Department of
Job and Family Services

House Human Services Subcommittee

Ivy Chen, Senior Economist
Maria Seaman, Senior Budget Analyst
Legislative Service Commission

April 4, 2007

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for the

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ODJFS Catalog of Budget Line Items
ODJFS LSC Budget Spreadsheet By Line Item

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Department of Job and Family Services

- If all Medicaid strategies are implemented, the executive estimates that spending in appropriation item 600-525 could be reduced by $160.1 million all funds in FY 2008, and by $221.8 million all funds in FY 2009.
- According to the executive's TANF spending plan, by the end of FY 2009, the year-end TANF balance will be $110.1 million.
- The recommended funding level provides for a 3% cost-of-living adjustment for Ohio Works First cash assistance benefits.
- The executive's budget proposal provides for an increase in the reimbursement ceiling for providers of publicly funded child care.

AGENCY OVERVIEW

The Department of Job and Family Services (ODJFS) develops and oversees programs that provide health care, employment and economic assistance, child support, and services to families and children. The ODJFS mission is, through state and local partnerships, to help all Ohioans improve the quality of their lives. The ODJFS vision is to be the nation's leading family support and workforce development system.

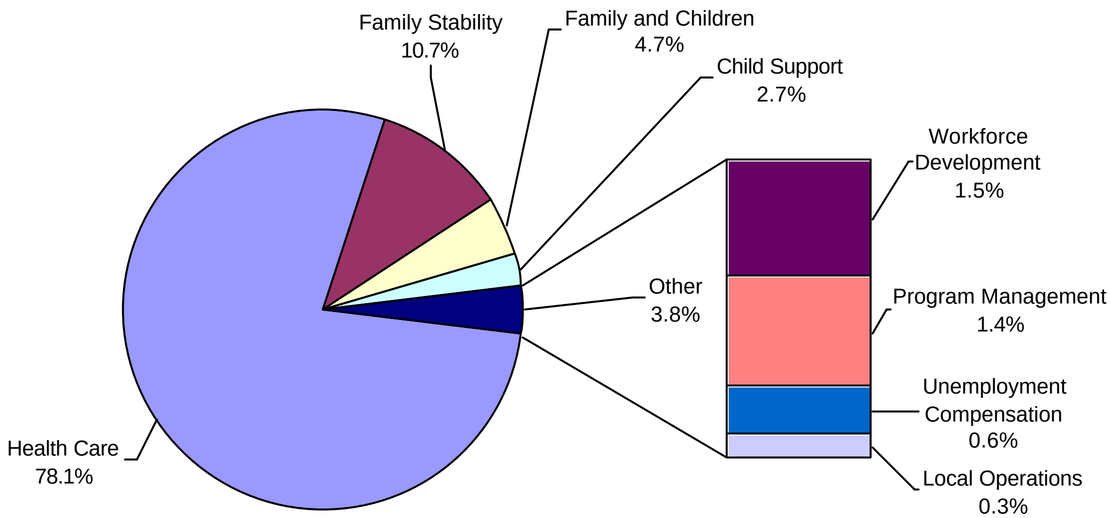
Most of ODJFS's programs and services are federally mandated and funded. Title XIX and XXI of the Social Security Act funds the Medicaid health care program, Temporary Assistance for Needy Families funds financial assistance for families, the federal Workforce Investment Act funds job training and job placement services for workers and employers, and Title III of the Social Security Act sets forth federal standards for administration of the Unemployment Insurance program and authorizes federal administrative funding for the program. The Department also receives federal reimbursement for a portion of expenditures made for child support and child welfare activities.

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 88 county departments of job and family services, 26 separate child support enforcement agencies, and 26 separate public children services agencies. The Department provides funding to local agencies to develop programs that respond to local needs and provides technical assistance and support to ensure compliance with federal and state regulations.

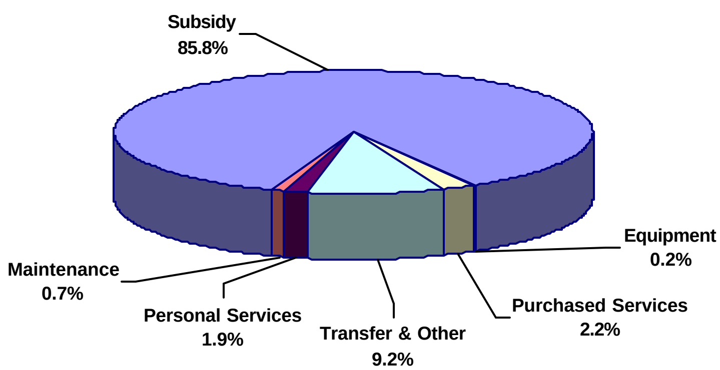
The Department is led by a director, appointed by the Governor, who manages approximately 3,900 employees and a budget of approximately $17.4 billion in fiscal year (FY) 2007.

The executive recommended funding for ODJFS is approximately $17.2 billion in FY 2008 and $18.2 billion in FY 2009.

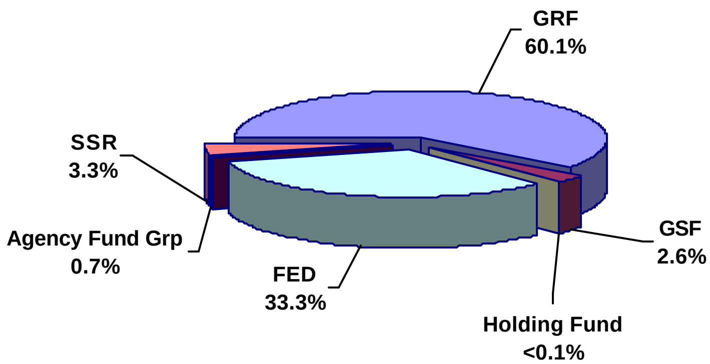
Percentage of Funding by Program Series
FY 2008-2009 Biennium



Total Budget by Object Code
FY 2008-2009 Biennium



Total Budget by Fund Group
FY 2008-2009 Biennium



Ohio Department of Job and Family Services Staffing Levels		
Division	**As of December 31, 2004**	**As of December 9, 2006**
Director's Office	25	23*
Office of Legislation	13	11
Office of Fiscal Services	129	135
Office of Research, Assessment & Accountability	196	238
Office of Legal Services	76	89
Office of Employee and Business Services	184	187
Office of Management Information Services	596	557
Office of Local Operations	937	949
Office of Child Support	168	178
Office of Ohio Health Plans	452	494
Office for Children and Families	214	226
Office of Workforce Development	129	114
Office of Family Stability	69	102
Office of the Chief Inspector	32	32
Office of Unemployment Compensation	514	504
Office of Unemployment Compensation Review Committee	58	56
Office of Communications	9	9
Office of Contract Administration	20	23
TOTAL	**3,821**	**3,927**

* Number includes four Faith-Based Initiative employees and three Medicaid Study Council employees.

MASTER TABLE

Executive's Recommendations for FY 2008 and FY 2009

The following table provides a comprehensive presentation of the executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
General Revenue Fund				
GRF	**600-321**	**Support Services**	**$65,775,552**	**$68,343,151**
		PS 01: Workforce Development	*$358,856*	*$359,348*
		P 01.01: Workforce Investment Act	$8,856	$9,348
		P 01.07: Workforce Program Management	$350,000	$350,000
		PS 02: Family Stability	*$312,017*	*$326,260*
		P 02.02: Non-Cash Family Support	$312,017	$326,260
		PS 08: Program Management	*$65,104,679*	*$67,657,543*
		P 08.01: Program Management	$62,799,094	$65,350,293
		P 08.02: Program Management Information Technology	$2,305,585	$2,307,250
GRF	**600-410**	**TANF State**	**$272,619,061**	**$272,619,061**
		PS 02: Family Stability	*$272,619,061*	*$272,619,061*
		P 02.01: Ohio Works First Cash Assistance	$90,000,000	$90,000,000
		P 02.02: Non-Cash Family Support	$80,000,000	$80,000,000
		P 02.05: Child Care	$102,619,061	$102,619,061
GRF	**600-413**	**Child Care Match/Maintenance of Effort**	**$84,120,596**	**$84,120,596**
		PS 02: Family Stability	*$84,120,596*	*$84,120,596*
		P 02.05: Child Care	$84,120,596	$84,120,596
GRF	**600-416**	**Computer Projects**	**$145,315,754**	**$147,447,438**
		PS 02: Family Stability	*$11,427,099*	*$11,770,046*
		P 02.08: Family Stability Information Technology	$11,427,099	$11,770,046
		PS 03: Child Support	*$18,222,947*	*$18,310,828*
		P 03.01: Child Support Activities	$680,000	$680,000
		P 03.02: Child Support Information Technology	$17,542,947	$17,630,828
		PS 04: Family and Children	*$4,563,884*	*$4,653,572*
		P 04.06: Family and Children Information Technology	$4,563,884	$4,653,572
		PS 05: Health Care	*$33,487,858*	*$31,559,363*
		P 05.06: Health Care Information Technology	$33,487,858	$31,559,363
		PS 08: Program Management	*$77,613,966*	*$81,153,629*
		P 08.02: Program Management Information Technology	$77,613,966	$81,153,629
GRF	**600-420**	**Child Support Administration**	**$8,791,446**	**$10,891,446**
		PS 03: Child Support	*$8,791,446*	*$10,891,446*
		P 03.01: Child Support Activities	$7,469,047	$9,505,417
		P 03.02: Child Support Information Technology	$1,322,399	$1,386,029

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
GRF	**600-421**	**Office of Fam ily Stability**	**$4,864,932**	**$4,864,932**
		PS 02: Family Stability	*$4,864,932*	*$4,864,932*
		P 02.01: Ohio Works First Cash Assistance	$899,043	$930,582
		P 02.07: Family Stability Program Management	$3,965,889	$3,934,350
GRF	**600-423**	**Office of Children and Families**	**$6,737,630**	**$6,737,630**
		PS 04: Family and Children	*$6,737,630*	*$6,737,630*
		P 04.01: Child Prevention and Protective Services	$501,110	$625,137
		P 04.03: Adoption Services	$434,142	$470,607
		P 04.04: Foster Care	$1,715,000	$1,423,607
		P 04.05: Family and Children Program Management	$3,212,030	$3,303,179
		P 04.06: Family and Children Information Technology	$875,348	$915,100
GRF	**600-425**	**Office of Ohio Health Plans**	**$49,865,282**	**$49,865,282**
		PS 05: Health Care	*$49,865,282*	*$49,865,282*
		P 05.01: Medicaid	$3,769,793	$3,425,403
		P 05.03: Healthcare Assistance	$442,394	$442,394
		P 05.05: Health Care Program Management	$45,575,217	$45,915,820
		P 05.06: Health Care Information Technology	$77,878	$81,665
GRF	**600-502**	**Administration - Local**	**$34,014,103**	**$34,014,103**
		PS 03: Child Support	*$34,014,103*	*$34,014,103*
		P 03.01: Child Support Activities	$34,014,103	$34,014,103
GRF	**600-511**	**Disability Financial Assistance**	**$24,028,480**	**$25,335,908**
		PS 02: Family Stability	*$24,028,480*	*$25,335,908*
		P 02.03: Disability Financial Assistance	$24,028,480	$25,335,908
GRF	**600-512**	**Non-TANF Disaster Assistance**	**$1,000,000**	**$1,000,000**
		PS 02: Family Stability	*$1,000,000*	*$1,000,000*
		P 02.02: Non-Cash Family Support	$1,000,000	$1,000,000
GRF	**600-521**	**Entitlement Administration - Local**	**$131,214,401**	**$131,214,401**
		PS 02: Family Stability	*$55,379,842*	*$55,379,842*
		P 02.07: Family Stability Program Management	$55,379,842	$55,379,842
		PS 05: Health Care	*$75,834,559*	*$75,834,559*
		P 05.05: Health Care Program Management	$75,834,559	$75,834,559
GRF	**600-523**	**Children and Families Services**	**$78,515,135**	**$78,515,135**
		PS 04: Family and Children	*$78,515,135*	*$78,515,135*
		P 04.01: Child Prevention and Protective Services	$56,852,252	$56,852,252
		P 04.02: Social Services	$9,013,013	$9,013,013
		P 04.04: Foster Care	$12,649,870	$12,649,870
GRF	**600-525**	**Health Care/Medicaid**	**$8,901,713,996**	**$9,838,135,512**
		PS 05: Health Care	*$8,901,713,996*	*$9,838,135,512*
		P 05.01: Medicaid	$8,622,185,671	$9,498,381,990
		P 05.03: Healthcare Assistance	$27,740,304	$35,250,362
		P 05.04: Children's Health Insurance	$251,788,021	$304,503,160
GRF	**600-526**	**Medicare Part D**	**$254,397,401**	**$271,854,640**
		PS 05: Health Care	*$254,397,401*	*$271,854,640*
		P 05.02: Medicare Part D	$254,397,401	$271,854,640
GRF	**600-528**	**Adoption Services**	**$84,124,509**	**$93,174,366**
		PS 04: Family and Children	*$84,124,509*	*$93,174,366*
		P 04.03: Adoption Services	$84,124,509	$93,174,366
		General Revenue Fund Subtotal	**$10,147,098,278**	**$11,118,133,601**

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
General Services Fund Group				
4A8	**600-658**	**Child Support Collections**	**$26,680,794**	**$26,680,794**
		PS 02: Family Stability	*$26,680,794*	*$26,680,794*
		P 02.02: Non-Cash Family Support	$26,680,794	$26,680,794
4R4	**600-665**	**BCII Service Fees**	**$36,974**	**$36,974**
		PS 04: Family and Children	*$36,974*	*$36,974*
		P 04.05: Family and Children Program Management	$36,974	$36,974
5BG	**600-653**	**Managed Care Assessment**	**$210,655,034**	**$222,667,304**
		PS 05: Health Care	*$210,655,034*	*$222,667,304*
		P 05.01: Medicaid	$210,655,034	$222,667,304
5C9	**600-671**	**Medicaid Program Support**	**$80,120,048**	**$80,120,048**
		PS 05: Health Care	*$80,120,048*	*$80,120,048*
		P 05.01: Medicaid	$80,120,048	$80,120,048
5DL	**600-639**	**Medicaid Revenue and Collections**	**$51,966,785**	**$56,296,844**
		PS 05: Health Care	*$51,966,785*	*$56,296,844*
		P 05.01: Medicaid	$51,457,444	$52,783,479
		P 05.03: Healthcare Assistance	$509,341	$3,513,365
5N1	**600-677**	**County Technologies**	**$1,000,000**	**$1,000,000**
		PS 08: Program Management	*$1,000,000*	*$1,000,000*
		P 08.02: Program Management Information Technology	$1,000,000	$1,000,000
5P5	**600-692**	**Health Care Services**	**$93,000,000**	**$62,000,000**
		PS 05: Health Care	*$93,000,000*	*$62,000,000*
		P 05.01: Medicaid	$93,000,000	$62,000,000
613	**600-645**	**Training Activities**	**$135,000**	**$135,000**
		PS 01: Workforce Development	*$135,000*	*$135,000*
		P 01.01: Workforce Development Act	$135,000	$135,000
		General Services Fund Subtotal	**$463,594,635**	**$448,936,964**
Federal Special Revenue Fund Group				
327	**600-606**	**Child Welfare**	**$48,514,502**	**$47,947,309**
		PS 04: Family and Children	*$48,514,502*	*$47,947,309*
		P 04.01: Child Prevention and Protective Services	$24,383,897	$24,325,098
		P 04.03: Adoption Services	$191,777	$264,536
		P 04.04: Foster Care	$8,133,847	$7,801,354
		P 04.05: Family and Children Program Management	$15,799,232	$15,550,572
		P 04.06: Family and Children Information Technology	$5,749	$5,749
331	**600-686**	**Federal Operating**	**$53,963,318**	**$56,263,225**
		PS 01: Workforce Development	*$38,634,744*	*$40,219,664*
		P 01.01: Workforce Development Act	$1,559,145	$1,635,664
		P 01.02: Employment Services	$1,854,683	$1,950,882
		P 01.03: Veterans Programs	$677,872	$705,121
		P 01.04: Tax Credit Programs	$287,681	$301,178
		P 01.05: Labor Market Information	$4,322,823	$4,518,696
		P 01.06: One Stop Services	$23,885,983	$24,975,492
		P 01.07: Workforce Program Management	$798,168	$828,728
		P 01.08: Workforce Information Technology	$5,248,389	$5,303,903
		PS 06: Unemployment Compensation	*$123,124*	*$129,193*
		P 06.01: Unemployment Compensation	$93,244	$97,738
		P 06.04: Unemployment Compensation Information Technology	$29,880	$31,455

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
		PS 07: Local Operations	*$5,646,298*	*$5,875,086*
		P 07.01: Local Operations Program Management	$5,646,298	$5,875,086
		PS 08: Program Management	*$9,559,152*	*$10,039,282*
		P 08.01: Program Management	$5,217,080	$5,631,946
		P 08.02: Program Management Information Technology	$4,342,072	$4,407,336
384	**600-610**	**Food Stamps - Federal**	**$160,237,060**	**$153,147,118**
		PS 02: Family Stability	*$147,080,693*	*$139,421,563*
		P 02.04: Food Programs	$143,824,302	$136,549,504
		P 02.07: Family Stability Program Management	$10,024	$10,217
		P 02.08: Family Stability Information Technology	$3,246,367	$2,861,842
		PS 08: Program Management	*$13,156,367*	*$13,725,555*
		P 08.01: Program Management	$13,142,367	$13,710,555
		P 08.02: Program Management Information Technology	$14,000	$15,000
385	**600-614**	**Refugee Services**	**$10,196,547**	**$11,057,826**
		PS 02: Family Stability	*$10,196,547*	*$11,057,826*
		P 02.01: Ohio Works First Cash Assistance	$9,896	$9,716
		P 02.06: Refugee Services	$10,186,651	$11,048,110
395	**600-616**	**Special Activities/Child and Family Services**	**$5,723,131**	**$5,717,151**
		PS 04: Family and Children	*$5,723,131*	*$5,717,151*
		P 04.01: Child Prevention and Protective Services	$5,223,131	$5,217,151
		P 04.03: Adoption Services	$500,000	$500,000
396	**600-620**	**Social Services Block Grant**	**$114,479,464**	**$114,474,085**
		PS 02: Family Stability	*$8,000,000*	*$8,000,000*
		P 02.05: Child Care	$8,000,000	$8,000,000
		PS 04: Family and Children	*$106,479,464*	*$106,474,085*
		P 04.01: Child Prevention and Protective Services	$40,553	$42,507
		P 04.02: Social Services	$105,638,445	$105,592,495
		P 04.05: Family and Children Program Management	$800,466	$839,083
396	**600-651**	**Second Harvest Food Banks**	**$5,500,000**	**$5,500,000**
		PS 02: Family Stability	*$5,500,000*	*$5,500,000*
		P 02.04: Food Programs	$5,500,000	$5,500,000
397	**600-626**	**Child Support**	**$303,661,307**	**$303,538,962**
		PS 02: Family Stability	*$71,160*	*$71,160*
		P 02.08: Family Stability Information Technology	$71,160	$71,160
		PS 03: Child Support	*$283,391,958*	*$282,005,277*
		P 03.01: Child Support Activities	$246,770,995	$245,090,205
		P 03.02: Child Support Information Technology	$36,620,963	$36,915,072
		PS 05: Health Care	*$20,289*	*$21,181*
		P 05.05: Health Care Program Management	$20,289	$21,181
		PS 08: Program Management	*$20,177,900*	*$21,441,344*
		P 08.01: Program Management	$10,789,622	$11,759,370
		P 08.02: Program Management Information Technology	$9,388,278	$9,681,974
398	**600-627**	**Adoption Maintenance/Administration**	**$318,172,168**	**$317,483,676**
		PS 02: Family Stability	*$74,520*	*$74,520*
		P 02.08: Family Stability Information Technology	$74,520	$74,520

