Disabled (ABD); Healthy Start (HS), Healthy Families, Qualified Medicare Beneficiaries (QMBs); and Specified Low-Income Medicare Beneficiaries (SLMBs); Children in families with incomes at or below 150 percent of the federal poverty level (FPL) known as CHIP-I, and a seventh group - Children in families with incomes between 150 percent and 200 percent of the federal poverty level (FPL) known as CHIP-II. The table (several pages back) titled Summary of Medicaid Average Monthly Eligibility in Ohio provides a basic representation.

Chart 1 and Table 1 show the trends for each of the eligibility groups except CHIP-II. Am. Sub. H.B. 283 of the 123rd General Assembly, the main budget act, appropriated funds for the Children's Health Insurance Plan CHIP-II under Title XXI, for uninsured children under age 19 in families with incomes between 150 percent and 200 percent of the FPL. CHIP-II was implemented on July 1, 2000 to provide health care benefits to about 11,000 children monthly in FY 2001.

Medicaid Eligibility - Monthly Averages

Chart 1



Medicaid Caseload by Eligibility Group

Table 1

LSC Baseline Estimates

Fiscal Year	ABD (no QMB)	% chg.	QMB	% chg.	SLMB [1]	% chg.	Healthy Start	% chg.	Healthy Families [2]	% chg.	CHIP-I /HS [3]	% chg.	Total	% chg.
1990	214,247		1,646		0		15,837		779,937		0		1,011,667	
1991	228,955	6.87%	3,674	123.26%	0		47,007	196.81%	828,828	6.27%	0		1,108,464	9.57%
1992	246,369	7.61%	9,602	161.38%	0		82,166	74.80%	894,261	7.89%	0		1,232,398	11.18%
1993	263,676	7.02%	16,067	67.32%	420		109,162	32.86%	880,786	-1.51%	0		1,270,110	3.06%
1994	296,654	12.51%	20,191	25.67%	6,395	1422.59%	123,663	13.28%	858,069	-2.58%	0		1,294,972	1.96%
1995	309,576	4.36%	22,773	12.79%	12,955	102.58%	129,826	4.98%	808,875	-5.73%	0		1,284,005	-0.85%
1996	321,978	4.01%	22,736	-0.16%	22,069	70.35%	139,529	7.47%	721,950	-10.75%	0		1,228,262	-4.34%
1997	323,023	0.32%	23,791	4.64%	23,233	5.28%	133,719	-4.16%	662,403	-8.25%	0		1,118,587	-8.93%
1998	315,885	-2.21%	23,683	-0.45%	25,925	11.59%	137,912	3.14%	580,827	-12.32%	23,767		1,107,999	-4.99%
1999	314,855	-0.33%	23,538	-0.61%	34,764	34.10%	169,210	22.69%	500,840	-13.77%	52,509	120.93%	1,095,717	-1.11%
2000	318,720	1.23%	23,635	0.41%	30,002	-13.70%	185,127	9.41%	481,064	-3.95%	70,655	34.56%	1,109,203	1.23%
2001*	326,239	2.36%	23,673	0.16%	30,060	0.19%	171,512	-7.35%	616,886	28.23%	82,785	17.17%	1,251,155	12.80%
2002*	334,755	2.61%	23,824	0.64%	30,120	0.20%	186,769	8.90%	646,495	4.8%	91,518	10.55%	1,313,481	4.98%
2003*	341,795	2.10%	24,301	2.00%	31,506	4.60%	186,769	0.00%	652,558	0.94%	96,068	4.97%	1,332,997	1.49%

** LSC Baseline Estimates.*

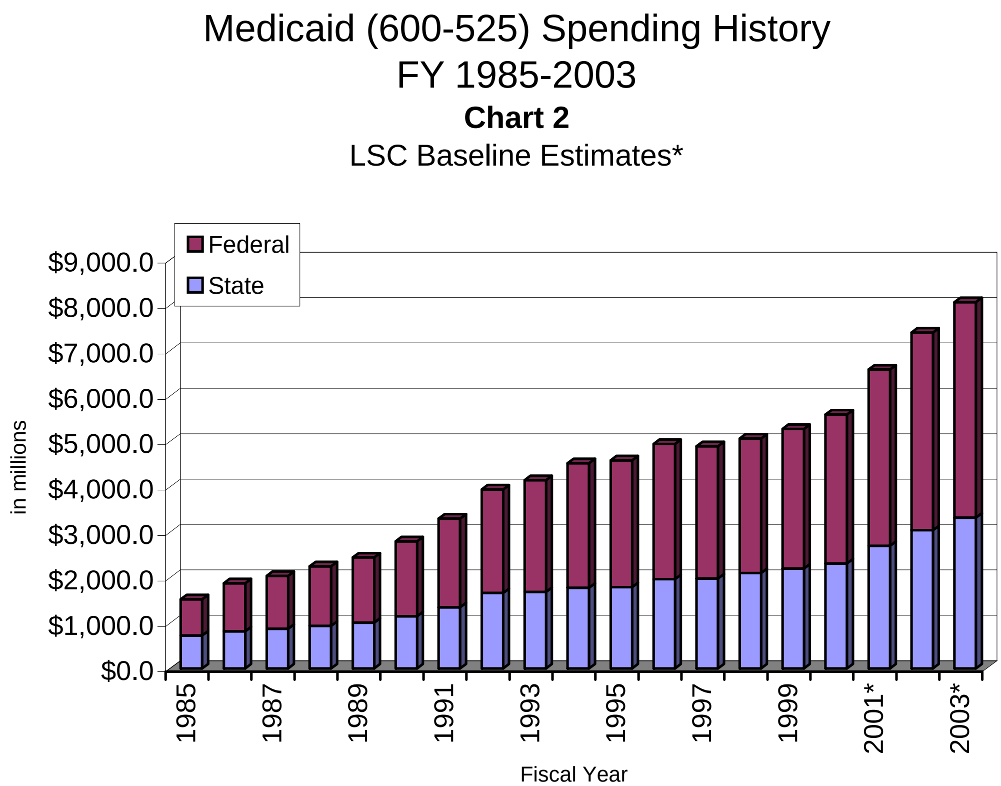
1. SLMB population growing due to a federal expansion for Medicare eligibles effective January 1, 1998.
All costs related to this new group, Additional Low-income Medicare Beneficiaries, are 100% federally reimbursable

2. Health Families includes OWF Cash Assistance, Transition & Low-income Medicaid eligibles. Now commonly grouped into Covered Families & Children, which also include Healthy Start and CHIP-I/HS.

3 CHIP-I/HS is a combined group of kids eligible for the state's 150% of FPL expansion implemented January 1, 1998.

Appropriation Item 600-525, Health Care/Medicaid

Almost 80 percent of Ohio's total Health Care/Medicaid spending in FY 2000 was disbursed from Department of Job and Family Service's GRF 600-525, Health Care/Medicaid, line item.



State and Federal Shares of GRF
600-525 Line Item

Table 2

LSC Baseline Estimates

Fiscal Year	600/400-525 Total	% chg.	Financial Participation State	% chg.	Federal	% chg.	Effective FMAP
1985	$1,525,530,532		$728,740,664		$796,789,868		52.23%
1986	$1,875,271,502	22.93%	$818,556,010	12.32%	$1,056,715,492	32.62%	56.35%
1987	$2,037,330,381	8.64%	$875,644,598	6.97%	$1,161,685,783	9.93%	57.02%
1988	$2,252,312,122	10.55%	$937,412,305	7.05%	$1,314,899,817	13.19%	58.38%
1989	$2,444,781,342	8.55%	$1,012,628,432	8.02%	$1,432,152,910	8.92%	58.58%
1990	$2,802,222,441	14.62%	$1,147,790,312	13.35%	$1,654,432,129	15.52%	59.04%
1991	$3,304,346,333	17.92%	$1,350,486,346	17.66%	$1,953,859,987	18.10%	59.13%
1992	$3,941,073,001	19.27%	$1,661,556,377	23.03%	$2,279,516,624	16.67%	57.84%
1993	$4,149,379,774	5.29%	$1,686,307,940	1.49%	$2,463,071,834	8.05%	59.36%
1994	$4,521,872,195	8.98%	$1,779,356,709	5.52%	$2,742,515,486	11.35%	60.65%
1995	$4,585,549,544	1.41%	$1,791,624,838	0.69%	$2,793,924,706	1.87%	60.93%
1996	$4,941,254,040	7.76%	$1,961,677,854	9.49%	$2,979,576,186	6.64%	60.30%
1997	$4,897,184,802	-0.89%	$1,983,237,415	1.10%	$2,913,947,387	-2.20%	59.50%
1998	$5,062,192,923	3.37%	$2,104,606,708	6.12%	$2,957,586,215	1.50%	58.43%
1999	$5,276,846,835	4.24%	$2,204,138,923	4.73%	$3,072,707,912	3.89%	58.23%
2000	$5,592,207,880	5.98%	$2,316,991,530	5.12%	$3,275,216,350	6.59%	58.57%
2001*	$6,533,927,358	16.84%	$2,683,483,966	15.82%	$3,850,443,392	17.56%	58.93%
2002*	$7,336,534,285	12.28%	$3,019,534,098	12.52%	$4,317,000,187	12.12%	58.84%
2003*	$7,975,353,264	8.71%	$3,282,456,019	8.71%	$4,692,897,244	8.71%	58.84%

Note: Total Medicaid spending in 600-525 is lower than the amounts shown for FY 1998 - FY 2003 due to the offset of GRF funds with DSH monies

LSC/OBM Health Care\Medicaid (600-525) Reconciliation

	FY 2001 Est.	FY 2002 Est.	FY 2003 Est.
LSC Baseline	$6,690,814,009	$7,454,449,791	$8,112,305,940
Adjustments:			
(IMD/DSH Payments)	$156,886,651	$117,915,506	$136,952,676
	$6,533,927,358	$7,336,534,285	$7,975,353,264
State Share	$2,683,483,966	$3,019,534,098	$3,282,456,020
OBM Adjustments:			
Governors Initiatives			
Hospital care cost adjustments		($4,670,602)	($16,994,462)
Prescription drugs cost adjustment			(16,000,000)
Nursing home cost adjustment		($125,000,000)	($125,000,000)
Net OBM Adjustments		($130,070,602)	($157,994,462)
LSC Baseline + OBM Adjustments	$6,533,927,358	$7,206,463,683	$7,817,358,802
State Share	$2,683,483,965	$2,966,180,451	$3,217,624,883
OBM Recommendation (Blue Book)	$6,525,871,328	$7,029,900,338	$7,536,582,374
State Share	$2,676,912,420	$2,886,732,000	$3,098,785,000
Variances			
LSC to OBM	$8,056,030	$176,563,345	$280,776,428
State Share	$6,571,546	$79,448,452	$118,839,883
LSC to Appropriation	23,428,609		
State Share	9,622,129		
FY 2001 Appropriation	$6,510,498,749		
Biennium Variance		457,339,773	
State Share		198,288,335	

Summary of Medicaid Average Monthly Eligibles in Ohio

Eligibility Category	Basic Eligibility Requirements	Caseloads (Share of Total Caseloads) FY 2000	FY 2001	FY 2002	FY 2003
I. CFC: Covered Families and Children:		**736,846 (66.4%)**	**882,384 (69.9%)**	**946,391 (70.9%)**	**960,392 (70.7%)**
1) Healthy Families (HF)		481,064	616,886	646,495	652,558
• OWF Cash Recipients	Eligible for OWF cash assistance. Countable income at or below 34% of FPL.				
• Low-Income Families	Meet the Aid to Families with Dependent Children (ADC) regulations in effect in July 1996, or eligible for OWF assistance but do not receive cash assistance due to any of the following: sanctions, and time limits.				
• Transitional Medicaid	Additional 12 months of health care coverage is given to individuals who no longer meet "ADC" eligibility guidelines due to increased income, but previously received OWF cash assistance.				
• Extended Medicaid	Families whose incomes exceed ADC guidelines due to the collection, or increased collection, of child or spousal support payments receive Medicaid coverage for four months.				
• Other OWF & Related	In addition, individuals eligible for Title IV-E foster care and other miscellaneous groups receive coverage under this category.				
2) Healthy Start (HS)					
• Healthy Start (HS)	Healthy Start Program is a two-part Medicaid program that (i) combines CHIP-I with HS to cover children under age 19 whose family income is at or below 150 percent of FPL. Part (ii) covers low-income pregnant women whose family's income is at or below 150 percent of FPL.	185,127	171,512	186,769	186,769
• Children's Health Insurance Program (CHIP-I)	Children up to age 19 in families with incomes at or below 150% of FPL who do not otherwise qualify for Medicaid in the HS guideline above.	70,655	82,485	91,518	96,068
• Children's Health Insurance Program (CHIP-II)	Children up to age 19 in families with incomes at between 150% and 200% of FPL.		11,201	21,609	24,997
II. ABD: Aged, Blind and Disabled		**372,357 (33.6%)**	**379,972 (30.1%)**	**388,699 (29.1%)**	**397,602 (29.3%)**
• Aged, Blind and Disabled (ABD)	The ABD eligibility group is loosely based on the Supplemental Security Income (SSI) program. However, once individuals who do not meet the initial ABD income test spend an amount on medical care such that their income after medical expenses is at or below the more restrictive ABD income level of about 63 percent of the FPL, they "spend-down" to Medicaid eligibility.	318,720	326,239	334,755	341,795
• Qualified Medicare Beneficiaries (QMBs)	Eligibility for Medicare Part A coverage. Income is at or below 100% of FPL	23,635	23,673	23,824	24,301
• Specified Low-Income Medicare Beneficiaries SLMB	Eligibility for Medicare Part A coverage. Income is between 100 - 120% of FPL	26,008	23,272	22,544	23,582
• Additional Low-Income Medicare Beneficiaries (ALMB) or Qualifying Individuals QI-1 & QI-2	Eligibility for Medicare Part A coverage & not otherwise eligible for Medicaid. For QI-1 - income is between 120 - 135% of FPL; QI-2 income is between 135 - 175% of FPL	3,993	6,788	7,576	7,924
Total Caseload		**1,109,203 (100%)**	**1,262,356 (100%)**	**1,335,090 (100%)**	**1,357,994 (100%)**

ANALYSIS OF EXECUTIVE PROPOSAL

HEALTH CARE

Purpose The activities of health care program series assure the provision of health care to certain low-income people of all ages who lack the means to pay for medical services and for those of whom health care coverage supports work activity and personal responsibility.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	600-426	Children's Health Insurance Prog	$24,544,733	$29,747,910
GRF	600-436	Medicaid Systems Enhancements	$4,490,287	$1,872,334
GRF	600-525	Health Care/Medicaid	$7,029,900,338	$7,536,582,374
5C9	600-671	Medicaid Program Support	$51,084,983	$48,263,429
613	600-645	Training Activities	$1,462,626	$1,157,525
3F0	600-623	Health Care Federal	$175,345,006	$153,543,046
3F0	600-650	Hospital Care Assurance Match	$292,915,017	$276,736,571
4E3	600-605	Nursing Home Assessments	$95,511	$95,511
3G5	600-655	Interagency Reimbursement	$844,022,000	$844,022,000
4J5	600-613	Nursing Facility Bed Assessment	$31,179,798	$31,279,798
4J5	600-618	Residential State Supplement Payment	$15,700,000	$15,700,000
4K1	600-621	ICF MR Bed Assessments	$21,604,331	$22,036,418
4Z1	600-625	Healthcare Compliance	$10,000,000	$10,000,000
5P5	600-692	Health Care Services	$223,847,498	$255,386,713
651	600-649	Hospital Care Assurance Program	$203,298,801	$192,070,088
Total funding: HEALTH CARE			$8,929,490,929	$9,418,493,717

Specific programs or initiatives within the Health Care/Medicaid program series that this analysis will focus on include:

- ***Personal Services/600-100***
- ***Children's Health Insurance Program (CHIP-II)/600-426***
- ***Medicaid Systems Enhancements/600-436***
- ***Health Care/Medicaid/600-525***
- ***Health Care Program Support/600-692***

Personal Services

Initiative Description: To contract with medical technical advisors responsible for prior authorization of Medicaid services and with industry experts to review the hospital payment system in FY 2002.

Funding Source: GRF and FED

Line Items: 600-100, Personal Services - State; 600-100, Personal Services - Federal

Implication of the Executive Recommendation: The executive recommends increased funding of $1 million in each year of the biennium to contract with medical technical advisors responsible for prior authorization of Medicaid services.

The Ohio Administrative Code requires an annual inflationary update to inpatient rates; outpatient rates are based on a fee schedule that is not automatically inflated. The executive recommends an additional $300,000 in funding in FY 2002 to contract with industry experts to review the Department's hospital payments systems in light of Medicare changes, and in regard to trends in the hospital marketplace in general. A new system for hospital reimbursement will be implemented in the following biennium.

Children's Health Insurance Program (CHIP-II)

Program Description: The Children's Health Insurance Plan program (CHIP-II), under Title XXI, provides medical coverage for uninsured children under age 19 in families with incomes between 150 percent and 200 percent of FPL. The insurance plan takes advantage of structures in place for Healthy Start Medicaid, such as a comprehensive benefit package, health delivery and payment systems.

Funding Source: GRF and FED

Line Items: 600-426, Children's Health Insurance Program - State; 600-426, Children's Health Insurance Program - Federal

Implication of the Executive Recommendation: CHIP-II began on July 1, 2000. Under this program, health benefits were provided to an estimated 11,201 average monthly eligible children in FY 2001. The executive recommends total appropriations of $24.5 million in FY 2002, and $29.7 million in FY 2003, or an increase of $587,288 in FY 2002 and $5.2 million in FY 2003. These funds will provide health benefits to an estimated 21,609 average monthly eligible children in FY 2002, and 24,977 average monthly children in FY 2003.

Medicaid Systems Enhancements

Program Description: The Medicaid Management Information System (MMIS) supports the benefits administration of the Ohio Medicaid and Disability Assistance programs. It processes reimbursements to medical providers for services rendered to eligible recipients based on Department of Job and Family Services' and federal policy. MMIS is a federally certified system for the processing of all Medicaid payments. It includes several subsystems: Recipient, Provider, Claims Processing, Surveillance and Utilization review System (SURS), management and Administrative Reporting, and Reference file.

Funding Source: GRF and FED

Line Items: 600-436, Medicaid Systems Enhancements; 600-623, Health Care Federal

Implication of the Executive Recommendation: In addition to continuing service required to maintain the systems, the executive recommends funding for three major initiatives:

1) initial changes toward implementation of the "Administrative Simplification" of Health Insurance Portability and Accountability Act (HIPAA),
2) further development of the Decision Support System, and
3) development of a nursing home direct billing system.

Under the executive recommendation, $990,287 in FY 2002 and $1.9 million in FY 2003 is appropriated in a new GRF line item, 600-436, to support the initial state share of systems redesign costs associated with HIPAA. Additionally, $3.5 million is recommended in FY 2002 to develop a nursing home direct billing system and a decision support system. The federal share of these systems enhancements is contained in Fund 3F0, line item 600-623.

The Health Insurance Portability and Accountability Act of 1996 contains several provisions designed to make health coverage more accessible, affordable, and portable. Passed in 1996, HIPAA is designed to protect confidential healthcare information through improved security standards and federal privacy legislation. It defines requirements for storing patient information before, during and after electronic transmission. It also identifies compliance guidelines for critical business tasks such as risk analysis, awareness training, audit trail, disaster recovery plans and information access control and encryption.

The Decision Support System initiative has been underway since the last biennium and work is ongoing. The system will provide significant administrative tools for the Medicaid program. With the Decision Support System, JFS will be able to make data informed program decisions, monitor program performance and integrity, and provide models for decision-making. In addition to the data analysis and modeling functions available, powerful SURS capabilities will be incorporated into the system for program monitoring and fraud and abuse detection and prevention.

With funding provided in the executive recommended budget, JFS intends to implement a direct billing system for long term care facilities, thus administering the system in the same manner as other Medicaid providers. Implementation of this proposal will improve timeliness of payments and reduce the number of erroneous payments, for example, payments of claims for deceased consumers.

Permanent Law: Proposed changes to ORC section 5111.22 allows for implementation of a direct billing system for long-term care facilities.

Medicaid

Program Description: The federal government recognizes JFS as Ohio's single state Medicaid agency. Therefore, JFS is responsible for ensuring that Medicaid is administered within federal guidelines. The department will make payments for medical and health-related services delivered, through the various delivery systems described in the health care overview, to an estimated eligible monthly average of 1.33 million individuals in FY 2002 and 1.34 million individuals in FY 2003.

Funding Source: GRF and FED

Line Items: 600-525, Health Care/Medicaid - State; 600-525, Health Care/Medicaid - Federal

Implication of the Executive Recommendation: The executive recommends increasing funding for Medicaid by $504 million in FY 2002 from FY 2001 estimated spending levels, and by $506.68 million in FY 2003 to support projected caseload growth, inflationary costs, and approximately 500 new Home Care waiver slots in each year of the biennium. The appropriations for line item 600-525, amount to $7.03 billion in FY 2002 (7.7 percent above estimated FY 2001 expenditures) and $7.54 billion in FY 2003 (7.2 percent above FY 2002).

Caseloads are projected to have a net increase in the FY 2002-2003 biennium. The Healthy Families, Healthy Start, and CHIP-I populations will drive the primary growth, along with a small, anticipated increase in the Aged, Blind and Disabled (ABD) population. While caseload growth contributes to the amount of increased funds needed to maintain program services, medical inflation is also responsible for the increased funds required. In addition, the decline in cash assistance recipients in Ohio Works First (OWF) has caused a significant change in the Medicaid caseload composition. ABD eligibles comprised around 30 percent of the more than 1.2 million Medicaid eligibles in FY 1996, yet generated over 70 percent of all care-related Medicaid costs. By FY 2000, the ABD population had moved up to comprise about 34 percent of the 1.2 million Medicaid eligibles and generated about 80 percent of Medicaid spending. The cost of long-term care was the primary reason for the relative expense of the ABD population. In addition, the ABD population heavily utilizes some of the services with the fastest growing costs, such as prescription drugs.

From December of 1999 to November of 2000 health care inflation accelerated from 3.7 percent to 4.3 percent; in the same time period, the general CPI (all consumer items) accelerated from 2.7 percent to 3.4 percent. Although CPI has a slightly higher acceleration in the most current 12-month inflation rate, double-digit cost increases for health care are forecast for 2001. Inside the health care rate are the prescription drug, hospital care, and nursing home service categories.

Expenditures for prescription drugs are rising due to increases in: (1) market prices resulting from the introduction of a large number of new drugs; (2) mass market consumer advertising (in particular television); and (3) to a lesser extent, utilization rates by the ABD Medicaid population. The Prescription Drug category represented about 12 percent of Medicaid expenditures in FY 2000. The Inpatient and Outpatient Hospital Service category represented 22 percent of Medicaid expenditures in FY 2000. Health economists are predicting increased health care inflation for the coming years as market forces such as the demand for more and expanded health care services continues to push up the costs.

The primary driver of the Medicaid budget is the Nursing Home category, which includes both nursing facilities and intermediate care facilities for the mentally retarded (ICFs-MR).

The Nursing Home category represented about 43 percent of Medicaid spending in FY 2000. Expenditures in this category are expected to increase next biennium. One reason for the expenditure increases in the Nursing Home category is heightened acuity levels, as waiver and other service programs have diverted the less frail from institutions, leaving the most ill and costly recipients in residence. Also contributing to the projected increase in the Nursing Home category is escalating capital costs. In addition, the shortage of and increased demand for healthcare workers, such as RN's, LPN's and aides, coupled with an increase in opportunities for these occupations, is driving up labor costs; wages and benefits are particularly affected as facilities compete in a tight labor market to attract these workers.

The executive recommended budget commits approximately $145 million additional funding over the biennium for new initiatives and expansion of existing programs for Ohioans with disabilities. These recommendations and the $145 million additional funding are included in the budgets of various participating state agencies. One major initiative is to expand current home and community-based waiver programs.

Home and community-based waivers are designed to enable Medicaid consumers who are aged, blind, or disabled to receive care in their communities that was previously available only in an institutional setting. Ohio's publicly funded community-based long term care delivery system is administered by a number of state and local agencies using federal, state, and local funds. Medicaid is the principle-funding source for long-term care in Ohio. The state currently has four different waiver programs for target populations, including the elderly, people with physical disabilities, and people with developmental disabilities. The executive recommended level of funding will provide for approximately 500 new Home Care waiver slots as well as 500 new Individual Options waiver in each year of the biennium. Approximately 1,300 additional slots in FY 2002 and approximately 1,600 additional slots in FY 2003 are also funded for PASSPORT waiver in Department of Aging's budget.

Three other major initiatives are recommended in the executive budget under line item 600-525: 1) changing nursing home reimbursement methodologies; 2) adjusting the hospital care service payment system; and 3) adjusting the prescription drug payment system.

Changing Nursing Home Reimbursement Methodologies

Approximately 70 percent of residents in nursing facilities rely on Medicaid as their source of payment. Medicaid's payment system for nursing homes is mandated in the Ohio Revised Code, which requires rates to reflect facility costs, patient acuity, and an automatic annual inflationary increase.

The executive budget includes the following payment changes to the current nursing home reimbursement system. The executive estimates these proposals will moderate nursing home cost growth by about $250 million in the next biennium.

- The state currently pays nursing homes for direct patient care based on the average disability of all nursing home patients. Since Medicare patients tend to be sicker and require more costly services, this policy inflates the amount Medicaid pays above the actual cost of Medicaid residents. The executive proposes to base reimbursement on Medicaid patients only. JFS estimates this change will avoid $26.7 million per year in increased costs.

- Since 1994, nursing home reimbursement levels have steadily increased while occupancy has declined. The current reimbursement system partially bases its rate on occupied beds. The executive proposes to divide the rate across all the beds. JFS estimates this change will avoid $89.7 million per year in potential costs.

- The state currently pays a bonus to any for-profit operator whose bottom line shows more assets than debt. The executive proposes to remove this incentive to build more nursing home beds. JFS estimates this change will avoid $9 million per year in potential costs.
- The state currently pays a bonus to new purchasers of bankrupt facilities. This policy keeps facilities open that otherwise would close due to normal market forces. The executive proposes to remove this incentive. It is not possible to predict how many owners of facilities will file for bankruptcy. Therefore, we are unable to estimate the fiscal impact of this change.
- Under the executive recommendations, when a facility that has been depreciated is sold for a profit, the state will have the option to either recapture some of the depreciation payments from the original owner or not have to pay depreciation on a second time to the new owner.
- Current law requires operators to notify the state before transferring ownership and pay outstanding bills. However, current penalties for failing to provide notice are small. As a result, some owners may make a business decision to not give notice since that cost of providing notice, and facing possible paybacks, may be greater than the penalty. The executive proposes changes in law to encourage notification. It is unclear how many operators will transfer ownership in the future. Therefore, we are unable to estimate the fiscal impact of this change.

Adjusting the Hospital Care Service Payment System

The executive recommendation includes a proposal to bring Ohio in line with the federal Medicare practice of inflating hospital rates based on medical inflation minus 1 percent. The executive estimates that this adjustment will moderate growth by approximately $4.6 million in FY 2002 and $16.6 million in FY 2003. The executive also recommends an additional $300,000 in funding in FY 2002 to contract with industry experts to review the Department's hospital payments systems in light of Medicare changes, and in regard to trends in the hospital marketplace in general.

Adjusting the Prescription Drug Payment System

The executive recommendation includes a proposal to bring the price that Medicaid pays for prescription drugs more in line with the commercial market. Medicaid presently pays 11 percent above the average wholesale cost. The executive proposes to reduce this by two percent in FY 2003 to nine percent above the average wholesale cost. It does not propose any change in the dispensing fees. The executive estimates that this proposal will moderate cost growth by $16 million in FY 2003.

Permanent and Temporary Law: Please refer to Permanent and Temporary Law section of the red book.

Health Care Program Support

Initiative Description: Creates a new line item to improve accounting for the state's receipts of prescription drug manufacturer rebates.

Funding Source: Fund 5P5, prescription drug rebates

Line Items: 600-692, Health Care Services

Implication of the Executive Recommendation: Appropriations of $223,847,498 in FY

2002 and $255,386,713 in FY 2003 reflect rebate estimates based on prior and current year activity. The appropriations do not represent new spending. Current practice of depositing rebates to the credit of the GRF is not compliant with State Accounting practices. The creation of a new fund and line item corrects this problem.

Permanent Law: Proposed section 5111.081 creates a new fund (Fund 5P5) to receive revenue from Medicaid prescription drug rebates.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Medicaid Single State Agency

(section 5111.01)

Federal Medicaid law requires a state Medicaid plan to establish or designate a single state agency to administer or supervise the administration of the plan. The bill makes explicit in statute the current practice: JFS acts as the single state agency to supervise the administration of the Medicaid program. This provision has no fiscal effect.

Interagency Agreements for the Administration of Medicaid Components

(section 5111.86; ancillary sections: 173.40, 5111.87, and 5111.88)

The bill authorizes JFS to enter into interagency agreements with one or more other state agencies to have the other state agency administer one or more components of the Medicaid program, or one or more aspects of a component, under JFS's supervision.

This provision requires the agency that enters into the interagency agreement, if certain conditions exist, to reimburse JFS for the nonfederal share of a fiscal audit of the Medicaid component, or aspect of the component, the agency administers. This allows JFS to require reimbursement for audits of cost-based systems. According to JFS currently many audits cannot be completed in a timely fashion, because JFS does not have enough resources. The provision also creates the Medicaid Administrative Reimbursement Fund to receive the revenue from those agencies that elect to have JFS perform audit services for their Medicaid programs. JFS is required to use money in the fund to pay the nonfederal share of a fiscal audit for which a state agency is required to reimburse JFS. JFS is required to deposit the reimbursements in the fund. JFS plans to obtain appropriation authority at the Controlling Board, since there is no way to determine how much appropriation will be necessary at this time.