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
		PS 04: Family and Children	*$304,537,898*	*$302,990,312*
		P 04.01: Child Prevention and Protective Services	$828,258	$842,021
		P 04.03: Adoption Services	$127,130,900	$127,761,675
		P 04.04: Foster Care	$166,456,330	$167,696,379
		P 04.05: Family and Children Program Management	$1,870,080	$1,920,500
		P 04.06: Family and Children Information Technology	$8,252,330	$4,769,737
		PS 05: Health Care	*$45,014*	*$46,991*
		P 05.05: Health Care Program Management	$45,014	$46,991
		PS 08: Program Management	*$13,514,736*	*$14,371,853*
		P 08.01: Program Management	$7,011,312	$7,611,256
		P 08.02: Program Management Information Technology	$6,503,424	$6,760,597
3A2	**600-641**	**Emergency Food Distribution**	**$2,900,000**	**$3,500,000**
		PS 02: Family Stability	*$2,900,000*	*$3,500,000*
		P 02.04: Food Programs	$2,900,000	$3,500,000
3AW	**600-675**	**Faith Based Initiatives**	**$1,000,000**	**$1,000,000**
		PS 02: Family Stability	*$1,000,000*	*$1,000,000*
		P 02.02: Non-Cash Family Support	$1,000,000	$1,000,000
3D3	**600-648**	**Children's Trust Fund Federal**	**$2,040,524**	**$2,040,524**
		PS 04: Family and Children	*$2,040,524*	*$2,040,524*
		P 04.01: Child Prevention and Protective Services	$2,040,524	$2,040,524
3F0	**600-623**	**Health Care Federal**	**$1,209,188,383**	**$1,211,196,561**
		PS 04: Family and Children	*$315,086*	*$315,086*
		P 04.04: Foster Care	$315,086	$315,086
		PS 05: Health Care	*$1,208,309,026*	*$1,210,317,204*
		P 05.01: Medicaid	$1,055,671,473	$1,075,906,151
		P 05.05: Health Care Program Management	$101,469,264	$101,179,701
		P 05.06: Health Care Information Technology	$51,168,289	$33,231,352
		PS 08: Program Management	*$564,271*	*$564,271*
		P 08.01: Program Management	$564,271	$564,271
3F0	**600-650**	**Hospital Care Assurance Match**	**$343,239,047**	**$343,239,047**
		PS 05: Health Care	*$343,239,047*	*$343,239,047*
		P 05.01: Medicaid	$343,239,047	$343,239,047
3G5	**600-655**	**Interagency Reimbursement**	**$1,469,763,073**	**$1,513,855,965**
		PS 04: Family and Children	*$6,000,000*	*$6,000,000*
		P 04.05: Family and Children Program Management	$6,000,000	$6,000,000
		PS 05: Health Care	*$1,463,763,073*	*$1,507,855,965*
		P 05.01: Medicaid	$1,416,763,073	$1,460,855,965
		P 05.04: Children's Health Insurance	$47,000,000	$47,000,000
3H7	**600-617**	**Child Care Federal**	**$207,269,463**	**$200,167,593**
		PS 02: Family Stability	*$199,603,153*	*$192,159,567*
		P 02.05: Child Care	$198,709,074	$191,410,127
		P 02.08: Family Stability Information Technology	$894,079	$749,440
		PS 04: Family and Children	*$982,911*	*$1,030,115*
		P 04.05: Family and Children Program Management	$940,920	$986,017
		P 04.06: Family and Children Information Technology	$41,991	$44,098
		PS 08: Program Management	*$6,683,399*	*$6,977,911*
		P 08.01: Program Management	$2,739,757	$2,928,177
		P 08.02: Program Management Information Technology	$3,943,642	$4,049,734

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
3N0	**600-628**	**IV-E Foster Care Maintenance**	**$153,963,142**	**$153,963,142**
		PS 04: Family and Children	*$153,963,142*	*$153,963,142*
		P 04.04: Foster Care	$153,963,142	$153,963,142
3S5	**600-622**	**Child Support Projects**	**$534,050**	**$534,050**
		PS 03: Child Support	*$534,050*	*$534,050*
		P 03.01: Child Support Activities	$534,050	$534,050
3V0	**600-688**	**Workforce Investment Act**	**$232,568,453**	**$233,082,144**
		PS 01: Workforce Development	*$226,400,599*	*$226,652,774*
		P 01.01: Workforce Investment Act	$218,775,741	$218,856,178
		P 01.02: Employment Services	$652,772	$683,549
		P 01.04: Tax Credit Programs	$402,203	$421,072
		P 01.06: One Stop Services	$106,103	$110,940
		P 01.07: Workforce Program Management	$1,231,683	$1,286,839
		P 01.08: Workforce Information Technology	$5,232,097	$5,294,196
		PS 02: Family Stability	*$7,320*	*$7,320*
		P 02.08: Family Stability Information Technology	$7,320	$7,320
		PS 05: Health Care	*$110,768*	*$115,634*
		P 05.05: Health Care Program Management	$110,768	$115,634
		PS 06: Unemployment Compensation	*$130,243*	*$136,127*
		P 06.02: Trade Programs	$130,243	$136,127
		PS 07: Local Operations	*$3,177*	*$3,330*
		P 07.01: Local Operations Program Management	$3,177	$3,330
		PS 08: Program Management	*$5,916,346*	*$6,166,959*
		P 08.01: Program Management	$3,989,308	$4,191,758
		P 08.02: Program Management Information Technology	$1,927,038	$1,975,201
3V4	**600-678**	**Federal Unemployment Programs**	**$147,411,858**	**$152,843,414**
		PS 01: Workforce Development	*$1,486,297*	*$1,554,026*
		P 01.05: Labor Market Information	$215,572	$225,340
		P 01.06: One Stop Services	$1,270,725	$1,328,686
		PS 06: Unemployment Compensation	*$84,730,828*	*$87,190,860*
		P 06.01: Unemployment Compensation	$36,770,708	$38,463,700
		P 06.02: Trade Programs	$12,212,127	$12,314,783
		P 06.03: Unemployment Compensation Program Management	$7,250,159	$7,262,308
		P 06.04: Unemployment Compensation Information Technology	$28,497,834	$29,150,069
		PS 07: Local Operations	*$41,275,634*	*$42,881,842*
		P 07.01: Local Operations Program Management	$41,275,634	$42,881,842
		PS 08: Program Management	*$19,919,099*	*$21,216,686*
		P 08.01: Program Management	$10,786,833	$12,082,789
		P 08.02: Program Management Information Technology	$9,132,266	$9,133,897
3V4	**600-679**	**Unemployment Compensation Review Commission - Federal**	**$3,092,890**	**$3,191,862**
		PS 06: Unemployment Compensation	*$3,092,890*	*$3,191,862*
		P 06.01: Unemployment Compensation	$3,092,890	$3,191,862
3V6	**600-689**	**TANF Block Grant**	**$1,037,739,200**	**$1,085,861,099**
		PS 02: Family Stability	*$1,018,274,789*	*$1,066,356,983*
		P 02.01: Ohio Works First Cash Assistance	$242,123,592	$257,669,002
		P 02.02: Non-Cash Family Support	$411,103,328	$359,229,342
		P 02.05: Child Care	$364,321,085	$448,697,081
		P 02.07: Family Stability Program Management	$726,784	$761,558

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
		PS 04: Family and Children	*$19,086,996*	*$19,108,744*
		P 04.03: Adoption Services	$10,000,000	$10,000,000
		P 04.04: Foster Care	$9,086,996	$9,108,744
		PS 08: Program Management	*$377,415*	*$395,372*
		P 08.01: Program Management	$377,415	$395,372
3W3	**600-659**	**TANF/ Title XX Transfer**	**$9,782,101**	**$6,200,000**
		PS 02: Family Stability	*$6,200,000*	*$6,200,000*
		P 02.05: Child Care	$4,200,000	$4,200,000
		P 02.08: Family Stability Information Technology	$2,000,000	$2,000,000
		PS 04: Family and Children	*$3,582,101*	*$0*
		P 04.06: Family and Children Information Technology	$3,582,101	$0
		Federal Special Revenue Fund Subtotal	**$5,840,939,681**	**$5,925,804,753**
State Special Revenue Fund Group				
198	**600-647**	**Children's Trust Fund**	**$6,788,522**	**$6,788,522**
		PS 04: Family and Children	*$6,788,522*	*$6,788,522*
		P 04.01: Child Prevention and Protective Services	$6,788,522	$6,788,522
4A9	**600-607**	**Unemployment Compensation Admin Fund**	**$12,273,062**	**$12,188,996**
		PS 06: Unemployment Compensation	*$12,273,062*	*$12,188,996*
		P 06.01: Unemployment Compensation	$12,273,062	$12,188,996
4A9	**600-694**	**Unemployment Comp Review Commission**	**$1,726,938**	**$1,811,004**
		PS 06: Unemployment Compensation	*$1,726,938*	*$1,811,004*
		P 06.01: Unemployment Compensation	$1,726,938	$1,811,004
4E3	**600-605**	**Nursing Home Assessments**	**$4,759,914**	**$4,759,914**
		PS 05: Health Care	*$4,759,914*	*$4,759,914*
		P 05.01: Medicaid	$4,759,914	$4,759,914
4E7	**600-604**	**Child and Family Services Collections**	**$300,000**	**$300,000**
		PS 04: Family and Children	*$300,000*	*$300,000*
		P 04.03: Adoption Services	$300,000	$300,000
4J5	**600-613**	**Nursing Facility Bed Assessments**	**$34,613,984**	**$34,613,984**
		PS 05: Health Care	*$34,049,714*	*$34,049,714*
		P 05.01: Medicaid	$34,049,714	$34,049,714
		PS 08: Program Management	*$564,270*	*$564,270*
		P 08.01: Program Management	$564,270	$564,270
4J5	**600-618**	**Residential State Supplement Payments**	**$15,700,000**	**$15,700,000**
		PS 05: Health Care	*$15,700,000*	*$15,700,000*
		P 05.01: Medicaid	$15,700,000	$15,700,000
4K1	**600-621**	**ICF/MR Bed Assessments**	**$19,332,437**	**$19,332,437**
		PS 05: Health Care	*$19,332,437*	*$19,332,437*
		P 05.01: Medicaid	$19,332,437	$19,332,437
4R3	**600-687**	**Banking Fees**	**$800,000**	**$800,000**
		PS 06: Unemployment Compensation	*$800,000*	*$800,000*
		P 06.03: Unemployment Compensation Program Management	$800,000	$800,000
4Z1	**600-625**	**Healthcare Compliance**	**$10,000,000**	**$10,000,000**
		PS 05: Health Care	*$10,000,000*	*$10,000,000*
		P 05.01: Medicaid	$10,000,000	$10,000,000
5DB	**600-637**	**Military Injury Grants**	**$2,000,000**	**$2,000,000**
		PS 01: Workforce Development	*$2,000,000*	*$2,000,000*
		P 01.03: Veterans Programs	$2,000,000	$2,000,000

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
5ES	**600-630**	**Food Assistance**	**$500,000**	**$500,000**
		PS 02: Family Stability	*$500,000*	*$500,000*
		P 02.02: Non-Cash Family Support	$500,000	$500,000
5F2	**600-667**	**Building Consolidation**	**$250,000**	**$250,000**
		PS 08: Program Management	*$250,000*	*$250,000*
		P 08.01: Program Management	$250,000	$250,000
5F3	**600-668**	**Building Consolidation**	**$1,000,000**	**$1,000,000**
		PS 08: Program Management	*$1,000,000*	*$1,000,000*
		P 08.01: Program Management	$1,000,000	$1,000,000
5Q9	**600-619**	**Supplemental Inpatient Hospital Payments**	**$56,125,998**	**$56,125,998**
		PS 05: Health Care	*$56,125,998*	*$56,125,998*
		P 05.01: Medicaid	$56,125,998	$56,125,998
5R2	**600-608**	**Medicaid-Nursing Facilities**	**$175,000,000**	**$175,000,000**
		PS 05: Health Care	*$175,000,000*	*$175,000,000*
		P 05.01: Medicaid	$175,000,000	$175,000,000
5S3	**600-629**	**MR/DD Medicaid Administration and Oversight**	**$1,620,960**	**$1,620,960**
		PS 05: Health Care	*$1,620,960*	*$1,620,960*
		P 05.01: Medicaid	$1,337,884	$1,324,108
		P 05.05: Health Care Program Management	$283,076	$296,852
5U3	**600-654**	**Health Care Services Administration**	**$9,867,284**	**$12,000,349**
		PS 05: Health Care	*$9,867,284*	*$12,000,349*
		P 05.05: Health Care Program Management	$2,288,800	$2,358,266
		P 05.06: Health Care Information Technology	$7,578,484	$9,642,083
5U6	**600-663**	**Children and Family Support**	**$4,928,718**	**$4,928,718**
		PS 04: Family and Children	*$4,928,718*	*$4,928,718*
		P 04.03: Adoption Services	$254,270	$254,270
		P 04.04: Foster Care	$1,439,131	$1,439,131
		P 04.05: Family and Children Program Management	$3,235,317	$3,235,317
5Z9	**600-672**	**TANF Quality Control Reinvestments**	**$520,971**	**$546,254**
		PS 02: Family Stability	*$281,099*	*$294,652*
		P 02.01: Ohio Works First Cash Assistance	$281,099	$0
		P 02.02: Non-Cash Family Support	$0	$294,652
		PS 08: Program Management	*$239,872*	*$251,602*
		P 08.01: Program Management	$239,872	$251,602
651	**600-649**	**Hospital Care Assurance Program Fund**	**$231,893,404**	**$231,893,404**
		PS 05: Health Care	*$231,893,404*	*$231,893,404*
		P 05.01: Medicaid	$231,893,404	$231,893,404
		State Special Revenue Fund Subtotal	**$590,002,192**	**$592,160,540**
Agency Fund Group				
192	**600-646**	**Support Intercept-Federal**	**$110,000,000**	**$110,000,000**
		PS 03: Child Support	*$110,000,000*	*$110,000,000*
		P 03.01: Child Support Activities	$110,000,000	$110,000,000
583	**600-642**	**Support Intercept-State**	**$16,000,000**	**$16,000,000**
		PS 03: Child Support	*$16,000,000*	*$16,000,000*
		P 03.01: Child Support Activities	$16,000,000	$16,000,000

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	**ALI**	**Title**	**FY 2008**	**FY 2009**
5B6	**600-601**	**Food Stamp Intercept**	**$2,000,000**	**$2,000,000**
		PS 02: Family Stability	*$2,000,000*	*$2,000,000*
		P 02.04: Food Programs	$2,000,000	$2,000,000
		Agency Fund Subtotal	**$128,000,000**	**$128,000,000**
Holding Account Redistribution Fund Group				
R12	**600-643**	**Refunds and Audit Settlements**	**$3,600,000**	**$3,600,000**
		PS 08: Program Management	*$3,600,000*	*$3,600,000*
		P 08.01: Program Management	$3,600,000	$3,600,000
913	**600-644**	**Forgery Collections**	**$10,000**	**$10,000**
		PS 08: Program Management	*$10,000*	*$10,000*
		P 08.01: Program Management	$10,000	$10,000
		Holding Account Redistribution Fund Subtotal	**$3,610,000**	**$3,610,000**
Agency Total			**$17,173,244,786**	**$18,216,645,858**

WORKFORCE DEVELOPMENT

OVERVIEW

The Workforce Investment Act of 1998 (WIA) repealed the Job Training Partnership Act and replaced 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. These three categories (adults, dislocated workers, and youths) designate the three funding streams of WIA. 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. Adults and dislocated workers may access, depending on an eligibility assessment of their needs, employment and training activities that fall in three categories: core, intensive, and training services. Youth activities under WIA attempt to move away from one-time, short-term interventions toward a systematic approach that offers youth a broad range of coordinated services that may be provided in combination or alone. Such offerings for youth include opportunities for assistance in both academic and occupational learning, developing leadership skills, and preparing for further education, additional training, and eventual employment.

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 Act 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.[1]

In Ohio, the Office of Workforce Development (OWD) administers WIA. The Office, one of the three program areas of the Department's Services to Employers division, has three main goals in its implementation of WIA. These are: (1) to create a vertically integrated workforce-investment system with all elements coordinated and complementary, (2) to promote Ohio's economic competitiveness by improving employment opportunities, fostering job retention, and increasing earnings of all Ohio workers, and (3) to build a workforce development system that prompts all stakeholders to agree that "it works for me."

The OWD develops and administers programs and services designed to support and enhance state and local workforce development initiatives that address the needs of workers, families, and employers throughout Ohio. The OWD provides services that seek to assist Ohioans to remove barriers, enter employment, maintain employment, and gain self-sufficiency and independence. The OWD also provides programs to assist Ohio's businesses with recruitment of skilled workers, technical assistance with identification of funds, and resources for skills training for new and incumbent workers; provides federally and state-required training programs; and other support services tailored to meet specific business needs.

Core to 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. In Ohio, funding is allocated to 19 Workforce Investment Boards, delineated as shown below, for the establishment of One-Stops and the delivery of training services. These systems are mandated to serve communities by functioning as the primary public resource for job and career counseling, training,

[1] Congress has extended WIA through 2009 with no changes.

job searching, employment services, and a range of other ancillary services that include child care and transportation.

Ohio's Workforce Investment Areas - August 2004

Source: Office of Workforce Development, Department of Job and Family Services

The Governor's Workforce Policy Board developed a five-year strategic state plan and began implementing WIA July 1, 2000. When those plans expired in 2005, the Department of Labor (DOL) required a two-year state plan that will expire June 30, 2007. Another two-year plan is required to be in place July 1, 2007. However, DOL is permitting a 90-day extension of current plans in states with newly elected governors. Ohio is requesting a 90-day extension and with that extension, the submission of the new plan will be due July 1, 2007, with a commencement date of October 1, 2007.

There are currently 30 comprehensive, full-service One-Stops with 60 affiliate sites. There is a Level 1 or 2 site in every county. Either site can be housed in any number of facilities such as the county department of job and family services, the county workforce development agency, a community college, a community action organization, a joint vocational school, or a stand-alone One-Stop.

Level 2 One-Stops are the full service, comprehensive, integrated employment and training sites required by WIA. This includes full partner participation in resources (services and staff), which includes core and intensive services and may also include training services. All Level 2 partners are required to participate in cost sharing of operational costs. These resources and cost sharing are captured in an area-wide Memorandum of Understanding (MOU) between the chief local elected officials, the workforce investment board, the One-Stop operator, and the partners. Level 2 sites in Ohio will have a fully functional resource room, training rooms, computer labs, updated technology, job search/upgrade resource materials, meeting/interview rooms, and other employment related amenities. A number of Level 2 sites also include a youth resource room.

Level 1 One-Stops must be affiliated within each One-Stop system with a Level 2 site. In many One-Stop systems there are multiple Level 1 sites associated with a Level 2 site. The minimum (Ohio) requirement for a Level One site is the participation of three or more distinct partners providing, at a minimum, core services. These partners also enter into an MOU outlining resource and cost sharing commitments. All Level 1 sites must have a fully functional resource room. Many of the Level 1 sites provide far more than the minimum services and commitments noted above.

Both sites must have Americans with Disabilities Act (ADA) access and accessible technology.

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series — 1: Workforce Development

Purpose: The Workforce Development program series includes activities to increase the state's workforce by promoting employment services and workforce development activities at the state and local levels.

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

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$358,856	$359,348
		General Revenue Fund Subtotal	**$358,856**	**$359,348**
State Special Revenue Fund				
5DB	600-637	Military Injury Grants	$2,000,000	$2,000,000
		State Special Revenue Fund Subtotal	**$2,000,000**	**$2,000,000**
General Services Fund				
613	600-645	Training Activities	$135,000	$135,000
		General Services Fund Subtotal	**$135,000**	**$135,000**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$38,634,744	$40,219,664
3V4	600-678	Federal Unemployment Programs	$1,486,297	$1,554,026
3V0	600-688	Workforce Investment Act	$226,400,599	$226,652,774
		Federal Special Revenue Fund Subtotal	**$266,521,640**	**$268,426,464**
Total Funding: Workforce Development			**$269,015,496**	**$270,920,812**

Note: Some line items are used to fund other program series, so the amount shown in this table and those throughout this program series may not reflect the total appropriation.

This analysis focuses on the following specific programs within the Workforce Development program series:

- ***Program 1.01: Workforce Investment Act***
- ***Program 1.02: Employment Services***
- ***Program 1.03: Veterans Services***
- ***Program 1.04: Tax Credit***
- ***Program 1.05: Labor Market Information***
- ***Program 1.06: One-Stop Services***
- ***Program 1.07: Workforce Program Management***
- ***Program 1.08: Workforce Information Technology***

Program 1.01: Workforce Investment Act

Program Description: This program includes services such as WIA and related programs, the One-Stop system support, Ohio State Apprenticeship Council, Rapid Response program, and Grants and Audit Resolution. The program is intended to support employment and training activities, including worker training and retraining, occupational and vocational testing and counseling services, and employment readiness activities. Support activities such as grant processing, auditing, and technical assistance to local programs and local workforce policy boards are also included in this program.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund the Workforce Investment Act and related programs, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$8,856	$9,348
		General Revenue Fund Subtotal	**$8,856**	**$9,348**
General Services Fund				
613	600-645	Training Activities	$135,000	$135,000
		General Services Fund Subtotal	**$135,000**	**$135,000**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$1,559,145	$1,635,664
3V0	600-688	Workforce Investment Act	$218,775,741	$218,856,178
		Federal Special Revenue Fund Subtotal	**$220,334,886**	**$220,491,842**
Total Funding: Workforce Investment Act Worker Training			**$220,478,742**	**$220,636,190**

Implication of Executive Recommendation: The executive recommendation will allow for the provision of services under the Workforce Investment Act and other related programs to between 36,000 and 46,000 adult, youth, and dislocated workers in each fiscal year. The recommended funding level will also allow over 17,000 Ohioans to participate in registered apprenticeship employment and training.

Temporary Law Provision

Workforce Development Grant Agreement (Section 309.70.20 of the bill). H.B. 119, As Introduced, permits the Director of Job and Family Services to use funds from appropriation item 600-688, Workforce Investment Act (Federal Special Revenue Fund 3V0), to support workforce development activities included in grant agreements with local workforce development areas.

Fiscal Effect: Section 5101.20 of the Revised Code permits the Director to enter into grant agreements with local areas for workforce development activities. This provision specifies the appropriation item that may be used to support funding for those agreements.

Ohio State Apprenticeship Council (Section 309.70.20 of the bill). H.B. 119, As Introduced, permits the use of up to $1.9 million in fiscal year (FY) 2008 and up to $2.2 million in FY 2009 of appropriation item 600-688, Workforce Investment Act (Federal Special Revenue Fund 3V0), to support the activities of the Ohio State Apprenticeship Council.

Fiscal Effect: The Ohio State Apprenticeship Council has the statutory authority to establish minimum standards for apprenticeship programs and may formulate policies and issue rules as necessary to carry out its function. This earmark will fully fund the operations of the Council for the next two fiscal years.

Currently over 16,000 Ohioans are registered apprentices in about 200 different occupations. Approximately 9,500 Ohio employers use the registered apprenticeship training method to create highly skilled workers who, upon completion, receive nationally recognized credentials. Ohio's apprentices currently earn over $600 million in family sustainable wages, of which $115 million is returned in taxes.

Numbers of apprentices will increase, providing additional tax revenue for Ohio. In addition to taxes paid, the salaries paid to apprentices are re-invested in Ohio in the form of housing, food, utilities, entertainment, and other life expenses. The average earnings of an apprentice who has completed two years of a four-year term is $40,000 per year.

Youth Employment Programs (Section 309.70.20 of the bill). H.B. 119, As Introduced, requires that $6.0 million of appropriation item 600-688, Workforce Investment Act (Federal Special Revenue Fund 3V0), over the biennium be used for competitive grants to eight major urban centers and four other locations, at least two of which are rural, to provide strategies and programs that meet the needs of at-risk youth. The programs must target youth who have disengaged from the education system and youthful offenders who will be returning to their communities.

Eligible grant applications include governmental units, workforce investment boards, and not-for-profit and for-profit entities. Grant funds may be used for youth wages and benefits, supervisory costs, training and support costs, and infrastructure expenses. Grant funds may not be used for construction or renovation of facilities.

Fiscal Effect: The strategies and programs provided under this grant may reduce the incidences of crime committed among the targeted youth, thereby reducing costs in the criminal justice system.

Permanent Law Provision

There are no permanent law provisions affecting this program.

Program 1.02: Employment Services

Program Description: The Employment Services program encompasses activities related to the Wagner-Peyser Act of 1933, as amended by the Workforce Investment Act of 1998, which made Employment Services part of the One-Stop delivery network. Other services included in the Employment Services program are the Migrant Seasonal Farm Worker program and the Foreign Labor Certification program.

As part of the One-Stop service delivery system, Employment Services encompasses a variety of employment related labor exchange services including job search assistance, job referral, and placement assistance for job seekers, re-employment services to unemployment insurance claimants, and recruitment services to employers with job openings.

The goals of the Migrant Seasonal Farm Worker program are to ensure that these workers are provided with appropriate information concerning employment, housing, and other available benefits; that the housing meets appropriate standards; and that agricultural growers receive the necessary information to facilitate obtaining the seasonal workers they need.

Foreign Labor Certification programs are designed to ensure that the admission of foreign workers into the U.S. on a permanent or temporary basis will not adversely affect job opportunities, wages, and working conditions of U.S. workers.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund the Employment Services program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
331	600-686	Federal Operating	$1,854,683	$1,950,882
3V0	600-688	Workforce Investment Act	$652,772	$683,549
Total Funding:	**Employment Services**		**$2,507,455**	**$2,634,431**

Implication of Executive Recommendation: The executive recommendation will allow for the delivery of Labor Exchange services provided under the Employment Services program to over 800,000 customers and refer over 300,000 individuals to job openings. The recommended funding level will also allow for continuation and expansion of web-based employment services.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 1.03: Veterans Services

Program Description: As authorized by the Jobs for Veteran's Act of 2002, the Veterans Services program includes the subprograms Local Veterans Employment Representative (LVER) and Disabled Veteran Outreach Program Specialist (DVOP). The LVER ensures that veterans are provided the range of labor exchange services needed to meet their employment and training needs. The DVOP facilitates labor exchange services for those with special employment and training needs. The primary focus is for those veterans who are unable to obtain employment through core services.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund the Veterans Services program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund				
5DB	600-637	Military Injury Grants	$2,000,000	$2,000,000
Federal Special Revenue Fund				
331	600-686	Federal Operating	$677,872	$705,121
Total Funding:	**Veterans Services**		**$2,677,872**	**$2,705,121**

Implication of Executive Recommendation: The executive recommendation will allow for the provision of employment and training services to unemployed, disabled, combat, and other eligible veterans and refer over 14,500 to job openings.

The recommended funding will also be used to provide grants to individuals injured while in active service as a member of the armed forces of the United States while serving under operation Iraqi Freedom or Operation Enduring Freedom, and individuals diagnosed with post-traumatic stress disorder as a result of such service. The state income tax check-off began in 2006. Currently, the fund has $754,999 (includes tax check-offs and private donations). The Office of Budget and Management is required to transfer 1% of the Jobs for Veterans Act grant in each fiscal year to Fund 5DB. The application period for the grant will begin July 1, 2007, and the grant amount is expected to be $500 per person per year. (See Temporary and Permanent Law Provisions – Military Injury Relief.)

Temporary and Permanent Law Provisions

Military Injury Relief (R.C. 5101.98 and Section 309.70.10 of the bill). Under current law, the military injury relief fund consists of contributions made directly to it and money designated by taxpayers who have elected to donate a portion of their income tax refund to the fund. The Director of Job and Family Services grants money in the fund to individuals injured while in active service as a member of the armed forces of the United States while serving under Operation Iraqi Freedom or Operation Enduring Freedom.

H.B. 119, As Introduced, authorizes incentive grants that are allowed by the federal Jobs for Veterans Act, 116 Stat. 2033 (2002), to also be contributed to the fund. The bill specifies that an individual diagnosed with post-traumatic stress disorder, who has served in Operation Iraqi Freedom or Operation Enduring Freedom, will be eligible for a grant from the fund. The bill prohibits a person from appealing, under Administrative Procedures Act, or section 5101.35 of the Revised Code, any grant decision made by the Director of Job and Family Services, and instead authorizes the director to adopt rules establishing the process for appealing eligibility determinations for these grants.

Additionally, the bill requires the Director of Job and Family Services to certify to the Director of Budget and Management the total amount of incentive grants deposited into Fund 331, Federal Operating (Federal Special Revenue), on behalf of state and county employees and other individuals, entities, and persons with exemplary service to veterans under an approved employment service delivery program defined in the Jobs for Veterans Act. The Director of Budget and Management is to transfer cash equal to the amount certified by the Director of ODJFS from Fund 331 to State Special Revenue Fund (Fund 5DB), Military Injury Grants.

Fiscal Effect: The transfer for federal fiscal year will be between $0 and $66,600. The source of the money is the 1% set-aside of the Jobs for Veterans Act grant, which by law, is to be used for incentive awards to recognize eligible employees for excellence in the provision of services to veterans or for having made demonstrable improvements in the provision of such services. In accordance with the approved Jobs for Veterans Act state plan, the individual selected for an award can choose to donate it to the Military Injury Relief Fund or another charity of their choosing. (See "Implication of Executive Recommendation" above for more information on the grant program.)

Program 1.04: Tax Credit

Program Description: The Tax Credit program provides tax incentives to Ohio employers who hire from targeted groups of job seekers with consistently high unemployment rates, giving the employer a tax credit against their federal tax liability and supplying employment to disadvantaged job seekers in one of ten targeted groups, including TANF or food stamp recipients, veterans, and ex-felons. In federal fiscal year (FFY) 2006 the Tax Credit program reduced the federal tax liability of Ohio employers by $210.8 million while helping 25,338 Ohioans with barriers to employment find work opportunities.

The Ohio Training Tax Credit (OTTC), created by Am. Sub. H.B. 283 of the 123rd General Assembly, offers tax incentives to employers who provide training to current employees at risk of being displaced because of skill deficiencies or the inability to use new technologies, or to provide job skills to eligible employees that enable them to perform other job duties for the employer. Since its creation, this tax credit was extended in subsequent legislation. Most recently, H.B. 699 of the 126th General Assembly extended the tax credit until December 31, 2007.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund the Tax Credit program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
331	600-686	Federal Operating	$287,681	$301,178
3V0	600-688	Workforce Investment Act	$402,203	$421,072
Total Funding: Tax Credit			**$689,884**	**$722,250**

Implication of Executive Recommendation: The executive recommendation will allow the Work Opportunity Tax Credit and Welfare to Work Tax Credit programs to process over 50,000 applications from over 1,400 employers.

The executive's budget proposal includes in its revenue estimates extension of the Ohio training tax credit through the first half of FY 2008.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 1.05: Labor Market Information

Program Description: The Labor Market Information Office collects and analyzes information about Ohio's industry, labor force, and economy. The focus of the Office is on serving business initiatives and planning needs to support workforce and economic development activities and decisions. The Office prepares reports on employment levels, unemployment levels, wages and earnings, employment outlook by industry and occupation, and other economic and industry-specific data.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund the Labor Market Information program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
331	600-686	Federal Operating	$4,322,823	$4,518,696
3V4	600-678	Federal Unemployment Programs	$215,572	$225,340
Total Funding: Labor Market Information			**$4,538,395**	**$4,744,036**

Implication of Executive Recommendation: The executive recommendation will fund the development and access to workforce statistics about Ohio and its communities, with an emphasis on information delivery via the Internet.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 1.06: One-Stop Services

Program Description: One-Stop services are the focal point for direct delivery of Local Operations services to the public and to Ohio employers. Included in the services delivered are: unemployment compensation, re-employment services, employment services and Workforce Investment Act, Veterans services, Labor Market Information, and the Trade Readjustment Act.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund the One-Stop Services program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
331	600-686	Federal Operating	$23,885,983	$24,975,492
3V0	600-688	Workforce Investment Act	$106,103	$110,940
3V4	600-678	Federal Unemployment Programs	$1,270,725	$1,328,686
Total Funding: One-Stop Services			**$25,262,811**	**$26,415,118**

Implication of Executive Recommendation: The executive recommendation will support the operation of 30 full service One-Stops and 60 satellite offices throughout the state.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 1.07: Workforce Program Management

Program Description: Workforce Program Management administers grants primarily from the United States Department of Labor. The Office of Workforce Development is the infrastructure which supports all internal operations and external stakeholder relations. The Office supports and facilitates the public workforce system to help job seekers find jobs and employers find job seekers.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund Workforce Program Management, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$350,000	$350,000
		General Revenue Fund Subtotal	**$350,000**	**$350,000**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$798,168	$828,728
3V0	600-688	Workforce Investment Act	$1,231,683	$1,286,839
		Federal Special Revenue Fund Subtotal	**$2,029,851**	**$2,115,567**
Total Funding: Workforce Program Management			**$2,379,851**	**$2,465,567**

Implication of Executive Recommendation: The executive recommendation will allow for the administration of 40 to 50 federal grants from the U.S. Department of Labor totaling over $400 million per year.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 1.08: Workforce Information Technology

Program Description: The Workforce Information Technology program contains the information system, which unifies numerous training, education, and employment programs and enables the seamless delivery of services to job seekers and employers. It integrates WIA case management and Wagner-Peyser re-employment services through interfaces with dozens of unique workforce programs.

Funding Sources and Line Items: The following table shows the appropriation items that are used to fund Workforce Information Technology, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
331	600-686	Federal Operating	$5,248,389	$5,303,903
3V0	600-688	Workforce Investment Act	$5,232,097	$5,294,196
Total Funding: Workforce Information Technology			**$10,480,486**	**$10,598,099**

Implication of Executive Recommendation: The executive recommendation will support the information technology initiatives of workforce development that provide case management, service integration, and job matching tools used by job seekers and employers.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

REQUESTS NOT FUNDED

This section describes requests not funded in the executive budget and the effects on the Department's activities and spending decisions during the next biennium.

Workforce Development Program Management						
Fund Line Item	**FY 2008 Requested**	**FY 2008 Recommended**	**Difference**	**FY 2009 Requested**	**FY 2009 Recommended**	**Difference**
GRF 600-321	$583,836	$350,000	($233,836)	$606,933	$350,000	($256,933)

The executive recommendation included $233,836 less in FY 2008 and $256,933 less in FY 2009 in General Revenue Fund appropriations for Workforce Development Program Management than was requested. The Office of Workforce Development will carry out its expected operations with the recommended funding level of general revenue funds along with over $2.0 million in federal funds each year.

FAMILY STABILITY

OVERVIEW

The Office of Family Stability (OFS) develops and administers programs and services designed to support low-income Ohioans and families as they are seeking to better their lives and become self-sufficient. Many of the programs administered by OFS are entitlement programs, which means that if an individual or family meets specific eligibility requirements, they are assured of receiving services. Expenditures in the programs are in some cases driven by the economy (e.g., the Food Stamp program), and in other cases driven by social policy changes that have occurred in the last several years (e.g., the Ohio Works First program). The principal programs administered by OFS include the Ohio Works First (OWF) program, the Prevention, Retention, and Contingency (PRC) program, the Food Stamp program, the Electronic Benefits Transfer (EBT) program, and the Disability Financial Assistance (DFA) program.

Welfare Reform

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 for 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. The Deficit Reduction Act (DRA) of 2005 reauthorized the TANF program through 2010 and made some changes to the program (described later in this section).

The four purposes of TANF are:

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

Ohio Works First

Ohio's TANF program, the 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 to care for those children in their own homes, and to eliminate the barriers to work that lead to reliance on government assistance. The 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.

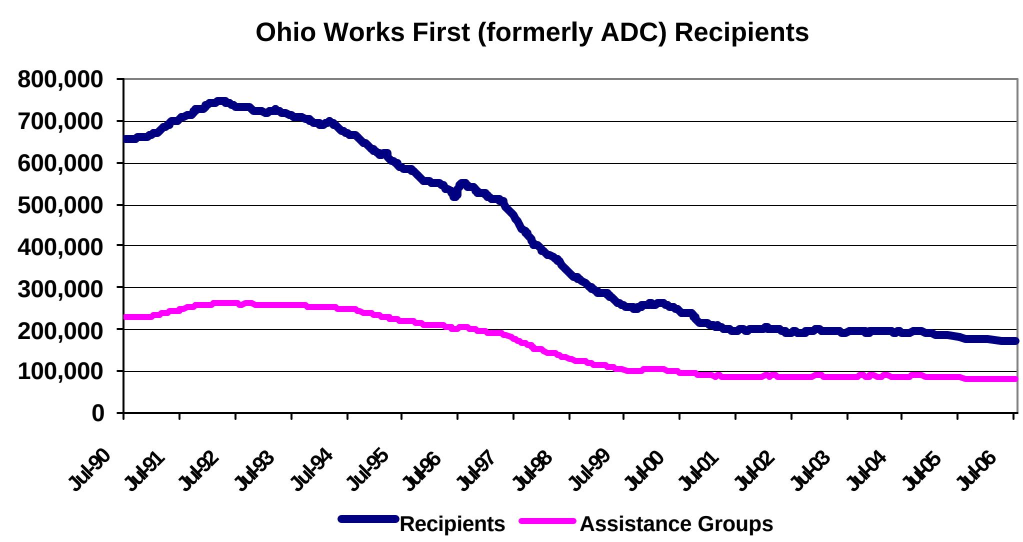
Among the reforms implemented by H.B. 408 are stricter work requirements, an expansion of the earned income disregard, and lifetime limits on the eligibility to participate. While the federal TANF law provided a lifetime limit to participation of five years, participation in OWF has a limit of 36 months, after which the family remains ineligible for 24 months. Subsequent to this 24-month period, a family may receive benefits for an additional 24 months if, in the view of the county department of job and family services, a good cause or hardship 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 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%, depending on per capita income. In Ohio, this reimbursement averaged approximately 60% 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 eligibility-based entitlement to assistance. The PRWORA requires the parent or 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 24 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.")

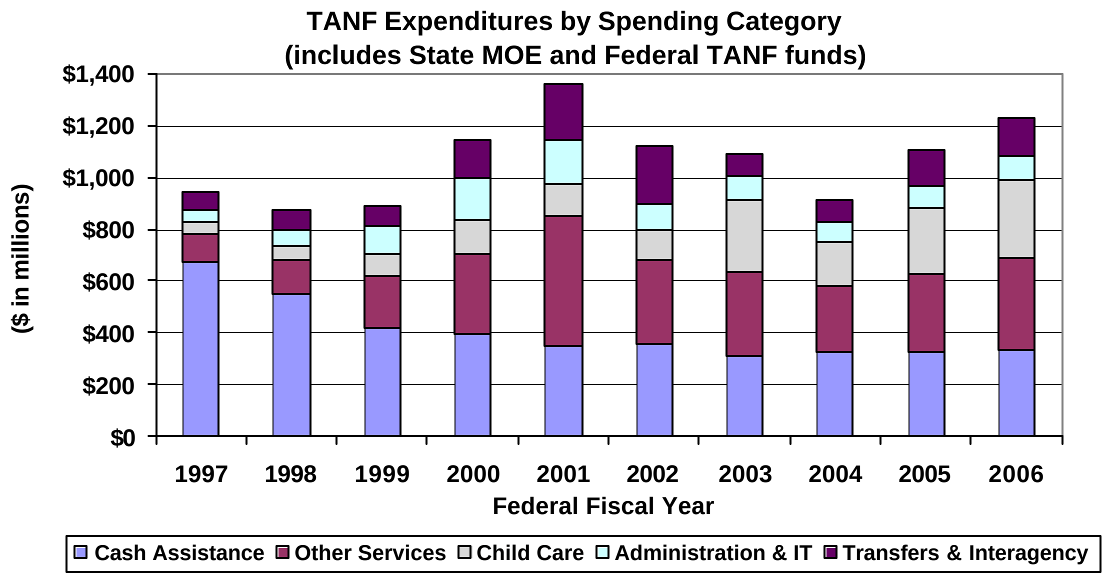
Under the original "entitlement" that was granted to participating states, federal appropriations were provided as a reimbursement for the assistance provided to needy families. If a state experienced an increase in welfare expenditures due to an increase in caseloads or changes in benefit levels, this 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 experienced economic expansion (see graph below).