Medicaid Habilitation Services

(sections 5111.041 and 5123.041)

Certification of Habilitation Centers

Under current law, the Director of the Department of Mental Retardation and Developmental Disabilities (ODMR/DD) is required to certify habilitation centers that meet standards specified in rules the Director is required to adopt. The Director is also required to adopt rules defining habilitation services and programs, other than services provided by the Ohio Department of Education.

The bill eliminates the requirement that the Director of ODMR/DD adopt rules specifying habilitation center certification requirements and defining habilitation services and programs. Instead, ODMR/DD is to certify habilitation centers that meet certification requirements established by JFS rules. ODMR/DD is required to perform the certifications pursuant to an interagency agreement with JFS.

ODMR/DD continues to be required to establish by rule a fee that it may assess against a habilitation center for performance of ODMR/DD's habilitation services duties.

Medicaid Coverage of Habilitation Services

The bill requires the Director of JFS to adopt rules in accordance with the Administrative Procedure Act governing the Medicaid program's coverage of habilitation services provided by ODMR/DD-certified habilitation centers and specifies what the rules must establish and provide for. This provision will clarify

JFS's authority to make rules that determine the amount, duration, and scope of habilitation Medicaid services, including rules related to provider certification, terms of coverage and reimbursement, and access standards.

The bill eliminates a requirement that a habilitation center verify the availability of matching Medicaid funds for reimbursement of habilitation services.

Responsibility for Non-Federal Share of Medicaid Habilitation Services

The bill specifies the circumstances under which a county board of mental retardation and developmental disabilities or a school district is responsible for the nonfederal share of Medicaid expenditures for habilitation services.

It requires, under certain circumstances, that county boards of MR/DD provide match for covered habilitation services provided by eligible providers to county residents who are eligible for those services. Also, as is current practice, participating schools must provide their own match.

Medicaid Managed Care

(section 5111.17)

JFS is required by current law to establish in Franklin, Hamilton, and Lucas counties a managed care system under which qualified Medicaid recipients are required to obtain health care services from providers designated by the Department. The Department is also permitted to require any recipients in any other counties to receive all or some of their care through managed care organizations in accordance with rules adopted by the Department. The bill removes the requirement that the Department establish managed care programs in the specified counties but continues to provide that the Department may establish a managed care system for Medicaid recipients in some or all counties.

The Department is also permitted by current law to issue requests for proposals from managed care organizations interested in contracting with the Department to provide managed care to Medicaid recipients. The bill eliminates this provision and specifies that the Department may enter into contracts with managed care organizations to provide health care services to Medicaid recipients participating in a managed care system.

The bill also eliminates a provision that allows a health insuring corporation under contract with the Department to enter into an agreement with a community-based clinic for the purpose of providing medical services to Medicaid recipients participating in a managed care system. "Community based clinic" is defined as a clinic that provides prenatal, family planning, well child, or primary care services and is funded in whole or part by the state or federal government.

This provision increases JFS's ability to explore improved cost management tools via care management pilot projects.

Health Care Compliance Fund

(section 5111.171; Section 62.24)

JFS contracts with managed care organizations to provide Medicaid services to qualified recipients. The bill allows the Department to provide financial incentive awards to managed care organizations that meet or exceed performance standards specified by the Department in provider agreements or rules adopted by the Department. The bill also allows the Department to specify in contracts with managed care organizations the amounts of financial incentive awards, methodology for distributing awards, types of awards, and standards for administration by the Department.

The bill creates in the state treasury the Health Care Compliance Fund. Fines imposed by the Department on managed care organizations that contract with the Department to provide Medicaid services to qualified recipients and that fail to meet performance standards or other requirements are to be deposited into the fund. Moneys in the fund may be used by the Department only to reimburse managed care organizations that have been fined and that have come into compliance with Department requirements, and to provide financial incentive awards to managed care organizations that meet or exceed performance standards. The Health Care Compliance Fund (Fund 4Z1) was created by the Controlling Board in October 1998.

Under this provision, in addition to current uses of this fund, JFS would be able to levy non-refundable sanctions for managed care plans, which fail to meet non-direct care standards as outlined in their contract with JFS. The resulting revenue would be used as incentives to compliant plans per the contract agreement between JFS and the plans.

Medicaid Reimbursement of Long-Term Care Services

(sections 5111.20, 5111.23, 5111.231, 5111.25, 5111.251, 5111.255, 5111.29, and 5111.341 (repealed))

Background

Current law requires JFS to pay the reasonable costs of services that a nursing facility (NF) or intermediate care facility for the mentally retarded (ICF/MR) with a Medicaid provider agreement provides to Medicaid recipients.[1] The amount JFS pays an NF or ICF/MR is determined by formulas established by state law.

NF and ICF/MR services are divided into four different categories, referred to as cost centers in state law. Each cost center has its own Medicaid reimbursement formula. The four cost centers are capital, direct care, other protected, and indirect care costs.

Capital costs are the costs of ownership and nonextensive renovation. Cost of ownership covers the actual expense incurred for (1) depreciation and interest on capital assets that cost $500 or more per item, (2) amortization and interest on land improvements and leasehold improvements, (3) amortization of financing costs, and (4) with certain exceptions, lease and rent of land, buildings, and equipment. Costs of nonextensive renovation covers the actual expense incurred for depreciation or amortization and interest on renovations that are not extensive.

Direct care costs include an NF or ICF/MR's costs for (1) certain staff, including nurses, nurse aides, medical directors, and respiratory therapists, (2) purchased nursing services, (3) quality assurance, (4) training and staff development, employee benefits, payroll taxes, and workers' compensation premiums or costs for self-insurance claims, (5) consulting and management fees related to direct care, and (6) allocated direct care home office costs. In the case of an ICF/MR, direct care costs also include the facility's costs for physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, speech therapists, and audiologists.

Other protected costs are costs for medical supplies; real estate, franchise, and property taxes; natural gas, fuel oil, water, electricity, sewage, and refuse and hazardous medical waste collection; allocated other protected home office costs; and any additional costs included in JFS rules.

Indirect care costs are all reasonable costs other than direct care costs, other protected costs, or capital costs. This includes costs of habilitation supplies, pharmacy consultants, medical and habilitation records, program supplies, incontinence supplies, food, dietary supplies and personnel, housekeeping, security, administration, liability and property insurance, travel, dues, license fees, subscriptions, legal services,

[1] *A cost is reasonable if it is an actual cost that is appropriate and helpful to develop and maintain the operation of patient care facilities and activities and does not exceed what a prudent buyer pays for a given item or services. Reasonable costs may vary from provider-to-provider and from time-to-time for the same provider.*

accounting services, minor equipment, maintenance and repairs, help-wanted advertising, informational advertising, and consumer satisfaction survey fees.

Change in Per Diem Calculation

JFS must determine an NF or ICF/MR's per diem as part of the process of calculating the facility's Medicaid payment. Under current law, a facility's occupancy is a factor in determining per diem. The bill provides that an NF's capacity, rather than its occupancy, is to be used as a factor in determining its capital, indirect care, and other protected cost per diems. (The bill does not apply this change to ICFs/MR.) Unless an NF has 100% occupancy, its capacity will be greater than its occupancy. When costs are divided to establish a per diem, using capacity will result in a lower per diem.

Since 1994, nursing home reimbursement levels have steadily increased while occupancy has declined. This provision changes the reimbursement formula to divide the rate across all the beds. According to JFS, this change avoids $89.7 million per year in potential costs.

Indirect Care Cost Per Diem

A facility's indirect care cost per diem is determined by dividing the facility's actual, allowable indirect care costs for a cost reporting period by the greater of its inpatient days (occupancy rate) for that period or the number of inpatient days it would have had during that period if its occupancy rate had been 85%.[2] Inpatient days are all days during which any resident, including a non-Medicaid recipient, occupies a bed that is included in the facility's Medicaid certification.[3] A bed is considered occupied for a day even when a resident is on therapeutic or hospital leave if a Medicaid payment is made for that day. Using hypothetical numbers, the indirect care cost per diem for a nursing facility with 100 beds would be $41.90 if its actual, allowable indirect care costs in a 365-day cost reporting period were $1.3 million and its occupancy rate was 85%.[4] (1,300,000/31,025 = 41.90.)[5]

The bill changes the indirect care cost per diem calculation for NF services provided on or after July 1, 2001. An NF's indirect care cost per diem is to be determined by dividing the facility's actual, allowable indirect care costs in a cost reporting period by its licensed bed days available (capacity) in that cost reporting period. "Licensed bed days available" is defined as the number of calendar days in a cost reporting period multiplied by the number of licensed bed days in an NF during the cost reporting period.[6] This means that the same 100 beds NF with $1.3 million indirect care costs during the 365-day cost reporting period would have a $35.62 indirect care cost per diem. (1,300,000/36,500 = 35.62.)

Capital Cost Per Diem

The bill similarly changes the per diem calculation for NFs' capital costs. Under current law, an NF's capital cost per diem is determined by dividing the facility's actual, allowable capital costs for a cost

[2] *Current law provides that for fiscal year 2001 only, 75% is used in this calculation rather than 85%.*

[3] *For an NF or ICF/MR bed to qualify for Medicaid payment, it must be Medicaid certified by the Director of Health. It is possible for a facility to have both certified and uncertified beds. For purposes of determining a facility's per diem, JFS only considers a facility's Medicaid certified beds.*

[4] *All the numbers used to illustrate the bill's changes to the Medicaid reimbursement formula are hypothetical and may not reflect actual costs and per diems.*

[5] *The 31,025 figure is determined by figuring 85% of 100 beds occupied in a 365-day cost reporting period.*

[6] *If the number of licensed bed days in an NF changes one or more times during a cost reporting period, "licensed bed days available" is determined for each period during the cost reporting period in which the number of licensed beds was the same and, in such case, the "licensed bed days available" is the sum of those determinations. If an NF is not required to be licensed, such as a home established by a board of county commissioners, the number of its Medicaid certified beds is used to determine its licensed bed days available.*

reporting period by the greater of its inpatient days for that period or the number of inpatient days it would have had during that period if its occupancy rate had been 95%.[7] This means a 100-bed NF with $400,000 capital costs during a 365-day cost reporting period and a 95% occupancy rate would have a $11.54 per diem. (400,000/34,675 = 11.54.)

Under the bill, that NF would have a $10.96 capital cost per diem for services provided on or after July 1, 2001. This is because its per diem would be determined by dividing its actual, allowable capital costs in the cost reporting period by its licensed bed days available in that period.[8] (400,000/36,500 = 10.96.)

Protected Cost Per Diem

The bill also changes the manner in which an NF's other protected cost per diem is determined. Current law determines an NF's other protected cost per diem by dividing its actual, allowable other protected costs in a cost reporting period by its inpatient days for that period. A 100-bed NF with $250,000 other protected costs and 31,025 inpatient days during a 365-day cost reporting period would have a $8.06 per diem. (250,000/31,025 = 8.06.)

Under the bill, that NF's other protected cost per diem for services provided on or after July 1, 2001, would be determined by dividing its actual, allowable other protected costs in a cost reporting period by its licensed bed days available in that period. This means its other protected cost per diem would be $6.85. (250,000/36,500 = 6.85.)

Quarterly Case-Mix Scores for NFs' Direct Care Costs

In determining NFs' Medicaid payments for direct care costs, JFS must determine quarterly and annual case-mix scores. A case-mix score is the measure of the relative direct-care resources needed to provide care and habilitation to a resident. JFS determines case-mix scores, in part, by using data from a resident assessment instrument. Under current law, both quarterly and annual case-mix scores are derived from data for all residents, including non-Medicaid recipients. The bill provides that, for the purpose of calculating rates to be paid for NF services provided on or after July 1, 2001, only annual case-mix scores are to be determined using data for all residents. Quarterly case-mix scores are to be determined using data for Medicaid recipients only. According to JFS officials, this will reduce quarterly case-mix scores, and thus Medicaid payments for direct care costs, because it will remove from the calculation Medicare recipients, whose nursing facility direct care needs are higher than Medicaid recipients. This change is not made for ICFs/MR.

The state currently pays nursing homes for direct patient care based on the average disability of all nursing home patients. This provision changes the formula to base reimbursement on Medicaid patients only. According to JFS, this change avoids $26.7 million per year in increased costs.

Annual Report on Refinements to Case-Mix System

Under current law, JFS is required to report to the Speaker of the House of Representatives and Senate President, no later than July 1 of each year, on any necessary refinements to the case-mix system for reimbursing direct care costs under the Medicaid program. In preparing the report, JFS must consult with and consider the comments of representatives of NFs, ICFs/MR, and other interested parties.

The bill eliminates the requirement that JFS make this report.

Return on Equity Factor in NF's Capital Cost Rate Determination

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[7] *Current law provides that for fiscal year 2001 only, 85% is used in this calculation, rather than 95%. When JFS determines a new NF's initial rates, it must determine its capital cost per diem using the greater of actual inpatient days or an imputed 80% occupancy rate.*

[8] *This also applies to the determination of a new NF's initial rates.*

As part of capital costs, JFS is required to pay each eligible proprietary NF a return on equity computed at the rate of one and one-half times the average interest rate on special issues of public debt obligations issued to the federal Hospital Insurance Trust Fund for a cost reporting period. No NF's return on net equity may exceed $1.00 per patient day.

The bill eliminates the return on equity factor in NFs' capital cost rate determination.

NF's Refund of Excess Depreciation

An owner that sells an NF may be required to refund to JFS an amount of excess depreciation that JFS paid the NF as part of its capital costs for each year the owner has operated the NF under a Medicaid provider agreement.[9] The refund is prorated according to the number of Medicaid patient days for which the NF has received payment.

The amount the owner must refund depends on the number of years the NF operated under a Medicaid provider agreement. If the NF is sold after five or fewer years, the refund must be equal to the excess depreciation JFS paid the NF. If the NF is sold after more than five years but less than ten years, the refund must equal the excess depreciation multiplied by 20%, multiplied by the difference between ten and the number of years that the NF was operated under the Medicaid provider agreement. No refund is required if the NF was operated under the Medicaid provider agreement for ten or more years.

The bill eliminates the provision used to phase out the amount of the refund an NF owner must pay to JFS. An NF must refund the amount of excess depreciation prorated according to the number of Medicaid patient days the NF received payment. According to JFS, this change avoids $9 million per year in potential costs.

Former Law No Longer Factor in NF Capital Cost Rate

If an NF would receive, using the formula established in current law, a lower rate for capital costs for assets in the NF's possession on July 1, 1993, than it would under former law that existed immediately prior to December 22, 1992, the NF is to receive for those assets the rate it would have received under that former law. The bill eliminates this provision of current law, because no NFs qualify anymore.

Reconsideration of NF's Rates Due to Extreme Circumstances

Under current law, the Director of JFS is required to adopt rules establishing a process under which an NF may seek reconsideration of its Medicaid payment rates if it demonstrates that its actual, allowable costs have increased because of extreme circumstances. An NF may qualify for a rate increase only if its per diem, actual, allowable costs have increased to a level that exceeds its total rate. The rules must specify the circumstances that would justify a rate increase. Current law requires that the rules provide that extreme circumstances include (1) an increase in workers' compensation experience rating of greater than five per cent for an NF that has an appropriate claims management program, (2) increased security costs for an inner-city NF, and (3) a change of ownership that results from bankruptcy, foreclosure, or findings of violations of Medicaid certification requirements. Under the bill, the only circumstance the rules must specify are increased security costs for an inner-city NF. The bill provides that the following are not to be included among the circumstances: an increase in workers' compensation experience rating or a change of operator that results from bankruptcy, foreclosure, or findings of violations of Medicaid certification requirements.

The State currently has the discretion to increase the per diem rates of bankrupt facilities upon the change of provider agreement. The provisions of this bill remove this discretion.

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[9] *A transfer of corporate stock, merger of one corporation into another, or a consolidation does not constitute a sale of an NF.*

Medicaid Long-Term Care Reimbursement Study Council

(sections 5111.231 and 5111.34 (repealed))

The bill abolishes the Medicaid Long-Term Care Reimbursement Study Council. The Council consists of four members of the General Assembly, certain department directors, representatives of various nursing facility associations, and others. The Council is required to review, on an ongoing basis, the Medicaid payment system for NFs and ICFs/MR and recommend any changes it determines are necessary. It must periodically report its activities, findings, and recommendations to the Governor, Speaker of the House of Representatives, and Senate President.

The Medicaid Long-Term Care Reimbursement Study Council also plays a part in JFS's determination of case-mix scores for the purpose of Medicaid direct care payments to NFs and ICFs/MR. As part of the process of determining case-mix scores, JFS must use a grouper methodology. JFS is permitted to make changes to the grouper methodology that the Council approves. Because the bill abolishes the Council, it eliminates JFS's authority to change the grouper methodology with the Council's approval. Obtaining the Council's approval is the only manner JFS may change the grouper methodology used in determining ICF/MR's case-mix scores.

Change of Operators and Facility Closures

(sections 5111.20, 5111.25, 5111.251, 5111.28, 5111.34 to 5111.3415, 5111.58, and 5123.195)

Required Notice of Change of Operator

Current law requires the owner of an NF or ICF/MR operating under a Medicaid provider agreement to provide written notice to JFS at least 45 days before entering into a contract of sale for the facility or voluntarily terminating participation in Medicaid. The bill requires, instead, notification before a change of operator occurs. Both the operator operating the NF or ICF/MR before the change of operator occurs (exiting operator) and the operator that will operate the facility after the change of operator (entering operator) are required to provide JFS written notice of the intended change of operator.

A change of operator occurs when an entering operator becomes the operator of an NF or ICF/MR in the place of the exiting operator.

Medicaid Provider Agreement with Entering Operator

An NF or ICF/MR is not required to undergo a Medicaid recertification by the Department of Health as a condition of an entering operator entering into a Medicaid provider agreement with JFS if certain conditions are met.[10] The exiting operator and entering operator must comply with the requirement they provide JFS written notice of the intended change of operator. After the change of operator occurs, the entering operator must furnish to JFS copies of all the fully executed leases, management agreements, and sales contracts and supporting documents relating to the facility's change of operator.

If an entering operator does not agree to a Medicaid provider agreement that requires the entering operator to assume the exiting operator's remaining debt to JFS that JFS is unable to collect from the exiting operator, the entering operator and JFS may enter into a provider agreement under current law rather than under the bill. The NF or ICF/MR must undergo a Medicaid recertification by the Department of Health and the provider agreement's effective date may not precede the date of the facility's recertification.

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[10] *The entering operator may enter into a Medicaid provider agreement with JFS only if eligible for Medicaid payments. An NF or ICF/MR operator is eligible for Medicaid payments under a provider agreement if the operator applies for and maintains a valid license to operate, if so required by law, and complies with all applicable state and federal statutes and rules.*

The bill provides that an exiting operator is considered to be the operator of an NF or ICF/MR until the effective date of the entering operator's Medicaid provider agreement. JFS is not responsible for payments made to the exiting operator before the effective date of the entering operator's provider agreement. No rate adjustment resulting from the change of operator is effective before that date.

Other Agencies' Actions not Determinable for JFS

The bill provides that neither the Department of Health's determination that a change of operator has or has not occurred for purposes of Medicaid certification or nursing home licensure nor the Department of Mental Retardation and Developmental Disabilities' determination that a change of operator has or has not occurred for purposes of residential facility licensure effect JFS's determination of whether or when a change of operator occurs, a Medicaid payment to an exiting or entering operator, or the effective date of an entering operator's Medicaid provider agreement.

Notice of Postponed or Canceled Change of Operator or Facility Closure

Under current law, JFS is required to order any payments held in escrow released if it receives written notice from an NF or ICF/MR owner that the facility will not be sold or its participation in Medicaid will not be terminated. The owner is required to provide notice to JFS at least 45 days before entering into any contract of sale or terminating participation in Medicaid at a future time.

The bill provides that if transactions leading to a change of operator are canceled or postponed for more than 90 days after the proposed date reported in the written notice to JFS, or a facility closure does not occur as reported in a written notice, JFS must release the amount withheld from Medicaid payments under the bill and any security provided to JFS in lieu of withholdings, on receipt of written notice from the exiting operator of the cancellation or postponement. After JFS receives the written notice regarding a cancellation or postponement of a change of operator, the exiting operator and entering operator must provide new written notice to JFS regarding any transactions leading to a change of operator at a future time. After JFS receives a written notice regarding a cancellation or postponement of a facility closure, the exiting operator must provide new written notice to JFS regarding any transactions leading to a facility closure at a future time. JFS is given sole discretion as to whether to release withholdings and security if transactions for a change of operator or facility closure are postponed for at least 30 days but less than 90 days beyond the originally proposed date for the change or closure.

Penalty for Not Providing Notice of Change of Operator or Facility Closure

JFS is permitted by current law to impose a penalty on an NF or ICF/MR owner that fails to provide notice of sale of the facility or voluntary termination of participation in the Medicaid program. The penalty may not exceed two per cent of the last two monthly Medicaid payments.

The bill provides instead that JFS may impose a penalty if an NF or ICF/MR operator fails to provide notice of a facility closure or change of operator. The penalty may not exceed the current average bank prime rate plus four per cent of two month's average Medicaid payments to the operator. As under current law for payment of penalties, JFS is required to deduct any amount an operator must pay as a penalty from the operator's next available Medicaid payment. The bill provides that if the operator does not continue to participate in the Medicaid program, JFS is to deduct any amount due as a penalty from the amount withheld or provided as security under the bill.

Current law requires operators to notify the state before transferring ownership and pay outstanding bills. However, current penalties are small for failing to provide notice. As a result, some owners may make a business decision to not give notice since that cost of providing notice, and facing possible paybacks, may be greater than the penalty. This provision encourages notification. Given the difficulties of estimating the number of operators that will transfer ownership, the potential savings associated with this provision of the bill is not quantified.

Due Date of Medicaid Payments to Long-Term Care Facilities

(section 5111.22)

Current law requires that a Medicaid provider agreement between JFS and a nursing facility or intermediate care facility for the mentally retarded contain a requirement that the Department make Medicaid payments to the facility no later than the fifteenth day of the month following a month in which care and services are provided to Medicaid recipients. The payments must be retroactive to the first day of the month in which a Medicaid application is made or the day a Medicaid recipient is admitted to the facility. In the case of a newly admitted Medicaid recipient, the first payment must be made no later than 60 days following authorized admission.

The bill eliminates the requirement that the Medicaid provider agreement contain those provisions. JFS intends to implement a direct billing system for long term care facilities, thus, administering this system in the same manner as other Medicaid providers. Implementation will improve timeliness of payments and reduce the number of erroneous payments, for example, paying claims for deceased consumers.

Medicaid Waiver Components

(section 5111.85; Section 62.23)

Background

Federal law authorizes the United States Secretary of Health and Human Services to grant states waivers of federal Medicaid law for various purposes, including instituting pilot programs that are likely to assist in promoting the objectives of the Medicaid program and providing Medicaid recipients home and community-based services. The Ohio Department of Job and Family Services has sought and received a number of these federal waivers. The bill authorizes the Director of JFS to conduct reviews of the Medicaid waiver components. The reviews may include physical inspections of records and sites where services are provided and interviews of providers and recipients of the services.

New or Modified Medicaid Home and Community-Based Services Waiver

(Section 62.20)

The Director of JFS is authorized by the bill to submit a request to the United States Secretary of Health and Human Services to create a Medicaid home and community-based services waiver program, or modify a current Medicaid waiver program, to serve certain individuals with mental retardation or a developmental disability. To be eligible for the new or modified waiver program, an individual with mental retardation or a developmental disability must (1) need the level of care provided by intermediate care facilities for the mentally retarded, (2) need habilitation services, and (3) be transferred from the Ohio Home Care Waiver program to the new or modified waiver program.

If the waiver request is approved and the Director of JFS creates a new, or modifies an existing, waiver program, the waiver program is to specify the maximum amount that it may spend per individual enrolled in it. The Director of JFS is permitted to reduce the maximum number of individuals the Ohio Home Care Waiver program may serve by the number of individuals transferred from that program to the new or modified home and community-based services waiver program.

JFS is permitted to administer the new or modified waiver program or enter into an interagency agreement with the Ohio Department of Mental Retardation and Developmental Disabilities (ODMR/DD) for ODMR/DD to administer the waiver program under JFS's supervision. If entered into, the interagency agreement must specify the maximum number of individuals who may be transferred from the Ohio Home Care Waiver Program to the new or modified waiver program and the estimated cost of services to the transferred individuals. The departments may not enter into the interagency agreement without the approval of the Director of Budget and Management.

Ohio Access Project

(Section 62.17)

The bill authorizes the Director of JFS to establish the Ohio Access Project to help Medicaid recipients make the transition from residing in a nursing facility to residing in a community setting. The Director's authority to establish the project is limited to the extent the bill makes funds available. If the Director establishes the project, the Director must provide one-time benefits to not more than 75 Medicaid recipients in fiscal year 2002 and not more than 125 Medicaid recipients in fiscal year 2003. No person is to receive more than $2,000 worth of benefits under the project.

The executive has recommended funding of $150,000 in FY 2002 and $250,000 in FY 2003 for this pilot program.

Prescription Drug Rebates Fund

(section 5111.081)

The bill creates the Prescription Drug Rebates Fund in the state treasury and requires all rebates paid by drug manufacturers to JFS in accordance with a rebate agreement required under federal law to be credited to the account. JFS must use money credited to the fund for Medicaid services and contracts.

Current practice of depositing rebates to the credit of 600-525 is not compliant with State Accounting practices. The bill appropriates $223,847,498 in FY 2002 and $255,386,713 in FY 2003. This is not new money. In prior years, these monies simply an unseen offset in the 600-525 line item.

Hospital Care Assurance Program

(Sections 134 and 135)

Under the Hospital Care Assurance Program (HCAP), hospitals are annually assessed an amount based on their total facility costs. JFS distributes the money generated by the assessment and federal matching funds generated by the assessment, to hospitals.

Extension of "Sunset"

Under existing law, HCAP is to terminate on July 1, 2001. The act delays HCAP's termination until October 16, 2003.

"Sunset" of Law Requiring Provision of Services to Indigent Hospital Patients

Under current law, a hospital compensated under HCAP must provide, without charge, basic, medically necessary hospital-level services to individuals who are residents of this state, are not recipients of Medicare or Medicaid, and whose income does not exceed the federal poverty guidelines. This requirement is not currently subject to the future repeal (sunset) to which HCAP is subject. The bill subjects this requirement to the HCAP October 16, 2003 sunset.

The executive recommended budget assumes a decline in the HCPA program to $496,243,818 in FY 2002 and to $468,806,659 in FY 2003 to comply with changes made to disproportionate share payments in the Balance Budget Act of 1997.

Medicaid Waiver for Community Mental Health Services

(Section 62.21)

Current law requires the Medicaid program to include coverage of community mental health services provided by accredited or certified facilities. It requires each board of alcohol, drug addiction, and mental health services to set priorities in its plan for mental health services. The Department of Mental Health is required to allocate funds for community programs after taking into account the boards' recommendations an the priorities of the state mental health plan. (sections 340.03(A)(1)(b), 5111.022, and 5119.61(E), not in the bill.)

The bill requires the Department of Job and Family Services, with the assistance of the Department of Mental Health, to develop and submit an application to the federal government for a Medicaid waiver with respect to coverage of community mental health services. The bill provides that the purpose of the waiver is to override Medicaid statutes and regulations that can be waived to ensure both of the following:

(1) That Medicaid coverage and payment methods for community mental health services are consistent with the service priorities established by the Department of Mental Health and the boards of alcohol, drug addiction, and mental health services;

(2) That Medicaid-covered community mental health services can be provided in a manner that maximizes the effectiveness of resources available to the Department and the boards.

The bill requires the Departments to act in a manner that allows the provisions of the waiver to be implemented not later than July 1, 2002.

REQUESTS NOT FUNDED

The Department of Job and Family Services (JFS) included four supplemental requests in their budget for line item 600-525 Health Care/Medicaid. These included requests for 1) improved care management for people with chronic conditions, 2) non-institutional provider fee increase, 3) Home Care Waiver expansion, and 4) health and safety initiatives. The executive recommendation did not fund these requests at all. The following are brief descriptions for each of these unfounded requests:

- **Improved Care Management for People with Chronic Conditions**: Most of Medicaid consumers with chronic medical conditions are served almost exclusively by the fee-for-service system. JFS proposed to have new sources of reimbursement for the medical case management of chronically ill consumers, including both children and aged, blind and disabled populations. JFS also proposed to increase access of fee-for-service participants to enhanced member services such as a 24-hour nurse hotline, grievance systems, interpreter services, provider information, and other well-recognized benefits of the current managed care program. JFS requested $2.5 million in FY 2002 and $26 million in FY 2003 for this initiative.

- **Non-Institutional Provider Fee Increase**: To enhance Medicaid's purchasing base and to ensure access to care in the fee-for-service system, especially in more cost effective, non-institutional settings, JFS proposed to create new reimbursement rates. It also proposed to improve access to dental services by creating an incentive payment to reward dentists who agree to open their practices to more Medicaid consumers. JFS requested $4.1 million in FY 2002 and $145.4 million in FY 2003 for this initiative.

- **Home Care Waiver Expansion**: Home Care Waiver is designed to meet the home care needs of Medicaid consumers aged 60 and under whose medical condition and/or functional abilities would otherwise require them to live in a nursing home, or consumers of any age whose unstable medical condition would otherwise require long term hospital care. The executive provided funding for an additional 500 slots for each year of the next biennium. In addition to those slots, JFS requested, but did not receive, another $5.3 million in FY 2002 and $14.1 million in FY 2003 to support 250 more slots in FY 2002 and 250 more slots in FY 2003.

- **Health and Safety Initiatives**: In addition to achieving federal compliance in the Home Care Waiver, JFS proposed to improve the health and safety issues, particularly around activities associated with consumer directed care. In the MR/DD waiver redesign, JFS proposed to fund Personal Service Advisors for MR/DD waiver consumers to support appropriate choice, enhance creation of innovative support services and provide safeguards against conflict of interest situations caused by the roles of county boards of MR/DD as waiver administrators, service contractors, and Medicaid providers. JFS requested $11.4 million in FY 2002 and $12.9 million in FY 2003 for this initiative, but the request was not funded.