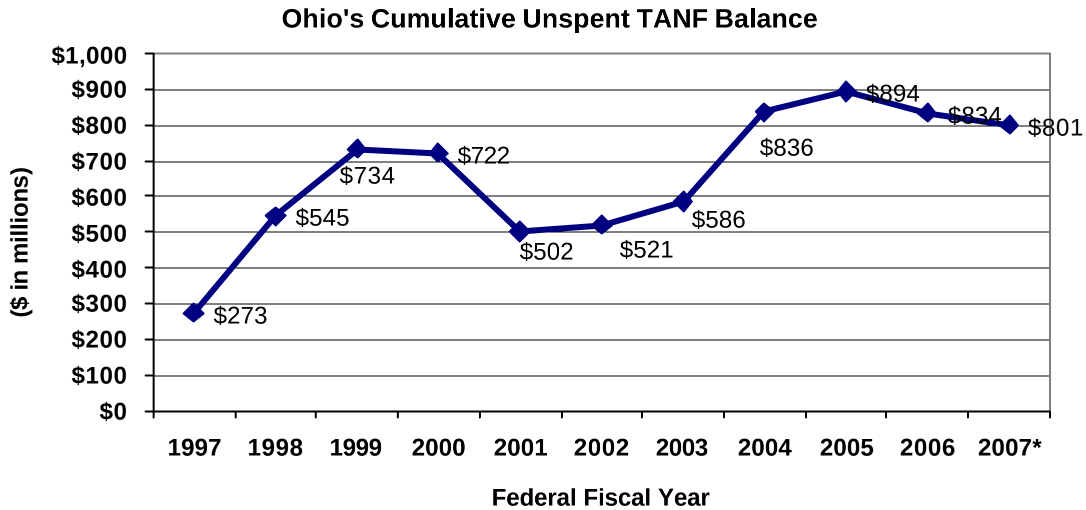
As the economy slackened in the first few years of the 2000s, Ohio's OWF caseload remained fairly stable and has, in the last few, years begun to decline again. As a result, Ohio and most other states have, under the block grant, received more federal money than they would have under the old funding system. The shift away from an open-ended reimbursement to a flat block grant, however, introduces the need for states to manage reserves for future caseload changes, to provide more intensive services to those recipients who remain on the caseload, and who are presumably "harder to serve," and to provide services to those in the workforce who are at risk of needing assistance. The need to develop a program to provide services to those "at risk" led to the creation of Ohio's Prevention, Retention, and Contingency (PRC) program, which is discussed below.

As suggested above, one of the consequences of the block grant funding arrangement is that reductions in recipient caseloads 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 the graph below, non-cash TANF expenditures composed a majority of total TANF spending in Ohio. These other activities include a broad array of services designed to help individuals find and keep jobs, including employment services, child care, transportation, emergency benefits, and other services and benefits. The graph below also shows a decline in spending for FFY 2006.



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]."[2] As of December 31, 2006, Ohio's TANF balance was $801.9 million, with $399.4 million reported as unliquidated obligations, and $402.5 million as the unobligated balance. These figures do not include funds that have been transferred to the Social Services Block Grant and the Child Care Development Fund or planned current year expenditures (i.e., cash assistance payments or early learning initiative costs), but which had not yet been spent as of that date. The unspent balance is held at the federal level and is available to be spent on cash benefits or on other services or activities during the period in which the funds may be obligated.

[2] H.R. 3734, Personal Responsibility and Work Opportunity Reconciliation Act of 1996, sec. 404(e).



* FY 2007 is through December 2006

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 FFY 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% of what it spent in FFY 1994 on the three eliminated programs (approximately $417 million) through FFY 2005. The MOE can be lowered to 75% if the state meets its work participation requirements. Ohio was meeting the participation rate requirements until the end of FFY 2007 and MOE was set at 75%. However, due to the DRA changes, Ohio is experiencing challenges to meeting the work participation requirements for FFY 2008. If the state fails to meet the MOE, its TANF grant for the next federal fiscal year 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 penalty. To ensure that MOE is met during the current fiscal year and for the next biennium, ODJFS has planned for MOE at the 80% level ($416.9 million).

Components of TANF State Maintenance of Effort (MOE)		
	FY 2008 (in millions)	**FY 2009 (in millions)**
Job and Family Services	$362.4	$362.4
Board of Regents	$26.0	$26.0
County Share	$28.5	$28.5
TANF MOE	**$416.9**	**$416.9**

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. While there were discussions about the possibility of changes to the work participation rate, the DRA kept the current work participation rate requirements. However, the DRA recalibrated the caseload reduction credit, with the base year now being federal fiscal year (FFY) 2005. Perhaps most significantly, the DRA directed the U.S. Department of Health and Human Services to regulate and review activities that count toward work and how to count and verify reporting hours and who is work-eligible. The DRA additionally requires states to establish verification procedures and establishes a new federal penalty for failure to comply with the verification process. 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 (including single- and two-parent families), and a separate rate just for two-parent families. The all-family rate is 50% participation and the two-parent family rate is 90% participation. Single parents are required to participate in work activities for at least 30 hours per week. Two-parent families must participate in work activities 35 or 55 hours per week, depending upon circumstances.

The following are the activities that count toward a state's participation rates (some restrictions may apply):

- Unsubsidized or subsidized employment;
- On-the-job training;
- Work experience;
- Community service;
- Job search – not to exceed 6 total weeks and no more than 4 consecutive weeks;
- Vocational training – not to exceed 12 months;
- Job skills training related to work;
- Satisfactory secondary school attendance;
- Providing child care services to individuals who are participating in community service.

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 of the 122nd General Assembly, replacing the Family Emergency Assistance (FEA) program. The objective of the PRC program is to provide a mixture of cash and nonmonetary short-term services that will enable a family to retain or obtain employment and, thereby, stay off of public assistance.

The PRC program 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. PRC provides short-term cash assistance for such things as: shelter, job-required clothing, household necessities like the repair of a furnace or a major appliance, home repair, and transportation. Nonmonetary services include such things as: counseling, employment services, and short-term training.

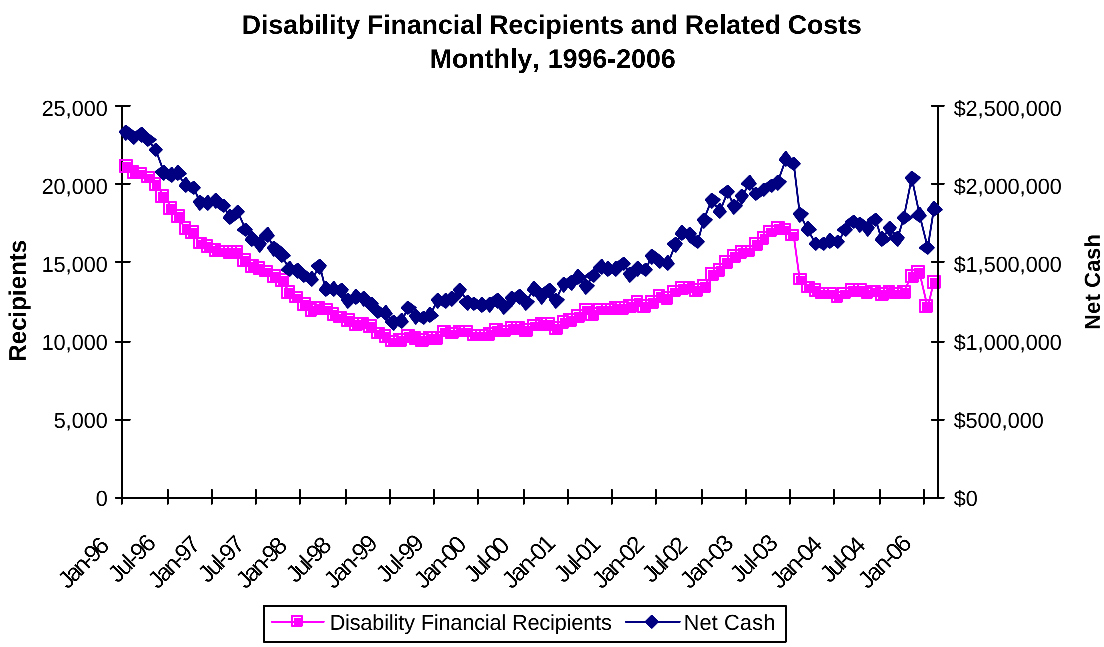
Other Income Maintenance

Food Stamps

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 an electronic benefit transfer system. For administrative activities, the state and federal government split costs 50/50.

Disability Financial Assistance (DFA)

The DFA program provides financial 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). The DFA program thus provides a "safety net" to help needy people meet basic needs and maintain their health. Eligibility criteria for DFA are established by the state. Along with partitioning the Disability Assistance program, Am. Sub. H.B. 95 of the 125th General Assembly also limited participation in the DFA to individuals age 60 and older, and only if they received financial assistance under the program in June 2003. As shown in the graph below, the eligibility restrictions brought a strong increase in program participation to an end.



ANALYSIS OF EXECUTIVE PROPOSAL

Program Series — 2: Family Stability

Purpose: The primary goal of the Family Stability program series is to support low-income Ohioans and families as they are seeking to better their lives and become self-sufficient. Providing support to meet basic needs for these individuals and families assures a floor of support while providing additional support to people to meet their own goals of attaining independence to the best of their ability.

The program series funds activities such as those provided through TANF, food assistance programs, child care funding, the Disability Financial Assistance program, refugee services, and the information technology activities that support these and other programs.

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

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$312,017	$326,260
GRF	600-410	TANF State	$272,619,061	$272,619,061
GRF	600-413	Child Care Match/MOE	$84,120,596	$84,120,596
GRF	600-416	Computer Projects	$11,427,099	$11,770,046
GRF	600-421	Office of Family Stability	$4,864,932	$4,864,932
GRF	600-511	Disability Financial Assistance	$24,028,480	$25,335,908
GRF	600-512	Non-TANF Emergency Assistance	$1,000,000	$1,000,000
GRF	600-521	Family Stability Subsidy	$55,379,842	$55,379,842
		General Revenue Fund Subtotal	**$453,752,027**	**$455,416,645**
General Services Fund				
4A8	600-658	Child Support Collections	$26,680,794	$26,680,794
		General Services Fund Subtotal	**$26,680,794**	**$26,680,794**
State Special Revenue Fund				
5ES	600-630	Food Assistance	$500,000	$500,000
5Z9	600-672	TANF Quality Control Reinvestments	$281,099	$294,652
		State Special Revenue Fund Subtotal	**$781,099**	**$794,652**
Federal Special Revenue Fund				
384	600-610	Food Stamps & State Administration	$147,797,453	$140,172,904
385	600-614	Refugee Services	$10,196,547	$11,057,826
396	600-620	Social Services Block Grant	$8,000,000	$8,000,000
397	600-626	Child Support	$71,160	$71,160
398	600-627	Adoption Maintenance Administration	$74,520	$74,520
3A2	600-641	Emergency Food Distribution	$2,900,000	$3,500,000
3AW	600-675	Faith-Based Initiatives	$1,000,000	$1,000,000
3H7	600-617	Child Care Federal	$199,603,153	$192,159,567
3V0	600-688	Workforce Investment Act	$7,320	$7,320
3V6	600-651	Second Harvest Food Banks	$5,500,000	$5,500,000

Fund	ALI	Title	FY 2008	FY 2009
3V6	600-689	TANF Block Grant	$1,017,558,029	$1,065,605,642
3W3	600-659	TANF/Title XX Transfer	$6,200,000	$6,200,000
		Federal Special Revenue Fund Subtotal	**$1,398,908,182**	**$1,433,348,939**
Agency Fund				
5B6	600-601	Food Stamp Intercept	$2,000,000	$2,000,000
		Agency Fund Subtotal	**$2,000,000**	**$2,000,000**
Total Funding: Family Stability			**$1,882,122,102**	**$1,918,241,030**

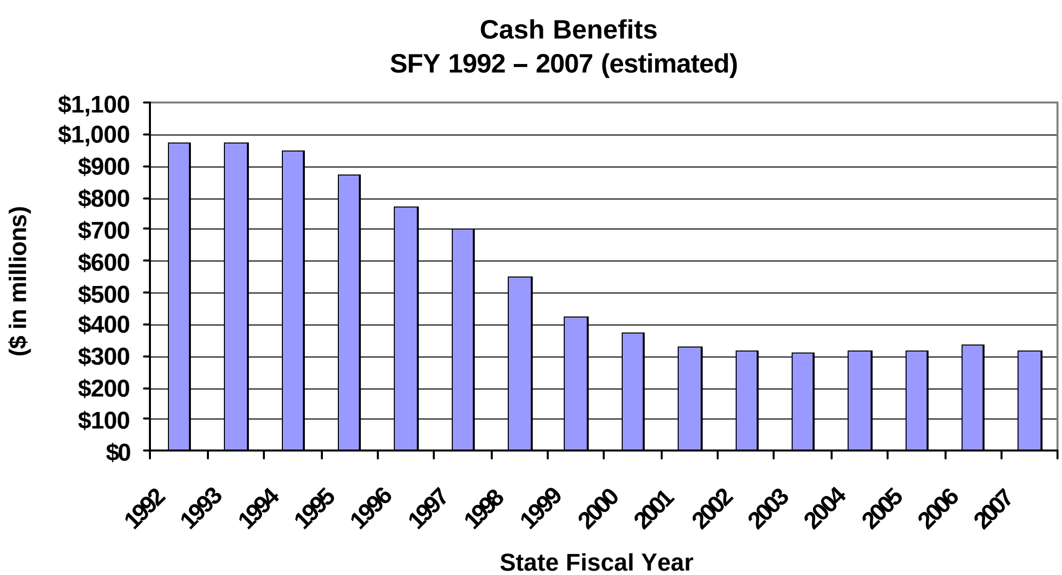
Note: Some line items are used to fund other program series, so the amount shown in this table and those throughout this program series may not reflect the total appropriation.

This analysis focuses on the following specific programs within the Family Stability program series:

- ***Program 2.01: TANF/Ohio Works First Cash Assistance***
- ***Program 2.02: Non-Cash Family Support***
- ***Program 2.03: Disability Financial Assistance***
- ***Program 2.04: Food Stamp and Food Stamp Employment and Training Program***
- ***Program 2.05: Child Care***
- ***Program 2.06: Refugee Services***
- ***Program 2.07: Family Stability Program Management***
- ***Program 2.08: Family Stability Information Technology***

Program 2.01: TANF/Ohio Works First Cash Assistance

Program Description: Ohio Works First (OWF), established by Am. Sub. H.B. 408 of the 122nd General Assembly, is the financial assistance portion of the TANF program and provides time limited cash assistance to eligible families for up to 36 months. After 36 months, county departments of job and family services can approve hardship or good cause extensions for another 24 months. As shown in the graph below, financial assistance expenditures have been steady for the past few fiscal years, after a decline in the 1990s.



The TANF program established a flat block grant to the states. Ohio's annual TANF block grant award of approximately $728 million is based on the amount of federal funds expended in FFY 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% of what it spent in FFY 1994 on the three eliminated programs (approximately $417 million), through FFY 2005. The MOE can be lowered to 75% if the state meets its work participation requirements. Ohio was meeting the participation rate requirements until the end of FFY 2007 and MOE was set at 75%. However, due to the DRA changes, Ohio is experiencing challenges to meeting the work participation requirements for FFY 2008. If the state fails to meet the MOE, its TANF grant for the next federal fiscal year 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 penalty. To ensure that MOE is met during the current fiscal year and for the next biennium, ODJFS has planned for MOE at the 80% level ($416.9 million).[3]

Funding Source and Line Items: The following table shows the line items that are used to fund the TANF/Ohio Works First Cash Assistance program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-410	TANF State	$90,000,000	$90,000,000
GRF	600-421	Office of Family Stability	$899,043	$930,582
		General Revenue Fund Subtotal	**$90,899,043**	**$90,930,582**
State Special Revenue Fund				
5Z9	600-672	TANF Quality Control Reinvestments	$281,099	$0
		State Special Revenue Fund Subtotal	**$281,099**	**$0**
Federal Special Revenue Fund				
385	600-614	Refugee Services	$9,896	$9,716
3V6	600-689	TANF Block Grant	$242,123,592	$257,669,002
		Federal Special Revenue Fund Subtotal	**$242,133,488**	**$257,678,718**
Total Funding: TANF/Ohio Works First Cash Assistance			**$333,313,630**	**$348,609,300**

Implication of Executive Recommendation: The executive recommendation for the cash assistance program anticipates approximately 80,000 recipients in each fiscal year and will fund a 3% cost-of-living adjustment for cash benefits level beginning January 1, 2009. For a family of three receiving a monthly cash assistance benefit of $410, as of January 1, 2009, the benefit will be $422.30, an increase of $12.30 per month.

According to the executive's TANF spending plan, the total unspent TANF funds remaining at the end of FY 2009 will be approximately $110.1 million.

Additionally, the Department plans to move forward with a system to disburse cash benefit payments for the OWF, Disability Financial Assistance, and refugee cash assistance via an on-line magnetic stripe technology.

[3] The state meets its MOE requirement from spending at the state and local level. The counties contribute about $28.5 million toward MOE; the remaining MOE is met through allowable expenditures made by the Department of Job and Family Services and the Board of Regents.

Temporary Law Provisions

There are no temporary law provisions affecting this program.

Permanent Law Provisions

OWF Work Requirements (R.C. 5107.40, 176.05, 2951.02, 3317.14, 3319.089, 4115.04, 4117.01, 4723.651, 5101.54, 5101.97, 5104.30, 5107.05, 5107.10, 5107.14, 5107.16, 5107.161, 5107.162, 5107.17, 5107.30, 5107.40 (repealed), 5107.40 (new), 5107.41, 5107.42, 5107.43 (repealed), 5107.44 (5107.60), 5107.45, 5107.50 (repealed), 5107.52 (5107.46), 5107.52 (new), 5107.54 (5107.58), 5107.541 (5107.47), 5107.58 (repealed), 5107.60 (repealed), 5107.61 (5107.48), 5107.62 (repealed), 5107.64 (repealed), 5107.65 (5107.50), 5107.66 (5107.44), 5107.67 (5107.54), 5107.68 (5107.56), 5107.69 (5107.61), 5107.70, and 5111.01). H.B. 119, As Introduced, revises the law governing the Ohio Works First program's work requirements as follows:

- Eliminates the provisions of current law regarding work activities, developmental activities, and alternative work activities, including provisions regarding the number of hours individuals may participate in the activities;
- Requires the Director of Job and Family Services to establish work participation activities in rules;
- Requires the Director to adopt rules governing county departments of job and family services' assigning work-eligible individuals to work participation activities;
- Conditions a work-eligible individual being assigned to a work participation activity under which the individual volunteers at or works in a school in which the individual's child is enrolled or a work participation activity under which the individual serves as an Ohio Works First ombudsperson on the rules that establish the work participation activities permitting such service to be performed under the activities;
- Eliminates a requirement for state and local agencies to cooperate with county departments to the maximum extent possible in the implementation of Ohio Works First's work requirements;
- Requires that county departments meet the federal minimum work participation rates rather than exceed, on a statewide average basis, the rates by not less than five percentage points; and
- Requires the Department of Job and Family Services to ensure that county departments require work-eligible individuals to participate in work participation activities regardless of whether the United States Secretary of Health and Human Services informs the Department that implementation of state law governing Ohio Works First's work requirements jeopardizes federal funding.