UNEMPLOYMENT INSURANCE

OVERVIEW

The Unemployment Insurance (UI) program was created as a federal/state partnership for income maintenance during periods of involuntary unemployment, by providing partial compensation for lost wages as a matter of right, to eligible individuals. Such compensation provides a counter-cyclical source of revenue to support the local economy in times of economic downturn. Funds for administration of UI are provided primarily by the U.S. Department of Labor (USDOL) from revenues collected from employers by the Internal Revenue Service pursuant to the Federal Unemployment Tax Act. Benefits are paid through the Unemployment Compensation Trust Fund, which is funded through state insurance taxes that are paid by employers and collected by JFS.

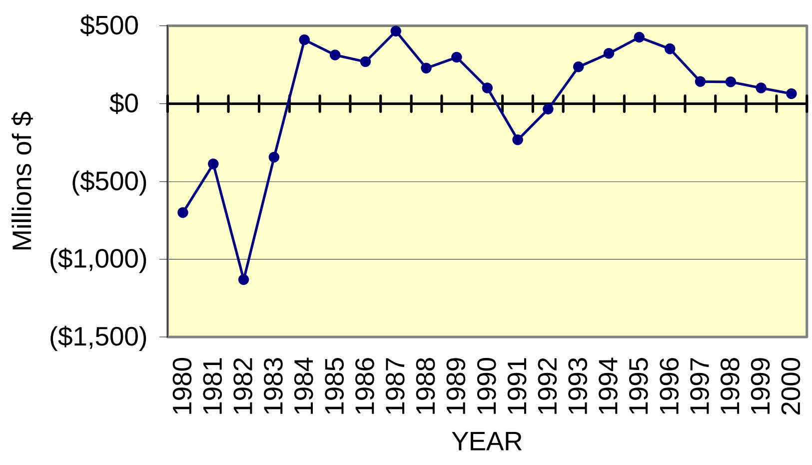
The UI program is administered by the Office of Unemployment Compensation within JFS. The primary goal of the Office of Unemployment Compensation is to collect sufficient employer taxes to support the payment of unemployment compensation benefits to individuals who have become unemployed through no fault of their own.

Through information collected regarding hiring, wages, and benefits the UI system directly supports the informational needs for measuring outcomes related to employment, and supports the interception of benefit payments for the deduction of child support. In addition, this information is used to help detect fraud and prevent overpayments in such programs as TANF, workers compensation, railroad retirement benefits, as well as unemployment compensation itself.

On February 2, 2001, at a point after the release of the executive budget recommendations, JFS announced that it would close 56 local unemployment offices over a 15-month period, and replace these local offices with an expansion from 7 to 21 in the number of telephone registration centers. JFS estimates that this reorganization will produce a "cost avoidance" of $10 million in FY 2003.

Figure 1, below, depicts the status of the UI Trust Fund by looking at the balance of benefits and receipts, for calendar year 1980 through 2000. Receipts have exceeded benefits paid or been close to balancing consistently since recovering from the

Figure 1: **UI Receipts minus Benefits, 1980-2000**



recession of the early 1980s, with only relatively small shortfalls experienced during the recession of the early 1990s. Ohio's UI Trust Fund balance now exceeds $2.3 billion. UI taxes have been reduced three times since 1995. Today, depending on an employer's experience of unemployment, the tax rate ranges from zero to 6.4 percent. The average employer pays a rate of 1.5 percent on the first $9,000 of an employee's wages—the lowest average rate since 1975.

ANALYSIS OF EXECUTIVE PROPOSAL

Unemployment Insurance

Purpose The purpose of Ohio's unemployment system is to provide funds for payment of benefits to unemployed workers and to provide a counter-cyclical source of revenue to support the local economy in times of economic downturn.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	600-435	Unemployment Compensation Review Committee	$3,797,122	$3,826,616
3V4	600-678	Federal Unemployment Programs	$74,025,525	$74,025,525
3V4	600-679	Unemployment Compensation Review Committee - Federal	$2,286,421	$2,286,421
4A9	600-607	Unemployment Compensation Administration Fund	$9,420,000	$9,420,000
4R3	600-687	Banking Fees	$592,937	$592,937
5A5	600-685	Unemployment Benefit Automation	$19,607,027	$13,555,667
Total funding: Unemployment Insurance			**$109,729,032**	**$103,707,166**

■ *Unemployment Insurance*

Unemployment Insurance

Program Description:

The UI program is administered by the Office of Unemployment Compensation within JFS. The office is organized into three bureaus: Tax, Benefits, and Program Liaison. The Tax Bureau has the responsibility for collecting unemployment taxes, as well as wage information from all Ohio employers on a quarterly basis. The Benefits Bureau provides oversight and support services for the claims adjudication and benefit control processes, including issuance of monetary determinations for special claims, issuance of decisions on reconsideration of appeals of monetary and non-monetary determination, and provision of technical assistance to local offices relative to policy, procedure, and state and federal law. The Benefits Bureau is also responsible for the automated benefits delivery system. The Program Liaison Bureau is responsible for assuring that the UI program meets the requirements of state and federal law and that federal funding is provided.

The Unemployment Compensation Review Committee handles appeals of benefits determinations. Under the Executive's recommendation, the Unemployment Compensation Review Committee will receive funding through two new line items: GRF ALI 600-435, Unemployment Compensation Review Committee, and FED Fund 3V4, ALI 600-679, Unemployment Compensation Review Committee – Federal.

The Unemployment Insurance program is currently involved in the completion of a multi-year project called Ohio Job Insurance Project. The mission of the project is to redesign business processes and apply advanced technology to improve the accuracy, accountability, accessibility, and efficiency of UI benefits service for employers and claimants. Funding for the project was obtained through legislation in 1995 (H.B. 275 of the 121st General Assembly) enacted to establish an unemployment benefit reserve fund. Interest on the principal maintained in the reserve fund is to be used to pay for the costs of automation and reengineering.

Funding Source: GRF, federal funds, interest earnings, fines and forfeitures assessed on employers

Line Items: GRF 600-435, Unemployment Compensation Review Committee; FED Fund 3V4, ALI 600-678, Federal Unemployment Programs; FED Fund 3V4, ALI 600-679, Unemployment Compensation Review Committee - Federal; SSR Fund 4R3, ALI 600-687, Banking Fees; SSR Fund 4A9, ALI 600-607, Unemployment Compensation Administration Fund; and SSR Fund 5A5, ALI 600-685, Unemployment Compensation Benefit Automation

Implication of the Executive Recommendation: Provides FY 2002 core budget levels for performance of all duties associated with this program series, with the exception of the GRF portion of ALI 600-435, Unemployment Compensation Review Committee, for which JFS had requested $4.0 million for FY 2002, and $4.1 million for FY 2003. For this appropriation, the Executive recommended $3.8 million for FY 2002, and $3.8 million for FY 2003. In addition, this program series received a requested supplemental amount of $12.6 million in FY 2002, and $6.3 million in FY 2003 in SSR 5A5, ALI 600-685, to fund benefit automation. The executive recommendation provides core budget levels for performance of all duties associated with this program series plus the requested supplemental amount to fund the automation project.

On February 2, 2001, at a point after the release of the executive budget recommendations, JFS announced that it would close 56 local unemployment offices over a 15-month period, and replace these local offices with an expansion from 7 to 21 in the number of telephone registration centers. JFS estimates that this reorganization will produce a “cost avoidance” of $10 million in FY 2003.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Permanent Law Provisions

The Unemployment Insurance program series does not have any permanent law provisions in the executive recommended budget bill.

Temporary Law Provisions

Employer Surcharge (Section 62.16)

The bill continues the authority to collect the surcharge that was levied for 1997, 1998, and 1999. There is still about $900,000 in accounts receivable, and collectable, from those years. The bill also provides that the funds collected go to the special administrative fund instead of the employer surcharge account because the amounts are frequently too small to warrant maintaining a separate account.

REQUESTS NOT FUNDED

For this program series, the Department requested total funding of $109,928,881 in FY 2002 and $103,907,015 in FY 2003; the Executive recommended $109,729,032 and $103,707,166, respectively. The executive recommendations are below the Department's requested level of funding by $199,849 in each fiscal year.

These differences are entirely within the request to fund the Unemployment Compensation Review Committee. The Department requested $3,996,971 in FY 2002 and $4,133,639 in FY 2003 to fund the Committee. The Executive partially funded these requests with a recommendation for $3,797,122 and $3,826,616, respectively.

WORKFORCE DEVELOPMENT

OVERVIEW

The goals of the Workforce Development programs are to promote prosperity by helping Ohioans achieve and maintain employment, improve the quality of the workforce, provide child care assistance that enables parents to find and keep work, to help youth obtain skills and work, and to provide care and assistance for those unable to care for themselves. Within the Workforce Development program series there are several programs or services that carry out those goals. This overview of the Workforce Development program series provides a summary of the status of the following programs: Employment Services, the Ohio Works First (OWF) program, the Prevention, Retention, and Contingency (PRC) program, Child Day Care, the Disability Assistance program, and the Food Stamp program.

Employment Services

The Employment Services program represents the central point of the merger of the Bureau of Employment Services and the Department of Human Services and the consolidation of several job training, placement, and employment support programs into a statewide workforce development system intended to implement the federal Workforce Investment Act of 1998 (WIA).

The WIA brings about a fundamental change in the nation's employment and training system. The stated purpose of the legislation is to "provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation."

The WIA repeals the Job Training Partnership Act and replaces it with a locally based employment and training service delivery system for adults, dislocated workers, and youths with an emphasis on flexibility in the use of program dollars. Provisions of the Act promote individual responsibility and personal choice through the use of Individual Training Accounts that allow adult customers to "purchase" the training that best fits their needs.

The Act is business focused as well. Business is seen to be a critical partner in the development and design of service delivery systems with strong ties to economic development. The WIA requires that business representatives comprise the majority of the membership of State Workforce Investment Boards, providing leadership and information to ensure that the service delivery system prepares people for current and future jobs.

Core to the WIA is the One-Stop approach to service delivery. In fact, the Act mandates that states and localities develop one-stop delivery systems for service integration and elimination of duplicative efforts.

The Governor's Workforce Policy Board developed a five-year strategic State Plan that put Ohio in compliance with WIA. The transition to WIA was completed by July 1, 2000. The Department of Job and Family Services will be continuing to expand services under WIA as TANF funding is paired with WIA funds throughout employment services.

TANF/OWF

A fundamental shift in the nature of Ohio's welfare program was introduced in 1995 with the passage of Sub. H.B. 167 of the 121st General Assembly. In H.B. 167, Ohio sought and was granted a waiver from the existing requirement of the federal Social Security Act to redesign the delivery of welfare benefits in a way that provided increased incentives for recipients to move off welfare by giving priority to early employment rather than education. The federal Temporary Assistance to Needy Families (TANF) program was implemented by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which built on the earlier experience of the several states that had pursued experiments in welfare reform. Ohio's TANF program, the Ohio Works First (OWF) program (introduced by Am. Sub. H.B. 408 of the 122nd General Assembly), implemented PRWORA and refined and extended the "work first" strategy of welfare reform. The OWF program provides time-limited cash assistance and support services to help needy families with (or expecting) children care for their children in their own homes, and to eliminate the barriers to work that lead to reliance on government assistance. OWF seeks to accomplish this by providing such things as job placement services, child care services, and transportation, and by promoting activities such as preparation for work, job search, and early entry into employment.

Among the reforms implemented by H.B. 408 are stricter work requirements, an expansion of the earned income disregard, and lifetime limits on the eligibility to participate. While the federal TANF law provided a lifetime limit to participation of five years, participation in OWF has a limit of thirty-six months, after which the family remains ineligible for twenty-four months. Subsequent to this twenty-four month period, a family may receive benefits for an additional twenty-four months if, in the view of the county department of human services, good cause exists to warrant the extension.

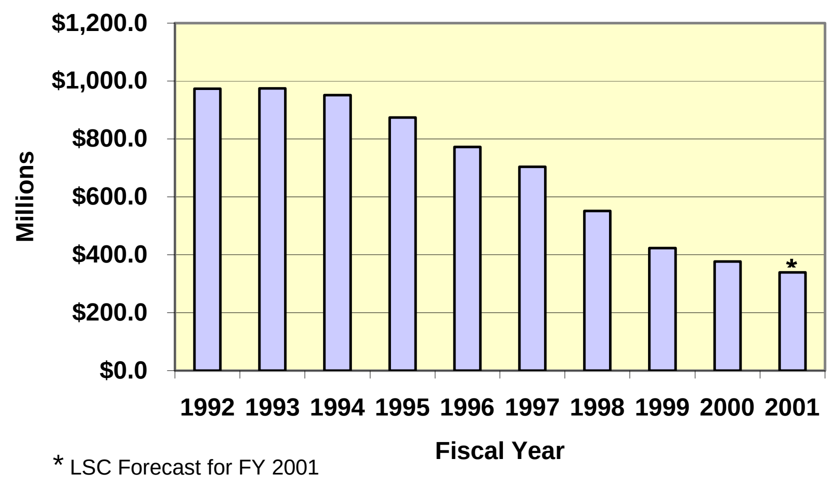
The PRWORA eliminated the Aid to Families with Dependent Children program (or AFDC; in Ohio this was called Aid to Dependent Children or ADC), the Job Opportunity and Basic Skills (JOBS) program, and the Family Emergency Assistance (FEA) program. Congress replaced these programs with the Temporary Assistance to Needy Families (TANF) program. Prior to TANF, under the AFDC program, the federal government provided states with open-ended matching funds if a state decided to participate in the program.

The old AFDC program was an "entitlement" for states that chose to operate an AFDC program. The states that participated received a reimbursement for their welfare spending of 50 to 80 percent, depending on per capita income. In Ohio, this reimbursement averaged approximately 60 percent over the decade prior to PRWORA. Each state that participated determined (as continues today under TANF) the income standards for eligibility and the benefit levels of recipients. Recipients had a "right" (which also continues under TANF) to equal treatment in the determination of their eligibility and benefit levels. One of the purposes of PRWORA is to end entitlement to assistance based solely on whether an individual or family met a state's eligibility criteria. PRWORA requires the parent of caretaker in a family receiving assistance to engage in work once the state determines that the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance for twenty-four total months, whichever is earlier. Ohio requires that recipient adults must now meet a participation requirement that is established in a self-sufficiency plan as a condition of receiving cash benefits. See the discussion, below, under the heading OWF Work Activities.

Under the original "entitlement" that was granted to participating states, federal appropriations were provided as a reimbursement for the assistance provided to needy families. If a state experienced an increase in welfare expenditures due to an increase in case loads or changes in benefit levels, this would result in an increase of federal reimbursements, and vice versa.

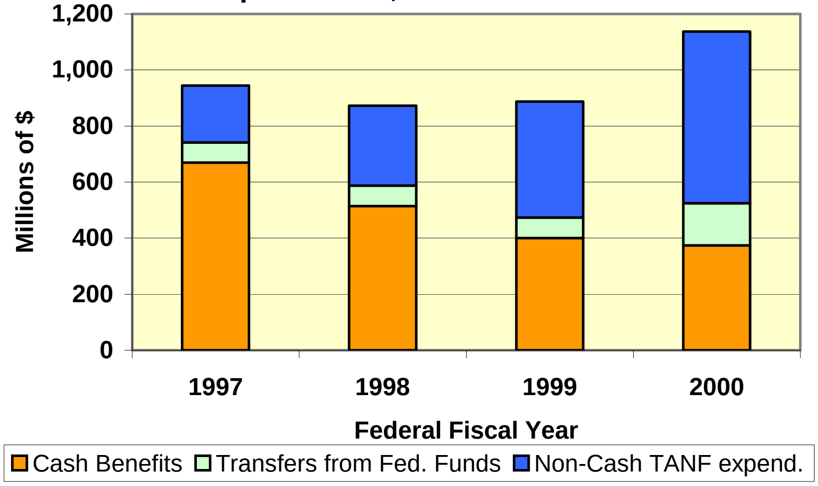
A key factor easing the process of transition to the new environment of TANF is that caseloads have been going down steadily since the spring of 1992, as Ohio and the nation has experienced uninterrupted economic expansion (*see **Figure 1***). As a result, Ohio and most other states have, under the block grant, received more federal money than they would have under the old funding system. Yet, this fundamental shift away from an open-ended reimbursement to a flat block grant introduces the need for states to manage reserves for future needs, and to provide more intensive services to those recipients who remain on the caseload, and who are presumably "harder to serve," as well as to provide services to those in the workforce who are at risk of needing assistance.

Figure 1. **ADC/OWF Annual Cash Benefits, FY 1992 -- FY 2001**



As suggested above, one of the consequences of the block grant funding arrangement is that reductions in recipient case loads reduce the amount of "baseline" cash benefits, thus leaving more funds available for other TANF related program services or activities. As can be seen in ***Figure 2***, by FY 2000, non-cash TANF expenditures composed a majority of total TANF spending in Ohio. These other activities include a broad array of service designed to help individuals find and keep jobs, including employment services, child care, transportation, emergency benefits, and other services and benefits.

Figure 2. **Composition of Total TANF Expenditures, FFY 1997 -- 2000**



If TANF grant funds go unspent in a particular year, the PRWORA legislation provides that "a State may reserve amounts paid to the State under [this legislation] for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under [this legislation]." At the end of FFY 2000, Ohio had a total TANF reserve of approximately $721.6 million, not counting unspent funds that have been transferred to either the Social Service Block Grant or the Child Care and Development Fund.

Established by an informal agreement between the executive and legislative branches, Ohio has maintained a caseload contingency reserve to protect against an economic downturn, setting aside $75 million per year. The reserve is established by not appropriating TANF funds, thus allowing them to remain at the federal level. The federal government holds unspent TANF funds in one of two categories: Federal Unliquidated Expenditures and Unobligated Balance. As of the end of FFY 2000, the accumulated unappropriated TANF funds held in reserve were $216.7 million, while appropriated funds remaining unliquidated were $504.9 million. As of December 31, 2001, after a quarterly award of $280.9 million, the TANF reserve stood at $851.7 million. In this reserve amount, appropriated funds remaining unliquidated were $406.7 million.

OWF Work Activities

States are now required, under a system of penalties against the federal grant award, to move an increasing proportion of adult recipients into work activities or alternative activities that are preparatory to work. The federal law sets the number of hours per week that recipients must engage in work activities, and limits the hours that recipients spend in educational activities. The rates of participation required of states and the number of hours per week required of the participants are divided into two basic categories: an all-family rate that includes those with single parents, as well as families with two parents, and a separate rate for two-parent families. The OWF legislation sought to assure that county departments of human services exceed the federal guidelines by requiring a participation requirement set five percent above the federal guidelines for each year of the grant (*see **Table 1***). As well, the OWF requirement for the minimum number of hours needed by an assistance group to meet the participation requirement exceeds the federal requirement in the calculation for all families during the first three years of the program. In the case of two-parent families, the participation rates and required hours for OWF are the same as those required by the federal legislation. Under that set of requirements, in the first two years of the program 75 percent of two-parent families are required to participate in work activities, with a 90 percent participation rate thereafter. Throughout the entire period, two-parent families are required to have one of the parents in a work activity for a minimum of 35 hours per week.

TABLE 1

All Family Participation Rate and Required Hours

Year	Federal Participation Rate	State Participation Rate	Federal Required Hours	State Required Hours
1997	25	30	20	30
1998	30	35	20	30
1999	35	40	25	30
2000	40	45	30	30
2001	45	50	30	30
2002	50	55	30	30

Three different categories of activity count toward (but may not meet fully) the participation requirement: work activities, alternative work activities, and developmental activities:

- **Work activities.** Work activities that count toward meeting the federal work participation requirements include only the following: unsubsidized or subsidized employment, on-the-job training, unpaid work experience, community service, 12 months of vocational training, or providing child care services to community service participants.

- **Alternative work activities.** In cases where work activities, as listed above, are unsuitable, and clients are unable to fully participate, OWF clients may participate in alternative work activities, which include such things as: parenting classes, alcohol or drug addiction services, counseling for domestic violence victims, and searching for housing, if the participant family is homeless. Up to 20 percent of each county's caseload may be assigned to alternative work activities.

- **Developmental activities.** OWF participants may also take part in developmental activities for a portion of their work assignment. In many cases developmental activities are assigned to be completed in hours that are required in addition to work activities. In other circumstances, for instance when a single-parent has children under age one, developmental activities may substitute fully for work activities. Developmental activities may include such things as school enrollment, adult basic education classes, post-secondary education, counseling, parenting classes, or other activities outlined as alternative assignments.

All adult OWF applicants must sign a self-sufficiency contract that specifies the required work activity as a condition of receiving assistance. Failure to comply with the terms of the self-sufficiency contract results in a full-benefit sanction. The first failure results in the ineligibility of the entire assistance group for one month, or until compliance, whichever is longer. The second failure results in the ineligibility of the entire assistance group for three months or longer, and the third or subsequent failure results in ineligibility of the entire assistance group for six months or longer.

Maintenance of Effort

As noted above, the focus of public assistance programs has now shifted away from "entitlement" for the states to block grant funding where states assume a greater portion of the risk from costs resulting from increases in the caseloads. Ohio's annual TANF block grant award of approximately $728 million is based on the amount of federal funds expended in federal fiscal year 1994 for the three eliminated programs (AFDC, JOBS, and FEA). In order to receive the annual block grant, Ohio is required to meet a maintenance of effort (MOE) requirement of 80 percent of what it spent in federal fiscal year (FFY) 1994 on the three eliminated programs (approximately $417 million), through FFY 2002. The MOE can be lowered to 75 percent if the state meets its work participation requirements. Since Ohio is meeting these participation requirements, the MOE spending level has been set by the Department of Job and Family Services at 77 percent, and amounts to $400.9 million. See ***Table 2*** for a breakdown of the components of the MOE.

TABLE 2
Components of TANF State Maintenance of Effort

	FY 2002 (in millions)	FY 2003 (in millions)
600-410, TANF State	$268.3	$268.3
600-413, Day Care MOE	$45.4	$45.4
600-658, Child Support Collections	$42.4	$42.4
County Share	$29.2	$29.2
State Operating	$15.3	$15.3
TANF MOE	$400.9	$400.9

Prevention, Retention, and Contingency Program (PRC)

The PRC program is designed to "divert" families from public assistance by providing one-time, short-term customized assistance to overcome immediate problems or barriers that could, if not addressed result in a situation that requires public assistance. The PRC program was implemented by H.B. 408, replacing the Family Emergency Assistance (FEA) program. The objective of the PRC program is to provide a mixture of cash and non-monetary services that will enable a family to retain or obtain employment and thereby, stay off of public assistance.

The old FEA program focused on such contingency benefits as rent payments, utility shut offs, and household appliance repair or replacement. Along with these same contingency benefits, PRC emphasizes prevention and retention benefits that are oriented to helping clients achieve or maintain self-sufficiency. To participate in the PRC program, an assistance group must include at least one minor child. Additional PRC program eligibility criteria are established in each county's partnership agreement. Counties are given considerable latitude regarding the types and amounts of assistance to be provided. The policies that counties develop must be consistent with State and Federal Law. The types of cash assistance that PRC provides assistance for include costs for such things as: shelter, job-required clothing, household necessities like the repair of a furnace or a major appliance, home repair, and transportation. Non-monetary services include such things as: counseling, employment services, and short-term training.

In the FY 2000 – FY 2001 biennium, JFS increased funding to county departments of job and family services in order to expand PRC services, especially services provided through contracts with other service providers. JFS made available $300 million in funds from the TANF reserve to counties from January 1, 2000 through June 30, 2001 for expanded PRC services. A cap for each county's spending from these reserve funds was based on the county's share of population at or below 200 percent of poverty.

Child Day Care

Child care is a necessary support service to welfare reform. The lack of dependable child care is the most significant barrier to employment for OWF families. As well, child care services are essential for families where the adult has recently become employed and is transitioning off OWF. Transitional benefits are guaranteed for the lesser of a twelve-month period following the last month the client was eligible for an OWF cash benefit or until income exceeds 150 percent of the federal poverty level. Non OWF families and those for whom transitional child care benefits have lapsed may continue to qualify for child care (non-guaranteed child care) until income exceeds 185 percent of the federal poverty level.

Clients receiving OWF, Transitional Child Care, or non-guaranteed child care are required to pay a fee toward the cost of child care. Their fees range from a minimum of $0 per month per child in care, to $108 per month per child in care.

Child care services for required OWF participants will be provided from a number of funding sources including funds from the federal Child Care Development Block Grant (CCDBG) and the GRF appropriation for day care maintenance of effort (MOE). Ohio's share of the CCDBG is projected to be $164.7 million in FY 2002, and $164.3 million in FY 2003. In order for the state to draw down the entire CCDBG amount allocated, the Executive has recommended $84.1 million in each fiscal year for line item 600-413, Day Care Match/Maintenance of Effort.

Other Income Maintenance

Disability Assistance

The Disability Assistance (DA) program is a state- and county-funded effort which provides cash and/or medical assistance to 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 criteria for DA are established by the state. The DA program thus provides a "safety net" to help needy people to meet basic needs and maintain their health.

The DA program has two distinct components: DA cash assistance and DA medical assistance. There is no time limit for receipt of DA benefits; assistance is provided on an ongoing basis as long as all eligibility requirements are met, and provides a maximum grant of $115 per month for a one person assistance group.

Three recent pieces of legislation have had a direct effect on the DA program. These are Am. H.B. 249 and Sub. H.B. 167 of the 121st General Assembly and Am. Sub. H.B. 408 of the 122nd General Assembly. Am. H.B. 249 eliminated cash eligibility for people who had previously qualified solely because of a medication dependency. Emancipated minors also became eligible for DA benefits under H.B. 249. Sub. H.B. 167 and Am. Sub. H.B. 408 affected the DA program by easing certain qualifications for OWF. Under these two acts, the work history requirement and the 100-hour work rule for two-parent families have been eliminated, thus making it easier for DA recipients with children to meet qualifications for OWF.

In the wake of this legislation and the implementation of OWF, the DA cash and medical recipient caseloads exhibited a steady decline until Fall 1999. Since Fall 1999, however, the caseload for cash recipients has exceeded each month the forecast on which the budget for the program during the FY 2000- FY 2001 biennium was based. The cash assistance caseload now stands at 10,900—approximately 1,500 more cases per month than anticipated by the JFS forecast for the current biennium. The medical assistance caseload has been more often than not slightly below the forecast and is behaving pretty much as forecast. It now stands at about 13,000 recipients per month. Because, however, of higher than expected inflation in the area of medical costs, especially prescription drugs, DA medical costs are accounting for about two-thirds of the overage. The FY 2000 appropriation authority for ALI 400-511, Disability Assistance/Other Assistance (now re-numbered 600-511) was increased by $2.1 million at the end of FY 2000. That increase, however, proved insufficient, and a portion of the payments of DA benefits had to be pushed into FY 2001. JFS now anticipates a shortfall of $10.7 million in DA costs in FY 2001. S.B. 346 of the 123rd General Assembly, signed into law by the Governor in December, addresses this shortfall with a $10.7 million increase in appropriation authority. The Executive's recommendation for funding of the program responds to these trends with a 7.0 percent increase of funding over the FY 2001 estimated expenditures, and an increase over FY 2002 of 12.8 percent.

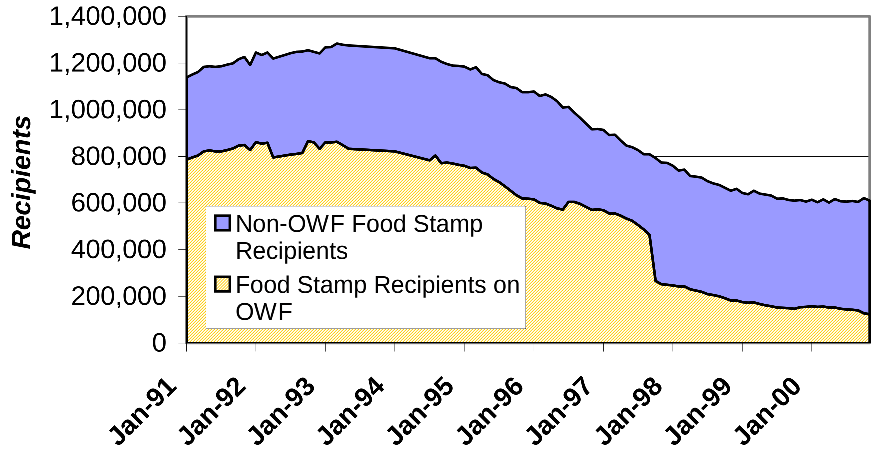
Food Stamps

The goal of the Food Stamp Program (FSP) is to increase nutritional intake of low-income persons by supplementing their income with food stamp benefits and thereby eliminate hunger and malnutrition. Recent policy changes have introduced a work requirement for adult recipients. Federal funds in this program are used to pay the state and county human services departments' costs of administering the food stamp program. The value of the food stamps, themselves, is provided in full by the federal government through the process of redemption. For administrative activities, the state and federal government split costs 50/50.

In addition to the traditional FSP, a demonstration project, called the Supplemental Security Income (SSI) Cash-Out program, is being operated in Cuyahoga County. This project issues cash rather than food stamp coupons to eligible recipients who also receive SSI. These are 100 percent federal funds.

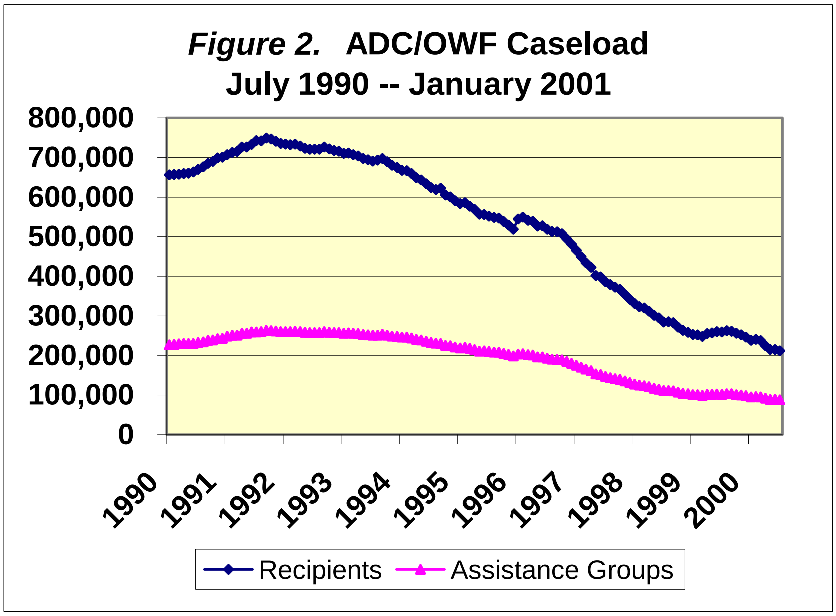
Ohio has experienced a steady decrease in FSP participation since 1993, with the number of recipients holding steady over the last two years. Decreases in participation may be related to both the improvement in the overall employment rate and changes in eligibility. As is apparent in the accompanying ***Figure 3***, a substantial shift in food stamp recipients away from receipt of OWF benefits has resulted in a fundamentally different composition of the food stamp caseload.

Figure 3. **Food Stamp Recipients, OWF and Non-OWF, 1991--2000**



ADDITIONAL FACTS AND FIGURES

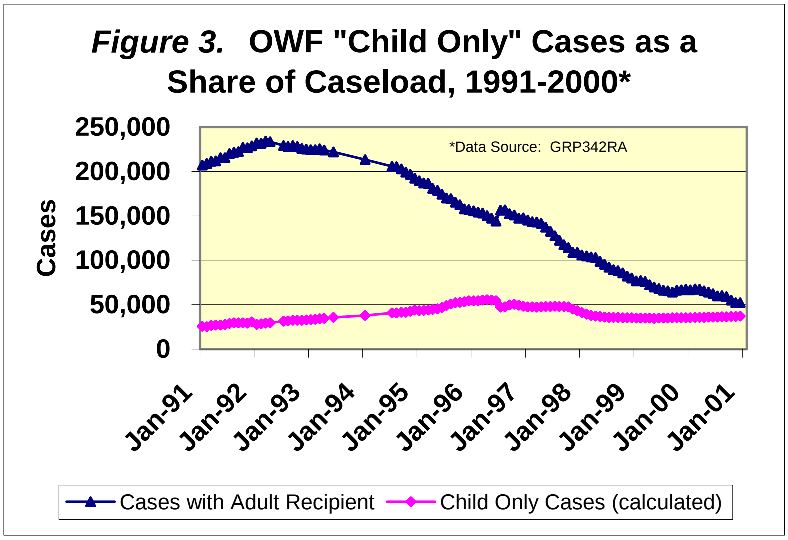
ADC/OWF Cash Assistance Caseload History



- Since the recession-driven peak in FY 1992 of 748,717 recipients, or 263,079 assistance groups, there has been a steady decline in the cash assistance caseload. By January 2001, the number of recipients had fallen to 211,578, and the number of assistance groups to 88,208.

- The composition of the remaining caseload has shifted during the course of the decline. The remaining recipients are increasingly urban dwellers, and increasingly African-American. The average size of the assistance groups is smaller. The education level of adult members of the assistance group is slightly lower. A greater proportion of the adults in the caseload are working.

"Child Only" Cases Constitute a Significant Portion of the OWF Caseload

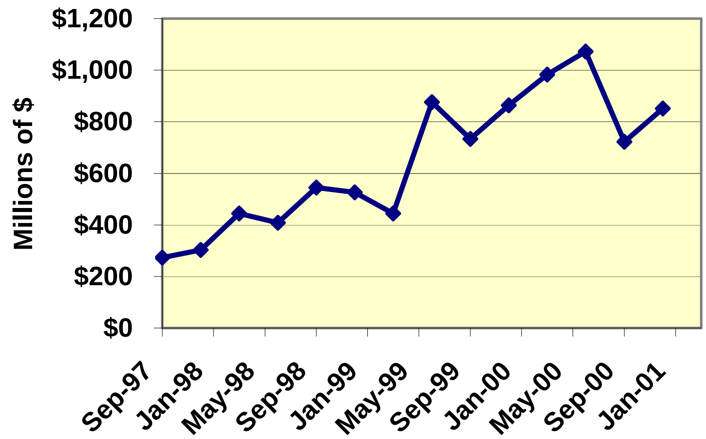


- "Child Only" cases occur when adults in the household are ineligible for OWF benefits or they are recipients in other programs. The relationship of non-recipient adults in the household is most often a grandparent, other relative, natural parent, or foster parent. Such cases are exempt from time limits and work requirements.

- "Child Only" cases have increased as percentage of the caseload from 10.9 percent in January, 1991 to 41.4 percent in December 2000. In terms of their number, child only cases have increased from about 25,000 in 1991 to about 37,000 at the end of 2000, having peaked at over 50,000 cases in 1996.

Ohio's TANF Reserve Remains Substantial

Figure 5. **Cumulative TANF Reserve Funds, as of December 31, 2000**



- As of December 31, 2000, Ohio's TANF reserves stand at $851.7 million. Out of this amount, $406.7 million is appropriated and encumbered, with the remaining $445.1 million being unobligated.

ANALYSIS OF EXECUTIVE PROPOSAL

Workforce Development

Purpose The primary goals of the workforce development program series are to promote prosperity by helping Ohioans find employment or improve their employment, to improve the quantity and quality of Ohio's workforce, to provide assistance with child care costs to help parents find and keep employment, and to provide care and assistance for those unable to care for themselves in ways that helps families achieve and maintain independence.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	600-402	EBT	$15,255,162	$15,586,018
GRF	600-410	TANF State	$268,636,561	$268,619,061
GRF	600-413	Day Care Match/Maintenance Of Effort	$84,120,606	$84,120,606
GRF	600-504	Non-TANF County Administration	$71,267,043	$69,391,595
GRF	600-511	Disability Assistance/Other Assistance	$79,562,017	$89,752,408
GRF	600-512	Non-TANF Emergency Assistance	$2,100,000	$2,100,000
3A2	600-641	Emergency Food Distribution	$2,018,844	$2,018,844
3G9	600-657	Special Activities-Family Assistance	$522,5000	$190,000
3H7	600-617	Day Care Federal	$299,156,430	$337,848,130
3V0	600-688	Workforce Investment Act	$112,830,660	112,830,661
3V6	600-689	TANF Block Grant	$578,254,486	$578,254,486
316	600-602	State and Local Training	$10,166,587	$10,325,460
365	600-681	Job Training Program	$25,000,000	$5,469,259
384	600-610	Food Stamps and State Administration	$160,371,358	$161,716,857
385	600-614	Refugee Services	$4,388,503	$4,559,632
5E6	600-634	State Option Food Stamps	$5,010,000	$5,010,000
5B6	600-601	Food Stamp Intercept	$5,283,920	$5,283,920
R13	600-644	Forgery Collections	$700,000	$700,000
Total funding: Workforce Development			**$1,729,347,177**	**$1,753,776,937**

Specific programs within the Workforce Development program series that this analysis will focus on include:

- ***EMPLOYMENT PROGRAMS***
- ***TANF/OHIO WORKS FIRST***
- ***PREVENTION, RETENTION, AND CONTINGENCY***
- ***CHILD DAY CARE***
- ***DISABILITY ASSISTANCE***
- ***FOOD STAMPS***

EMPLOYMENT PROGRAMS

Program Description: Employment programs assist individuals and families achieve self-sufficiency and independence through job search and job readiness training, job referral, and placement assistance, unpaid work experience, basic education, and vocational and post-secondary education. Employers are assisted with problem solving services, and by helping employees achieve needed skills. The program provides a number of newly integrated services: Ohio Works First (OWF) work activities and services, Food Stamp Employment and Training (FSET) activities and services, Able Bodied Adults Without Dependents (ABAWD) support, Individual Development Accounts, Workforce Investment Act (WIA) activities and services, Wagner-Peyser Act Employment Services, Employer Services, and Women's Programs activities and services. The merger of these services into one agency has permitted efficiencies to be achieved, and greater flexibility at the local level both for program management and consumer choice.

Funding Source: FED, GRF, county mandated share. Federal funds are from grants CFDA #93.558 (Temporary Assistance for Needy Families), CFDA #17.255 (Workforce Investment Act), CFDA #17.207 (Employment Services), and CFDA 10.561 (Food Stamps and State Administration).

Line Items: GRF 600-100, Personal Services; 600-200, Maintenance; 600-300, Equipment; GRF 600-410, TANF State; GRF 600-413, Day Care Match/Maintenance of Effort; GRF 600-504, Non-TANF County Administration; FED 600-610, Food Stamps and State Administration; FED 600-658, Child Support Collections; FED 600-686, Federal Operating; FED 600-688, Workforce Investment Act; FED 600-689, TANF Block Grant; and a mandated county share.

Implication of the Executive Recommendation: The Executive recommends decreasing funding for this entire program series by $16.6 million in FY 2002 from FY 2001 estimated spending levels. The largest contributor to this reduction is ALI 600-681, Job Training Program. The Executive recommends that this Federal Special Revenue fund appropriation be reduced from an estimated $121.1 million for FY 2001 to $25.0 million in FY 2002, and to $5.5 million in FY 2003. The reason for this is that the Job Training Partnership (JTPA) grant was replaced by the WIA grant. The remaining funds in ALI 600-681 for both fiscal years are held over for closeout of the JTPA grant. Other reductions from FY 2001 to FY 2002 include a $3.8 million reduction in ALI 600-504, Non-TANF County Administration, a $2.1 million reduction in ALI 600-512, Non-TANF Emergency Assistance, and a $2.9 million reduction in ALI 600-614, Refugee Services.

TANF/OHIO WORKS FIRST

Program Description: Ohio's TANF program, the Ohio Works First (OWF) program, was established by Am. Sub. H.B. 408 of the 122nd General Assembly. OWF provides basic monetary support to needy families while they gain the job competencies that will enable them to achieve self-sufficiency.

The TANF program established a flat block grant to the states. Ohio began receiving the block grant in October 1997. Ohio's annual TANF block grant award of approximately $728 million is based on the amount of federal funds expended in federal fiscal year 1994 for the three eliminated programs, Aid to Families with Dependent Children (AFDC), Job Opportunity and Basic Skills (JOBS), and Family Emergency Assistance (FEA). A caseload contingency reserve of $300 million has been built up and maintained in federal TANF funds. Ohio is required to meet a maintenance of effort (MOE) requirement of 80 percent of what it spent in FFY 94 on the three eliminated programs (approximately $417 million), through FFY 2002. If the state meets job participation rates, this level may be decreased to the 75 percent level. Whether the level is 75 percent or eighty percent, if the State fails to meet the MOE, its TANF grant for the next FFY will be reduced by the amount of the deficit, and the state will be required to increase its TANF spending by an amount equal to the deficit. Since the job participation rate requirements are being met, Ohio has reduced its MOE spending to 77 percent of the historical level, or $400.9 million.

The state MOE comes from several sources, including: 600-410, TANF State, a portion of 600-413, Day Care Match/Maintenance of Effort, 600-658, Child Support Collections, a county mandated share, and state administration line items 600-100, 600-200, and 600-300.

The federal funds are found in line item 600-689, TANF Block Grant, and in line item 600-657, Special Activities, Family Assistance. In FY 2000, three encumbrances were established using TANF reserve funds. These encumbrances are for the Prevention, Retention, and Contingency (PRC) program, county performance and caseload reduction incentives, and child care. The appropriation for line item 600-657 was increased by $584,362,817 in FY 2000. (Additional Federal TANF funds are also recommended and can be found in line item 600-690, Wellness.)

Funding Source: FED, GRF, GSF, county mandated share. Federal funds are from grant CFDA #93.558 (Temporary Assistance for Needy Families)

Line Items: GRF 600-410, TANF-State; GRF 600-413, Day Care/Maintenance of Effort; FSR 600-689, TANF-Block Grant; FSR 600-657, Special Activities-Family Assistance; GSF 600-658, Child Support Collections; GRF 600-100, Personal Services; 600-200, Maintenance; 600-300, Equipment; GRF 600-416, Computer Projects

Implication of the Executive Recommendation: The Executive's recommendations provide continuation funding for FY 2002 and FY 2003 core budget levels for performance of all duties in this program. The recommendation for GRF 600-413, Day Care/Maintenance of Effort increases the appropriation for this item by 10 percent over the level of estimated spending for FY 2001.

Earmarking:

- From appropriation line item 600-689, TANF Block Grant, up to $5,000,000 in each fiscal year shall be used to support local fatherhood programs.
- From appropriation line item 600-689, TANF Block Grant, up to $5,000,000 in each fiscal year shall be used to support local adult literacy and child reading programs.
- Transfer from TANF Block Grant to Title XX, with subsequent transfer to Fund 5E6, ALI 600-634, State Option Food Stamps, $5,000,000 in each fiscal year, $2.5 million of which is to be used for Second Harvest Food Bank, and $2,500,000 for Child Nutrition Services in the Department of Education.
- Transfer from TANF Block Grant to Title XX, with subsequent transfer to Fund 5P4, ALI 600-691, TANF Child Welfare, $7,500,000 in each fiscal year, $5,500,000 of which to be used for Support and Expansion for PCSA Activities, and $2,000,000 for Pilot Projects for Violent and Aggressive Youth.

- Transfer of $5,000,000 in appropriation authority from GRF ALI 600-410, TANF State, to SSR Fund 5B7, ALI 038-629, TANF Transfer-Treatment, and transfer of $271,424 to SSR Fund 5E8, ALI 038-630, TANF Transfer-Mentoring, in the Department of Alcohol and Drug Addiction Services. Of the amounts transferred, $2,000,000 shall be used to provide substance abuse prevention and treatment services to children or their families, whose income is at or below 200 percent of poverty, and $3,000,000 shall be used for services to children age 18 or younger. The remaining $271,424 shall be used to fund adolescent youth mentoring programs for children or their families whose income is at or below 200 percent of poverty.

Permanent and Temporary Law: Please refer to the Permanent and Temporary Law section.

PREVENTION, RETENTION, AND CONTINGENCY

Program Description: The primary goal of the PRC program is to assist families in overcoming short-term, immediate barriers that could prevent the achievement of, or threaten, self-sufficiency. While PRC is a TANF funded program, the benefits and services provided under PRC are not considered “assistance” as defined in the TANF regulations. Therefore, such benefits and services do not carry the same requirements as for the cash assistance provided in the OWF program. Each county is required to develop and establish a PRC program. Counties have the flexibility to design PRC in such a way to best fit the need of their community.

In the FY 2000 – FY 2001 biennium, the Department of Job and Family Services increased funding to county departments of job and family services in order to expand PRC services, especially services provided through contracts with other service providers. JFS made available $300 million in funds from the TANF reserve to counties from January 1, 2000 through June 30, 2001 for expanded PRC services. A cap for each county’s spending from these reserve funds was based on the county’s share of population at or below 200 percent of poverty.

Funding Source: FED, GRF. Federal funds are from grant CFDA #93.558 (Temporary Assistance for Needy Families)

Line Items: GRF 600-410, TANF-State; FED 600-689, TANF-Block Grant; FED 600-657, Special Activities-Family Assistance

Implication of the Executive Recommendation: Funding of PRC activities through the allocations to each county will remain at the level of the FY 2000-FY 2001 biennium. However, continue funding for the expanded services that was made possible through an appropriation of TANF reserve funds to FSR ALI 600-657, Special Activities—Family Assistance (what is Called PRC-DR) is not recommended to continue. This will result in a substantial decrease in funds available for counties to contract for services.

Permanent and Temporary Law: Please refer to the Permanent and Temporary Law section.

CHILD DAY CARE

Program Description: In general, the state provides day care dollars to those families whose income levels fall below a certain threshold. Traditional beneficiaries of publicly funded child care services include: children and families who are Ohio Works First participants, transitioning from OWF, low income, employed or in a training program, or have special protective needs.

Under TANF, the 600-413 line item contains both the state funds required for the child care maintenance of effort (MOE) for the federal Child Care and Development Block Grant created by PRWORA and the state matching funds necessary to drawn down the State's share of the Child Care and Development Block Grant. The MOE amounts to the greater of what the state reported to the federal government for day care spending in FFY 1994, or FFY 1995, or the average from FFY 1992 through FFY 1994. The State's MOE for child care is $45.4 million. Combined with the federal funds contained within line item 600-617, these dollars will be used to "guarantee" child care services for TANF recipients and those recipients transitioning off TANF. Transitional benefits are guaranteed for a twelve-month period following the last month the client was eligible for an OWF cash benefit or until income exceeds 150 percent of the federal poverty level. In addition, families who earn less than 185 percent of the federal poverty level also qualify for subsidized child care on a sliding fee scale basis. However, this is not a guarantee, but a service that is provided only to the extent appropriations are available.

Funding Source: GRF and FED

Line Items: 600-413, Day Care Maintenance of Effort (GRF); 600-617, Day Care Federal (FED)

Implication of the Executive Recommendation:

The executive recommendation provides a total of $383.3 million in FY 2002, a 20.1 percent increase over estimated expenditures for FY 2001, and $422.0 million in FY 2003, a 10.1 percent increase over the FY 2002 recommendation for funding child care services. The recommended state share of that amount in FY 2002 increased 10.0 percent over FY 2001, from $76.5 million to $84.1 million. The Executive recommends flat funding for the State's share in FY 2003.

JFS projected that 85,124 children would receive services by the end of FY 2001. The current number of children that have received services through the 3rd quarter of FY 2001 is 87,118. This increase over what was projected is due to the change in income eligibility as of October 1, 1998 (projections were made prior to that date). The income eligibility ceiling for non-guaranteed child care increased from 150 percent to 185 percent of the federal poverty level. According to JFS, it is expected that nearly 89,600 children will receive services during FY 2002 and nearly 94,600 children will receive services during FY 2003.

The executive recommendation will enable OCF to serve the rising population of children and families in need of publicly funded child care.

DISABILITY ASSISTANCE

Program Description: The primary goal of the DA program is to provide cash and medical assistance to Ohio citizens who are unemployable due to a physical or mental impairment. To be eligible for DA, a person must meet one of the following conditions: is under the age of 18; is over the age of 59; is disabled as determined by the county; is pregnant; or is medication dependent. For the FY 1996-1997 biennium and subsequent years, cash assistance for the medication dependent category was eliminated.

Disability under the DA program is defined as the inability to do any substantial or gainful activity by reason of physical or mental impairment that can be expected to last nine months or can be expected to result in death. Disability Assistance eligibility is not time-limited; that is, DA assistance may last as long as eligibility conditions are met, and provides a maximum grant of $115 per month.

The Disability Assistance Medical Assistance portion of the program does not cover inpatient and out-patient hospital services since hospitals must deliver acute care services without charge to persons under 100 percent of poverty under the Hospital Care Assurance Program.

Funding Source: GRF

Line Items: 600-511, Disability Assistance

Implication of the Executive Recommendation: The budget recommended by the Executive represents an increase of $5.2 million, or 7.0 percent, from the FY 2001 level, and by $10.2 million, or 12.8 percent, in FY 2003. The increases are due to the increase in medical costs, especially prescription drugs, and an expected increase in the number of cash recipients. The Department estimates that the cash assistance caseload will increase by 7.4 percent, or about 800 recipients, in FY 2002 and by 7.1 percent, or about 850 recipients, in FY 2003. The Department estimates only a slight increase in the medical assistance caseload.

FOOD STAMPS

Program Description: The goal of the Food Stamp program is to increase nutritional intake of low-income persons by supplementing their income with food stamp benefits and thereby eliminate hunger and malnutrition. Recent policy changes have introduced a work requirement for adult recipients. Federal funds in this program are used to pay the state and county job and family services departments' costs of administering the food stamp program. The value of the food stamps, themselves, is provided in full by the federal government through the process of redemption. For most administrative activities, the state and federal government split costs 50/50; for certain other activities, such as fraud control, the federal government pays 75 percent of the costs and the state pays the remainder.

Funding Source: Federal grants CFDA #10.561, State Administrative Matching Grants for Food Stamp Program, #10.551 Food Stamps (for the SSI Cash Out Program), GRF

Line Items: FED Fund 384, 600-610, Food Stamps and State Administration; GRF 600-100, Personal Services; GRF 600-200, Maintenance; GRF 600-300, Equipment; GRF 600-402, Electronic Benefits Transfer.

Implication of the Executive Recommendation: The budget recommended by the Executive contains an expansion of funding of appropriation line item 600-610, Food Stamps and State Administration, of a net amount of $9.9 million, or 6.6 percent, in FY 2002, and $1.3 million, or 0.6 percent, in FY 2003. The increase is FY 2002 is due to the recommendation of the Executive to fund a supplemental request for enhancements to computer systems that support the department's business processes. The federal funds in this line item are used to pay the state and county departments of job and family services' costs of administering the food stamp program.

The executive recommendation also contains an expansion of funding for appropriation line item 600-402, Electronic Benefits Transfer, of $1.6 million in FY 2002, representing an increase of 4.0 percent above the estimated level of expenditures in FY 2001. This increase represents the annual ongoing cost of maintaining the smart card electronic benefit transfer technology to provide benefits for the total Food Stamp caseload. Full statewide conversion to the EBT card was achieved in January 2000.

Permanent and Temporary Law: Please refer to the Permanent and Temporary Law section.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Permanent Law Provisions

Food stamp benefits (sections 329.042, 5101.184, 5101.54, 5739.02, and 5747.122; 5101.541, 5101.542, and 5101.543 (repealed))

The bill eliminates the requirement that a system for mail issuance of food stamp benefits be maintained and recognizes the statewide practice of issuing food stamp benefits in electronic form. All counties were converted to electronic issuance by 2000. A small reduction in administrative costs could be realized from this change.

County public assistance identification cards (sections 329.19, 5101.19, 5101.541, 5107.10, 5107.14)

The bill eliminates the involvement of ODJFS in issuing identification cards for certain public assistance recipients and permits a county department of job and family services to issue, at the county department's expense, identification cards to recipients of benefits or services under any assistance program the county department administers. An unknown cost savings will be realized through the elimination of the mandate for identification cards for OWF and DA recipients. The issuance of identification cards will become an option for county departments of job and family services. If a county chooses to issue identification, the cost would be borne out of the consolidated allocations that counties receive from the state.

TANF Federal Fund (section 5101.821)

The bill creates the Temporary Assistance for Needy Families Federal (TANF) Fund to receive federal funds for Ohio Works First; the Prevention, Retention, and Contingency Program; and other purposes consistent with state and federal laws. This change is necessary to move the TANF Block Grant to a federal rotary account in order to accomplish certain improvements in the ability to manage the funds. There is no fiscal effect.

Pregnant minors' Ohio Works First responsibilities (section 5107.02)

The bill alters the definition of a minor to provide that a minor who is at least six months pregnant and a member of an assistance group that does not include an adult is a minor head of household under Ohio Works First and therefore subject to the minor head of household requirements, including entering into a self-sufficiency contract and satisfying work responsibilities.

Ohio Works First time limit (section 5107.18)

The bill provides that the Ohio Works First time limit applies to an assistance group that includes an individual who has participated in the program for 36 months as an adult or minor head of household or spouse of an adult or minor head of household. The bill also permits a county department of job and family services to exempt not more than 20% of the average monthly number of Ohio Works First assistance groups, rather than participants, from the time limits on the basis of hardship.

ODJFS's Ohio Works First reports (section 5101.80)

The bill provides that the Ohio Works First report that ODJFS must prepare each January and July must contain information on individuals exhausting the Ohio Works First time limit, rather than a county-by-county breakdown of individuals who cease to participate in Ohio Works First and the reasons the individuals ceased to participate.

Prevention, Retention, and Contingency Program (sections 5108.01, 5108.03, 5108.05, 5108.06, 5108.07, and 5108.08; 2329.66, 2715.041, 2715.045, 2716.13, 4123.27, 5101.36, 5101.80, 5101.83, 5108.09, 5108.10, and 5153.165)

The bill eliminates a restriction under which the Prevention, Retention, and Contingency (PRC) Program may serve only assistance groups that include at least one minor or a pregnant woman. It provides that benefits and services provided under the PRC program must be an allowable use of federal TANF funds, except that they may not be "assistance" as defined by federal TANF regulation. It provides that the ODJFS model design and the policies of a county department of job and family services for the PRC program may establish eligibility requirements for, and specify benefits and services to be provided to, types of groups that share a common need for the benefits and services. It provides that the ODJFS model design and a county department's policies may specify benefits and services that the county department may provide for the general public. It also provides that benefits and services provided under the PRC program are inalienable whether by way of assignment, charge, or otherwise and are exempt from execution, attachment, garnishment, and other like process.

This change will enable the department to serve a broader population than it currently serves, as is permitted under federal law. There is not fiscal effect, as this will be done within the existing funding levels of the TANF programs.

Temporary Law Provisions

Alcohol and Drug Addiction Services Transfer (Section 62.01)

Transfer of $5,000,000 in appropriation authority from GRF ALI 600-410, TANF State to SSR Fund 5B7, ALI 038-629, TANF Transfer-Treatment, and transfer of $271,424 to SSR Fund 5E8, ALI 038-630, TANF Transfer-Mentoring, in the Department of Alcohol and Drug Addiction Services. Of the amounts transferred, $2,000,000 shall be used to provide substance abuse prevention and treatment services to children or their families, whose income is at or below 200 percent of poverty, and $3,000,000 shall be used for services to children age 18 or younger. The remaining $271,424 shall be used to fund adolescent youth mentoring programs for children or their families whose income is at or below 200 percent of poverty.

DYS Comprehensive Strategies (Section 62.08)

Transfer from TANF Block Grant to Title XX, with subsequent transfer to Fund 5P4, ALI 600-691, TANF Child Welfare, $7,500,000 in each fiscal year, $5,500,000 of which to be used for Support and Expansion for PCSA Activities, and $2,000,000 for Pilot Projects for Violent and Aggressive Youth.

TANF Fatherhood Programs (Section 62.08)

From appropriation line item 600-689, TANF Block Grant, up to $5,000,000 in each fiscal year shall be used to support local fatherhood programs.

TANF Adult Literacy and Child Reading Programs (Section 62.08)

From appropriation line item 600-689, TANF Block Grant, up to $5,000,000 in each fiscal year shall be used to support local adult literacy and child reading programs.

Ohio Association of Second Harvest Food Banks (Section 62.09)

Transfer from TANF Block Grant to Title XX, with subsequent transfer to Fund 5E6, ALI 600-634, State Option Food Stamps, $5,000,000 in each fiscal year, $2.5 million of which to be used for Second Harvest Food Bank, and $2,500,000 for Child Nutrition Services in the Department of Education.

REQUESTS NOT FUNDED

For this program series, the department requested total funding of $1,739,832,466 in FY 2002 and $1,789,971,737 in FY 2003; the Executive recommended $1,729,347,177 and $1,753,776,937, respectively. The executive recommendations are below the Department's requested level of funding by $10,485,289 in FY 2002 and by $36,194,800 in FY 2003.

The Executive partially funded the following requested items:

Electronic Benefits Transfer						
Fund Line Item	**FY 2002 Requested**	**FY 2002 Recommended**	**Difference**	**FY 2003 Requested**	**FY 2003 Recommended**	**Difference**
GRF 600-402	$16,058,066	$15,255,162	($802,904)	$16,849,750	$15,586,018	($1,263,732)
Day Care Match/Maintenance of Effort						
Fund Line Item	**FY 2002 Requested**	**FY 2002 Recommended**	**Difference**	**FY 2003 Requested**	**FY 2003 Recommended**	**Difference**
GRF 600-413	$90,130,089	$84,120,606	($6,009,483)	$96,978,296	$84,120,606	($12,857,690)
Non-TANF County Administration						
Fund Line Item	**FY 2002 Requested**	**FY 2002 Recommended**	**Difference**	**FY 2003 Requested**	**FY 2003 Recommended**	**Difference**
GRF 600-504	$76,017,940	$71,267,043	($4,750,897)	$76,017,940	$69,391,595	($6,626,345)
Disability Assistance						
Fund Line Item	**FY 2002 Requested**	**FY 2002 Recommended**	**Difference**	**FY 2003 Requested**	**FY 2003 Recommended**	**Difference**
GRF 600-511	$81,978,522	$79,562,017	($2,416,505)	$95,436,411	$89,752,408	($5,684,003)
Non-TANF Emergency Assistance Program						
Fund Line Item	**FY 2002 Requested**	**FY 2002 Recommended**	**Difference**	**FY 2003 Requested**	**FY 2003 Recommended**	**Difference**
GRF 600-512	$4,200,000	$2,100,000	($2,100,000)	$4,200,000	$2,100,000	($2,100,000)
Day Care Federal						
Fund Line Item	**FY 2002 Requested**	**FY 2002 Recommended**	**Difference**	**FY 2003 Requested**	**FY 2003 Recommended**	**Difference**
GRF 600-617	$303,264,430	$299,156,430	($4,108,000)	$350,411,130	$337,848,130	($12,563,000)

The Executive did not fund the following requested items:

- Ohio Employer Scholarship Program. The department requested $6,000,000 in FY 2002 and $9,000,000 in FY 2003 to issue grants to companies who agree to match at 50 percent for educational or training programs. The program was to be funded through line items 600-689, TANF Block Grant, and 600-504, Non-TANF County Administration.