Fiscal Effect: This provision should have no fiscal effect on the OWF program. In order to implement the federal regulations that were formulated as a result of the Deficit Reduction Act, ODJFS received authorization in Am. Sub. S.B. 238 of the 126th General Assembly to adopt rules in conflict with state law to bring the state into compliance with the federal law. The OWF program has been operating under the new rules since October 2006. The provisions described above will bring the state statutes into compliance as well.

While the provision described above includes the authority for ODJFS to establish work participation activities in rule, which could impact caseload and cost if the Department were to make changes to those activities, the Department has stated its intention to preserve the original intent of the Ohio Works First program (getting people to work).

Non-Recipient Parents Who are Work-Eligible Individuals (R.C. 5107.02, 176.05, 2951.02, 4115.04, 4117.01, 5104.30, 5107.05, 5107.10, 5107.14, 5107.16, 5107.161, 5107.162, 5107.17, 5107.41, 5107.42, 5107.541 (5107.47), 5107.61 (5107.48), 5107.65 (5107.50), 5107.67 (5107.54), 5107.68 (5107.56), 5107.69 (5107.61), and 5107.70). H.B. 119, As Introduced, implements a federal requirement that non-recipient parents considered to be work-eligible individuals participate in work participation activities and requires the non-recipient parents to enter into a self-sufficiency contract with a county department of job and family services.

The bill stipulates that Ohio Works First's sanctions apply when a non-parent recipient considered to be a work-eligible individual violates, without good cause, a provision of a self-sufficiency contract.

Additionally, the bill permits a county department to conduct assessments of a non-recipient parent considered to be a work-eligible individual to determine whether the parent is in need of other assistance or services provided by the county department or another private or government entity.

Fiscal Effect: This provision may have a minimal effect on the caseload and cost of the OWF program. A "non-recipient work-eligible parent" is a person who in not part of an assistance group but lives in the home and is required to engage in work activities in order for the assistance group to continue receiving the cash benefit. As of January 31, 2007, Ohio has 110 non-recipient work-eligible parents. If every one of these individuals chose not to engage in work activities resulting in a sanction for every assistance group associated with that individual, then the monthly caseload would decrease by 110 and a corresponding decrease in the amount of cash assistance paid out would be, at most, $45,100 monthly (if all assistance groups were families of three).

Ohio Works First Waiver (R.C. 5107.01). H.B. 119, As Introduced, eliminates law stipulating that the General Assembly recognizes some provisions of the Ohio Works First program operated pursuant to federal waivers are inconsistent with federal law governing the Temporary Assistance for Needy Families block grant but that it is the General Assembly's intent to rely on federal waivers.

Fiscal Effect: Other changes in the bill that bring the state statute in line with federal law renders the section of law being eliminated unnecessary.

Ohio Works First Application (R.C. 5107.05). H.B. 119, As Introduced, eliminates a requirement that an Ohio Works First application include, if there are at least two telephone numbers available for contacting members of an assistance group, at least those two telephone numbers.

Fiscal Effect: This provision has no fiscal effect on the OWF program.

Income Eligibility Limit (R.C. 5107.10). H.B. 119, As Introduced, provides that the first step in determining whether an assistance group meets the income eligibility requirements for the Ohio Works First program is to determine whether the assistance group's gross income, less certain disregards, exceeds 50% of the federal poverty guidelines (FPG) rather than the higher of 50% of the guidelines and the gross income maximum for initial eligibility as in effect on September 28, 2005.

Fiscal Effect: This provision will have no fiscal effect on the OWF program. At the time the income threshold being changed by the bill was put in place, the gross income maximum for initial eligibility as in effect on September 28, 2005, was greater than 50% for some of the assistance groups. Over time, 50% of the federal poverty guidelines became the greater of the two so the gross income maximum for initial eligibility as in effect on September 28, 2005, became irrelevant.

Delays of Eligibility Determinations (R.C. 5107.12). H.B. 119, As Introduced, prohibits a county department of job and family services from delaying an eligibility determination for Ohio Works First on the basis that a self-sufficiency contract has not been completed.

Fiscal Effect: To the extent that a county is currently delaying an eligibility determination for the reason described above, this provision, by prohibiting a delay, may accelerate the receipt of benefits for someone who was otherwise waiting.

Ohio Works First Sanctions (R.C. 5107.16). H.B. 119, As Introduced, provides for an Ohio Works First sanction to last one month, three months, or six months (depending on the number of previous violations) rather than the longer of that period of time or when the violation ceases.

The bill requires the Director of Job and Family Services to establish standards for the determination of good cause for a violation of a self-sufficiency contract rather than having each county department of job and family services establish such standards.

Additionally, the bill eliminates a requirement that good cause for a violation regarding work requirements include specific statutorily prescribed situations, such as a county department's failure to place an individual in an activity.

Fiscal Effect: This provision will make for consistent sanctions and standards across all counties.

LEAP (Learning, Earning, and Parenting) Program (R.C. 5107.30, 5107.02, 5107.14, 5107.281, 5107.41, and 5107.42). H.B. 119, As Introduced, stipulates that a minor head of household's participation in the LEAP program counts in determining whether a county department of job and family services is complying with requirements regarding work participation rates.

The bill exempts a minor head of household participating in the LEAP program from the requirement to enter into a self-sufficiency contract and prohibits a self-sufficiency contract from including provisions regarding the LEAP program.

Additionally, the bill provides that a county department is not to appraise a minor head of household participating in the LEAP program for the purpose of work participation activities or assign such a minor head of household to a work participation activity.

Fiscal Effect: This provision will not have a fiscal effect on the LEAP program or on the state's participation rate. Under current law, LEAP participants are already counted in the state's participation rate. With the repeal of certain specifics in the statutes regarding allowable work activities, the law governing LEAP needed to be modified as described above to include those specifics that are cross referenced in current law.

Fugitive Felons and Probation Violators (R.C. 5107.36). H.B. 119, As Introduced, provides that a fugitive felon and an individual violating a condition of probation, a community control sanction, parole, or a post-release control sanction is ineligible for assistance under Ohio Works First rather than ineligible to participate in Ohio Works First.

Fiscal Effect: This provision provides that the person described above, who is ineligible for assistance, may still be considered a program "participant" as a non-recipient work-eligible parent and, therefore, is subject to the work requirement.

Ohio Works First Cash Assistance Payments (R.C. 5107.03, 5107.04, and 5107.05). H.B. 119, As Introduced, requires that the maximum amount of cash assistance an assistance group may receive under the Ohio Works First program be increased on January 1, 2009, and the first day of each January thereafter by the cost-of-living adjustment (COLA) made for Social Security benefits.

Fiscal Effect: The costs of increasing the benefit by the cost-of-living adjustments (COLA) made for Social Security benefits is estimated to cost $4,631,755 for the last six months of FY 2009. This estimate was based on the assumption that the COLA will be 3%. Since this provision requires an increase in the benefit every year thereafter, it will have the affect of increasing costs for OWF in years beyond FY 2009.

Program 2.02: Non-Cash Family Support

Program Description: The goal of the Non-Cash Family Support program is to help low-income families overcome short term, nonrecurrent urgent problems that might otherwise cause them to need cash assistance, and help families on OWF overcome barriers to self-sufficiency. Among other activities, the TANF Non-Cash program includes the Prevention, Retention, and Contingency (PRC) program, Help Me Grow, and Disaster Relief Assistance, and funds the Early Learning Initiative, a replacement for state-funded Head Start and the Head Start Plus program.

Funding Source and Line Items: The following table shows the line items that are used to fund the Non-Cash Family Support program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$312,017	$326,260
GRF	600-410	TANF State	$80,000,000	$80,000,000
GRF	600-512	Non-TANF Emergency Assistance	$1,000,000	$1,000,000
		General Revenue Fund Subtotal	**$81,312,017**	**$81,326,260**
General Services Fund				
4A8	600-658	Child Support Collections	$26,680,794	$26,680,794
		General Services Fund Subtotal	**$26,680,794**	**$26,680,794**
State Special Revenue Fund				
5ES	600-630	Food Assistance	$500,000	$500,000
5Z9	600-672	TANF Quality Control Reinvestments	$0	$294,652
		State Special Revenue Fund Subtotal	**$500,000**	**$794,652**
Federal Special Revenue Fund				
3AW	600-675	Faith-Based Initiatives	$1,000,000	$1,000,000
3V6	600-689	TANF Block Grant	$411,103,328	$359,229,342
		Federal Special Revenue Fund Subtotal	**$412,103,328**	**$360,229,342**
Total Funding: Non-Cash Family Support			**$520,596,139**	**$469,031,048**

Implication of Executive Recommendation: The executive recommendation for the Non-Cash Family Support program will support an estimated 500,000 Ohioans receiving PRC services. This program will also support TANF earmarks for the Kinship Permanency Incentive program (up to $10.0 million each year), Ohio Alliance of Boys and Girls Clubs (up to $600,000 each year), Children's Hunger Alliance (up to $500,000 each year), School Readiness Enrichment (up to $6.5 million each year), Ohio network of food banks (up to $1.5 million each year), projects offered through the Governor's Office of Faith-Based Initiatives (up to $13.0 million each year), Adoption Promotion (up to $5 million each year), Independent Living Initiatives (up to $2.5 million each year), Closing the Achievement Gap (up to $10.0 million each year), and Home Energy Assistance ($45 million in FY 2008 and $15 million in FY 2009).

Temporary Law Provisions

Governor's Office of Faith-Based Initiatives (Section 309.20.10 of the bill). H.B. 119, As Introduced, permits the use of up to $312,500 per fiscal year of GRF appropriation item 600-321, Support Services, to support the activities of the Governor's Office of Faith-Based and Community Initiatives.

Child Support Collections/TANF MOE (Section 309.40.33 of the bill). H.B. 119, As Introduced, requires that appropriation item 600-658, Child Support Collections, be used by ODJFS to meet the TANF maintenance of effort (MOE) requirements of Pub. L. No. 104-193. Once the state is assured that it will meet the MOE requirements, ODJFS may use the funds from appropriation item 600-658, Child Support Collections, to support child support activities.

Fiscal Effect: An obligee who is receiving cash assistance is required to assign to ODJFS any child support payments the person receives to cover part of their cash award. This provision requires ODJFS to use those funds received in child support collections toward the TANF MOE and once the MOE is met, this provision allows ODJFS to use the remaining funds for other child support activities.

TANF Initiatives (Sections 309.40.40 and 309.40.50 of the bill). H.B. 119, As Introduced, requires the Department of Job and Family Services, in accordance with state law, to take the steps necessary, through interagency agreement, adoption of rules, or otherwise as determined by the Department, to implement and administer the TANF programs described below.

- ***Kinship Permanency Incentive Program (part in R.C. 5101.802).*** The bill requires that up to $10 million per fiscal year of appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), be used to support the activities of the Kinship Permanency Incentive program.

  The Department of Job and Family Services must prepare reports concerning both of the following:

  (A) Stability and permanency outcomes for children for whom incentive payments are made under the Kinship Permanency Incentive program;

  (B) The total amount of payments made under the program, patterns of expenditures made per child under the program, and cost savings realized through the program from placement with kinship caregivers rather than other out-of-home placements.

  The Department must submit a report to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate not later than December 31, 2008, and December 31, 2010.

  The bill increases to 300% (from 200%) of the federal poverty guidelines the eligibility limit for participation in the Kinship Permanency Incentive program, removes a special needs determination requirement, and makes changes to eligibility as determined by custody or guardianship status and provides that the changes do not affect persons already determined eligible.

The bill states that amendments made by the bill to the law governing eligibility for the program do not affect the eligibility of any kinship caregiver whose eligibility was established before the effective date of the bill.

Fiscal Effect: During the first twelve months of the Kinship Permanency Incentive program (January 1, 2006 to December 31, 2006), 2,391 applications were received. Of those received, 1,778 were approved, 574 were denied, and 39 are pending (as of December 31, 2006). The main reason for an application being denied was that legal custody/guardianship not being established on or after July 1, 2005 or the child not being adjudicated abused, neglected, dependent, or unruly. The rest of the denials were for a variety of reasons such as income ineligible or the placement not having been approved by the local placement agency. During calendar year 2006, $1,798,500 was paid out by ODJFS for county reimbursement under this program. (Am. Sub. H.B. 66 of the 126th General Assembly earmarked $10 million of TANF dollars in FY 2006 and FY 2007 for this program.)

H.B. 119, As Introduced, earmarks the same amount of TANF dollars as was earmarked for each year of the previous biennium. The bill also changes the eligibility criteria for the program, which should increase the number of applications and approvals, as well as dollars paid out under the program.

- ***Ohio Alliance of Boys and Girls Clubs.*** H.B. 119, As Introduced, requires that ODJFS use up to $600,000 of the appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year, to support expenditures of the Ohio Alliance of Boys and Girls Clubs in accordance with certain state law governing the use of TANF dollars to provide after-school programs that protect at-risk children and enable youth to become responsible adults.

  The Ohio Alliance of Boys and Girls Clubs must provide nutritional meals and snacks, and educational, youth development, and career development services to TANF-eligible children participating in programs and activities operated by eligible Boys and Girls Clubs.

  The Department of Job and Family Services and the Ohio Alliance of Boys and Girls Clubs must agree on reporting requirements to be incorporated into the grant agreement.

  Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to develop the grant agreement and monitor expenditures of the Ohio Alliance of Boys and Girls Clubs in accordance with the grant agreement.

- ***Children's Hunger Alliance.*** H.B. 119, As Introduced, requires that ODJFS use up to $500,000 of the appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year, to reimburse to the Children's Hunger Alliance in accordance with certain state law governing the use of TANF dollars for Child Nutrition Program outreach efforts.

  Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to ensure that the dollars provided to the Children's Hunger Alliance are being used in accordance with state law.

- ***School Readiness Enrichment.*** H.B. 119, As Introduced, requires that ODJFS use up to $6,500,000 of the appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6) in each fiscal year, in accordance with certain state law governing the use of TANF dollars to provide intervention services to prepare children for kindergarten.

  Fiscal Effect: Other than the earmark, this provision may have a fiscal impact on ODJFS in the form of administrative costs to the Department to ensure that the dollars are being used in accordance with state law.

- ***Food Banks.*** H.B. 119, As Introduced, requires that ODJFS use up to $1.5 million of the appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year, to reimburse the Ohio network of food banks in accordance with certain state law governing the use of TANF dollars for purchases and distribution of food products.

  Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to ensure that the Ohio network of food banks is using the dollars in accordance with state law.

- ***Governor's Office of Faith-Based and Community Initiatives.*** H.B. 119, As Introduced, requires that ODJFS use up to $13.0 million of appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year to reimburse the Governor's Office of Faith-Based and Community Initiatives in accordance with certain state law governing the use of TANF dollars for projects designed to serve the state's most vulnerable citizens.

  Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to ensure that the Governor's Office of Faith-Based and Community Initiatives is using the dollars in accordance with state law.

- ***Adoption Promotion.*** H.B. 119, As Introduced, requires that ODJFS use up to $5.0 million of appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year for TANF-eligible activities in accordance with certain state law governing the use of TANF dollars to provide additional support for initiatives aimed at increasing the number of adoptions including recruiting, promoting, and supporting adoptive families.

  Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to ensure that the dollars are being used in accordance with state law.

- ***Independent Living Initiatives.*** H.B. 119, As Introduced, requires that ODJFS use up to $2.5 million of appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year for TANF-eligible activities in accordance with certain state law governing the use of TANF dollars to support the independent living initiative, including life skills training and work supports for older children in foster care and those who have recently aged out of foster care.

  Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to ensure that the dollars are being used in accordance with state law.

- ***Closing The Achievement Gap.*** H.B. 119, As Introduced, requires that ODJFS use up to $10.0 million of appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year for TANF-eligible activities in accordance with certain state law governing the use of TANF dollars to provide intervention services aimed at improving the African-American male graduation rate.

  Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to ensure that the dollars are being used in accordance with state law.

- ***Home Energy Assistance Program.*** H.B. 119, As Introduced, requires ODJFS to transfer, through intrastate transfer voucher, $45.0 million in cash in FY 2008 and $15.0 million in FY 2009 from Federal Special Revenue Fund 3V6, TANF Block Grant, to Fund 3BJ, TANF Heating Assistance, in the Department of Development, in accordance with an interagency agreement. The Department of Job and Family Services and the Department of Development must enter into an interagency agreement for providing reimbursement to the Department of Development to administer the TANF-funded Home Energy Assistance Program (HEAP), which provides assistance with home energy fuel costs to needy families with children.

  Fiscal Effect: For the 2006 heating season, a total of $75.0 million in TANF (services and administration) was spent for the HEAP program. For the 2007 heating season, an additional $45.0 million of TANF was earmarked (via executive order) and that amount will be fully expended once all bills are paid. Other than the earmark, this provision may result in increased administrative costs to ODJFS to develop the interagency agreement, process reimbursement, and monitor expenditures of the Department of Development in accordance with the agreement. The Department of Development may use up to 10% of the cost of benefits for administrative expenses.

- ***County Department of Job and Family Services Individual Development Accounts (R.C. 329.14).*** H.B. 119, As Introduced, increases income eligibility for participation in the Individual Development Accounts program from 150% to 200% of the federal poverty guidelines and increases the amount a fiduciary organization may deposit in the account from two times to four times the amount the program participant deposits.

  Fiscal Effect: Counties may authorize individual development accounts as part of its PRC program. An individual may put money into an account, it is matched with TANF dollars, and the money must be used for buying a home, education, or starting a business. Increasing eligibility aligns the eligibility criteria for this program with the federal Assets for Independence program.

  This provision will allow more individuals participate in this program and possibly increase the amount of TANF dollars spent by a county who includes this program as part of its PRC program.

Permanent Law Provisions

Food Stamp Program Fund and Transfer (R.C. 5101.541 and Section 309.40.20 of the bill). H.B. 119, As Introduced, creates the Food Stamp Program Fund consisting of federal reimbursement for Food Stamp program administrative expenses and other Food Stamp program expenses to pay for Food Stamp program administrative expenses and other Food Stamp program expenses.

The bill also permits the Director of Budget and Management to transfer $1.0 million in cash from Fund 384, Food Stamp-Federal, to Fund 5ES, Food Stamp Programs.

Fiscal Effect: The transfer to Fund 5ES will support the appropriations for federal special revenue appropriation item 600-630, Food Assistance.

Program 2.03: Disability Financial Assistance

Program Description: Until FY 2004, ODJFS administered the Disability Assistance (DA) program, which consisted of DA cash assistance and DA medical assistance components. H.B. 95 of the 125th General Assembly split the DA program into two separate programs: the Disability Financial Assistance (DFA) and the Disability Medical Assistance (DMA) programs. The DFA and DMA programs are state- and county-funded efforts to provide cash and/or medical assistance to persons not eligible for public assistance programs that are supported in whole or in part by federal funds, for example OWF or Supplemental Security Income. This section will address the DFA program; the DMA program can be found in the Medicaid section of the Redbook.

The DFA program provides financial 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). The DFA program thus provides a "safety net" to help needy people to meet basic needs and maintain their health. Eligibility criteria for DFA are established by the state. Along with partitioning the DA program, Am. Sub. H.B. 95 of the 125th General Assembly also limited participation in the DFA to individuals age 60 and older, and only if they received financial assistance under the program in June 2003.

There is no time limit for receipt of DFA benefits; assistance is provided on an ongoing basis as long as all eligibility requirements are met, and provides a maximum cash grant of $115 per month for a one-person assistance group. A county contributes a mandated share of DFA costs based on DFA expenditures in each county.

Funding Source and Line Item: The following table shows the line item that is used to fund the Disability Financial Assistance program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-511	Disability Financial Assistance	$24,028,480	$25,335,908
Total Funding: Disability Financial Assistance			**$24,028,480**	**$25,335,908**

Implication of Executive Recommendation: The executive recommendation will support approximately 15,000 to 16,000 monthly recipients and provide a subsidy of $115 per month to a limited number of recipients who are unemployable due to age or disability but who are not eligible for federal Social Security Income.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 2.04: Food Programs

Program Description: The goals of Food Programs are to increase the nutritional intake of low-income persons by supplementing their income with food stamp benefits and, thereby, eliminate hunger and malnutrition. Policy changes have introduced a work requirement for able-bodied adult recipients, establishing the related Food Stamp Employment and Training (FSET) program, which provides employment and/or training to those employed less than 30 hours per week or below an income threshold.