- Tiered Certification for Child Care Licensing: The department requested $5.0 in FY 2002 and $12.5 million in FY 2003 for implementation of a proposal that resulted from the Child Welfare Reform Shareholders Group. The proposal included the adoption of a voluntary tiered certification for child care licensing and provider training.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
JFS	**Job and Family Services, Department of**								
GRF	600-100	Personal Services	$56,073,535	$ 76,019,900	$ 75,259,701	34.2%	$ 78,821,939	$ 78,033,720	3.7%
GRF	600-200	Maintenance	$24,678,252	$ 38,115,556	$ 37,734,401	52.9%	$ 30,453,890	$ 30,149,351	-20.1%
GRF	600-300	Equipment	$601,176	$ 5,705,915	$ 5,648,856	839.6%	$ 1,021,781	$ 1,011,563	-82.1%
GRF	600-402	EBT	$14,665,063	$ 15,255,162	$ 15,102,610	3.0%	$ 15,586,018	$ 15,430,158	2.2%
GRF	600-405	Family Violence Prevention Program	$835,018	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-406	Workforce Development	$358,404	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-407	UI/ES Operating	$22,727,425	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-408	Labor Market Projections	$184,534	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-410	TANF State	$261,857,133	$ 268,636,561	$ 268,636,561	2.6%	$ 268,619,061	$ 268,619,061	0.0%
GRF	600-411	TANF Federal Block Grant	$578,254,486	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-412	Prevailing Wage/Minimum Wage & Minors	$2,423,702	----	$ 0	-100.0%	----	$ 0	N/A
GRF	600-413	DayCare Match/Maintenance of Effort	$76,454,292	$ 84,120,606	$ 84,120,606	10.0%	$ 84,120,606	$ 84,120,606	0.0%
GRF	600-414	Apprenticeship Council	$177,769	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-416	Computer Projects	$154,600,138	$ 171,907,608	$ 139,263,868	-9.9%	$ 179,411,876	$ 146,545,871	5.2%
GRF	600-417	Public Employee Risk Reduction Program	$1,356,075	----	$ 0	-100.0%	----	$ 0	N/A
GRF	600-420	Child Support Administration	$8,103,800	$ 7,999,506	$ 7,919,511	-2.3%	$ 7,964,959	$ 7,885,309	-0.4%
GRF	600-426	Children's Health Insurance Progam	$23,957,445	$ 24,544,733	$ 24,544,733	2.5%	$ 29,747,910	$ 29,747,910	21.2%
GRF	600-427	Child & Family Services Activities	$8,227,004	$ 7,241,501	$ 7,169,086	-12.9%	$ 7,050,936	$ 6,980,427	-2.6%
GRF	600-428	Wellness Block Grant	$14,337,515	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-429	Womens Programs	$485,619	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-430	OSHA Match	$137,045	----	----	N/A	----	----	N/A
GRF	600-434	Nutrition Programs	$5,000,000	$ 0	$ 0	-100.0%	$ 0	----	N/A
GRF	600-435	Unemployment Compensation Review Committee	$0	$ 3,797,122	$ 3,759,151	N/A	$ 3,823,616	$ 3,785,380	0.7%
GRF	600-436	Medicaid Systems Enhancements	$0	$ 4,490,287	$ 4,445,384	N/A	$ 1,872,334	$ 1,853,611	-58.3%
GRF	600-502	Child Support Match	$20,773,614	$ 17,559,588	$ 17,383,992	-16.3%	$ 16,983,942	$ 16,814,103	-3.3%
GRF	600-504	Non-TANF County Administration	$75,017,940	$ 71,267,043	$ 70,554,373	-5.9%	$ 69,391,595	$ 68,697,679	-2.6%

Fund	ALI	ALI Title	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
JFS	**Job and Family Services, Department of**								
GRF	600-511	Disability Assistance/Other Assistance	$74,372,571	$ 79,562,017	$ 79,562,017	7.0%	$ 89,752,408	$ 89,752,408	12.8%
GRF	600-512	Non-TANF Emergency Assistance	$4,200,000	$ 2,100,000	$ 2,079,000	-50.5%	$ 2,100,000	$ 2,079,000	0.0%
GRF	600-522	Burial Claims	$1,465,911	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
GRF	600-525	Health Care/Medicaid	$6,525,871,328	$ 7,029,900,338	$ 6,992,505,449	7.2%	$ 7,536,582,374	$ 7,499,237,669	7.2%
GRF	600-527	Child Protective Services	$57,332,997	$ 60,178,847	$ 59,592,059	3.9%	$ 64,679,272	$ 64,047,479	7.5%
GRF	600-528	Adoption Services	$56,061,779	$ 61,891,191	$ 61,891,191	10.4%	$ 68,226,310	$ 68,226,310	10.2%
GRF	600-534	Adult Protective Services	$3,031,340	$ 2,879,773	$ 2,850,975	-6.0%	$ 2,803,990	$ 2,775,950	-2.6%
GRF	600-552	County Social Services	$12,072,886	$ 11,469,242	$ 11,354,550	-5.9%	$ 11,167,420	$ 11,055,746	-2.6%
General Revenue Fund Total			**$ 8,085,695,796**	**$ 8,044,642,496**	**$ 7,971,378,074**	**-1.4%**	**$ 8,570,182,237**	**$ 8,496,849,311**	**6.6%**
4A8	600-658	Child Support Collections	$42,389,027	$ 42,389,027	$ 42,389,027	0.0%	$ 42,389,027	$ 42,389,027	0.0%
4R4	600-665	BCII Services Fees	$113,202	$ 124,522	$ 124,522	10.0%	$ 136,974	$ 136,974	10.0%
5C9	600-671	Medicaid Program Support	$83,527,307	$ 50,846,239	$ 50,846,239	-39.1%	$ 59,226,893	$ 59,226,893	16.5%
5R1	600-677	County Computers	$0	$ 5,000,000	$ 5,000,000	N/A	$ 5,000,000	$ 5,000,000	0.0%
613	600-645	Training Activities	$75,000	$ 1,462,626	$ 1,462,626	1,850.2%	$ 1,157,525	$ 1,157,525	-20.9%
General Services Fund Group Total			**$ 126,104,536**	**$ 99,822,414**	**$ 99,822,414**	**-20.8%**	**$ 107,910,419**	**$ 107,910,419**	**8.1%**
316	600-602	State and Local Training	$7,336,811	$ 10,166,587	$ 10,166,587	38.6%	$ 10,325,460	$ 10,325,460	1.6%
327	600-606	Child Welfare	$29,481,997	$ 34,594,191	$ 34,594,191	17.3%	$ 34,592,977	$ 34,592,977	0.0%
331	600-686	Federal Operating	$111,819,362	$ 41,600,896	$ 41,600,896	-62.8%	$ 41,640,897	$ 41,640,897	0.1%
349	600-682	OSHA Enforcement	$1,326,501	----	----	N/A	----	----	N/A
365	600-681	Job Training Program	$121,099,383	$ 25,000,000	$ 25,000,000	-79.4%	$ 5,469,259	$ 5,469,259	-78.1%
384	600-610	Food Stamps & State Administration	$150,437,578	$ 160,371,358	$ 160,371,358	6.6%	$ 161,716,857	$ 161,716,857	0.8%
385	600-614	Refugee Services	$7,309,725	$ 4,388,503	$ 4,388,503	-40.0%	$ 4,559,632	$ 4,559,632	3.9%
395	600-616	Special Activities-Children & Family Services	$4,311,677	$ 9,491,000	$ 9,491,000	120.1%	$ 9,491,000	$ 9,491,000	0.0%
396	600-620	Social Services Block Grant	$61,017,642	$ 51,195,100	$ 51,195,100	-16.1%	$ 51,297,478	$ 51,297,478	0.2%
397	600-626	Child Support	$226,768,641	$ 248,001,590	$ 248,001,590	9.4%	$ 247,353,041	$ 247,353,041	-0.3%
398	600-627	Adoption Maintenance/Administration	$267,459,256	$ 277,806,175	$ 277,806,175	3.9%	$ 341,298,661	$ 341,298,661	22.9%
3A2	600-641	Emergency Food Distribution	$2,018,844	$ 2,018,844	$ 2,018,844	0.0%	$ 2,018,844	$ 2,018,844	0.0%

Fund	ALI	ALI Title	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
JFS	**Job and Family Services, Department of**								
3D3	600-648	Children's Trust Fund-Federal	$1,549,253	$ 2,040,524	$ 2,040,524	31.7%	$ 2,040,524	$ 2,040,524	0.0%
3F0	600-623	Health Care Federal	$206,652,537	$ 175,148,990	$ 175,148,990	-15.2%	$ 168,503,630	$ 168,503,630	-3.8%
3F0	600-650	Hospital Care Assurance Match	$309,093,463	$ 292,915,017	$ 292,915,017	-5.2%	$ 276,736,571	$ 276,736,571	-5.5%
3G5	600-655	Interagency Reimbursement	$844,021,602	$ 852,461,818	$ 852,461,818	1.0%	$ 860,986,436	$ 860,986,436	1.0%
3G9	600-657	Special Activities-Family Assistance	$635,477	$ 522,500	$ 522,500	-17.8%	$ 190,000	$ 190,000	-63.6%
3H7	600-617	Day Care Federal	$241,033,310	$ 299,156,430	$ 299,156,430	24.1%	$ 337,848,130	$ 337,848,130	12.9%
3N0	600-628	IV-E Foster Care Maintenance	$196,993,903	$ 152,981,760	$ 152,981,760	-22.3%	$ 173,963,142	$ 173,963,142	13.7%
3S5	600-622	Child Support Projects	$534,050	$ 534,050	$ 534,050	0.0%	$ 534,050	$ 534,050	0.0%
3S9	600-680	TANF Employment & Training	$700,000	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
3V0	600-688	Workforce Investment Act	$112,830,661	$ 112,830,660	$ 112,830,660	0.0%	$ 112,830,661	$ 112,830,661	0.0%
3V4	600-678	Federal Unemployment Programs	$0	$ 74,025,525	$ 74,025,525	N/A	$ 74,025,525	$ 74,025,525	0.0%
3V4	600-679	Unemployment Compensation Review Committee - Federal	$0	$ 2,286,421	$ 2,286,421	N/A	$ 2,286,421	$ 2,286,421	0.0%
3V6	600-689	TANF Block Grant	$0	$ 578,254,486	$ 654,410,661	N/A	$ 578,254,486	$ 677,098,311	3.5%
3V6	600-690	Wellness	$0	$ 14,337,515	$ 14,337,515	N/A	$ 14,337,515	$ 14,337,515	0.0%
Federal Special Revenue Fund Group Total			**$ 2,904,431,673**	**$ 3,422,129,940**	**$ 3,498,286,115**	**20.4%**	**$ 3,512,301,197**	**$ 3,611,145,022**	**3.2%**
198	600-647	Children's Trust Fund	$3,238,074	$ 4,368,785	$ 4,368,785	34.9%	$ 4,379,333	$ 4,379,333	0.2%
3W3	600-695	Adult Protective Services		----	$ 120,227	N/A	----	$ 120,227	0.0%
3W3	600-696	Non-TANF Adult Assistance		----	$ 1,000,000	N/A	----	$ 1,000,000	0.0%
3W8	600-638	Hippy Program		----	$ 62,500	N/A	----	$ 62,500	0.0%
3W9	600-640	Adoption Connection		----	$ 50,000	N/A	----	$ 50,000	0.0%
4A9	600-607	Unemployment Compensation Administration Fund	$13,962,175	$ 9,420,000	$ 9,420,000	-32.5%	$ 9,420,000	$ 9,420,000	0.0%
4E3	600-605	Nursing Home Assessments	$95,511	$ 95,511	$ 95,511	0.0%	$ 95,511	$ 95,511	0.0%
4E7	600-604	Child & Family Services Collections	$142,666	$ 145,805	$ 145,805	2.2%	$ 149,450	$ 149,450	2.5%
4F1	600-609	Foundation Grants-Child & Family Services	$1,422,569	$ 116,400	$ 116,400	-91.8%	$ 119,310	$ 119,310	2.5%
4G1	600-683	Interagency Agreements	$45,492	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
4J5	600-613	Nursing Facility Bed Assessmnt	$32,334,707	$ 31,179,798	$ 31,179,798	-3.6%	$ 31,279,798	$ 31,279,798	0.3%

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
JFS	**Job and Family Services, Department of**								
4J5	600-618	Residential State Supplement Payment	$14,285,756	$ 15,700,000	$ 15,700,000	9.9%	$ 15,700,000	$ 15,700,000	0.0%
4K1	600-621	ICF/MR Bed Assessments	$26,945,437	$ 21,604,331	$ 21,604,331	-19.8%	$ 22,036,418	$ 22,036,418	2.0%
4N7	600-670	Wellness Block Grant Fund	$388,290	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
4R3	600-687	Banking Fees	$592,937	$ 592,937	$ 592,937	0.0%	$ 592,937	$ 592,937	0.0%
4V2	600-612	Child Support Activities	$124,993	$ 124,993	$ 124,993	0.0%	$ 124,993	$ 124,993	0.0%
4Z1	600-625	Healthcare Compliance	$10,000,000	$ 10,000,000	$ 10,000,000	0.0%	$ 10,000,000	$ 10,000,000	0.0%
557	600-684	Apprenticeship Council Conference	$45,000	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
5A5	600-685	Unemployment Benefit Automation	$6,892,757	$ 19,607,027	$ 19,607,027	184.5%	$ 13,555,667	$ 13,555,667	-30.9%
5E4	600-615	Private Child Care Agency Training	$10,568	$ 10,568	$ 10,568	0.0%	$ 10,568	$ 10,568	0.0%
5E5	600-633	EBT Contracted Services	$500,000	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
5E6	600-634	State Option Food Stamps	$99,000	$ 5,010,000	$ 5,010,000	4,960.6%	$ 5,010,000	$ 5,010,000	0.0%
5P4	600-691	TANF Child Welfare	$0	$ 7,500,000	$ 7,500,000	N/A	$ 7,500,000	$ 7,500,000	0.0%
5P5	600-692	Health Care Services	$0	$ 223,847,498	$ 223,847,498	N/A	$ 255,386,713	$ 255,386,713	14.1%
600	600-603	Third Party Recoveries	$13,000,000	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
651	600-649	Hospital Care Assurance Program	$217,740,460	$ 203,298,801	$ 203,298,801	-6.6%	$ 192,070,088	$ 192,070,088	-5.5%
6A7	600-656	Ford Foundation	$63,407	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
State Special Revenue Fund Group Total			**$ 341,929,799**	**$ 552,622,454**	**$ 553,855,181**	**62.0%**	**$ 567,430,786**	**$ 568,663,513**	**2.7%**
192	600-646	Support Intercept-Federal	$70,965,066	$ 80,000,000	$ 80,000,000	12.7%	$ 82,000,000	$ 82,000,000	2.5%
583	600-642	Support Intercept-State	$17,175,008	$ 20,162,335	$ 20,162,335	17.4%	$ 20,565,582	$ 20,565,582	2.0%
5B6	600-601	Food Stamp Intercept	$5,283,920	$ 5,283,920	$ 5,283,920	0.0%	$ 5,283,920	$ 5,283,920	0.0%
Agency Fund Group Total			**$ 93,423,994**	**$ 105,446,255**	**$ 105,446,255**	**12.9%**	**$ 107,849,502**	**$ 107,849,502**	**2.3%**
R12	600-643	Refunds and Audit Settlements	$200,000	$ 200,000	$ 200,000	0.0%	$ 200,000	$ 200,000	0.0%
R13	600-644	Forgery Collections	$700,000	$ 700,000	$ 700,000	0.0%	$ 700,000	$ 700,000	0.0%
Holding Account Redistribution Fund Group Total			**$ 900,000**	**$ 900,000**	**$ 900,000**	**0.0%**	**$ 900,000**	**$ 900,000**	**0.0%**

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
JFS	**Job and Family Services, Department of**								
Total All Budget Fund Groups			$ 11,552,485,798	$ 12,225,563,559	$ 12,229,688,039	5.9%	$ 12,866,574,141	$ 12,893,317,767	5.4%

General Revenue Fund

GRF 600-100 Personal Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$56,073,535	**$76,019,900**	**$78,821,939**
	N/A	N/A	N/A	**35.6%**	**3.7%**

Source: GRF

Legal Basis: ORC 5101 and 6301

Purpose: This line item provides the primary mechanism for payroll and personal services contract expenditures. Expenditures made for federal programs earn reimbursement. In FY 2000 and FY 2001, up to $2 million additional appropriation from TANF-Title XX transfer in each year is available for OBES-ODHS merger-related costs.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-200 Maintenance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$24,678,252	**$38,115,556**	**$30,453,890**
	N/A	N/A	N/A	**54.4%**	**-20.1%**

Source: GRF

Legal Basis: ORC 5101.80 through 5101.91

Purpose: This line item provides the primary mechanism for maintenance expenditures for the department. Expenditures made for federal programs earn reimbursement. Expenditures charged to this line item include: travel reimbursement, supply items, publication expenses, telephone charges, rentals, leases, printing, and computer services provided by the Ohio Data Network. An additional $1 million in TANF-Title XX transfers is available in FY 2000 and in FY 2001 for Medicaid-related audits by the Auditor of the State.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-300 Equipment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$601,176	**$5,705,915**	**$1,021,781**
	N/A	N/A	N/A	**849.1%**	**-82.1%**

Source: GRF

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item provides the primary mechanism for equipment purchases for the department. Expenditures made for federal programs earns reimbursement. All telephone pruchased and most other equipment purchases in excess of a $300 threshold are funded through this line item.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-402 EBT

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$14,665,063	**$15,255,162**	**$15,586,018**
	N/A	N/A	N/A	**4.0%**	**2.2%**

Source: GRF: 50% GRF and 50% federal grant

Legal Basis: originally established by Am. Sub H.B. 152 of the 120th General Assembly

Purpose: This item funds the maintenance, expansion, and development costs of the Electronic Benefits Transfer (EBT) Project. Under EBT, traditional paper food stamps have been replaced with magnetically-coded cards, which automatically track the monthly food stamp allocation, deducts the cost of all purchases, and maintains the balance. Am. Sub H.B. 283 of the 123rd General Assembly broadened the services or assistance that may be delivered via EBT. The increase in this item in FY 2000 reflects the increased cost associated with substantially expanded number of households served. This line item includes a 50 percent federal match from the Food Stamp Program.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-405 Family Violence Prevention Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$835,018	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 5101.46

Purpose: Funds from this line item finance community education programs designed to help prevent family violence. These funds are distributed to county or local public or private agencies which have a vested interest in such training (e.g., county departments of job and family services, children services boards, law enforcement agencies, nursing homes). In addition, Am. Sub. H. B. 152 of the 120th General Assembly modified this program to authorize that $10,000 grants be awarded to domestic violence shelters.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-406 Workforce Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$358,404	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 6301

Purpose: Previously funded through line item 795-406 in the Bureau of Employment Services' budget, this line item is used to plan state strategies to address the basic and high performance work skills needed by workers today and in the future. The target group of this program is the Ohio civilian workforce. This account allows JFS to sponsor the Governor's Workforce Excellence Awards, as well as conduct and facilitate research that leads to improved public and private sector investments in human capital. As a result of the merger with Department of Human Services to form the Department of Job and Family Services, workforce development activities are funded through various lines.

GRF 600-407 UI/ES Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$22,727,425	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 4141.04 and 4141.06

Purpose: Previously funded through line item 795-407, OBES Operating, in the Bureau of Employment Services' budget, this line item is used to offset decreased federal funding for the Unemployment Insurance and Employment Services programs. The funding in this line item supplements and replaces the funding provided by line item 795-607, Unemployment Compensation Administration Fund, and line item 795-606, Surcharge Operating Supplement, which was depleted in FY 1995. Under H.B. 95 of the 124th General Assembly, the function of the Unemployment Compensation Review Committee will be funded through line item 600-435.

GRF 600-408 Labor Market Projections

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$184,534	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 4141.04

Purpose: Previously funded through line item 795-408 in the Bureau of Employment Services' budget, this line item funds the Labor Market Projections program that provides information about labor supply and demand in Ohio. The program produces publications, audio-visual presentations, and responses to job development requests. With this program now housed in the Office of Research, Assessment, and Accountability in the Deparatment of Job and Family Services, this program is primarily funded from the General Revenue Fund, line items 600-100, Personal Services; 600-200, Maintenance; and 600-300, Equipment.

GRF 600-410 TANF State

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$261,857,133	**$268,636,561**	**$268,619,061**
	N/A	N/A	N/A	**2.6%**	**0.0%**

Source: GRF

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item provides the federal maintenance of effort (MOE) monies for the TANF program. The state is required to spend 80% of FY 1994 expenditures for the non-federal share of the eliminated ADC, JOBS, and FEA programs. This MOE level may be lowered to 75 percent if the state meets its work activity participation rate requirements. Am. Sub. H.B. 283 of the 123rd General Assembly reduced the MOE level to 77 percent, and included several earmarks. Am. Sub. H.B. 283 of the 123rd Assembly also created a Kinship Care Services Planning Council and required the establishment of a Kinship Care Program.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-411 TANF Federal Block Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$578,254,486	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item receives the federal block grant money for the TANF program. This line item is federally funded through the TANF block grant and must be used within the guidelines of the TANF state plan. Am. Sub. H.B. 283 of the 123rd General Assembly included several earmarks to this line item. Am. Sub. H.B. 283 also reduced the amount appropriated out of the federal block grant to better reflect the expected spending level. The Controlling Board may increase appropriations in this item if sufficient federal TANF funds exist.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

Under H.B. 95 of the 124th General Assembly, this appropriation is moved out of the General Revenue Fund to the non-GRF line item 600-689 (Fund 3V6).

GRF 600-412 Prevailing Wage/Minimum Wage & Minors

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$2,423,702	**$0**	**$0**
	N/A	N/A	N/A		**N/A**

Source: GRF

Legal Basis: ORC 4141

Purpose: Previously funded through line item 795-412 in the Bureau of Employment Services' budget, the prevailing wage program provides information and services to ensure that employers and employees understand and comply with the prevailing wage statute. The Minimum Wage and Minors program ensures that all workers in Ohio are paid at least the minimum wage and that workers less than 18 years of age work no more than the maximum number of hours per week and are not working in hazardous occupations.

Under Am. Sub. H.B. 470 of the 123rd General Assembly, this appropriation was moved to the budget of the Department of Commerce.

GRF 600-413 DayCare Match/Maintenance of Effort

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$76,454,292	**$84,120,606**	**$84,120,606**
	N/A	N/A	N/A	**10.0%**	**0.0%**

Source: GRF

Legal Basis: ORC 5104

Purpose: This line item serves as the state funds for the child care maintenance of effort (MOE) requirement under Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (WORA) matching funds for the Child Care Development Fund. Ohio's MOE requirement is set at $45.4 million.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-414 Apprenticeship Council

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$177,769	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 4139

Purpose: Previously funded through line item 795-414 in the Bureau of Employment Services' budget, this line item pays the expenses of staff and operating costs of the Ohio Apprenticeship Council. The Council consists of nine members: three persons who represent employees, three persons who represent employers, and three persons who represent the public. The purpose of the Council is to encourage development of structured apprenticeship programs. A structured apprenticeship program is any vocational occupation with an apprenticeship program registered with the Department of Labor.

Under H.B. 95 of the 124th General Assembly, the Apprenticeship Council Conference is funded through State Special Revenue Fund line item 600-645, Training Activities, and Apprenticeship Council is funded through line items 600-100, Personal Services, 600-200, Maintenance, and 600-300, Equipment.

GRF 600-416 Computer Projects

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$154,600,138	**$171,907,608**	**$179,411,876**
	N/A	N/A	N/A	**11.2%**	**4.4%**

Source: GRF

Legal Basis: ORC 5101, 4141, 6301

Purpose: This line item provides funding for the development and implementation of computer projects, such as the Client Registration Information System-Enhanced (CRIS-E) and the upgrading of the current Medicaid Management Information System (MMIS). Other major projects include the Support Enforcement Tracking System (SETS) and the Family and Children Services Information System (FACSIS). Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-417 Public Employee Risk Reduction Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$1,356,075	**$0**	**$0**
	N/A	N/A	N/A		**N/A**

Source: GRF

Legal Basis: ORC 4167

Purpose: Previously funded through line item 795-417 in the Bureau of Employment Services' budget, the purpose of this program is to eliminate safety and health hazards in the workplaces of public employees. Program staff conduct inspections of workplaces and make recommendations to correct unsafe conditions. This responsibility was previously carried out by the Department of Industrial Relations and had been funded by the Safety and Hygiene Fund in the Bureau of Workers' Compensation until the 1995-1997 biennium. Because these revenue sources are no longer available, the program is now funded through the GRF.

Under Am. Sub. H.B. 470 of the 123rd General Assembly, this appropriation was moved to the budget of the Department of Commerce.

GRF 600-420 Child Support Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$8,103,800	**$7,999,506**	**$7,964,959**
	N/A	N/A	N/A	**-1.3%**	**-0.4%**

Source: GRF

Legal Basis: ORC 3109.05

Purpose: This line item supports state administration of the Child Support Enforcement Program. Expenditures from this line item earn federal financial participation (FFP) at a rate of 66% (90% for genetic testing services). FFP is deposited into the 400-626 Child Support account.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-426 Children's Health Insurance Progam

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$23,957,445	**$24,544,733**	**$29,747,910**
	N/A	N/A	N/A	**2.5%**	**21.2%**

Source: GRF: CFDA 93.767, Medical Assistance Program (CHIP: Title XXI)

Legal Basis: ORC section 5101.51

Purpose: This line item was created as part of the FY 2000-2001 biennial budget to provide funds for CHIP-II. CHIP-II provides health insurance coverage for children under 19 years in families with incomes between 150 percent and 200 percent of the federal poverty level.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-427 Child & Family Services Activities

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$8,227,004	**$7,241,501**	**$7,050,936**
	N/A	N/A	N/A	**-12.0%**	**-2.6%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 215 of the 122nd General Assembly

Purpose: This line item is used for AdoptOhio payments and supports, foster parent training, and cultural diversity training. The program is wholly state-funded.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget in line item 400-408, Child/Family Services.

GRF 600-428 Wellness Block Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$14,337,515	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 124.371

Purpose: In conjunction with line item 600-670, Wellness Block Grant (State Special Revenue Fund), this line item provides funding to counties for community-based programs of prevention services targeted at reducing teenage pregnancy rates and reducing child abuse and neglect. Typically a small percentage of the appropriation is used to support state-directed training, evaluation, and education.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

All of these funds are drawn from the TANF Block Grant, and under H.B. 95 of the 124th General Assembly, this appropriation is moved to non-GRF line item 600-690, Wellness.

GRF 600-429 Womens Programs

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$485,619	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 4141.042

Purpose: Previously funded through line item 795-410 in the Bureau of Employment Services' budget, the goals of the program are to promote employment and training programs for women. The functions of these programs are to: 1) enhance the awareness of all nontraditional careers available in the workforce for women; 2) administer an upward mobility program for women in public service; and 3) administer the Ohio Women's Hall of Fame.

Under H.B. 95 of the 124th General Assembly, most of the funding for this line item was collapsed into JFS's 600-100, 600-200, and 600-300 operating line items. The amounts appropriated in each of these line items were based on FY 2000 expenditures. Funding for the Kaleidoscope program was moved to line item 600-645, Training Activities.

GRF 600-430 OSHA Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$137,045	**$0**	**$0**
	N/A	N/A	N/A		**N/A**

Source: GRF

Legal Basis: 29 CFR 1908

Purpose: Previously funded through line item 795-413 in the Bureau of Employment Services' budget, this line item funds the local share of the Occupational Safety and Health Administration (OHSA), On-Site Consultation program funded by the U.S. Department of Labor. Free advice on occupational safety and health issues to Ohio employers is provided. This line item provides the necessary 10 percent matching funds for participation in the federal OSHA program. These responsibilities were previously carried out by the Department of Industrial Relations.

Under Am. Sub. H.B. 470 of the 123rd General Assembly, this appropriation has been moved to the budget of the Department of Commerce.

GRF 600-434 Nutrition Programs

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$5,000,000	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: originally established by Am. Sub. 283 of the 123rd General Assembly

Purpose: This line item provides funds to the Second Harvest Food Bank program in order to provide food commodities to low income individuals to enhance their nutritional intake. The Second Harvest Food Bank can use up to six percent of each year's appropriation for administrative and warehousing expenses.

Under H.B. 95 of the 124th General Assembly, this appropriation has moved to non-GRF line item 600-634, State Option Food Stamps.

GRF 600-435 Unemployment Compensation Review Committee

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$3,797,122**	**$3,823,616**
	N/A	N/A	N/A	**N/A**	**0.7%**

Source: GRF

Legal Basis: H.B. 95 of the 124th General Assembly

Purpose: Previously funded in line item 600-407, UI/ES Operating, this line item supports the review of claims for unemmployment insurance and is used to offset decreased federal funding for the Unemployment Insurance and Employment Services programs.

GRF 600-436 Medicaid Systems Enhancements

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$4,490,287**	**$1,872,334**
	N/A	N/A	N/A	**N/A**	**-58.3%**

Source: GRF

Legal Basis: H.B. 95 of the 124th General Assembly

Purpose: This line item will support the state share of systems redesign costs associated with the Health Insurance Portability and Accountability Act of 1997, to develop a nursing home direct bill system, and to continue work on a decision support system. The federal share of these systmes enhancements is contained in Fund 3F0, line item 600-623, Health Care Federal.

GRF 600-502 Child Support Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$20,773,614	**$17,559,588**	**$16,983,942**
	N/A	N/A	N/A	**-15.5%**	**-3.3%**

Source: GRF

Legal Basis: ORC 3109.05

Purpose: This line item provides state funds to the counties for the administration of the Child Support Enforcement Program. Child support activities include: locating absent parents; establishing paternity; obtaining child, spousal, and medical support; and enforcing obligations owed by the absent parent. In addition to the base state child support allocation contained in this line, incentive funds are advanced to the counties according to the formula outlined in the Child Support Enforcement Manual at chapter 5000.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-504 Non-TANF County Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$75,017,940	**$71,267,043**	**$69,391,595**
	N/A	N/A	N/A	**-5.0%**	**-2.6%**

Source: GRF

Legal Basis: ORC 5101

Purpose: Through this line item the ODJFS advances to the counties the state's share of county administration for the Disability Assistance, Medicaid, and Food Stamp programs.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-511 Disability Assistance/Other Assistance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$74,372,571	**$79,562,017**	**$89,752,408**
	N/A	N/A	N/A	**7.0%**	**12.8%**

Source: GRF

Legal Basis: ORC 5115

Purpose: This line item is used to provide cash and medical assistance for Ohioans who are unemployable due to a physical or mental impairment. To be eligible for DA, a person must meet one of the following conditions: is under the age of 18; is over the age of 59; is disabled as determined by the county; is pregnant; or is medication dependent. For the 1996-1997 biennium and subsequent years, cash assistance for the medication dependent category was eliminated.