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 cost of food stamp eligibility determinations has increased due to an increase in caseloads and was a factor in the TANF consolidated allocation problem discussed in the "TANF Block Grant Reimbursement and Consolidated Funding Allocation Elimination" section.

The value of the food stamps, themselves, is provided in full by the federal government through an electronic benefit transfer system. 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% and the state pays the remainder.

Funding Source and Line Item: The following table shows the line items that are used to fund Food Programs, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Agency Fund				
5B6	600-601	Food Stamp Intercept	$2,000,000	$2,000,000
		Agency Fund Subtotal	**$2,000,000**	**$2,000,000**
Federal Special Revenue Fund				
384	600-610	Food Stamps & State Administration	$143,824,302	$136,549,504
396	600-651	Second Harvest Food Banks	$5,500,000	$5,500,000
3A2	600-641	Emergency Food Distribution	$2,900,000	$3,500,000
		Federal Special Revenue Fund Subtotal	**$152,224,302**	**$145,549,504**
Total Funding: Food Programs			**$154,224,302**	**$147,549,504**

Implication of Executive Recommendation: The executive recommendation will support a food stamp caseload of nearly 1.1 million individuals and 500,000 assistance groups. The recommended funding level will also serve approximately 530,000 individuals per month through the Emergency Food Assistance program and provide over 20 million pounds of food products annually through the Ohio Association of Second Harvest Food Banks.

Temporary Law Provisions

Waiver of Food Stamp Work Requirement (Section 309.40.10 of the bill). H.B. 119, As Introduced, requires ODJFS to request that the U.S. Secretary of Agriculture waive the work requirement of the Food Stamp program during FYs 2008 and 2009 for food stamp benefit recipients who reside in a county that the Department determines has an unemployment rate of over 10% or does not have a sufficient number of jobs to provide employment to recipients.

Fiscal Effect: Those who qualify for food stamps may receive benefits for three months without any requirement to work. To continue receiving benefits beyond three months an "able-bodied adult without dependents" (ABAWD) is required to work, unless they reside in one of the counties that is under the waiver.

The Department has been applying for this waiver since 2004. As of FY 2007, 61 counties are under this waiver. They are: Adams, Allen, Ashland, Ashtabula, Athens, Belmont, Brown, Carroll, Clark, Columbiana, Coshocton, Crawford, Darke, Defiance, Erie, Fayette, Fulton, Gallia, Guernsey, Harrison, Henry, Highland, Hocking, Holmes, Huron, Jackson, Jefferson, Knox, Lawrence, Lucas, Madison, Mahoning, Marion, Meigs, Miami, Monroe, Montgomery, Morgan, Morrow, Muskingum, Noble, Ottawa, Perry, Pickaway, Pike, Preble, Putnam, Richland, Ross, Sandusky, Scioto, Seneca, Shelby, Stark, Trumbull, Tuscarawas, Vinton, Washington, Williams, Wood, and Wyandot.

The waiver expires July 1, 2007. The Department expects to file another request for a waiver for SFY 2008. Pursuant to Ohio's FFY 2007 Food Stamp Employment and Training Plan submitted to the U.S. Department of Agriculture, Food and Nutrition Service, the estimated number of food stamp recipients who are subject to the ABAWD time limit will be 62,960 for FFY 2007. Those who we approximated will be in waived counties of the state for FFY 2207 is 40,924.

This Department will incur some administrative costs to apply for the waiver. This provision may increase the overall cost of both administration and benefits for the Food Stamp program if the waiver is granted and those individuals who would otherwise be ineligible due to failure in meeting the work requirements are able to receive benefits under the waiver.

Ohio Association of Second Harvest Food Banks (Section 309.40.30 of the bill). H.B. 119, As Introduced, requires the Department of Job and Family Services to provide $5.5 million in each fiscal year, from federal special revenue appropriation item 600-652, Second Harvest Food Banks, to the Ohio Association of Second Harvest Food Banks. The Department must enter into a grant agreement with the Association to allow for the purchase of food products and the distribution of those products to agencies participating in the emergency food distribution program. Up to 5% of the annual funding may be used by the Association for administrative costs.

Before entering in to the grant agreement, the Association must submit to the Department for approval, a plan for the distribution of the food products to local food distribution agencies. If the plan meets the requirements and conditions established by the Department, the plan must be incorporated into the grant agreement. The grant agreement must also require the Association to ensure that local agencies will limit participation of individuals and families who receive any of the food products purchased with these funds to those who have an income at or below 200% of FPG.

The Department and the Association must agree on reporting requirements to be incorporated into the grant agreement, including a statement of expected performance outcomes from the Association and a requirement for their evaluation of their success in achieving those outcomes.

After entering into a grant agreement, the Department may advance the funds to the Association in accordance with state and federal law.

Fiscal Effect: This provision will enable the Ohio Association of Second Harvest Food Banks to purchase over 20 million pounds of food products annually for distribution to local food distribution agencies, which will the provide food to individuals or families who have income at or below 200% of FPG (For FFY 2007, 200% FPG is $41,300 for a family of four). The Association may use up to $275,000 in each fiscal year for administrative costs. The source of these dollars is the Federal Social Services Block Grant, Fund 396.

Permanent Law Provisions

There are no permanent law provisions affecting this program.

Program 2.05: Child Care

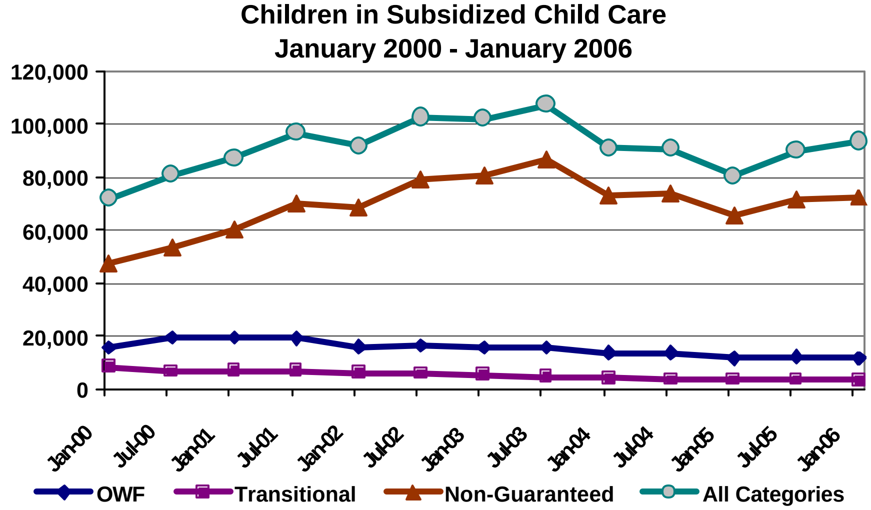
Program Description: The Child Care program provides child care subsidies to low-income families, licenses and regulates the operation of child care settings, and administers the child care subsidy program.

State law creates the framework within which the publicly funded child care program operates. The county departments of job and family services perform eligibility determinations, provider development and recruitment, home provider inspections and certifications, and vendor payment functions. ODJFS contracts with nonprofit community organizations to perform customer outreach and provide information and referral services. State staff develop child care eligibility and benefit policy, maintain the information system that contains the program's eligibility and claims history, inspect child care centers, and enforce Ohio's child care licensing law.

In general, the state provides child 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: OWF participants; transitioning from OWF, low income, employed, or in a training program; or have special protective needs. Transitional benefits are guaranteed for the lesser of a 12-month period following the last month the client was eligible for an OWF cash benefit or until income exceeds 150% of FPG ($29,025/year for a family of four). Non-OWF families and those for whom transitional child care benefits have lapsed may continue to qualify for child care (nonguaranteed child care) until income exceeds 185% of FPG.

The number of children receiving subsidized child care was increasing steadily through July 2003. Ohio's child care subsidy program registered a 69% increase from January 1999 (62,654 children enrolled) to July 2003 (105,993 children enrolled). Due to changes in eligibility and other cost containment measures implemented by ODJFS (i.e., freezing provider reimbursement rates and increasing copayments), the number of children receiving subsidized child care began to decrease in July 2003. In January 2005, 85,351 children were enrolled and in FY 2006, the average monthly caseload was 89,770.

The following graph shows the subsidized child care caseload from January 2000 through January 2006.



Publicly funded child care is funded with GRF, TANF, and other federal dollars. In FY 1999, the total cost of the child care program was approximately $234.3 million. By FY 2003, the total cost of the program had grown to over $470.6 million. The cost containment methods described above were successful in reducing the child care caseload and total cost. The Department estimates that the total cost of the child care program in FY 2007 will be approximately $556.6 million with an average monthly caseload of 92,782.

Funding Source and Line Item: The following table shows the line items that are used to fund the Child Care program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-413	Child Care Match/MOE	$84,120,596	$84,120,596
GRF	600-410	TANF State	$102,619,061	$102,619,061
		General Revenue Fund Subtotal	**$186,739,657**	**$186,739,657**
Federal Special Revenue Fund				
396	600-620	Social Services Block Grant	$8,000,000	$8,000,000
3H7	600-617	Child Care Federal	$198,709,074	$191,410,127
3V6	600-689	TANF Block Grant	$364,321,085	$448,697,081
3W3	600-659	TANF/Title XX Transfer	$4,200,000	$4,200,000
		Federal Special Revenue Fund Subtotal	**$575,230,159**	**$652,307,208**
Total Funding: Child Care			**$761,969,816**	**$839,046,865**

Implication of Executive Recommendation: The Department estimates that the caseload for the publicly funded child care program will be 95,578 in FY 2008 and 103,085 in FY 2009. The executive recommendation includes funding for an increase in the provider reimbursement ceiling to the 65th percentile of the 2006 Market Rate Survey (current reimbursement ceiling is the 65th percentile of the 2004 Market Rate Survey). The increase represents on average about an 11% increase for providers.

The executive recommendation also includes funding to support 12,000 full-time slots statewide for the Early Learning Initiative.

Temporary Law Provisions

Early Learning Initiative (Section 309.40.60 of the bill). H.B. 119, As Introduced, reauthorizes the Early Learning Initiative and earmarks up to $125,256,000 in each fiscal year from the TANF Block Grant, appropriation item 600-689, for the Early Learning Initiative (ELI). Funds must be used to reimburse early learning agencies for up to 12,000 children in each fiscal year. Up to $3 million per fiscal year may be used by ODJFS ($800,000) and the Ohio Department of Education (ODE) ($2.2 million) for administration of the program.

The Early Learning Initiative provides early learning services through an early learning program, on a full-day, part-day, or both a full-day and part-day basis, to eligible children. An eligible child is a child who is at least three years of age but not of compulsory school age or enrolled in kindergarten, is eligible for Title IV-A services, and whose family income at the time of application does not exceed 185% of FPG in FY 2008 or 200% of FPG in FY 2009.

The bill also prescribes the duties of ODE and ODJFS as they relate to ELI and the terms of the contract between ODJFS, ODE, and an early learning agency. (For a more detailed description of these provision, see LSC bill analysis of H.B. 119.)

Fiscal Effect: For the FY 2006-2007 biennium, the ELI program was budgeted to serve up to 10,000 children full time in FY 2006 at a cost of $104,380,000 and up to 12,000 children full time in FY 2007 at a cost of $125,256,000.

In FY 2006, 14,367 children had authorizations for ELI services and 13,277 children received ELI services, although not all were served full time or for a full year. In any given week, the average number of children authorized for services was between 8,000 and 9,000. For the first half of FY 2007 (as of December 2006), there were 16,420 children authorized for ELI services and 14,775 children received ELI services, although not all were served full time or full year.[4]

In FY 2006, the total spent on ELI was $65,007,804 ($61,388,351 for services; $3,619,453 for administration). That is approximately $39.4 million less than was budgeted. As of January 30, 2007, a total of $41,703,052 has been issued in ELI reimbursements during the first seven pay cycles of FY 2007 (there are 13 pay cycles) and a little more than $2.7 million has been spent on administration. It seems unlikely that the $125.3 million budgeted for FY 2007 will be expended by the end of the fiscal year.

There are two significant changes to the program planned for the FY 2008-2009 biennium:

- Removal of the work requirement for parents whose children participate in ELI; and
- Elimination of the six-month redetermination requirement for the ELI program so that any child who is eligible at the start of a school year may attend for the entire year regardless of changes in family income.

With these changes, ODJFS expects a more stable core of ELI participants and believes that the Department will come closer to expending the amount of TANF dollars earmarked for the program in FYs 2008 and 2009 than in FYs 2006 and 2007.

Permanent Law Provisions

There are no permanent law provisions affecting this program.

Program 2.06: Refugee Services

Program Description: The state of Ohio receives a grant from the U.S. Department of Health and Human Services to provide assistance to Refugees, Asylees, Cuban and Haitian entrants, victims of a severe form of trafficking and certain Amerasians from Vietnam for resettlement in the United States, as provided by the Refugee Act of 1980. Cash assistance, medical benefits, and social services are available through the Office of Refugee Resettlement Grant and private nonprofit agencies.

[4] The reason for the difference between those authorized and those who received services can be attributable to two factors: (1) For FY 2006, some children were authorized for services in June but did not begin receiving services until the fall of 2006. In those instances, the child was authorized in FY 2006 and received services in FY 2007. (2) Some families apply for services and are authorized for services (i.e., determined eligible) but never show up to receive the service.

Funding Source and Line Item: The following table shows the line item that is used to fund the Refugee Services program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
385	600-614	Refugee Services	$10,186,651	$11,048,110
Total Funding: Refugee Services			**$10,186,651**	**$11,048,110**

Implication of Executive Recommendation: The executive recommendation will allow for services to approximately 5,000 refugees and provide cash assistance to approximately 1,200 refugees per year.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 2.07: Family Stability Program Management

Program Description: The Office of Family Stability is responsible for the administration, direction, and oversight of numerous state and federal programs. Principal programs include TANF, Food Stamp, Refugee Services, and Disability Assistance. Related units included in Family Stability Program Management are the Customer Service Unit, Compliance and Monitoring Unit, County Program Support, and Outcome Management/ Program Evaluation.

Funding Source and Line Item: The following table shows the line items that are used to fund Family Stability Program Management, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-421	Office of Family Stability	$3,965,889	$3,934,350
GRF	600-521	Entitlement Administration – Local	$55,379,842	$55,379,842
		General Revenue Fund Subtotal	**$59,345,731**	**$59,314,192**
Federal Special Revenue Fund				
384	600-610	Food Stamps & State Administration	$726,784	$761,558
3V6	600-689	TANF Block Grant	$10,024	$10,217
		Federal Special Revenue Fund Subtotal	**$736,808**	**$771,775**
Total Funding: Family Stability Program Management			**$60,082,539**	**$60,085,967**

Implication of Executive Recommendation: The executive recommendation will support the administration of the TANF, Food Stamp, Refugee Services, and Disability Financial Assistance programs, as well as county administration of the entitlement programs.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 2.08: Family Stability Information Technology

Program Description: Family Stability Information Technology provides the information technology systems, including CRIS-E, Food Stamps, eICMS, and the child care information data system, to support the Family Stability programs and functions including eligibility, case management, and benefits management.

Funding Source and Line Items: The following table shows the line items that are used to fund Family Stability Information Technology, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-416	Computer Projects	$11,427,099	$11,770,046
		General Revenue Fund Subtotal	**$11,427,099**	**$11,770,046**
Federal Special Revenue Fund				
384	600-610	Food Stamps & State Administration	$3,246,367	$2,861,842
397	600-626	Child Support	$71,160	$71,160
398	600-627	Adoption Maintenance Administration	$74,520	$74,520
3H7	600-617	Child Care Federal	$894,079	$749,440
3V0	600-688	Workforce Investment Act	$7,320	$7,320
3W3	600-659	TANF/Title XX Transfer	$2,000,000	$2,000,000
		Federal Special Revenue Fund Subtotal	**$6,293,446**	**$5,764,282**
Total Funding: Family Stability Information Technology			**$17,720,545**	**$17,534,328**

Implication of Executive Recommendation: The executive recommendation will support the food stamp benefit transfer system contract of about $7.2 million, the client eligibility system for the assistance programs, and the child care information system.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

REQUESTS NOT FUNDED

This section describes requests not funded in the executive budget and the effects on the Department's activities and spending decisions during the next biennium.

Ohio Works First Benefit Increase

The Department requested approximately $23.0 million in FY 2008 and approximately $32.0 million in FY 2009 of appropriation item 600-689, TANF Block Grant, to increase the OWF benefit by 10% in each year. (Assuming it would take about 4 months to put the increase in place, the requested funding was for three quarters in the first year and for all four quarters in the second year.) While the appropriation of appropriation item 600-689 in the executive's budget included enough appropriation authority for this benefit increase, this request was not included in the executive's policy proposal.

Disability Financial Assistance

DFA						
Fund Line Item	**FY 2008 Requested**	**FY 2008 Recommended**	**Difference**	**FY 2009 Requested**	**FY 2009 Recommended**	**Difference**
GRF 600-511	$27,245,602	$24,028,480	**($3,217,122)**	$27,281,947	$25,335,908	**($1,946,039)**

The executive recommendation for the Disability Financial Assistance program is approximately $3.2 million less in FY 2008 and almost $2.0 million less in FY 2009 than was requested. It would seem that the executive proposal is based on a slower rate of growth in the caseload than was projected in the Department's request.

Food Programs

Food Programs						
Fund Line Item	**FY 2008 Requested**	**FY 2008 Recommended**	**Difference**	**FY 2009 Requested**	**FY 2009 Recommended**	**Difference**
GRF 600-421	$500,000	$0	**($500,000)**	$0	$0	**$0**
384 600-610	$164,324,302	$143,824,302	**($20,500,000)**	$156,549,504	$136,549,504	**($20,000,000)**
TOTALS	**$170,324,302**	**$149,324,302**	**($21,000,000)**	**$162,049,504**	**$142,049,504**	**$20,000,000**

This request was for food stamp and administration of the Food Stamp program. The recommended funding level will require the Department to reassess priorities in this program area.

The Department had requested $1.0 million ($500,000 GRF, $500,000 federal) in FY 2008 to procure of consultative services from a national expert on federal Food Stamp program regulations and efficient implementation of the program. While this request was not specifically funded in the executive proposal, it is the Department's intention to move forward with this project within the appropriated resources.

Program Management

Family Stability Program Management						
Fund Line Item	**FY 2008 Requested**	**FY 2008 Recommended**	**Difference**	**FY 2009 Requested**	**FY 2009 Recommended**	**Difference**
GRF 600-421	$4,793,218	$3,965,889	**($827,329)**	$4,998,319	$3,934,350	**($1,063,969)**
GRF 600-521	$63,812,260	$55,379,842	**($8,432,418)**	$55,379,842	$55,379,842	**$0**
Totals	**$68,605,478**	**$59,345,731**	**($9,259,747)**	**$60,378,161**	**$59,314,192**	**($1,063,969)**

This request was for general administrative expenses for the Office of Family Stability. The recommended funding level will require the Department to reassess priorities in this program area, tighten the budget and carry out the administrative function of the Family Stability programs within appropriated resources.

Information Technology

Family Stability Information Technology						
Fund Line Item	**FY 2008 Requested**	**FY 2008 Recommended**	**Difference**	**FY 2009 Requested**	**FY 2009 Recommended**	**Difference**
GRF 600-416	$15,602,405	$11,427,099	($4,176,506)	**$41,865,879**	$11,770,046	**($30,095,833)**
384 600-610	$5,258,808	$3,246,367	($2,012,441)	**$9,953,790**	$2,861,842	**($7,091,888)**
3H7 600-617	$1,248,616	$894,079	($354,537)	**$1,998,655**	$749,440	**($1,249,215)**
3V0 600-688	$683,281	$7,320	($675,961)	**$0**	$0	**($0)**
3V6 600-689	$0	$0	($0)	**$2,381,042**	$0	**($2,381,042)**
Totals	**$22,793,110**	**$15,574,865**	**($7,218,245)**	**$56,199,366**	**$15,381,328**	**($40,818,038)**

This request was for BEN (Benefit Eligibility Network), a replacement of the aging CRIS-E system and to automate the many manual processes currently performed by state and county caseworkers. While this request was not specifically funded in the executive proposal, it is the Department's intention to move forward with this project within the appropriated resources.