Disability under the DA program is defined as the inability to do any substantial or gainful activity by reason of physical or mental impairment which can be expected to last nine months or can be expected to result in death. Disability Assistance eligibility is unlimited as long as eligibility conditions are met and provides a maximum grant of $115 per month.

The Disability Assistance Medical Assistance portion of the program does not cover inpatient and out-patient hospital services since hospitals must deliver acute care services without charge to persons under 100 percent of poverty under the Hospital Care Assurance Program. Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-512 Non-TANF Emergency Assistance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$4,200,000	**$2,100,000**	**$2,100,000**
	N/A	N/A	N/A	**-50.0%**	**0.0%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 215 of the 122nd General Assembly

Purpose: This line item was created to provide funding to counties for emergency assistance to adult individuals and childless couples who are ineligible for federal public assistance programs. The Adult Emergency Assistance program (AEA) aids individuals with emergency needs such as shelter, transportation, clothing, utilities, and food, as the administering agency approves. These dollars are allocated to the counties and then distributed through non-profit organizations, which serve as the counties' emergency food and shelter boards.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-522 Burial Claims

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$1,465,911	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 5101.52

Purpose: Funds from this line item subsidize funeral expenses not covered by private funds. This subsidy may be given to certain recipients of Aid to Dependent Children, General Relief, and supplemental Security Income (SSI) benefits. (SSI is a federal program for aged, blind and disabled persons.) Those who would be eligible for SSI, but are not because they reside in a county home, may also receive funds from this line item. These funds are issued to the counties as part of the county advance system.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-525 Health Care/Medicaid

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$6,525,871,328	**$7,029,900,338**	**$7,536,582,374**
	N/A	N/A	N/A	**7.7%**	**7.2%**

Source: GRF: CFDA 93.778, Medical Assistance Program (Medicaid: Title XIX)

Legal Basis: ORC 5111

Purpose: The primary purpose of this account is to reimburse health care providers for covered services to Medicaid eligible recipients.

Medicaid is an entitlement program that provides health care coverage to over 1.3 million low-income Ohioans every month at a cost of $6 plus billion annually. Although other agencies, for example, the departments of Aging, Alcohol and Drug Addiction Services, Mental Health, and Mental Retardation and Developmental Disabilities, provide Medicaid services, the vast majority of Medicaid spending occurs within this line item in the budget of the Department of Job and Family Services. Although eligibility is complex, in general, Medicaid applies to people in the following four distinct insurance markets: low–income pregnant women; children in families with incomes at or below 200 percent of the federal poverty level (FPL); parents at or below 100 percent of the FPL; and low-income elderly and persons with disabilities of all ages, commonly referred to as the Aged, Blind and Disabled (ABD). The federal government funds approximately 60 percent of Medicaid costs with the balance coming from state funds.

Spending within the line item generally can be placed into one of eight major groupings: nursing homes (nursing facilities, or NFs, and Intermediate Care Facilities for the Mentally Retarded, or ICFs/MR), hospitals (inpatient and outpatient), physician services, prescription drugs, health maintenance organizations (HMOs), Medicare buy-in, waivers, and all other care.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-527 Child Protective Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$57,332,997	**$60,178,847**	**$64,679,272**
	N/A	N/A	N/A	**5.0%**	**7.5%**

Source: GRF

Legal Basis: ORC 5101.14

Purpose: This line item receives funding for the State Child Welfare Subsidy which supports county child welfare services. These services include identification and protection services for abused and neglected children, foster care for those children who must be removed from their parents' custody, and adoption assistance to help place them in permanent homes and kinship care services.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-528 Adoption Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$56,061,779	**$61,891,191**	**$68,226,310**
	N/A	N/A	N/A	**10.4%**	**10.2%**

Source: GRF

Legal Basis: ORC 5101.14

Purpose: This line item funds the state subsidized adoption program, which provides maintenance payments to families who adopt "Special Needs" children. There are four components to this program: (1) Title IV-E Adoption Payments for children who were eligible for ADC when they enter the foster care system; (2) State Adoption payments for children who do not qualify under Title IV-E requirements for adoption; (3) Special Adoption Payment, which is a one-time payment for adoptive parents to reimburse them for their adoption expenses; and, Post Finalization Adoption Payments (Post Adoption Special Services Subsidy - PASSS) intended to prevent disruption of finalized adoptions of special needs children.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-534 Adult Protective Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$3,031,340	**$2,879,773**	**$2,803,990**
	N/A	N/A	N/A	**-5.0%**	**-2.6%**

Source: GRF

Legal Basis: ORC 5101.61

Purpose: This line item is used to assist county departments of job and family services in providing a uniform Adult Protective Services program. Services are provided to adults who have been determined to require assistance in the prevention, correction or discontinuance of an act or condition resulting from abuse, neglect, or exploitation. Each county receives a base allocation of $20,000, with the balance of funds distributed by a formula based on the county's population of persons over the age of 60 compared to that of the state.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

GRF 600-552 County Social Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$12,072,886	**$11,469,242**	**$11,167,420**
	N/A	N/A	N/A	**-5.0%**	**-2.6%**

Source: GRF

Legal Basis: ORC 5101.46

Purpose: These funds are allocated to the county departments of job and family services for social services administrative costs. At the end of the year, excess county expenditures are then redistributed to line 600-620, Social Services Block Grant, by the Office of Fiscal Services. Associated with the operation of the Title XX Social Services Block Grant programs in the counties. These funds are advanced to the counties according to an allocation formula in the agency’s administrative procedures manual at chapter 6000.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

General Services Fund Group

4A8 600-658 Child Support Collections

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$42,389,027	**$42,389,027**	**$42,389,027**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: GSF: funds collected from child support for TANF cases

Legal Basis: originally established by Am. Sub. H.B. 111 of the 118th General Assembly

Purpose: This line item is used as a depository account for TANF-related child support collections. County child support enforcement agencies (CSEAs) receive these collections on behalf of the Temporary Assistance to Needy Families (TANF) clients in the county and send them to the state. The state then uses these collections to offset TANF payments.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4R4 600-665 BCII Services Fees

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$113,202	**$124,522**	**$136,974**
	N/A	N/A	N/A	**10.0%**	**10.0%**

Source: GSF: background check fees

Legal Basis: ORC 5101.012 and 5101.013

Purpose: This line item collects the fee charged to persons who must complete background checks prior to employment as child care providers and employees. The Department of Job and Family Services runs the checks.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

5C9 600-671 Medicaid Program Support

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$83,527,307	**$50,846,239**	**$59,226,893**
	N/A	N/A	N/A	**-39.1%**	**16.5%**

Source: GSF: CFDA 93.778, Medical Assistance Program (Medicaid: Title XIX); earned federal reimbursement from the Institutions for Mental Disease Disproportionate Share (IMD/DSH) program

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item is used for specified Medicaid uses.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

5R1 600-677 County Computers

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$5,000,000**	**$5,000,000**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: GSF: reimbursements from county departments of job and family services for purchases of computer equipment.

Legal Basis: H.B. 95 of the 124th General Assembly

Purpose: Initial purchases for computer equipment for county departments of job and family services will be paid by ODJFS out of the line item 600-416, Computer Projects. Reimbursement by the counties for such equipment will be paid into GSF Fund 5R1 from which future purchases for county computer equipement will be paid.

613 600-645 Training Activities

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$75,000	**$1,462,626**	**$1,157,525**
	N/A	N/A	N/A	**1850.2%**	**-20.9%**

Source: GSF: fees paid by trainees

Legal Basis: originally established by Controlling Board in September 1986 (originally part of the State Special Revenue Fund)

Purpose: Funds from this line item support training conferences and seminars for the department’s staff and Medicaid providers in two areas: Long Term Care and Medicaid Claims.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

Federal Special Revenue Fund Group

316 600-602 State and Local Training

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$7,336,811	**$10,166,587**	**$10,325,460**
	N/A	N/A	N/A	**38.6%**	**1.6%**

Source: FED: various federal grants

Legal Basis: ORC 5101.54

Purpose: Funds from this line item are used to conduct training programs for state and county job and family services employees. This line item receives various grants from the U.S. Department of Agriculture (for training related to the food stamp program) and from the U.S. Department of Health and Human Services (for training related to income maintenance programs).

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

327 600-606 Child Welfare

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$29,481,997	**$34,594,191**	**$34,592,977**
	N/A	N/A	N/A	**17.3%**	**0.0%**

Source: FED: CFDA 93.645, Child Welfare Services State Grant; CFDA 93.556, Family Preservation and Support Services

Legal Basis: ORC 5101.14 authorizes the disbursement of funds; ORC 5153 establishes the Child Welfare programs

Purpose: This line item receives matching federal funds (Title IV-B) for the costs associated with providing child welfare services to children and their families. The goal is to enable children to remain in their homes, or when and where that is not possible, to provide alternative permanent homes for them. As of FY 1988, this line item received only Title IV-B funds (Part I and Part II, Family Support and Family Preservation). Previously, in addition to the Child Welfare grant, this line item received several smaller federal grants related to child welfare. These grant moneys were transferred to line item 600-615, Special Activities - Children and Family Services.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

331 600-686 Federal Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$111,819,362	**$41,600,896**	**$41,640,897**
	N/A	N/A	N/A	**-62.8%**	**0.1%**

Source: FED: CFDA 17.002, Labor Market Information, LMI Supplemental Grants National Occupational Information Committee; CFDA 17.203B, Alien Labor Certification/Housing Inspection; CFDA 17.207, Employment Services-JTPA Title V, State/Local Planning, One-Stop Centers, LMI One-Stop, LMI Consortium, One Stop ES; CFDA 17.225, Unemployment Insurance; CFDA 17.245, Es Trader/TAA; CFDA 17.801, Disabled Vets Outreach; CFDA 17.804, Local Vets Employment Reps

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-601 in the Bureau of Employment Services' budget, this line item is used to administer the federal Employment Services and Unemployment Insurance programs in Ohio.

349 600-682 OSHA Enforcement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$1,326,501	**$0**	**$0**
	N/A	N/A	N/A		**N/A**

Source: FED: CFDA 17.504, OSHA

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-614 in the Bureau of Employment Services' budget, this line item receives grants from the U.S. Department of Labor for an OSHA On-site Consultation Program. The On-site Consultation Program provides free on-site advice on occupational safety and health issues to small Ohio employers engaged in high hazard industries. Federal money received through this line item provides 90 percent of program funds. The remaining 10 percent is matched with state funds through line item 795-413, OSHA-State Match. Under Am. Sub. H.B. 470 of the 123rd General Assembly, this appropriation was moved to the budget of the Department of Commerce.

365 600-681 Job Training Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$121,099,383	**$25,000,000**	**$5,469,259**
	N/A	N/A	N/A	**-79.4%**	**-78.1%**

Source: FED: CFDA 17.250 (JTPA)

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-602 in the Bureau of Employment Services' budget, this line item is used to award non-competitively bid grants. Requests for proposals are issued and grants are awarded based on compliance with the proposal's specifications. Grants are awarded to both private and public organizations. At the local level, JTPA funds are administered by a network of Service Delivery Areas (SDA). Each SDA has a Private Industry Council that provides guidance and oversight for JTPA activities.

384 600-610 Food Stamps & State Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$150,437,578	**$160,371,358**	**$161,716,857**
	N/A	N/A	N/A	**6.6%**	**0.8%**

Source: FED: CFDA 10.56, State Administrative Matching Grants for Food Stamp Program

Legal Basis: ORC 5101.49

Purpose: The federal funds in this line item are used to pay the state and county departments of human services' costs of administering the food stamp program. For most activities, the state and federal share of costs is 50/50; for certain activities, such as fraud control, the federal government pays 50 percent of the costs and the state pays the remainder.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

385 600-614 Refugee Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$7,309,725	**$4,388,503**	**$4,559,632**
	N/A	N/A	N/A	**-40.0%**	**3.9%**

Source: FED: CFDA 93.566, Refugee and Entrant Assistance - State Administered Programs; CFDA 93.576, Refugee and Entrant Assistance - Discretionary Grant

Legal Basis: ORC 5101.49

Purpose: This line item funds the operation of Ohio's Refugee programs. These programs are designed to assist refugees in the areas of maintenance, medical assistance, social services, and cultural exchanges. A Franklin County program designed to assist Cambodian and Vietnamese refugees to assimilate into American society is supported with this funding. This line item receives a grant from the U.S. Department of Health and Human Services.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

395 600-616 Special Activities-Children & Family Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$4,311,677	**$9,491,000**	**$9,491,000**
	N/A	N/A	N/A	**120.1%**	**0.0%**

Source: FED: CFDA 93.643, Children's Justice Act; CFDA 93.669, CAPTA Basic State Grant; CFDA 93.671, Family Violence Grant; CFDA 93.603, Adoption Incentive Payments

Legal Basis: ORC 5153 (originally established by Am. Sub. H.B. 171 of the 118th General Assembly)

Purpose: This line item provides the funding mechanism for several small grants to local governments dealing with child welfare issues such as child abuse and neglect, and adoption.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

396 600-620 Social Services Block Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$61,017,642	**$51,195,100**	**$51,297,478**
	N/A	N/A	N/A	**-16.1%**	**0.2%**

Source: FED: CFDA 93.667, Social Services Block Grant; 93.585, Empowerment Zones Program (Social Services in Empowerment Zones and Enterprise Communities

Legal Basis: ORC 5101.46 (originally established by Controlling Board on January 17, 1972)

Purpose: This line item funds the Department of Job and Family Services' share of the federal Social Services Block Grant (SSBG). Three departments share in the total grant received: the Department of Job and Family Services (72.50%); the Department of Mental Health (12.93%); and the Department of Mental Retardation and 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.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

397 600-626 Child Support

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$226,768,641	**$248,001,590**	**$247,353,041**
	N/A	N/A	N/A	**9.4%**	**-0.3%**

Source: FED: CFDA 93.563, Child Support Enforcement

Legal Basis: ORC 2301.35; ORC 5101.31

Purpose: This line item receives and disburses the federal share of all county and state child support administrative expenditures, including the federal share for the Support Enforcement Tracking System (SETS). The federal share amounts to 64 percent.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

398 600-627 Adoption Maintenance/Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$267,459,256	**$277,806,175**	**$341,298,661**
	N/A	N/A	N/A	**3.9%**	**22.9%**

Source: FED: CFDA 93.658, Foster Care-Title IV-E; CFDA 93.659, Adoption Assistance; CFDA 93.674, Independent Living

Legal Basis: ORC 5153.16 and ORC 5153.163

Purpose: This line item is used to pass through federal funds to counties for the administrative costs of placing children in public or private institutions and family foster homes. Counties are reimbursed for 50 percent of allowable costs incurred on behalf of eligible children. This line is also used to pay the federal share of Title IV-E adoption assistance payments in excess of $250 per month. This line item receives funds for the federal foster care and adoption assistance programs (Title IV-E of the Social Security Act) which began in October, 1982.

Pursuant to Am. Sub. H. B. 152 of the 120th General Assembly, this line item was separated into two distinct line items: 400-627, Adoption Assistance/Administration, which is used to specifically provide adoption assistance and administrative dollars from the Title IV-E program; and the 400-628, IV-E Foster Care Maintenance/ Pass Through, which is used to specifically provide foster care maintenance to eligible families or entities. This line also contains appropriation authority for the Independent Living Program.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3A2 600-641 Emergency Food Distribution

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$2,018,844	**$2,018,844**	**$2,018,844**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: FED: CFDA 10.568, Emergency Food Assistance Program (Administrative Costs)

Legal Basis: ORC 5101.48

Purpose: These federal funds provide for the storage and distribution of food commodities in local storage centers. The Department of Job and Family Services has oversight responsibility for the distribution of surplus food including policy development, audits and contract negotiations. This line item was transferred from the Department of Agriculture to the Department of Human Services through Controlling Board action on January 4, 1985.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3D3 600-648 Children's Trust Fund-Federal

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$1,549,253	**$2,040,524**	**$2,040,524**
	N/A	N/A	N/A	**31.7%**	**0.0%**

Source: FED: CFDA 93.672, Child Abuse Challenge Grant

Legal Basis: ORC 3109.14 through ORC 3109.18

Purpose: These federal funds are provided as incentive dollars to states that have established and maintained state children's trust funds. Local Children's Trust Fund Advisory Boards make recommendations to the state Trust Fund Board regarding grants to be funded for child abuse and neglect prevention programs.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3F0 600-623 Health Care Federal

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$206,652,537	**$175,148,990**	**$168,503,630**
	N/A	N/A	N/A	**-15.2%**	**-3.8%**

Source: FED: CFDA 93.778 Medical Assistance Grants (Medicaid)

Legal Basis: Created by the Controlling Board (HUM 36) in October 1997

Purpose: The funds in this account are used to meet the federal share of Medicaid expenditures. The Controlling Board action creating this line item combined the following separate Medicaid match line items: 600-640, Income Maintenance Reimbursement; 600-623, ICF-MR Assessment Match; 600-664, NF Assessment Match; 600-668, Medicaid Program Support; 600-673, Medicaid Services; 600-436,HIPAA.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3F0 600-650 Hospital Care Assurance Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$309,093,463	**$292,915,017**	**$276,736,571**
	N/A	N/A	N/A	**-5.2%**	**-5.5%**

Source: FED: CFDA 93.778, Medical Assistance Program (Medicaid: Title XIX)

Legal Basis: ORC 5112.01 through ORC 5112.21

Purpose: This line item provides federal reimbursement for the Hospital Care Assurance Program (HCAP). This item was formerly titled Disproportionate Share Fund and prior to that was Medical Assistance. With Am. Sub. H.B. 152 of the 120th General Assembly, only federal match funds related to the HCAP program may flow through the line-item.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3G5 600-655 Interagency Reimbursement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$844,021,602	**$852,461,818**	**$860,986,436**
	N/A	N/A	N/A	**1.0%**	**1.0%**

Source: FED: CFDA 10.561, State Administration Food Stamp Program; CFDA 93.658, Foster Care-Title IV-E; CFDA 93.777, State Survey and Certification of Health Care Providers and Suppliers; CFDA 93.778, Medical Assistance Program (Medicaid: Title XIX)

Legal Basis: originally established by Am. Sub. H.B. 111 of the 118th General Assembly

Purpose: This line item receives and disburses federal reimbursement (primarily Medicaid) for expenditures made by other agencies.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3G9 600-657 Special Activities-Family Assistance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$635,477	**$522,500**	**$190,000**
	N/A	N/A	N/A	**-17.8%**	**-63.6%**

Source: FED: CFDA 93.595,OWF-Evaluation grant

Legal Basis: ORC 5107

Purpose: Revenue form various sources. In FY 2000, three TANF encumbrances, Prevention, Retention, and Contingency (PRC), Performance and Caseload Reduction Incentatives, and child care funded from TANF funds, were established in this line item. The appropriation in FY 2000 was increased by $584,362,817 for these encumbrances.

3H7 600-617 Day Care Federal

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$241,033,310	**$299,156,430**	**$337,848,130**
	N/A	N/A	N/A	**24.1%**	**12.9%**

Source: FED: CFDA 93.037, Child Care Development Block Grant; CFDA 93.667

Legal Basis: ORC 5104

Purpose: This line item receives federal funds made available to operate statewide day care programs. These funds, with the $15 million earmarked for day care services from the Social Services Block Grant in FY 1998 and FY 1999, provide the bulk of day care funding.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3N0 600-628 IV-E Foster Care Maintenance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$196,993,903	**$152,981,760**	**$173,963,142**
	N/A	N/A	N/A	**-22.3%**	**13.7%**

Source: FED: CFDA 93.658, Foster Care-Title IV-E

Legal Basis: ORC 5101.141

Purpose: From this line item, foster care maintenance payments are issued monthly to foster parents or institutions to assist in the support of foster care. These federal dollars are passed through to counties for the care of foster children in private institutions. (Pursuant to Am. Sub. H. B. 152 of the 120th General Assembly, this line item was created by separating the foster care maintenance and pass through dollars out of line item 400-627, Adoption Maintenance/Administration.)

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3S5 600-622 Child Support Projects

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$534,050	**$534,050**	**$534,050**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: FED: Federal Special Revenue Fund Group, CFDA 93.597

Legal Basis: originally established by Controlling Board on October 20, 1997

Purpose: This appropriation line provides funding for a special federal grant, Grants to States for Access and Visitation (CFDA 93.597), to facilitate non-custodial parents' access to, and visitation of, their children and to encourage payment of child support obligations. County departments of job and family services apply for these funds from ODJFS' Office of Child Support. Examples of programs funded include: supervised visitation, neutral drop-off and pick-up points, and mediation of access disputes.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

3S9 600-680 TANF Employment & Training

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$700,000	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: FED: Federal Special Revenue Fund Group: CFDA 93.558, TANF E&T

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-620 in the Bureau of Employment Services' budget, this appropriation line item was established in order to support administrative costs associated with the TANF Employment and Training program. TANF is the first title of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) that establishes a comprehensive welfare reform program designed to move welfare recipients into work and limiting public assistance. The TANF E&T program focusses much needed services on what has been the hardest to serve population, identified as those families that have been receiving Ohio Works First (OWF) cash assistance for 24 months or longer.

The program is being eliminated for the FY 2002-FY 2003 biennium due to the availability of other training programs that serve the same population.

3V0 600-688 Workforce Investment Act

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$112,830,661	**$112,830,660**	**$112,830,661**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: FED: CFDA 17.255, Workforce Investment Act (WIA)

Legal Basis: originally established by Controlling Board in April 2000

Purpose: This line item captures federal Workforce Investment Act funding that supports WIA Youth Activities, WIA Adult Activities, and WIA Dislocated Worker Activities.

3V4 600-678 Federal Unemployment Programs

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$74,025,525**	**$74,025,525**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: FED: CFDA 17.225 Unemployment Insurance

Legal Basis: H.B. 95 of the 124th General Assembly

Purpose: Previously funded through line item 600-686, Federal Operating, this line item receives federal funds used to administer the Unemployment Insurance program in Ohio.

3V4 600-679 Unemployment Compensation Review Committee - Federal

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$2,286,421**	**$2,286,421**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: FED: CFDA 17.245, Unemployment Insurance

Legal Basis: H.B. 95 of the 124th General Assembly

Purpose: Previously funded through line item 600-686, Federal Operating, this line is used to administer the review of claims for unemployment insurance.

3V6 600-689 TANF Block Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$578,254,486**	**$578,254,486**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: FED: CFDA 93.558, Social Security Act, Title IV, Part A, as amended

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item receives the the bulk of federal block grant money for the Temporary Assistance for Needy Families (TANF) program. TANF is the first title of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) that establishes a comprehensive welfare reform program designed to move welfare recipients into work and limiting public assistance. The funds in this item must be used within the guidelines of the TANF state plan. Other line items receiving a portion of the TANF block grant are 600-434, Nutrition Programs; 600-690, Wellness; and 600-691, TANF Child Welfare. The Controlling Board may increase appropriations in this item if sufficient federal TANF funds exist. This non-GRF line item replaces 600-411, TANF Federal Block Grant, which was in the General Revenue Fund.

Prior to FY 2001, this linte item was approriated in the Department of Human Services' budget.

3V6 600-690 Wellness

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$14,337,515**	**$14,337,515**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: FED: CFDA 93.558, Social Security Act, Title IV, Part A, as amended

Legal Basis: ORC 3109.161, 5103.07

Purpose: This line item supports a statewide primary prevention initiative which provides each county with funding for community-based programs of prevention services targeted at reducing teenage pregnancy rates and reducing child abuse and neglect. Funding to counties is based on a formula that considers each county's population under the age of eighteen, rates of child abuse, neglect and teen pregnancy. This line item also supports transfers to the Department of Health to expand services under the Early Start program, and transfers to the Department of Youth Services to support the statewide Comprehensive Strategies Initiative, a planning effort to develop comprehensive strategies aimed at reducing juvenile delinquent activity.

State Special Revenue Fund Group

198 600-647 Children's Trust Fund

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$3,238,074	**$4,368,785**	**$4,379,333**
	N/A	N/A	N/A	**34.9%**	**0.2%**

Source: SSR: fees charged for copies of birth and death certificates, and for filing a decree of divorce or dissolution

Legal Basis: originally established by Am. Sub H.B. 319 of the 115th General Assembly

Purpose: As of FY 1988, this line item and the associated program was transferred from the Department of Development to the Department of Human Services. Pursuant to Sub. H.B. 319 of the 115th General Assembly, these funds are used solely to support programs designed to prevent child abuse and neglect.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4A9 600-607 Unemployment Compensation Administration Fund

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$13,962,175	**$9,420,000**	**$9,420,000**
	N/A	N/A	N/A	**-32.5%**	**0.0%**

Source: SSR: interest collected on delinquent employer contributions to the Unemployment Compensation Trust Fund plus all fines and forfeitures assessed on employers

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-607 in the Bureau of Employment Services' budget, this fund may be used for operations related to unemployment insurance/employment services for which federal funds are not available or have not been received. If the amount in this fund is considered excessive by the Unemployment Compensation Advisory Commission, the excess amount may be transferred to the Unemployment Compensation Trust Fund subject to the approval of the Director of the Office of Budget and Management.

4E3 600-605 Nursing Home Assessments

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$95,511	**$95,511**	**$95,511**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: SSR: assessments against nursing facilities for deficiencies, under ORC 5111.35 through 5111.62

Legal Basis: originally established by Controlling Board on August 17, 1992

Purpose: These funds are used for the protection of the health or property of nursing home residents.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4E7 600-604 Child & Family Services Collections

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$142,666	**$145,805**	**$149,450**
	N/A	N/A	N/A	**2.2%**	**2.5%**

Source: SSR: putative fathers' fee

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item collects fees assessed to putative fathers who register with 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 will potentially decrease the possibility for adoption disruption.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4F1 600-609 Foundation Grants-Child & Family Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$1,422,569	**$116,400**	**$119,310**
	N/A	N/A	N/A	**-91.8%**	**2.5%**

Source: SSR: various gifts and grants

Legal Basis: originally established by Am. Sub. H.B. 152 of the 120th General Assembly

Purpose: This line item, created pursuant to Am. Sub. H. B. 152 of the 120th General Assembly, receives funds from private foundations in support of pilot projects that promote programs that promote the enhancement of health, safety, and well-being of children and families.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4G1 600-683 Interagency Agreements

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$45,492	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: SSR: various pass-through grants

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-610 in the Bureau of Employment Services' budget, this line item receives pass-through grants awarded to agencies other than JFS (For example, funding received from the Department of Education for the School-to-Work program). JFS administers the grant on behalf of the agency to which it was awarded by the terms of the interagency agreement.

4J5 600-613 Nursing Facility Bed Assessmnt

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$32,334,707	**$31,179,798**	**$31,279,798**
	N/A	N/A	N/A	**-3.6%**	**0.3%**

Source: SSR: tax on nursing home beds for each day of use

Legal Basis: originally established by Am. Sub. H.B. 152 of the 120th General Assembly

Purpose: This line item is used to fund the state share of reimbursement to nursing facilities for the cost of the franchise fee. Monies from this account are also transferred to the Department of Aging, to provide funds for PASSPORT and the Residential State Supplement (RSS) programs.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4J5 600-618 Residential State Supplement Payment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$14,285,756	**$15,700,000**	**$15,700,000**
	N/A	N/A	N/A	**9.9%**	**0.0%**

Source: SSR: transfers from the Department of Aging

Legal Basis: originally established by Am. Sub. H.B. 152 of the 120th General Assembly

Purpose: This line item provides payments to Residential State Supplement (RSS) recipients. As a result of Am. Sub. H.B. 152, control of the Optional State Supplement program (the former name of RSS) was transferred to the Department of Aging, although payments are still to be made by the Department of Job and Family Services. Funding for RSS payments is transferred from the Department of Aging.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4K1 600-621 ICF/MR Bed Assessments

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$26,945,437	**$21,604,331**	**$22,036,418**
	N/A	N/A	N/A	**-19.8%**	**2.0%**

Source: SSR: bed tax for each day of use of an ICF/MR bed

Legal Basis: originally established by Am. Sub. H.B. 152 of the 120th General Assembly

Purpose: This line item is used to fund the state share of reimbursement to ICFs/MR for the cost of the franchise fee.

Monies from this account are also transferred to the Department of Mental Retardation and Developmental Disabilities, to provide funds for use as state matching funds for the Individual Options Waiver Program.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4N7 600-670 Wellness Block Grant Fund

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$388,290	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: SSR:

Legal Basis: Am. Sub. Senate Bill 310 of the 121st General Assembly

Purpose: This line item receives funding from the departments of Job and Family Services, Health, and Education and gifts and donations, grants and other moneys to be used to make block grants to the county family and children first councils and the Department of Youth Services for community-based programs of prevention services to reduce teenage pregnancy.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

All of these funds are drawn from the TANF Block Grant, and under H.B. 95 of the 124th General Assembly, this appropriation is moved to non-GRF line item 600-690.

4R3 600-687 Banking Fees

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$592,937	**$592,937**	**$592,937**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: SSR: interest earned on the unemployment compensation benefit account; the unemployment compensation clearing account

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-609 in the Bureau of Employment Services' budget, this line item is used for paying related banking costs incurred from the State Treasurer's Office for clearing unemployment compensation warrants. Section 4141.09 (H) of the Ohio Revised Code directs the Treasurer of State to deposit interest earned from the benefit account into the banking fees account. If the amount of interest earned exceeds the cost of banking fees, then the residual is deposited into the Unemployment Compensation Trust Fund. Interest earned from the clearing account is deposited into the banking fees account.