CHILD SUPPORT

OVERVIEW

Title IV-D of the Social Security Act of 1975 designates the Ohio Department of Job and Family Services (ODJFS) as Ohio's Child Support Enforcement Agency. The Act requires ODJFS to be responsible for supervising local entities in the establishment and enforcement of support obligations owed by noncustodial parents. Within the Department, the Office of Child Support has the responsibility for providing program direction, overseeing local activity, and administering statewide contracts for some services (i.e., genetic testing). The local child support enforcement agency has the responsibility for the direct administration and provision of services to all individuals in need of child support services, including location of an absent parent, paternity and support establishment, support collection, and enforcement of financial and medical obligations. There are over one million child support cases statewide. In Federal Fiscal Year (FFY) 2006, Ohio collected over $2.0 billion in child support and disbursed approximately $1.96 billion. Of the amount collected, 77.84% was current support obligations. Approximately $355.27 million was collected toward arrears.

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 noncustodial parent. The program is a cooperative venture between the federal, county, and state governments with the federal government paying 66% of the costs to operate the program. 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.

The Family Support Act of 1988 mandated that each state develop an automated system to manage child support enforcement by October 1, 1995. In Ohio, the automated system is called the Support Enforcement Tracking System (SETS). The system aids in the location of absent parents and in the establishment and enforcement of child support cases. It is one of the largest statewide child support systems in the nation. While SETS was being implemented in the late 1900s and through 2003, Ohio failed on several occasions to comply with federally imposed deadlines, and as a result, paid million s of dollars in federal fines. The Support Enforcement Tracking System is fully certified and in compliance with the federal requirements.

The executive recommendation for the Child Support program series is $467,954,504 in FY 2008 and $471,755,704 in FY 2009.

The executive's recommended funding in FY 2008 and FY 2009 will allow the state to pass through to the counties the funds needed to carry out county responsibilities for child support enforcement. In addition, the state will be able to provide basic support services to the counties by maintaining contracts for paternity testing, operation and maintenance of the Central Paternity Registry, centralized collection and disbursement of child support payments, collections for the most difficult cases, and new hire reporting.

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series 3: Child Support

Purpose: The role of the Child Support program series is to provide funding for activities that enhance the ability of the local child support enforcement agencies 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 the Child Support program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-416	Computer Projects	$18,222,947	$18,310,828
GRF	600-420	Child Support Administration	$8,791,446	$10,891,446
GRF	600-502	Administration – Local	$34,014,103	$34,014,103
		General Revenue Fund Subtotal	**$61,028,496**	**$63,216,377**
Federal Special Revenue Fund				
3S5	600-622	Child Support Projects	$534,050	$534,050
397	600-626	Child Support	$283,391,958	$282,005,277
		Federal Special Revenue Fund Subtotal	**$283,926,008**	**$282,539,327**
Agency Fund				
192	600-646	Support Intercept - Federal	$110,000,000	$110,000,000
583	600-642	Support Intercept - State	$16,000,000	$16,000,000
		Agency Subtotal	**$126,000,000**	**$126,000,000**
Total Funding: Child Support			**$470,954,504**	**$471,755,704**

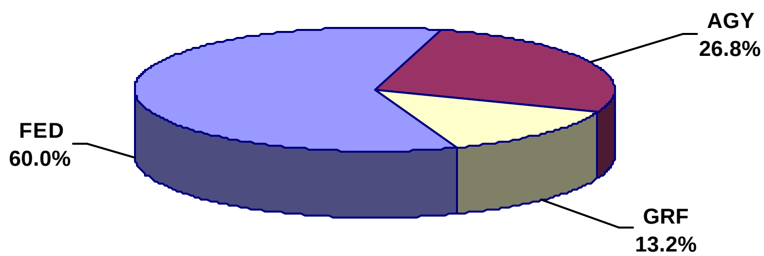
Note: Some line items are used to fund other program series, so the amount shown in this table and those throughout this program series may not reflect the total appropriation.

The Child Support program is a cooperative venture between the federal, state, and county governments with the federal government paying 66% of the costs to administer the program. (Note: Appropriations for the line items supported by the Agency Fund Group are not used for administration of the program. The Agency Fund Group is a holding account for child support collected from the interception of state and federal income taxes of obligors who are in default. Once collected, the funds are disbursed to the obligee.)

This analysis focuses on the following specific programs within the Child Support program series:

- ***Program 3.01: Child Support Activities***
- ***Program 3.02: Support Enforcement Tracking System***

Child Support Budget by Fund Group
FY 2008 - 2009 Biennium



Program 3.01: Child Support Activities

Program Description: Title IV-D of the Social Security Act of 1975 designates ODJFS as Ohio's Child Support Enforcement Agency. The Act requires ODJFS to be responsible for supervising local entities in the establishment and enforcement of support obligations owed by noncustodial parents. Within the Department, the Office of Child Support (OCS) has the responsibility for overseeing local activity. The local child support enforcement agency has the responsibility for the direct administration and provision of services to all individuals in need of child support services including location of an absent parent, paternity and support establishment, support collection, and enforcement of financial and medical obligations. There are over one million child support cases statewide. In FFY 2006, Ohio collected over $2.0 billion in child support and disbursed approximately $1.96 billion. Of the amount collected, 77.84% was current support obligations. Approximately $355.27 million was collected toward arrears.

Paternity/Support Establishment

The Personal Responsibility and Work Reconciliation Act of 1996 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. The Office of Child Support assists the counties in meeting these performance measure goals through contracts and interagency agreements.

In Ohio, licensed contractors provide DNA testing for establishment of paternity. The Department of Job and Family Services contracts with several vendors that all 88 counties have access to for genetic testing procedures. Statewide contracts allow the state to negotiate a lower price per test. By utilizing the statewide contracts, the child support enforcement agencies do not need to go through the process of securing individual vendors. Once paternity is established, the child support enforcement agency proceeds with support establishment and enforcement of support collections.

In FY 2006, 27,117 DNA tests were conducted. Until October of 2006, the federal government reimbursed states for 90% of the cost of genetic testing. However, provisions of the Deficit Reduction Act of 2005 reduced the federal financial participation rate to 66%, which is the reimbursement rate for all other program activities.

Central Paternity Registry. In January 1998, OCS created the Central Paternity Registry. The purpose of the registry is to collect and process all paternity documents initiated by the child support enforcement agencies, hospitals, vital statistics registrars, and courts. The state contracts with Policy Studies Inc. for the registry's operation and maintenance. This vendor is also responsible for collecting the documents, continuing training, and monitoring hospital compliance.

The Department of Health (DOH), pursuant to an interagency agreement with ODJFS, 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. The Department of Health 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 child support enforcement agencies to allow them to move quickly to establish support. During FY 2006, the registry processed 38,720 paternity documents.

Enforcement & Collection

The child and medical support enforcement and collection services assist child support enforcement agencies in locating absent obligors, enforcing orders, and collecting child support, medical support, and other monetary obligations from individuals who owe support. The role of ODJFS is to provide the county child support enforcement agencies with the resources to assist individuals owed child support to obtain that support. The Office of Child Support maintains statewide contracts for new hire reporting, financial institution data match, and collections.

Centralized Collection. The Personal Responsibility and Work Reconciliation Act 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 for centralized collection and disbursement of child support payments. The State Disbursement Unit in Ohio is known as Child Support Payment Central (CSPC). Since December 2002, ODJFS has contracted with ACS State and Local Government Solutions to provide payment processing for CSPC. According to ODJFS, ACS has provided timely, effective, and efficient service and greatly improved the system of processing payments. The current contract with ACS is renewable through FY 2009.

The Office of Child Support created the Payment Analysis and Reconciliation Bureau, located near Athens, Ohio, to handle the state's responsibilities not covered by the CSPC contract including handling payment and disbursement exceptions and financial oversight and reconciliation of the newly created master account, which replaced individual county accounts.

Collection Contracts. The Department of Job and Family Services currently contracts with G.C. Services to provide collection assistance to the child support enforcement agencies for the most difficult to collect cases. The program began as a pilot in FY 1996 that was later expanded. The vendor works on a contingency basis and receives 8.43 cents per dollar collected. This vendor is currently working on approximately 45,628 cases. The contract provides for a maximum of 100,000 cases that may be referred to G.C. Services. In FY 2006, G.C. Services collected $21,075,198 in child support and was paid $1,776,639 for its services.

In addition to utilizing the state's contract for collection assistance, counties may contract at the local level for these services as well. Stark and Summit counties have local contracts with National Child Support, Inc. for collection assistance. These contracts are paid at the local level using county and federal funds.

New Hire Reporting. State and federal law requires employers to report all newly hired and rehired employees to ODJFS within 20 days of the date of hire. The reports are to be made to Policy Studies Inc., with whom ODJFS contracts for collection of this information. The information is kept for 12 months and is used for location purposes and identification of employment resources for nonresidential parents who may be delinquent on their child support payments. In FY 2006, the database processed over 2.9 million records from more than 80,000 Ohio employers and processes an average of 56,410 employer records each week. In FY 2006, ODJFS paid Policy Studies $811,691 for their services related to new hire reporting.

Medical Enforcement. State and federal laws require 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 ODJFS, Office of Ohio Health Plans. The Office of Ohio Health Plans must determine if there have been lapses in health care 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. The Department had contracted with a vendor to facilitate medical support enforcement. The vendor worked with counties identifying children who may have a previously unknown source of health insurance available for the child (e.g., a noncustodial parent's health insurance through an employer). Once the vendor discovered the availability of health insurance for a child, the county was responsible for further investigation and establishment of a medical support order. The contract with the vendor was in effect through FY 2004 but was not renewed for FY 2005 or since. Currently, there is no statewide vendor assisting in medical support enforcement.

Financial Institution Data Match (FIDM). The Personal Responsibility and Work Reconciliation Act of 1996 (PRWORA) established the FIDM in order to increase collection of delinquent child support, maintain the integrity and security of financial institution and child support data, and make use of technology to aid in the collection of child support. The FIDM is used to identify accounts belonging to noncustodial parents who are delinquent in their child support payments and, if necessary, freeze and seize the accounts of the delinquent obligor. There are two segments to the FIDM program: the multi-state (MS) FIDM and the single state (SS) FIDM. 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 or participate on a state by state basis. The MSFIDM is operated and funded through the federal Office of Child Support Enforcement. The SSFIDM includes those institutions doing business in only one state and those multi-state institutions that do not participate in the MSFIDM program.

The MSFIDM program was established in Ohio in 1999. In FY 2006, 5,621 cases have had a MSFIDM payment allocated to the case arrears and approximately $5.7 million was collected toward delinquent child support.

The SSFIDM began in FY 2002. In FY 2006, 3,870 cases have had a SSFIDM payment allocated to the case arrears and approximately $2.6 million was collected toward delinquent child support.

Tax Off-Set Program. The Department of Job and Family Services works with the Ohio Department of Taxation and the federal government to administer the tax off-set program. The child support enforcement agencies submit the name of obligors who owe arrearages. The obligors' tax returns are offset and the funds are forwarded to ODJFS for distribution to the obligees. In FFY 2005, over $11.3 million was collected through the state tax off-set program and over $105.0 million was collected through the federal tax off-set program.

Driver's License Suspension and Passport Denial. Pursuant to sections 3123.41 through 3123.63 of the Revised Code, upon a finding that an individual is in default of a child support order or has failed to comply with a subpoena or warrant issued by a child support enforcement agency (CSEA) or a court regarding the enforcement of a child support order, the CSEA may initiate the suspension or stop the issuance of the obligor's license (professional or driver's) by an Ohio license issuing agency. In FFY 2005, 57,913 driver's licenses were suspended. The Department does not track suspension of professional licenses.

States submit child support cases with past due amounts to the federal Office for Child Support Enforcement. If the past due amount owed exceeds $2,500, the federal office automatically forwards the case to the U.S. State Department for passport denial. In FY 2006, there were 141 lump-sum collections associated with passport denial, totaling $590,112.

Disbursement – e-QuickPay

While federal law does not require that states use a system of electronic disbursement of child support payments, there is what can only be described as strong "encouragement" by the federal government to disburse child support in that manner. Am. Sub. H.B. 66 (main operating bill) of the 126th General Assembly grants authority to the Office of Child Support in ODJFS to distribute child support payments by means of electronic disbursement, rather than by check or warrant, unless otherwise prohibited from doing so by state or federal law (Ohio Revised Code section 3121.50). That bill also required the person receiving the child support to accept payment by electronic means. Electronic disbursement included direct deposit as well as e-QuickPay, described below.

In July 2004, ODJFS began piloting e-QuickPay, which is a system of electronic disbursement of child support payments geared toward those who are unable to open or maintain a bank account. The goal of this payment system was to reduce the number of paper checks that are processed for disbursement of child support payments each month. (At the time, the vendor handling collection and disbursement of child support payments was processing over one million paper checks per month.)

The e-QuickPay cards have the Master Card logo on them and can be used anywhere Master Card is accepted and can be used at any bank or ATM machine to withdraw cash. There is no service fee if the card is used at a point of sale or to withdraw cash at a bank teller window. There is a 75-cent transaction fee if used to withdraw cash at a Fifth Third Bank ATM machine and a 40-cent transaction fee for a balance inquiry. At any other ATM machine, there is the 75-cent transaction fee plus any service fee charged by that ATM machine.

ODJFS began mandatory enrollment of all new orders and conversion of existing cases to a form of electronic disbursement in December 2005. Conversion of existing cases was completed in July 2006. Currently, there are 279,827 participants enrolled in the e-QuickPay program and 238,928 participants enrolled in direct deposit. Through December 2006, the Department has seen a cost savings of about $5.4 million due to electronic disbursement of child support.

County Funding for Child Support Projects & Activities

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. The Department of Job and Family Services provides state supervision and the local child support enforcement agencies administer the program. The federal government funds a major share of the cost of the program by reimbursing states 66% of their administrative expenses. 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. Some of it is allocated based on the counties' ratings according to performance standards.

Counties also receive funding for the Access/Visitation program. The program supports and facilitates the nonresidential parents' access to, and visitation of, their children to encourage the payment of child support. 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% federal (appropriation item 600-622, Child Support Projects).

Funding Source and Line Items: The following table shows the line items that are used to fund the Child Support Activities program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-416	Computer Projects	$680,000	$680,000
GRF	600-420*	Child Support Administration	$7,469,047	$9,505,417
GRF	600-502	Administration – Local	$34,014,103	$34,014,103
		General Revenue Fund Subtotal	**$42,163,150**	**$44,199,520**
Federal Special Revenue Fund				
3S5	600-622	Child Support Projects	$534,050	$534,050
397	600-626	Child Support	$246,770,995	$245,090,205
		Federal Special Revenue Fund Subtotal	**$247,305,045**	**$245,624,255**
Agency Fund				
192	600-646	Support Intercept – Federal	$110,000,000	$110,000,000
583	600-642	Support Intercept – State	$16,000,000	$16,000,000
		Agency Fund Subtotal	**$126,000,000**	**$126,000,000**
Total Funding: Child Support Activities			**$415,468,195**	**$415,823,775**

Implication of Executive Recommendation: Appropriations for the child support activities are used to pay the costs incurred by the state and county to administer the child support program. The Office of Child Support in the Department of Job and Family Services provides program support for the counties by maintaining statewide contracts for paternity testing, collection assistance, and collection and disbursement of child support payments. In addition, ODJFS maintains the Support Enforcement Tracking System (SETS). Appropriations for the child support program will enable the Office of Child Support to maintain a staff of 178 full-time equivalents (FTEs). The county child support enforcement agencies are responsible for the direct administration and provision of establishment, enforcement, and case management services to all individuals in need of child support services.

The executive recommendation for FYs 2008 and 2009 increases state funding to counties for child support administration by $17.2 million over the biennium to offset the impact of the Deficit Reduction Act (DRA). The recommended funding allows the state to pass through to the counties the funds needed to carry out county responsibilities for child support enforcement. In addition, the state will be able to provide basic support services to the counties by maintaining contracts for paternity testing, operation and maintenance of the Central Paternity Registry, centralized collection and disbursement of child support payments, collections for the most difficult cases, and new hire reporting. The Office of Child Support will continue to work with the federal government to enforce child support orders through multi-state financial institution data match, federal income tax offset, and passport denial. The Office of Child Support will also work with various state agencies to enforce child support orders through single state financial institution data match, state income tax offset, and suspension and denial of professional and driver's licenses.

Temporary Law Provisions

ODJFS Funds (Section 309.20.30 of the bill). H.B. 119, As Introduced, specifies that the Agency Fund Group and Holding Account Redistribution Fund Group be used to hold revenues until the appropriate fund is determined or until the revenues are directed to the appropriate governmental agency other than ODJFS. If it is determined that additional appropriation authority is necessary, such amounts are appropriated.

Fiscal Effect: The Agency Fund Group is a holding account for child support collected from the interception of state and federal income taxes of obligors who are in default. Once collected, the funds are disbursed to the obligee. If it is determined that additional appropriations are necessary for these appropriation items, this provision will allow the appropriations to be increased without Controlling Board approval.

Permanent Law Provisions

Health Insurance Coverage for a Child Who is the Subject of a Child Support Order (R.C. 3119.022, 3119.023, 3119.29, and 3119.30). H.B. 119, As Introduced, requires that health insurance ordered to be provided for a child who is the subject of a child support order be reasonable in cost (does not exceed 5% of the person's annual gross income) and be accessible (provides primary care services within either 30 miles or 30 minutes driving time from the child's residence). The bill provides a means to accommodate rural or other arrangements via court or agency determination.

If health insurance is not provided by either the obligor or obligee and the obligor's annual gross income is over 150% of FPG, the bill requires the obligor to pay cash medical support in the amount of 5% of that person's annual gross income to either the Office of Child Support to defray the cost of publicly provided health care or to the obligee. Cash medical support payments will be offset against the obligor's ordered share of liability for uninsured medical and health care needs of the minor children.

The bill also makes conforming changes to the child support computation worksheets.

Fiscal Effect: This provision will ensure that health insurance is provided for a child who is the subject of a child support order if it is reasonable in cost and accessible to the user. If care is neither reasonable nor accessible, this provision requires the noncustodial parent (obligor) to pay cash medical support (5% of the obligor's gross income). Such cash medical support will either be sent to the Office of Ohio Health Plans, if the child is on Medicaid, or to the custodial parent (obligee).

The requirements of this provision will apply to all orders that are new or modified on or after the effective date of the bill. This provision will likely increase administrative costs to child support enforcement agencies and the domestic relations courts to obtain the necessary information about and make a determination on the reasonableness and accessibility of health insurance and establish or modify an order to include the required considerations for medical support.

This provision is also likely to increase revenues for the Ohio Medicaid program from payments passed on from the Office of Child Support out of receipts of cash medical support payments. According to information LSC obtained from the Office of Budget and Management, the revenue generated from this provision will be an estimated $12.5 million in FY 2008 and $37.5 million in FY 2009. Payments received by the Office of Ohio Health Plans will be used to defray the cost of publicly provided health care for these children.

Processing Charge Claim for Certain Title IV-D Child Support Cases (R.C. 3119.27). H.B. 119, As Introduced, requires ODJFS to claim $25 from the current processing charge imposed upon an obligor when a court or child support enforcement agency (CSEA) issues or modifies a support order. The claim must be collected only in Title IV-D child support cases wherein (1) the obligee has never received Title IV-A (TANF), and (2) ODJFS has collected at least $500 for the obligee. In addition, the bill requires the Director of ODJFS to adopt rules according to the Administrative Procedure Act to implement the provision, which must be implemented not later than March 31, 2008.