4V2 600-612 Child Support Activities

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$124,993	**$124,993**	**$124,993**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: SSR: other states' share of a national ad campaign regarding child support

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item is used to pay Ohio's and four other states' share of the pilot national advertising campaign concerning child support.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

4Z1 600-625 Healthcare Compliance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$10,000,000	**$10,000,000**	**$10,000,000**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: SSR: fine revenue from Medicaid providers

Legal Basis: Controlling Board action October 1998

Purpose: Medicaid Managed Care providers who fail to comply with health care data collection requirements are fined and the monies deposited in this account. When providers come into compliance, they are reimbursed the paid fines from this account.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

557 600-684 Apprenticeship Council Conference

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$45,000	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: SSR: fees collected by the Ohio Apprenticeship Council for its annual conference

Legal Basis: originally established by Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Previously funded through line item 795-613 in the Bureau of Employment Services' budget, this line item is used to pay for all Apprenticeship Council Conference expenses. The Apprenticeship Council Conference is held each year to promote an awareness of apprenticeships and includes numerous workshops and speakers. Some of the information covered at the conference includes: how to create a School to Apprenticeship program within an approved apprenticeship program, establishing linkages between high school and career center students and registered apprenticeship programs, information on how to register for apprenticeship programs for veterans, women, and minorities, and increasing understanding between union/nonunion apprenticeship program sponsors.

Under H.B. 95 of the 124th General Assembly, the Apprenticeship Council Conference is funded throught State Special Revenue Fund line item 600-645, Training Activities.

5A5 600-685 Unemployment Benefit Automation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$6,892,757	**$19,607,027**	**$13,555,667**
	N/A	N/A	N/A	**184.5%**	**-30.9%**

Source: SSR: interest earned on money deposited into the Unemployment Compensation Benefit Reserve Fund (Fund 5B4)

Legal Basis: originally established by H.B. 275 of the 121st General Assembly

Purpose: Previously funded through line item 795-616 in the Bureau of Employment Services' budget was created to help automate the Unemployment Compensation Benefit delivery system and Ohio Job Net.

5E4 600-615 Private Child Care Agency Training

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$10,568	**$10,568**	**$10,568**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: SSR: fees from private child care agencies, which are to be used to draw down federal matching funds (Title IV-E)

Legal Basis: ORC 5101.80 through 5101.91

Purpose: Fees assessed to private child care agencies are to be used to draw down federal matching funds (Title IV-E).

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

5E5 600-633 EBT Contracted Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$500,000	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: SSR: fees collected for electronic services provided to non-individual entities

Legal Basis: Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: Used to pay for Electronic Benefit Transfer (EBT) contracted services.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

5E6 600-634 State Option Food Stamps

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$99,000	**$5,010,000**	**$5,010,000**
	N/A	N/A	N/A	**4960.6%**	**0.0%**

Source: SSR: transfer from Social Services Block Grant, of funds transferred originally from the TANF Block Grant to the Social Services Block Grant

Legal Basis: originally established in Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: This line item is used to support expenditures of the Ohio Association of Second Harvest Food Banks and also Child Nutrition Services in the Department of Education. The Second Harvest Food Bank can use up to six percent of each year's appropriation for administrative and warehousing expenses.

This line item replaces the GRF line item 600-434.

5P4 600-691 TANF Child Welfare

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$7,500,000**	**$7,500,000**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: SSR: transfer from Social Services Block Grant, of funds transferred originally from the TANF Block Grant to the Social Services Block Grant

Legal Basis: H.B. 95 of the 124th General Assembly

Purpose: This line item is provided to expand and support county Public Child Services Association activities and to develop pilot projects dealing with violent and aggressive youth.

5P5 600-692 Health Care Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$223,847,498**	**$255,386,713**
	N/A	N/A	N/A	**N/A**	**14.1%**

Source: SSR: precription drug manufacturer rebates

Legal Basis: ORC 5111.081 (proposed by the Executive to be established by H.B.95 of the 124th General Assembly)

Purpose: This line item is established to improve accounting for the state's receipts of precription drug manufacturer rebates. Appropriations of $200 million in each year of FY 2002 and 2003 reflect rebate estimates based on prior and current year activity and do not represent new spending. Current practice of depositing rebates to the credit of the GRF is not compliant with State Accounting practices. This line item will increase the accuracy of current accounting practices.

600 600-603 Third Party Recoveries

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$13,000,000	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: SSR: Medicaid funds recovered from service providers when an alternative payer was liable (e.g., an insurance company)

Legal Basis: originally established by Controlling Board in May 1986

Purpose: This line item reimburses Medicaid for payments made in which Medicaid should not have been the payer of first choice.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

651 600-649 Hospital Care Assurance Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$217,740,460	**$203,298,801**	**$192,070,088**
	N/A	N/A	N/A	**-6.6%**	**-5.5%**

Source: SSR: HCAP assessments on hospitals

Legal Basis: originally established by Am. Sub. H.B. 738 of the 117th General Assembly

Purpose: This line item disburses the hospital share of funding for the Hospital Care Assurance Program. In FY 1989, state-only funds were transferred from the Controlling Board's Caseload line item.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

6A7 600-656 Ford Foundation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$63,407	**$0**	**$0**
	N/A	N/A	N/A	**-100.0%**	**N/A**

Source: SSR: grants and donations

Legal Basis: ORC 5101.80 through 5101.91

Purpose: This line item receives funds from private foundations in support of pilot projects that enhance health, safety, and the well being of children and families.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

Agency Fund Group

192 600-646 Support Intercept-Federal

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$70,965,066	**$80,000,000**	**$82,000,000**
	N/A	N/A	N/A	**12.7%**	**2.5%**

Source: AGY: overdue child support payments collected by the State Department of Taxation (disbursed to the appropriate child support enforcement agency for processing)

Legal Basis: ORC 5101.32

Purpose: In cooperation with the Internal Revenue Service, the Department of Job and Family Services uses this line item to collect overdue child support payments from federal income tax refunds. This line item was created to comply with federal law which required states to have procedures for income tax refund withholdings.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

583 600-642 Support Intercept-State

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$17,175,008	**$20,162,335**	**$20,565,582**
	N/A	N/A	N/A	**17.4%**	**2.0%**

Source: AGY: overdue child support payments collected by the State Department of Taxation (disbursed to the appropriate child support enforcement agency for processing)

Legal Basis: ORC 5101.321

Purpose: In cooperation with the Department of Taxation, the Department of Job and Family Services uses this line item to collect overdue child support payments from state personal income tax refunds. This line item was created to comply with federal law which required states to have procedures for income tax refund withholding.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

5B6 600-601 Food Stamp Intercept

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$5,283,920	**$5,283,920**	**$5,283,920**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: AGY: Collections from IRS intercept program for food stamp fraud

Legal Basis: ORC 5101.80 through ORC 5101.91

Purpose: This line item receives the collections the IRS makes through the Food Stamp Intercept program. The monies 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.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

Holding Account Redistribution Fund Group

R12 600-643 Refunds and Audit Settlements

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$200,000	**$200,000**	**$200,000**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: 090: Medicaid refunds, hospital audit settlements, refunds from public assistance recipients, and unidentified receipts

Legal Basis: originally established by Am. Sub. H.B. 238 of the 116th General Assembly

Purpose: Funds are either deposited into the proper line item in the department's budget, transferred to the Department of Health, or transferred to county departments of job and family services.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

R13 600-644 Forgery Collections

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$700,000	**$700,000**	**$700,000**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: 090: funds from banks and other entities that have cashed a forged public assistance checks that have been repaid to the state

Legal Basis: originally established by Am. Sub. 238 of 116th General Assembly

Purpose: These funds are transferred to the county departments of job and family services to reimburse them for the cost of issuing duplicate checks to recipients whose checks were lost or stolen.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Family Services Stabilization Fund

sections: *131.41, 131.44*

As Introduced	As Passed by the House
States that it is the intent of the General Assembly to maintain a $100 million balance in the Family Services Stabilization Fund and requires the Office of Budget and Management to transfer any surplus revenue remaining after the Budget Stabilization Fund is funded to the Family Services Stabilization Fund as necessary to bring its balance up to $100 million. The current balance of the Family Services Stabilization Fund is $100 million. (See also Temporary Law Changes under same subject.)	Removes the Executive provision and abolishes the Family Services Stabilization Fund. (See also Temporary Law Changes under same subject and subject "Elimination of the Family Services Stabilization Fund.")

Subject: Family Violence Prevention and Services Act

sections: *181.51, 5101.251, 5103.07*

As Introduced	As Passed by the House
Transfers from JFS to the Office of Criminal Justice Services the administration of funds received under the federal Family Violence Prevention and Services Act. (See also Temporary Law Changes under subject, "Family Violence Prevention Program" for fiscal effect and Permanent and Temporary Law Changes in the Office of Criminal Justice Services under similar subject.)	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: County Public Assistance Identification Cards

sections: ***329.19, 5101.19, 5101.541, 5107.10, 5107.14***

As Introduced	As Passed by the House
Eliminates the involvement of JFS in issuing identification cards for certain public assistance recipients and permits a county department of job and family services to issue, at the county department's expense, identification cards to recipients of benefits or services under any assistance program the county department administers.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Prevention, Retention, and Contingency Program

sections: ***2329.66, 2715.041, 2715.045, 2716.13, 2921.13 4123.27, 5101.36, 5101.80, 5101.83, 5108.01, 5108.03, 5108.05, 5108.06, 5108.07, 5108.08, 5108.09, 5108.10, 5153.165***

As Introduced	As Passed by the House
Eliminates a restriction under which the Prevention, Retention, and Contingency (PRC) Program may serve only assistance groups that include at least one minor or a pregnant woman. Provides that benefits and services provided under the PRC program must be an allowable use of federal TANF funds, except that they may not be "assistance" as defined by federal TANF regulation. Provides that the JFS model design and the policies of a county department of job and family services for the PRC program may establish eligibility requirements for, and specify benefits and services to be provided to, types of groups that share a common need for the benefits and services. Provides that the JFS model design and a county department's policies may specify benefits and services that the county department may provide for the general public. Provides that benefits and services provided under the PRC program are inalienable whether by way of assignment, charge, or otherwise and are exempt from execution, attachment, garnishment, and other like processes.	No change.

By eliminating the restriction that the PRC program serve only assistance groups that include at least one minor or a pregnant woman, the PRC program as permitted by

As Introduced	As Passed by the House

Permanent Law Changes

federal law may serve non-custodial parents who otherwise meet the requirements of the PRC program. In effect this broadens the population that may be served in this program. Any increased cost would be felt as a reallocation of funds within the PRC program, or as a reduction in the existing TANF reserve funds.

Subject: Children's Trust Fund Fee

section: *3109.14*

As Introduced	As Passed by the House
Increases the additional fee charged for a certified copy of a birth record, certification of birth, copy of a death record, filing for a divorce decree or dissolution that goes to the Children's Trust Fund. The fee increase is expected to generate additional revenue of approximately $1.3 million annually. The additional revenue generated from the fee increase will expand the local purchasing power of the programs by approximately 27 percent.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Calculation of Reduction in County Child Welfare Allocation

section: ***5101.14***

As Introduced	As Passed by the House
Eliminates the requirement that the Department reduce a county's child welfare allocation if the county reduced the amount it expended for services to children from federal social services (Title XX) funds. Provides that a reduced allocation of funds to the county due to a sanction is no longer an excuse for the county's reduction of expenditures. Without consideration of Title XX funds, a county's welfare allocation could potentially be reduced by a lesser amount than before. However, with the inclusion of amounts paid for a sanction, the allocation could potentially be reduced by a greater amount. According to JFS, the counties have been spending the full amount of their allocations and the Department has not recently imposed any sanctions. Therefore, it is unlikely this provision will have a fiscal effect.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Child Welfare Services Report

section: ***5101.14***

As Introduced	As Passed by the House
Eliminates the requirement that JFS prepare an annual report, detailing on a county-by-county basis, the services provided with child welfare allocations. JFS has been unable to produce the report due to limitations of its accounting system and the level of detail that the statute requires. Therefore elimination of this reporting requirement will not generate any administrative cost savings for the Department.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Funding of the Ohio Child Welfare Training Program

sections: ***5101.141, 5153.78***

As Introduced	As Passed by the House
Eliminates a restriction under which the federal funds for administrative and training costs, incurred in the operation of foster care maintenance and adoption assistance programs that JFS withholds (up to 2%) from public children services agencies, may be used only to fund the Ohio Child Welfare Training Program. It also provides that JFS is permitted, rather than required, to use available federal and state funds to fund the Ohio Child Welfare Training Program adequately. Historically, JFS has withheld the full 2% and expended it all on training. JFS will continue to withhold the full 2%. However, the change in the law will enable the Department to spend the funds on other child welfare efforts.	Increases to 3% the amount JFS may withhold from the Title IV-E federal financial participation funds received by JFS for administrative and training costs incurred in the operation of the foster care maintenance and adoption assistance program. Restores the current law that requires Title IV-E federal financial participation funds be used only to fund the Ohio Child Welfare Training Program and provides that the funds may also be used to fund the University Partnership Program, which provides tuition assistance to college students majoring in social work who have committed to work for a public children services agency upon graduation. Since this provision limits the use of these funds to the Ohio Child Welfare Training Program, the additional funds JFS withholds may provide additional funds for this training program as well as funds for the University Partnership Program.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Child Welfare Training Fund

section: ***5101.143***

As Introduced	As Passed by the House
Eliminates a provision that allows each private agency or government entity to request that JFS determine what portion of an amount an entity charges for foster care maintenance for an eligible child qualifies for reimbursement under Title IV-E of the Social Security Act. The bill also, eliminates the Child Welfare Training Fund and the requirement that JFS levy a special assessment on each private agency or government entity seeking a foster care maintenance rate determination. The federal government never approved this use of Title IV-E funds. In addition, there are currently no funds in the Child Welfare Training Fund. This provision has no fiscal effect.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Form for Reporting Foster Care and Adoption Assistance and Medicaid Reimburse

section: ***5101.145***

Eliminates the requirement that JFS establish a single form for reporting costs reimbursable under the federal foster care maintenance and adoption assistance program and Medicaid. It also requires that JFS's procedures to monitor cost reports for reimbursement for foster care maintenance and adoption assistance services and Medicaid services ensure that Medicaid reimbursable costs are excluded from the determination of which costs are reimbursable as foster care maintenance and adoption assistance costs.	No change.

Subject: Food Stamp Benefits

sections: ***329.042, 5101.184, 5101.54, 5101.541, 5101.54 5101.543, 5739.02, 5747.122***

Eliminates the requirement that a system for mail issuance of food stamp benefits be maintained and recognizes the statewide practice of issuing food stamp benefits in electronic form. This provision could result in a minimal administrative savings.	No change.

As Introduced	As Passed by the House
Permanent Law Changes	
Subject: Indigent Burial Expenses	
sections: ***5101.52, 5101.521***	
Eliminates the law under which persons entitled to receive payment for funeral, cremation, cemetery, and burial expenses of certain deceased public assistance recipients may receive state funds to defray those expenses. Elimination of the indigent burial provisions requires the counties to decide how such expenses will be paid at the local level. In FY 2000, JFS expended $786,688 of the $1,465,911 appropriated for this purpose. JFS reimburses counties for these expenses. The cost JFS is currently authorized to pay is $750, if the deceased person was age 11 or older, or $500 if under age 11.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: ODJFS's Ohio Works First Reports

section: ***5101.80***

Provides that the Ohio Works First report that JFS must prepare each January and July must contain information on individuals exhausting the Ohio Works First time limit, rather than a county-by-county breakdown of individuals who cease to participate in Ohio Works First and the reasons the individuals ceased to participate. This provision eliminates a requirement that has not been implemented. Therefore, repealing the requirement will have no fiscal effect.	No change.

Subject: TANF Federal Fund

section: ***5101.821***

Creates the Temporary Assistance for Needy Families Federal (TANF) Fund to receive federal funds for Ohio Works First; the Prevention, Retention, and Contingency Program; and other purposes consistent with state and federal laws. Federal funds for these two programs have in previous fiscal years been included in the GRF. This provision allows these moneys to be received in a Federal Special Revenue fund. New line items are created to fund TANF activities (600-689, TANF Block Grant; 600-690, Wellness; and 600-691, TANF Child Welfare).	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Kinship Care Navigator Program

sections: ***5101.85, 5101.851, 5101.852, 5101.853***

As Introduced	As Passed by the House
Eliminates the requirement that JFS establish a program providing support services to kinship caregivers and replaces it with a Kinship Care Navigator program. The new program is to provide kinship caregivers information and referral services and assistance in obtaining the support services that were required to be provided under the eliminated support service program. This program is to be paid for out of appropriation item 600-689, TANF Block Grant. According to JFS, the Governor's intent (included in the Governor's Blue Book) is to spend $3 million each fiscal year on this program.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Ohio Child Welfare Training Program

section: ***5103.031***

As Introduced	As Passed by the House
No provision.	Permits JFS to provide, as part of the Ohio child welfare training program (OCWTP), preplacement and continuing training that foster caregivers must obtain in order to obtain issuance or renewal of a foster home certificate. Requires JFS to reimburse the OCWTP for the cost of providing the training. Requires the training program steering committee, which is charged with the duty of monitoring the OCWTP, to ensure that is placement and continuing training is provided by OCWTP, it meets the same requirements that such training programs must meet to obtain Department approval. JFS may, but is not required to, provide the training described above. If JFS does provide the training, then it will have some increased expenditures since it would then be required to reimburse the OCWTP for the cost of providing the training.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Foster Care Training Stipend

sections: ***5103.0312, 5103.0316***

Provides for JFS to reimburse the recommending public and private children services agencies for payments to foster caregivers for attending training courses rather than pay the foster caregivers directly. It also provides for the payments to be based on a stipend rate rather than a per diem rate. JFS must process approximately 150,000 payments annually for such training reimbursement. By requiring the children services agencies to reimburse the foster caregiver and then seek reimbursement from JFS, the administrative cost of processing the payments is divided between JFS and the public children services agency. For example, under current law, if 30 foster caregivers are recommended by one public children services agency then JFS must process 30 separate payments. Under the bill, JFS would process one payment to each recommending agency and the recommending agency would process one payment for each foster caregiver that the agency recommended.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Pregnant Minors' Ohio Works First Responsibilities

section: ***5107.02***

Provides that a minor, who is at least six months pregnant and a member of an assistance group that does not include an adult, is a minor head of household under Ohio Works First and therefore subject to the minor head of household requirements, including entering into a self-sufficiency contract and satisfying work responsibilities. The provision expands the definition of minor head of household and subjects these individuals to program requirements. Any cost savings or increased costs that result depend on whether this provision is likely to reduce the number of such individuals who participate in the program. If there is a cost increase, it would be felt as a reallocation of funds with the OWF program, or as a reduction in the existing TANF reserve funds.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Ohio Works First Time Limit

section: ***5107.18***

Provides that the Ohio Works First time limit applies to an assistance group that includes an individual who has participated in the program for 36 months as an adult or minor head of household or spouse of an adult or minor head of household. Permits a county department of job and family services to exempt not more than 20% of the average monthly number of Ohio Works First assistance groups, rather than participants, from the time limits on the basis of hardship.	No change.

The provision clarifies which assistance groups are subject to the 36 month time-limit and specifies that it is the number of assistance groups and not the number of participants that is the basis for calculating the 20% exemption. These clarifications could result in a savings in so far as it applies to the participation of minor head of household. With regard to the change in the basis for calculating the 20% exemption, this could also result in a cost savings since the trend in the size of assistance groups has been declining. If that trend was to reverse, however, such a savings would not be realized, and there could instead be an increased cost. The magnitude of these potential savings or costs is not possible to estimate. Any cost, however, would be felt as a reallocation of funds within the OWF program or as a reduction in the existing TANF reserve funds. Any savings

As Introduced	As Passed by the House

Permanent Law Changes

would also be felt as a reallocation funds within the OWF program or as an increase in the existing TANF reserve funds.

Subject: Medicaid Single State Agency

section: *5111.01*

As Introduced	As Passed by the House
Makes explicit the current practice that JFS acts as the single state agency to supervise the administration of Medicaid. The section also provides that JFS's Medicaid rules are binding on other agencies that administer Medicaid components and prohibits other agencies from establishing a Medicaid policy that is inconsistent with a JFS Medicaid policy. This provision has no fiscal effect.	No change.

Subject: Breast and Cervical Cancer Treatment Programs

section: *5111.0110*

As Introduced	As Passed by the House
No provision.	Requires that the Director of JFS submit a state Medicaid plan amendment to the U.S. Secretary of Health and Human Services to implement the Breast and Cervical Cancer Prevention and Treatment Act of 2000, under which certain uninsured women under age 65 receive Medicaid during the period treatment for breast or cervical cancer is needed. (See also Temporary Law Changes under same section.)

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Medicaid Habilitation Services

sections: ***5111.041, 5123.041***

Requires JFS to adopt rules governing Medicaid coverage of habilitation services provided by the Department of Mental Retardation and Developmental Disabilities (DMR) certified habilitation centers. The section also provides for DMR to certify habilitation centers that meet certification requirements established by JFS rules. The section specifies circumstances under which a county MR/DD board or a school district is responsible for the nonfederal share of Medicaid expenditures for habilitation services.	No change.

Subject: Prescription Drug Rebates Fund

section: ***5111.081***

Creates the Prescription Drug Rebates Fund and requires all rebates paid by drug manufactures to JFS in accordance with a rebate agreement required under federal law to be credited to the Fund. The section also requires JFS to use money credited to the Fund for Medicaid services and contracts. This section simply moves drug rebates from the GRF to the State Special Revenue Fund. Therefore, this provision has no net fiscal effect.	No change.

(See also Temporary Law Changes under same subject.)

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Medicaid Managed Care

section: ***5111.17***

As Introduced	As Passed by the House
Eliminates a requirement that JFS establish a Medicaid managed care system in Franklin, Hamilton, and Lucas counties, but continues to provide that JFS may establish a Medicaid managed care system in some or all counties. This section authorizes JFS to enter into contracts with managed care organizations to provide health care services to Medicaid recipients participating in managed care. This section also eliminates current law that permits a health insuring corporation under contract with JFS to enter into an agreement with a community-based clinic for the purpose of providing medical services to Medicaid recipients participating in managed care.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Hospital Care Compliance Fund

section: ***5111.171***

As Introduced	As Passed by the House
Provides for fines imposed on managed care organizations that fail to meet performance standards or other requirements to be deposited into the Health Care Compliance Fund and for JFS to use money in the Fund only to (1) reimburse managed care organizations that, after a fine, come into compliance with JFS requirements and (2) provide financial incentive awards to managed care organizations that meet or exceed performance standards. This provision could result in a potential gain in fine revenue to the Health Care Compliance Fund, and potential increases in expenditures for financial incentive awards and reimbursement to managed care organizations. (See also Temporary Law Changes under "Health Care Compliance Fund.")	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Medicaid Reimbursement of Nursing Facilities

sections: ***5111.20, 5111.23, 5111.231, 5111.25, 5111.251 5111.255, 5111.29, 5111.341***

As Introduced	As Passed by the House
Provides that a nursing facility's licensed bed days available (capacity), rather than its inpatient days (occupancy), is to be used as a factor in determining its capital, indirect care, and other protected cost per diems. These sections provide that, for the purpose of calculating a nursing facility's direct care costs, quarterly case mix scores are to be determined using data for Medicaid recipients only. These sections eliminate the return on equity factor in nursing facilities' capital cost rate determination. These sections also eliminate current law governing the calculation of the amount of excess depreciation a nursing facility owner may be required to refund to JFS if the facility is sold. These sections provide that the following are not to be included among the extreme circumstances that warrant a nursing facility seeking reconsideration of its Medicaid payment rates: (1) an increase in workers' compensation experience rating or (2) a change of operator that results from bankruptcy, foreclosure, or findings of violations of Medicaid certification requirements.	No change.

According to JFS, the provision that changes the reimbursement formula to divide the rate across all the beds would avoid $89.7 million per year in potential costs for the next biennium. Also, the provision that changes the reimbursement formula to base reimbursement on

As Introduced	As Passed by the House

Permanent Law Changes

Medicaid patients only would avoid $26.7 million per year in increased costs. The provision that eliminates nursing facility's refund of excess equity would avoid $9 million per year in potential costs.

Subject: Change of Operators and Facility Closures

sections: ***5111.20, 5111.25, 5111.251, 5111.28, 5111.34 t 5111.3415, 5111.58, 5123.195***

As Introduced	As Passed by the House
Requires both the entering and exiting operator of a nursing facility or ICF/MR to provide JFS written notice before an intended change of operator. These sections provide that a facility is not required to undergo Medicaid recertification as a condition of an entering operator entering into a Medicaid provider agreement if certain conditions are met, including the entering operator assuming any remaining Medicaid debt to JFS that JFS is unable to collect from the exiting operator. These sections also establish procedures for JFS to determine and collect an exiting operator's Medicaid debt when a change of operator or facility closure occurs. Given the difficulties of estimating the number of operators that will transfer ownership, the potential savings associated with these sections is not quantifiable.	No change.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Due Date of Medicaid Payments to Long-term Care Facilities

section: ***5111.22***

Eliminates the requirement that the Medicaid provider agreement of a nursing facility or ICF/MR contain provisions regarding the time by which JFS must make Medicaid payments.	No change.

Subject: Medicaid Long-Term Care Reimbursement Study Council

sections: ***5111.231, 5111.34***

Abolishes the Medicaid Long-term Care Reimbursement Study Council.	Restores the Medicaid Long-Term Care Reimbursement Study Council.

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Medicaid Waiver Components

section: ***5111.85***

As Introduced	As Passed by the House
Authorizes JFS to adopt rules governing Medicaid components authorized by federal waivers and to conduct reviews of the components. These sections permit JFS to sanction a person or government entity determined pursuant to a review to have violated a rule governing a Medicaid waiver component.	No change.

(See also Temporary Law Change under same subject.)

As Introduced	As Passed by the House

Permanent Law Changes

Subject: Interagency Agreements for Administration of Medicaid Components

sections: ***173.40, 5111.86, 5111.87, 5111.88***

As Introduced	As Passed by the House
Authorizes JFS to enter into interagency agreements with other state agencies for the administration of Medicaid components or aspects of Medicaid components. These sections require a state agency that enters into such an interagency agreement to (1) comply with JFS Medicaid rules and (2) reimburse JFS for the cost to JFS of performing, or contracting for the performance of, a fiscal audit of the Medicaid component or aspect the agency administers, if rules require that a fiscal audit be conducted. These sections also provide for the reimbursements to be deposited into the Medicaid Administrative Reimbursement Fund. JFS plans to obtain appropriation authority at the Controlling Board, since there is no way to determine the necessary appropriation at this time.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Alcohol and Drug Addiction Services Transfer

As Introduced	As Passed by the House
Section: ***62.01***	**Section:** ***62.01***
ALI: **600-410**	
Transfers $3,500,000 in appropriation authority from GRF appropriation item 600-410, TANF State, to State Special Revenue (SSR) Fund 5B7, appropriation item 038-629, TANF Transfer-Treatment, and transfers $1,500,000 from GRF appropriation item 600-410 to SSR Fund 5E8, appropriation item 038-630, TANF Transfer-Mentoring, in the Department of Alcohol and Drug Addiction Services. (See Temporary Law Changes in the Department of Alcohol and Drug Addiction Services under same subject.)	No change.

Subject: Job and Family Services Report to the General Assembly

As Introduced	As Passed by the House
	Section: ***62.01***
No provision.	Requires the Department of Job and Family Services to report at the request of the House Finance and Appropriations Committee to the General Assembly, no later than June 30, 2002, on the department's performance in carrying out its mission and include in the report at least the following: the long-term planning and vision of the various elements of the department and an analysis of the fund balances and cash flow in the department's budget.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Disability Assistance

As Introduced	As Passed by the House
Section: ***62.02***	**Section:** ***62.02***
ALI: 600-511	
Sets the schedule that must be used to determine monthly grant levels in the Disability Assistance Program. This provision has the effect of maintaining the current monthly grant levels for the Disability Assistance program.	No change.

Subject: Adult Emergency Assistance Program

As Introduced	As Passed by the House
Sections: ***62.03, and section 5101.86***	**Sections:** ***62.03, and section 5101.86***
ALI: 600-512	
Provides that appropriations for each fiscal year in ALI 600-512, Non-TANF Emergency Assistance, shall be used for the Adult Emergency Assistance Program established under section 5101.86 of the Revised Code. (See also Temporary Law Changes under "TANF Federal Block Grant Transfers" and "Single Allocation for County Departments of Job and Family Services.")	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Health Care/Medicaid

As Introduced	As Passed by the House
Section: ***62.04***	**Section:** ***62.04***
ALI: **600-525**	
Provides that the appropriation item 600-525, Health Care/Medicaid, is not limited by state law that requires an appropriation made to a specific fiscal year be expended only to pay liabilities incurred within that fiscal year.	No change.

Subject: Breast and Cervical Cancer Treatment Program

As Introduced	As Passed by the House
Section: ***62.04***	**Section:** ***62.04***
ALI: **600-525**	
No provision.	Increases the appropriation item 600-525, Health Care/Medicaid, by $1,569,038 in each fiscal year and requires this additional funding be used for the breast and cervical cancer treatment ($450,000 in state share and $1,119,038 in federal share in each fiscal year), under the Medicaid program. (See also Permanent Law Changes under same subject.)

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Child Support Collections/TANF Maintenance of Effort

Section: ***62.05*** **ALI: 600-658**	**Section:** ***62.05***
Requires appropriation item 600-658, Child Support Collections, be used by JFS to meet the TANF maintenance of effort (MOE) requirements of Pub. L. No. 104-193. After the state has met the MOE requirement, JFS may use the funds from appropriation item 600-658 to support public assistance activities.	No change.

Subject: Medicaid Program Support Fund - State

Section: ***62.06*** **ALI: 600-671**	**Section:** ***62.06***
Requires appropriation item 600-671, Medicaid Program Support, be used by JFS to pay for Medicaid services and contracts.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Hospital Care Assurance Match Fund

As Introduced	As Passed by the House
Section: ***62.07***	**Section:** ***62.07***
ALI: **600-650**	
Requires appropriation item 600-650, Hospital Care Assurance Match, be used by JFS for distributing funds to hospitals in accordance with division (B) of section 5112.18 of the Revised Code.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: TANF County Incentives

Section: *62.08*	Section: *62.08*
Permits the Department of Job and Family Services to use appropriation item 600-689, TANF Block Grant, to provide financial incentives to those county departments of job and family services that have exceeded performance standards adopted by the state department, where the board of county commissioners has entered into a partnership agreement. These incentive funds are to be used by the county department for additional or enhanced services, or may, with the permission of the state department, may be transferred to other funds. The county departments may retain or expend such funds without regard to the state or county fiscal year in which the financial incentives were earned or paid. Requires each county department of job and family services to file an annual report on the expenditure of these incentive funds and an evaluation of the effectiveness of the county department's use of these funds.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: TANF Fatherhood Programs

Section: ***62.08***	**Section:** ***62.08***
ALI: **600-689**	
Requires up to $5,000,000 in each fiscal year of appropriation item 600-689, TANF Block Grant, be used to support local fatherhood programs. Of this $5,000,000, $300,000 per year is to be used for the operation of a Fatherhood Commission, and $310,000 per year is to be used for the Cuyahoga County Department of Job and Family Services to contract with the Center for Families and Children to provide allowable services to TANF-eligible individuals. The provision requires the contract to incorporate reporting requirements.	Same as Executive, but adds the following: Earmarks, within the earmark for the TANF Fatherhood Programs, $500,000 each year from appropriation item 600-689, TANF Block Grant, for the Ohio Alliance of Boys and Girls Clubs to provide allowable services to TANF-eligible individuals. The Department of Job and Family Services and the Ohio Alliance of Boys and Girls Clubs are required to agree on reporting requirements to be incorporated into the grant agreement.

Subject: Title XX Transfer for Civilian Conservation Corps

Section: ***62.08***	**Section:** ***62.08***
ALI: **600-689**	
No provision.	Transfers $7,885,349 in FY 2002 and $8,058,715 in FY 2003 from TANF funds that have been credited to the Social Services Block Grant to GSF 162, appropriation item 725-625 in the Department of Natural Resources for the purpose of supporting the operations of the Civilian Conservation Corps.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: TANF Education

As Introduced	As Passed by the House
Section: ***62.08***	**Section:** ***62.08***
ALI: **600-689**	
No provision.	Transfers $76,156,175 in fiscal year 2002 and $98,843,825 in fiscal year 2003 from Fund 3V6 (TANF Block Grant) in the Department of Job and Family Services to State Special Revenue Fund 3W6 (TANF Education), in the Department of Education, which is created by the provision, for the purpose of providing allowable services to TANF-eligible individuals. Increases the appropriation authority in appropriation item 600-689, TANF Block Grant, by the same amount of the transfer. The amendment would also require the Department of Education to comply with all TANF requirements. Transfers in FY 2003 an additional $35,000,000 in appropriation authority from appropriation item 600-689, TANF Block Grant, to State Special Revenue Fund 3W6 (TANF Education), in the Department of Education.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: TANF Adult Literacy and Child Reading Programs

Section: ***62.08*** **ALI: 600-689**	**Section:** ***62.08***
Requires up to $5,000,000 in each fiscal year from appropriation item 600-689, TANF Block Grant, be used to support local adult literacy and child reading programs.	No change.

Subject: Talbert House

Section: ***62.08*** **ALI: 600-689**	**Section:** ***62.08***
No provision.	Earmarks $100,500 in each fiscal year from appropriation item 600-689, TANF Block Grant, to be provided to the Hamilton County Department of Job and Family Services to contract with the Talbert House for the purpose of providing allowable services to TANF-eligible individuals. Also requires the Hamilton County Department of Job and Family Services and the Talbert House to agree on reporting requirements that meet all TANF reporting requirements.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Appalachian Workforce Development and Job Training

As Introduced	As Passed by the House
Section: ***62.08***	**Section:** ***62.08***
ALI: **600-689**	
No provision.	Requires the Department of Job and Family Services to provide $15,000,000 in each year from appropriation item 600-689, TANF Block Grant. The funds are to be used for workforce development and supportive services; economic development; technology expansion, technical assistance, and training; youth job training; organizational development for workforce development partners. improving existing technology centers, workforce development, job creation and retention, purchasing technology, and technology and technology infrastructure upgrades. As a condition on the use of these funds, each county department of job and family services is required to submit a plan for the intended use of these funds to the Department of Job and Family Services. This plan also is to be reviewed by the Governor's Office of Appalachia, the Governor's Regional Economic Office, and local development districts. Also, as a condition on the use of these funds, each county and contract agency is required to acknowledge that these funds are a one-time allocation, not intended to fund services beyond September 30, 2002. Makes the funding of this program contingent on passage of H.B. 6 of the 124th General Assembly.

As Introduced	As Passed by the House
Temporary Law Changes	
Subject: DYS Comprehensive Strategies	
Section: ***62.08***	**Section:** ***62.08***
ALI: 600-689	
Requires the Director of Budget and Management to transfer, no later than July 15, 2001, $5,000,000 in appropriation authority from ALI 600-689, TANF Block Grant, in the Department of Job and Family Services, to ALI 470-614, TANF Transfer - Comprehensive Strategies, in the Department of Youth Services (DYS). These funds shall be used to make grants to local communities to establish models of inter-system collaboration to prevent children from entering the juvenile justice system. DYS must require the grantees to use the funds only to plan, develop, or enhance collaborative models and may not be used for any type of direct or purchased services. The provision also requires the Department of Youth Services to comply with all TANF requirements.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: TANF Transfer to Down Payment Assistance and Family Shelter Program

As Introduced	As Passed by the House
Section: ***62.08***	**Section:** ***62.08***
ALIs: **600-689, 195-497**	
No provision.	Requires Director of Budget and Management to transfer \$5,200,000 in FY 2002 and \$6,500,000 in FY 2003 in appropriation authority from appropriation item 600-689, TANF Block Grant, to appropriation item 195-497, CDBG Operating Match, in the Department of Development. The funds will be used to provide down payment assistance and supportive housing services for low-income families. The funds cannot be used to match federal funds. The amendment also requires that the Department of Development comply with all TANF requirements. Allows provision of supportive services related to housing or homelessness, down-payment assistance, emergency home repair, and other emergency housing services.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: TANF Federal Block Grant Funds and Transfers

As Introduced	As Passed by the House
Sections: ***62.08, 62.09, 62.10***	**Sections:** ***62.08, 62.09, 62.10***
ALI: 600-689	
1) Requires the Department of Job and Family Services (JFS) in each fiscal year to transfer the maximum amount of funds from the federal TANF Block Grant to the Social Services Block Grant (SSBG) as permitted under federal law.	1) No Change.
2) Provides that on the basis of documentation to support the need for transfers or charges against the TANF Block Grant for use in the SSBG or the Child Care and Development Block from either unobligated prior year appropriation authority from TANF Block Grant funds or from fiscal year 2002 or 2003 appropriation authority in item 600-689, TANF Block Grant, the transfer or charge must be done ten days after JFS gives written notification to the Office of Budget and Management.	2) No Change.
3) Requires JFS, before September 30, 2001, to file claims with the U.S. Dept. of Health and Human Services for reimbursement for all allowable expenditures for qualifying services (whether by JFS or other agencies).	3) No Change.
4) From the receipts from the TANF Block Grant funds credited to the SSBG, JFS must in each fiscal year deposit $5,000,000 into Fund 5E6, State Option Food Stamps (of which $2,500,000 is to be used for Second Harvest Food Bank--see related section 62.09--and $2,500,000 is to be	4) Requires JFS to deposit: $6,000,000 in each year into Fund 5E6, State Option Food Stamps. Specifies that funds in State Option Food Stamps shall be used as follows: $3.5 million per year for Second Harvest Food Bank, and $2.5 million per year for Child Nutrition Services;
	5) No Change.
	6) Earmarks no less than $369,040,735 in each fiscal year in funds derived from the TANF Block Grant (ALI 600-689), TANF State (ALI 600-410), and Child Support Collections (ALI 600-658), or a combination of these funds, for allocations to county departments of job and family services. The amendment further earmarks the total allocation as follows: $276,586,957 for county allocations, $35,109,178 for WIA Supplement, $38,034,600 for Early Start – Statewide, $5,000,000 for transportation, $3,050,000 for county training, $5,000,000 for adult literacy and child reading programs, $5,000,000 for disaster relief,

As Introduced	As Passed by the House
Temporary Law Changes	
used by Child Nutrition (ALI 200-251 in Dept. of Educ.--see related section 62.10),	and $1,260,000 for School Readiness centers.
5) $7,500,000 into Fund 5P4, TANF Child Welfare, (of which $5,500,000 is to be used for support and expansion of PCSA activities, and $2,000,000 is to be used to support pilot projects for violent and aggressive youth.	7) Allows JFS, upon the documentation of need, to request from the Controlling Board additional appropriation authority in appropriation item 600-689, TANF Block Grant, if sufficient funds exist.
6) No Provision. 7) No Provision. 8) No Provision. 9) No Provision. 10) No Provision. 11) No Provision. 12) No Provision. 13) No Provision.	8) Requires the Director of Budget and Management (OBM) to transfer, no later than July 15, 2001, $60,000,000 in receipts from TANF Block Grant funds that have been credited to the Social Services Block Grant to State Special Revenue Fund XXX, in OBM. Not later than June 1, 2002, the Director of OBM shall determine the amount of funds in State Special Revenue Fund (SSR) XXX that is needed for the purpose of balancing the General Revenue Fund (GRF), and may transfer that amount to the GRF. Any moneys remaining in SSR XXX on June 15, 2002 shall be transferred no later than June 20, 2002 to Fund 3V6, TANF Block Grant, in JFS. No later than July 15, 2002, the Director of OBM shall transfer to SSR XXX, from Fund 3V6 in JFS, the amount of funds that remained in SSR XXX on June 15, 2002, and that were transferred to Fund 3V6. Not later than June 1, 2003, the Director of OBM shall determine the amount of funds in SSR XXX that is needed for the purpose of balancing the GRF, and may transfer that amount to the GRF. Any moneys remaining in SSR XXX on June 15, 2003 shall be transferred no later than June 20, 2003 to Fund 3V6, TANF Block Grant, in JFS.
	Requires JFS to deposit:

As Introduced	As Passed by the House
Temporary Law Changes	
	9) $62,500 per year into Fund 3W8, Hippy Program;
	10) $50,000 per year into Fund 3W9, Adoption Connection;
	11) $2,920,227 in fiscal year 2002, and $6,520,227 in fiscal year 2003 into Fund 3W3, Adult Special Needs. Specifies that moneys in Fund 3W3, Adult Special Needs, shall be used as follows: $120,227 in each year for Adult Protective Services; $1,000,000 in each year for Non-TANF Adult Assistance, and $1.8 million in FY 2002 and $5.4 million in FY 2003 for Community-Based Correctional Facilities;
	12) $600,000 in FY 2002, and $897,052 in FY 2003 into Fund 3W2, Title XX Vocational Rehabilitation;
	13) and into Fund 162 in the Department of Natural Resources $7,885,349 in FY 2002, and $8,058,715 in FY 2003 for the CCC Operations.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Title XX Transfers for Community-based Correctional Facilities

Section: ***62.08*** **ALI: 600-689**	**Section:** ***62.08***
No provision.	Transfers $1,800,000 in FY 2002 and $5,400,000 in FY 2003 from funds transferred from TANF Block Grant and credited to the Social Services Block Grant for the purpose of increasing the appropriation level in the Department of Rehabilitation and Correction's GRF appropriation item 501-501, Community Residential Programs-CBCF, by those same amounts in each fiscal year.

Subject: Ohio Association of Second Harvest Food Banks

Section: ***62.09*** **ALI: 600-689**	**Section:** ***62.09***
Requires Director of Budget and Management to transfer from TANF Block Grant to Title XX, with subsequent transfer to Fund 5E6, ALI 600-634, State Option Food Stamps, $5,000,000 in each fiscal year, $2.5 million of which to be used for Second Harvest Food Bank, and $2,500,000 for Child Nutrition Services in the Department of Education.	Requires the Director of Budget and Management to deposit into Fund 5E6, State Option Food Stamps, from receipts from the TANF Block Grant that have been credited to the Social Services Block Grant $6,000,000, and earmarks $3,500,000 of this transfer for the Ohio Association of Second Harvest Food Banks, and specify that $2,500,000 is to be used by the Ohio Food Program.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Child Nutrition Services

As Introduced	As Passed by the House
Section: ***62.10***	**Section:** ***62.10***
ALI: **600-634**	
Requires the Department of Job and Family Services and the Department of Education to enter into an interagency agreement to support 19 pilot programs to provide nutritional benefits to older children enrolled in educational or enrichment activities. Up to $2.5 million in each fiscal year of funds transferred from the TANF Block Grant to the Social Services Block Grant may be spent from appropriation item 600-634, State Option Food Stamps, to support Child Nutrition Services in the Department of Education. These funds are not to be used as matching funds. Eligibility and reporting requirements are to be detailed in the interagency agreement.	No change.

Subject: Title XX Transfer to Non-TANF Adult Assistance

As Introduced	As Passed by the House
Sections: ***62.10, 62.10***	**Sections:** ***62.10, 62.10***
ALI: **600-689**	
No provision.	Transfers funds from the TANF Block Grant that have been credited to the Social Services Block Grant. In each fiscal year, $1,000,000 in such funds are employed and transferred to Department of Job and Family Services SSR appropriation item 600-696, Non-TANF Adult Assistance (Fund 3W3), which is established in this amendment.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Prescription Drug Rebate Fund

Section: ***62.11***	**Section:** ***62.11***
ALI: 600-692	
Requires appropriation item 600-692, Health Care Services, be used by JFS in accordance with section 5111.081 of the Revised Code. (See also Permanent Law Change under same subject.)	No change.

Subject: Agency Fund Group

Section: ***62.12***	**Section:** ***62.12***
Requires that the Agency Fund Group be used to hold revenue until the appropriate fund is determined or until they are directed to the appropriate governmental agency other than JFS. If it is determined that additional appropriation authority is necessary, such amounts are appropriated.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Holding Account Redistribution Group

Section: ***62.12***	**Section:** ***62.12***
ALIs: **600-643, 600-644**	
Requires that appropriation items 600-643, Refunds and Audit Settlements, and 600-644, Forgery Collections, in the Holding Account Redistribution Fund Group, be used to hold revenues until they are directed to the appropriate accounts or until they are refunded. If it is determined that additional appropriation authority is necessary, such amounts are appropriated.	No change.

Subject: Family Services Stabilization Fund

Section: ***62.12***	**Section:** ***62.12***
In the event that moneys are transferred from the Family Services Stabilization Fund to the General Revenue Fund pursuant to section 131.41 of the Revised Code, appropriates such amounts in those appropriation items designated by the Director of Budget and Management. If the appropriation items contain both federal and state share, the amount of the transfer are to constitute the state share. The federal share of such amounts is appropriated in appropriation items designated by the Director of Budget and Management. (See also Permanent Law Changes under same subject.)	No provision.

As Introduced	As Passed by the House
Temporary Law Changes	
Subject: Single Allocation for County Departments of Job and Family Services	
Sections: ***62.13, 62.08***	**Sections:** ***62.13, 62.08***
Permits the Department of Job and Family Services to establish a single allocation for county departments of job and family services that are subject to a partnership agreement, using funds from the following appropriation items: 600-610, Food Stamps and State Administration; 600-410, TANF State; 600-689, TANF Block Grant; 600-620, Social Services Block Grant; 600-522, County Social Services; 600-413, Day Care Match/Maintenance of Effort; 600-617, Day Care Federal; 600-534, Adult Protective Services, and 600-614, Refugee Services. Provides that the county department is not required to use all of the money from one or more of these appropriation items for the purpose of the specific appropriation item, so long as it is used for one of the purposes of one of the other of the above appropriations.	Same as Executive, but adds provision that appropriation item 600-695, Adult Protective Services (Fund 3W3), is to be used to provide adult protective services in accordance with section 5101.62 of the Revised Code, and that appropriation item 600-696, Non-TANF Adult Assistance (Fund 3W3) shall be used to provide funding to the Adult Emergency Assistance Program in accordance with section 5101.86 of the ORC. Adds provisions that the Hippy Program (Fund 3W8, ALI 600-638), be funded at $62,500 per year, that the Adoption Connection program (Fund 3W9, ALI 600-640) be funded at $50,000 per year. Both programs are to receive funding using funds transferred from the TANF Block Grant that have been credited to the Social Services Block Grant.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Transfer of Funds

Section: ***62.14***	**Section:** ***62.14***
Requires the Department of Job and Family Services (JFS) to transfer \$12,783,463 in fiscal year 2002 and \$13,039,133 in fiscal year 2003, through intrastate transfer vouchers, cash from State Special Revenue Fund 4K1, ICF/MR Bed Assessments, to fund 4K8, Home and Community-Based Services, in the Ohio Department of Mental Retardation and Developmental Disabilities. This section also requires that JFS to transfer through intrastate transfer vouchers, cash from State Special Revenue Fund 4J5, Home and Community-Based Services for the Aged, to fund 4J4, PASSPORT, in the Department of Aging. It requires the sum of the transfers to be equal to the amounts appropriated in fiscal year 2002 and fiscal year 2003 in appropriation item 490-610, PASSPORT/Residential State Supplement. These transfers may occur on a quarterly basis or on a schedule developed and agreed to by both departments.	No change.

As Introduced	As Passed by the House
Temporary Law Changes	
Subject: Transfers of IMD/DSH Cash	
Section: ***62.14***	**Section:** ***62.14***
Requires that the Department of Job and Family Services (JFS) transfer through intrastate transfer vouchers, cash from Fund 5C9, Medicaid Program Support, to the Department of Mental Health's (DMH) Fund 4X5, OhioCare, in accordance with an interagency agreement, which delegates authority from JFS to DMH to administer specified Medicaid services.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Consolidation of State Grants

Section: ***62.15***	**Section:** ***62.15***
Permits JFS, with the consent of a county, to combine into a single and consolidated grant state funds provided to the county for child welfare services and kinship care. In FY 2003, the grant is to also include unspent funds remaining from any grant provided to the county under this provision in FY 2002. The counties must use the funds to meet the expenses of its children services program under Chapter 5153. of the Revised Code, however, these funds are not subject to any statute or rule that would otherwise govern allowable uses. Funds are to be paid to the counties not later than 30 days after the beginning of each calendar quarter and are to be deposited into the children services fund (a county fund). Counties must return to JFS any unspent balance in the consolidated grant, unless this provision is renewed for a subsequent period of time. Combining state funds into a single and consolidated grant would provide a county with greater flexibility to use these funds to meet that particular county's needs.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Employer Surcharge

Section: ***62.16***	**Section:** ***62.16***
ALI: 600-607	
Continues the authority to collect the surcharge that was levied for 1997, 1998, and 1999. There is still about $900,000 in accounts receivable, and collectable, from those years. The bill also provides that, effective July 1, 2001, the funds collected go to the special administrative fund instead of the employer surcharge account, because the amounts are frequently too small to warrant maintaining a separate account.	No change.

Subject: Ohio Access Project

Section: ***62.17***	**Section:** ***62.17***
Authorizes JFS to establish the Ohio Access Project to help a limited number of Medicaid recipients make the transition from residing in a nursing facility to residing in a community setting. This provision requires JFS to provide one-time benefits to not more than 75 Medicaid recipients in fiscal year 2002 and not more than 125 Medicaid recipients in fiscal year 2003. The provision also establishes eligibility requirements and limits the worth of benefits that a person may receive under the Ohio Access Project to not more than $2,000.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Funding for Ohio Access Success Pilot

Section: ***62.18***	**Section:** ***62.18***
Allows cash from State Special Revenue Fund 4K1, ICF/MR Bed Assessments, in excess of the amounts needed for transfers to Fund 4K8, to be used by JFS to cover certain costs of care provided to participants in the Ohio Home Care Waiver. This section requires JFS pay for the expenses not more than the costs for habilitative services that either exceed the regular service levels of the Ohio Home Care Waiver or are for habilitative services for individuals who are not determined to be eligible for county board of MR/DD services, and are provided to participants of Ohio Home Care Waiver.	No change.

Subject: Funding for Institutional Facility Audits

Section: ***62.19***	**Section:** ***62.19***
Allows cash from the State Special Revenue Fund 4J5, Home and Community-Based Services for the Aged, in excess of the amounts needed for the transfers to be used by JFS for two purposes: (1) up to $1.0 million in each fiscal year to fund the state share of audits of Medicaid cost reports for nursing facilities and intermediate care facilities for the mentally retarded; and (2) up to $150,000 in fiscal year 2002 and up to $250,000 in fiscal year 2003 to support the Ohio Access project.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

As Introduced	As Passed by the House
Subject: Waiver Redesign	
Section: ***62.20***	**Section:** ***62.20***
ALIs: 600-525, 322-639	
Authorizes JFS to seek federal approval to create a new, or modify an existing, Medicaid home and community-based services waiver program to serve individuals with mental retardation or a developmental disability who are transferred from the Ohio Home Care Waiver program and meet other specified requirements. This section requires JFS to reduce the maximum number of individuals the Ohio Home Care Waiver program may serve by the number of individuals transferred to the new or modified home and community-based services waiver program. This section requires JFS to specify the maximum amount that the program may spend per individual enrolled in the program. It also allows JFS to administer the waiver program or enter into an interagency agreement with the Department of Mental Retardation and Developmental Disabilities (DMR). If JFS enters into an interagency agreement with DMR, it must specify the maximum number of individuals who may be transferred, and the estimated cost of services under the new, or modified, waiver program to the transferred individuals. The Director of Budget and Management (OBM) may reduce the amount of the appropriation in appropriation item 600-525, Health Care/Medicaid, by the estimated cost specified in the interagency agreement. If the Director makes the reduction, the state share of the estimated costs are appropriated to DMR in a new appropriation item that must	No change.

As Introduced	As Passed by the House
Temporary Law Changes	
be established for this purpose. The Director of OBM may increase the appropriation in appropriation item 322-639, Medicaid Waiver, by the corresponding non-GRF federal share of the estimated costs.	

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Medicaid Waiver

Section: *62.21*	Section: *62.21*
Requires JFS, with the assistance of the Department of Mental Health (DMH), to develop and submit an application to the federal government for a Medicaid waiver with respect to coverage of community mental health services. This section requires that the waiver program meet the purposes of better ensuring both of the following: (1) That Medicaid coverage and payment methods for mental health services provided under the state's Medicaid plan are consistent with the service priorities established under state law governing alcohol, drug addiction, and mental health; (2) That the services provided under the state's Medicaid plan can be provided in a manner that maximizes the effectiveness of resources available to the Department of Mental Health and boards of alcohol, drug addiction, and mental health services. This section also requires JFS and DMH to take action in a manner that allows the provisions of the waiver to be implemented not later than July 1, 2002. (See also Temporary Law Changes in the Department of Mental Health under subject "Community Mental Health Services Waiver.")	Same as the Executive, but requires JFS to consult with community mental health facilities that provide Medicaid-funded community mental health services before the Department develops and submits to the federal government a Medicaid waiver application regarding Medicaid-funded community mental health services.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Refund of SETS Penalty

Section: *62.22*	**Section: *62.22***
Requires that any and all refunds received for penalties that were paid directly or indirectly by the state for the Support Enforcement Tracking System (SETS) be deposited in their entirety to the General Revenue Fund. If the SETS system is certified, the U.S. Department of Health and Human Services will return 90 per cent of the FY 2002 fines or approximately $25.7 million.	No change.

Subject: Medicaid Waiver Components

Section: *62.23*	**Section: *62.23***
Provides that a rule adopted by the Director of JFS governing a Medicaid waiver component that is in effect on the effective date of this provision remains in effect until amended or rescinded as part of the adoption of rules under section 5111.85 of the Revised Code. (See also Permanent Law Change under same subject.)	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Health Care Compliance Fund

Section: *62.24*	**Section: *62.24***
Identifies the Health Care Compliance Fund created by section 5111.171 of the Revised Code as the same fund as the Health Care Compliance Fund created by the Controlling Board in October 1998. (See also Permanent Law Changes under subject "Hospital Care Compliance Fund.")	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Continue the PACE Program, Transfer to Aging

	Section: *62.25*
ALIs: 600-525, 322-639	
No provision.	Requires that the Director of Job and Family Services (JFS) submit to the United States Secretary of Health and Human Services an amendment to the state Medicaid Plan to provide for the Department of JFS to continue the Program of All-Inclusive Care for the Elderly (PACE). The bill permits the Directors of JFS and Aging, with the approval of the Director of Budget and Management, to enter into an interagency agreement to transfer responsibility for the day-to-day administration of PACE from the Department of JFS to the Department of Aging. If the interagency agreement is entered into, requires the Director of Budget and Management to reduce the amount in appropriation item 600-525, Health Care/Medicaid, by the estimated costs of PACE services and appropriates the state and federal share of those estimated costs to the Department of Aging.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Medicaid Coverage of Anti-Obesity Drugs

	Section: *62.26*
No provision.	Revokes the Director of JFS's authority to adopt a rule excluding drugs for the treatment of obesity from coverage under the Medicaid program and requires the Director to evaluate and issue a report on whether the Medicaid program should cover anti-obesity agents that have been approved by the U.S. Food and Drug Administration for the treatment of obesity and obesity's related co-morbidities.

Subject: Child Protective Services

	Section: *62.28*
ALI: 600-527	
No provision.	Requires $15,000 in each fiscal year of appropriation item 600-527, Child Protective Services, be provided to the Children's Advocacy Center in Portage County.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Preferred Option Evaluation

	Section: ***62.30***
No provision.	Requires that the Director of Job and Family Services evaluate the Preferred Option component of Medicaid's managed care system and submit a report on the evaluation to the Governor and legislative majority leaders no later than June 30, 2003.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Local Public Employment Offices

	Section: ***62.31***
No provision.	Requires the Director of JFS to continue operation through each of the local public employment offices that exist on the effective date of the bill until January 1, 2002. It also requires the Director to present a report to the members of the House Finance and Appropriations Committee on or before October 1, 2001 that describes the Director's plan to replace the existing local public employment offices with telephone registration centers, mail claims centers, or one-stop employment centers. Requires the report to contain specified information concerning plans for staffing, cost projections, and a description of funding sources broken down by federal, state, and local funding expectations. States the General Assembly's intention that the Director negotiate with specified local officials regarding the transfer of services.

As Introduced	As Passed by the House
Temporary Law Changes	
Subject: Investment Income	
Section: ***127***	**Section:** ***127***
Provides that in each fiscal year, notwithstanding section 131.41 of the Revised Code, investment income of the Family Services Stabilization Fund be credited to the GRF. (See also Temporary and Permanent Law Changes under subject "Family Services Stabilization Fund.")	No provision.
Subject: Hospital Care Assurance Program	
Sections: ***134, 135***	**Sections:** ***134, 135***
Delays the sunset of the Hospital Care Assurance Program (HCAP) until October 16, 2003. These sections provide that the law requiring HCAP compensated hospitals that provide services to indigents are subject to the HCAP sunset.	No change.

As Introduced	As Passed by the House
Temporary Law Changes	
Subject: Coverage of Return to Long-Term Care Facility	
Sections: ***136, 137***	**Sections:** ***136, 137***
Extends, until October 16, 2003, a requirement that if certain conditions exist each health insuring corporation policy that provides benefits for skilled nursing care through a closed panel plan provide reimbursement for medically necessary covered skilled nursing care services an enrollee receives in a skilled nursing facility, continuing care facility, or home for the aging, even if the facility or home does not participate in the closed panel plan. Health insuring corporations that provide benefits for skilled nursing care through a closed panel plan could incur the additional costs of allowing access to providers outside the network. This provision of the bill could, therefore, result in increases in Medicaid costs to the state if a health insuring corporation chooses to pass any additional costs on to state's Medicaid program.	No change.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Elimination of Family Services Stabilization Fund

	Section: ***137***
No provision.	Transfers the amount remaining in the Family Services Stabilization Fund at the end of fiscal year 2001 to the General Revenue Fund. This will increase General Revenue Fund revenues by $100 million in fiscal year 2002.

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Budget Stabilization Fund Transfers for the Department of Job and Family Service

Section: ***139***

As Introduced	As Passed by the House
No provision.	Allows Director of Budget and Management in consultation with Director of Department of Job and Family Services to transfer (with Controlling Board approval) up to $100 million in the biennium from the Budget Stabilization Fund to the General Revenue Fund if it is determined that Medicaid caseload expenditures are likely to exceed Medicaid appropriations. Appropriations to Department of Job and Family Services line 600-525, Medicaid/Health Care, would be increased by the amount of any such transfer. Before any transfers may be authorized, all possibilities for transfers of moneys within the Department of Job and Family Services are to be exhausted. Allows the Director of Budget and Management, in consultation with the Director of the Department of Job and Family Services, and with Controlling Board approval to transfer up to $50 million during the biennium from the Budget Stabilization Fund to the General Revenue Fund to be used for Department of Job and Family Services Computer Projects. Appropriations to Department of Job and Family Services line 600-416, Computer Projects, would be increased by the amount of the transfer. (See Temporary Law Changes in the Office of Budget and Management under the same subject).

As Introduced	As Passed by the House

Temporary Law Changes

Subject: Family Violence Prevention Program

Section: ***142***	**Section:** ***142***
Requires JFS and the Office of Criminal Justice Services (CJS) to enter into an interagency agreement regarding the transfer of duties, records, assets, and liabilities concerning the administration of funds received under the Family Violence Prevention and Services Act. Subject to statutory layoff provisions and any applicable collective bargaining agreement, JFS employees whose primary duties relate to the administration of the funds are transferred to CJS and retain their positions and all of the benefits accruing to them. Currently, there are two staff positions at JFS that administer the Family Violence Prevention and Services Act. At present, one of the positions is vacant. The other is a state employee with 20 years of service with a Program Administrator-3 classification. CJS is required to pay the person's salary at the current rate upon transfer of the employee and fill the other position. (See also Permanent Law Changes under subject "Family Violence Prevention and Services Act" and Temporary and Permanent Law Changes in the Office of Criminal Justice Services under similar subject.)	No change.