Fiscal Effect: The Deficit Reduction Act of 2005 requires states to impose an annual charge of $25 on Title IV-D cases where the obligee had never received assistance under the TANF program and ODJFS has collected at least $500 for the obligee. The DRA gives the state one of four options to account for the charge: (1) retain it from support collected for the obligee, (2) require it to be paid by the individual who applied for services, (3) recover it from the noncustodial parent (obligor), or (4) pay it from state funds. The bill requires ODJFS to account for the $25 charge from the processing charge currently paid by the obligor. This provision will not affect the amount of the processing charge currently being paid by obligors. Additionally, this provision will not affect the amount of funding the counties receive from ODJFS to carry out child support enforcement.

The federal law requires that the state report the entire charge due on cases that meet the criteria as program income regardless of how much is actually collected. The Department estimates that Ohio will therefore be required to report approximately $8.0 million in program income. This will reduce by $8.0 million the amount of child support administrative expenses that are eligible for the 66% federal match. The Department estimates that it currently collects approximately $5.2 million through the existing processing charge on the cases that meet the federal criteria, leaving a deficit of $2.8 million. The Department requested and received funding to cover this gap in funding for the Child Support program.

Collection of Child Support Arrearages from Insurance (R.C. 3123.23). H.B. 119, As Introduced, requires the Director of ODJFS to adopt rules to implement a program to collect child support arrearages from insurance claims, settlements, awards and payments, and specifies that any insurer providing information under that program is immune from civil liability for providing that information.

Fiscal Effect: The DRA authorizes comparisons of information concerning individuals owing past-due child support with information maintained by insurers concerning insurance claims, settlements, awards, and payments. The purpose of the insurance match is to identify pending insurance claims payable to individuals delinquent in their child support obligation. The federal Office of Child Support Enforcement operates the Federal Parent Locator Service (FPLS), a program that encompasses several databases providing assistance to states in locating absent parents and performing collection and enforcement services. The federal office will conduct the match with insurers and provide the information to the Office of Child Support. If a State opts to receive the federal level match data, the State must reimburse the FPLS for its costs.

This provision provides a new tool to assist the state in its efforts to collect delinquent child support. This provision once fully implemented will increase the amount of delinquent child support collected. While the Department has not put forth any recent estimates, the Department believes that the amount that will be collected could potentially be in the million s.

Program 3.02: Child Support Information Technology

Program Description: The Family Support Act of 1988 mandated that each state develop an automated system to manage child support enforcement by October 1, 1995. In Ohio, the automated system is called the Support Enforcement Tracking System (SETS). The system aids in the location of absent parents, and in the establishment and enforcement of child support cases. It is one of the largest statewide child support systems in the nation.

While SETS was being implemented in the late 1900's and through 2003, Ohio failed on several occasions to comply with federally imposed deadlines, and as a result, paid million s of dollars in federal fines. The Support Enforcement Tracking System is fully certified and incompliance with the federal requirements.

Funding Source and Line Items: The following table shows the line items that are used to fund the Child Support Information Technology, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-416	Computer Projects	$17,542,947	$17,630,828
GRF	600-420	Child Support Administration	$1,322,399	$1,386,029
		General Revenue Fund Subtotal	**$18,865,346**	**$19,016,857**
Federal Special Revenue Fund				
397	600-626	Child Support	$36,620,963	$36,915,072
		Federal Special Revenue Fund Subtotal	**$36,620,963**	**$36,915,072**
Total Funding: Child Support Information Technology			**$55,486,309**	**$55,931,929**

Implication of Executive Recommendation: The executive recommendation will fund the cost of supporting the Support Enforcement Tracking System, which handles approximately 1.7 million transactions per day. Also included in the funding for this program is the centralized collections contract described in the previous section under the heading "Enforcement & Collection."

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

REQUESTS NOT FUNDED

This section describes requests not funded in the executive budget for this program series and the effects on the Department's activities and spending decisions during the next biennium.

Child Support Enforcement						
Fund Line Item	**FY 2008 Requested**	**FY 2008 Recommended**	**Difference**	**FY 2009 Requested**	**FY 2009 Recommended**	**Difference**
GRF 600-416	$23,853,347	$18,222,947	**($5,630,400)**	$19,664,028	$18,310,828	**($1,353,200)**
GRF 600-420	$13,996,548	$8,791,446	**($5,205,102)**	$13,811,011	$10,891,446	**($2,919,565)**
GRF 600-502	$36,814,103	$34,014,103	**($2,800,000)**	$36,814,103	$34,014,103	**($2,800,000)**
397 600-626	$291,311,958	$283,391,958	**($7,920,000)**	$282,005,277	$282,005,277	**($0)**
TOTALS	**$365,975,956**	**$344,420,454**	**($21,555,502)**	**$352,294,419**	**$345,221,654**	**($7,072,765)**

The Department's requested a total of $51,718,652 for FY 2008 and $51,272,285 for FY 2009 in general revenue funds for the child support activities program with corresponding appropriations to account for federal financial participation. Of the amount of GRF requested, $20,736,166 in FY 2008 and $40,672,263 in FY 2009 was the Department's base request and $30,982,486 in FY 2008 and $10,600,022 in FY 2009 was the Department's extended request. The executive recommendation was $9,555,502 less in FY 2008 and $7,072,765 less in FY 2009 than was requested. The following is a summary of the Department's extended requests for the child support activities program and the Department's plans for each of those requests given the recommended funding level.

- ***DRA Fee.*** The Department requested approximately $5.6 million in FY 2008 and $5.0 million in FY 2009 to cover a gap in federal funding due to provisions in the DRA. According to the Department, covering this funding gap will be accommodated within the recommended funding level.

- ***Child Support Additional Administration.*** The Department requested approximately $13.7 million in each fiscal year ($4.7 GRF dollars and $9.0 federal funds) to pay the cost of statewide contracts for the Central Paternity Registry, Financial Institution Data Match, and New Hire information processing. According to the Department, payment of these contracts will be accommodated within the recommended funding level.

- ***Federal Incentive Change.*** The Department requested $20 million in FY 2008 to cover the loss of federal financial participation for amounts expended from federal incentive payments. According to the Department, a recalculated estimate of $17.2 million is all that is needed and will be accommodated within the recommended funding level.

- ***Genetic Testing Match.*** The Department requested $1.12 million in each fiscal year to cover the reduced amount of federal financial participation available for genetic testing. According to the Department, this shortfall will be accommodated within the recommended funding level.

- ***Medical Support.*** The Department requested $680,000 in each fiscal year to contract with a vendor that has access to insurance information to identify parents with access to health insurance in order to comply with the state and federal law regarding enforcement of medical support. According to the Department, this contract cost will be accommodated within the recommended funding level.

- ***COGNOS Financial Cube.*** The Department requested $680,000 in each fiscal year to expand an existing application that provides information for case management purposes. The requested funding was from GRF appropriation item 600-416, Computer Projects. The total appropriation for 600-416 (across all program series) is approximately $145.3 million in FY 2008 and approximately $147.4 million in FY 2009. There are great demands on this appropriation item across the Department and the Department must reevaluate the computer project needs of the agency for the next two years and beyond and reprioritize spending for that line item, which may or may not include moving forward with this request.

- ***Forms Management System.*** The Department requested $1.2 million in FY 2008 and $500,000 million in FY 2009 to pursue existing technology that delivers a document management system that will enable the Office of Child Support to be the content manager of the information that is delivered to its customers. The requested funding was from GRF appropriation item 600-416, Computer Projects. As noted in the previous request, the demands on appropriation item 600-416 and the Department's reprioritization of spending for that line item may or may not include moving forward with this request.

- ***Insurance Data Match.*** The Department requested $520,000 ($176,800 GRF and $343,200 federal funds) in FY 2008 and $780,000 ($265,200 GRF and $514,800 federal) in FY 2009 to pay the cost associated with insurance match, which identifies pending insurance claims payable to individuals delinquent in their child support obligation. While this program is optional for states under federal law, the bill requires the Director of ODJFS to adopt rules to implement an insurance match program. Implementation of such a program will increase collection of delinquent child support, which may result in Ohio receiving a larger share of the pool of federal incentive dollars. Given these factors, it seems likely that the Department will find a way to accommodate these requested expenditures within the recommended funding level.

- ***SETS.*** The Department requested $12.0 million in FY 2008 to modernize the Support Enforcement Tracking System. Thirty-four percent of this request was from GRF appropriation item 600-416, Computer Projects, with expected 66% federal financial participation. This request was not funded in the executive's proposed budget.

FAMILY AND CHILDREN

OVERVIEW

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

The executive recommendation for the Family and Children program series is $837,221,127 in FY 2008 and $840,721,385 in FY 2009. This funding level will allow ODJFS to support, and in small part, fund child welfare services and activities provided by the counties. If the cost of providing child welfare in FY 2006 remains constant through the FY 2008-2009 biennium, by the end of FY 2009, the child welfare dollars provided by the state to the counties will represent about 9.3% of the statewide costs.

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series — 4: Family and Children

Purpose: Supports activities that assure abuse prevention and protection services for children and adults, foster care services, adoption activities, social services, Family and Children First activities, and the technology that supports these programs.

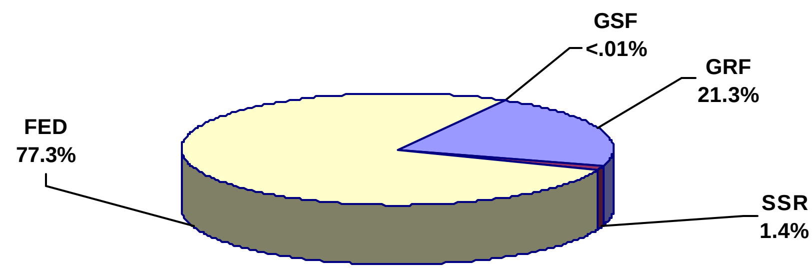
The following table shows the line items that are used to fund the Family and Children program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-416	Computer Projects	$4,563,884	$4,653,572
GRF	600-423	Office of Children and Families	$6,737,630	$6,737,630
GRF	600-523	Children and Families Services	$78,515,135	$78,515,135
GRF	600-528	Adoption Services	$84,124,509	$93,174,366
		General Revenue Fund Subtotal	**$173,941,158**	**$183,080,703**
General Services Fund				
4R4	600-665	BCII Services Fees	$36,974	$36,974
		General Services Fund Subtotal	**$36,974**	**$36,974**
State Special Revenue Fund				
198	600-647	Children's Trust Fund	$6,788,522	$6,788,522
4E7	600-604	Child and Family Services Collection	$300,000	$300,000
5U6	600-663	Children and Family Support	$4,928,718	$4,928,718
		State Special Revenue Fund Subtotal	**$12,017,240**	**$12,017,240**
Federal Special Revenue Fund				
327	600-606	Child Welfare	$48,514,502	$47,947,309
395	600-616	Special Activities – Child and Family Services	$5,723,131	$5,717,151
396	600-620	Social Services Block Grant	$106,479,464	$106,474,085
398	600-627	Adoption Maintenance/Administration	$304,537,898	$302,990,312
3D3	600-648	Children's Trust Fund – Federal	$2,040,524	$2,040,524
3F0	600-623	Health Care Federal	$315,086	$315,086
3G5	600-655	Interagency Reimbursement	$6,000,000	$6,000,000
3H7	600-617	Child Care Federal	$982,911	$1,030,115
3N0	600-628	IV-E Foster Care Maintenance	$153,963,142	$153,963,142
3V6	600-689	TANF Block Grant	$19,086,996	$19,108,744
3W3	600-659	TANF/ Title XX Transfer	$3,582,101	$0
		Federal Special Revenue Fund Subtotal	**$651,225,755**	**$645,586,468**
Total Funding: Families and Children			**$837,221,127**	**$840,721,385**

Note: Some line items are used to fund other program series, so the amount shown in this table and those throughout this program series may not reflect the total appropriation.

The majority of dollars appropriated for the Family and Children program series come from the federal government.

Total FY 2008-2009 Biennial Budget for the Family and Children Program Series by Fund Group

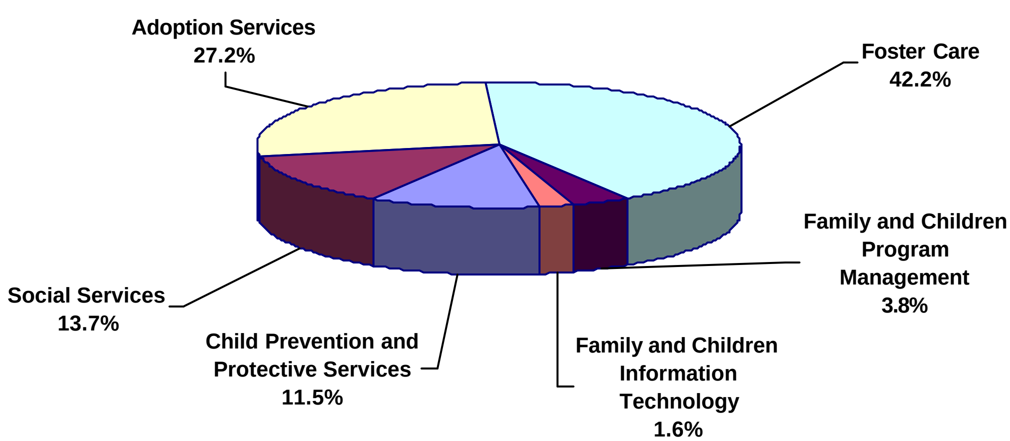


This analysis focuses on the following specific programs within the program series:

- ***Program 4.01: Child Abuse Prevention and Protective Services***
- ***Program 4.02: Social Services***
- ***Program 4.03: Adoption Services***
- ***Program 4.04: Foster Care***
- ***Program 4.05: Family and Children Program Management***
- ***Program 4.06: Family and Children Information Technology***

The largest portion (42.2%) of the budget for the Family and Children program series is for the Foster Care program. The next largest portion is for the Adoption Services program, which primarily provides subsidies for families that adopt special needs children.

Total Budget by Program for the Family and Children Program Series FY 2008–2009 Biennium



Program 4.01: Child Abuse Prevention and Protective Services

Program Description: The primary goal of this program is to decrease incidences of child abuse and neglect. The program supports child abuse prevention and investigation activities. Specifically, the program supports operating and grant costs of the Ohio Children's Trust Fund, the child welfare operating subsidy provided to the county child welfare agencies, and three federal child abuse prevention grants that the state receives.

Ohio Children's Trust Fund (OCTF). The Trust Fund was created in 1984 and it is the state's primary funding agent for programs designed to prevent child abuse and neglect. Revenues are generated from fees collected on divorce and dissolution filings, 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 ODJFS 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 those 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. In FY 2006, OCTF allocated $3.8 million to counties to fund such services.

Child Welfare Operating Subsidy. Within available funds, the state distributes child welfare dollars to the counties in accordance with a formula set forth in section 5101.14 of the Revised Code. The funds allocated to the counties satisfy the federal requirement for a 25% state match for funds received from the Federal Title IV-B Child Welfare Grant. This subsidy provided to the counties can be used for any legitimate child welfare cost. In FY 2006, the subsidy represented approximately 8% of the statewide costs of child welfare services provided by the counties.

Federal Child Abuse Grants. The Department of Job and Family Services is designated as the single state agency responsible for the administration of the state plan required by the federal Child Abuse Prevention and Treatment Act. The state receives the following three federal child abuse prevention grants:

- ***The Basic State Grant.*** This grant is used to develop, test, and validate child abuse investigation practice tools for county child welfare workers. These practice tools include risk and safety assessments that are deployed during child abuse investigations. During the FY 2008–2009 biennium, ODJFS expects to receive approximately $1.0 million under this grant program.

- ***The Children's Justice Grant.*** This grant is used to support a variety of projects designed to improve the workings of the judicial process in matters related to children. Principal among these activities is a joint collaboration between the Supreme Court and ODJFS to foster the establishment and operation of family courts and improve operations of juvenile courts. During the FY 2008–2009 biennium, ODJFS expects to receive approximately $630,000 under this grant program.

- ***The Community-Based Child Abuse Prevention Grant.*** The federal government provides this grant to assist states to support community-based efforts to develop, operate, expand, and enhance initiatives and activities designed to strengthen and support families to prevent child abuse and neglect. This grant requires a 20% state match. During the FY 2008–2009 biennium, ODJFS expects to receive approximately $4.0 million under this grant program, most of which will be distributed to grantees for child abuse and neglect prevention services.

Funding Source and Line Items: The following table shows the line items that are used to fund the Child Abuse Prevention and Protective Services program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-423	Office of Children and Families	$501,110	$625,137
GRF	600-523	Children and Families Services	$56,852,252	$56,852,252
		General Revenue Fund Subtotal	**$57,353,362**	**$57,477,389**
State Special Revenue Fund				
198	600-647	Children's Trust Fund	$6,788,522	$6,788,522
		State Special Revenue Fund Subtotal	**$6,788,522**	**$6,788,522**
Federal Special Revenue Fund				
327	600-606	Child Welfare	$24,383,897	$24,325,098
395	600-616	Special Activities–Child and Family Services	$5,223,131	$5,217,151
396	600-620	Social Services Block Grant	$40,553	$42,507
398	600-627	Adoption Maintenance Administration	$828,258	$842,021
3D3	600-648	Children's Trust Fund – Federal	$2,040,524	$2,040,524
		Federal Special Revenue Fund Subtotal	**$32,516,363**	**$32,467,301**
Total Funding: Child Prevention and Protective Services			**$96,658,247**	**$96,733,212**

Implication of Executive Recommendation: The executive recommendation allows the Children's Trust Fund Board to support child abuse and neglect prevention services at the local level and provide for prevention programs that have statewide significance. Such services will be provided to over 20,000 individuals.

Total child welfare costs in Ohio in FY 2006 were approximately $712 million (local, state, and federal funds). The county child protection allocation for FYs 2008 and 2009, which is funded out of GRF appropriation item 600-523, Children and Families Services, is approximately $57 million in each year. (There are additional moneys appropriated to appropriation item 600-523 in each fiscal year that will be provided to the counties. See "Implication of Executive Recommendation" in Program 4.04, Foster Care.) If all other child welfare costs remain constant at the FY 2006 level, by the end of FY 2009, the child welfare subsidy will represent 9.3% of the total statewide costs for child welfare services.

The executive recommendation provides sufficient appropriation authority for ODJFS to carry out the activities funded with the annual awards for the three federal child abuse prevention grants.

Temporary Law Provisions

Children's Trust Fund (Section 309.50.20 of the bill). H.B. 119, As Introduced, requires that in each fiscal year, the Director of Budget and Management transfer $1.5 million from the Children's Trust Fund (state special revenue Fund 198) to the Partnerships for Success Fund (state special revenue Fund 5BH) in the Department of Youth Services (DYS).

Fiscal Effect: The Children's Trust Fund will be providing funding for the Partnerships for Success program in the DYS. This initiative provides seed money to local family and children first councils to plan, develop, implement, and enhance programs, processes, and services to divert youth from the juvenile justice system.

Permanent Law Provisions

There are no permanent law provisions affecting this program.

Program 4.02: Social Services

Program Description: The Social Services Block Grant (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, ODJFS established 28 service categories that are designed to provide flexibility in targeting the populations to be served. Some examples of the service definitions include adoption, family planning, employment services, prevention and intervention, home delivered meals, and legal services.

All counties are required to provide these services. However, counties have broad discretion, flexibility, and autonomy in deciding what services will be offered in that county. Therefore, the amount, duration, and scope of services varies from county to county. Under current law, all counties are required to investigate allegations of abuse, neglect, and exploitation of persons age 60 and older.

Funding Source and Line Items: The following table shows the line items that are used to fund the Social Services program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-523	Children and Families Services	$9,013,013	$9,013,013
Federal Special Revenue Fund				
393	600-620	Social Services Block Grant	$105,638,445	$105,592,495
Total Funding: Social Services			**$114,651,458**	**$114,605,508**

Implication of Executive Recommendation: The executive recommendation assumes that Congress will maintain SSBG funding at the current levels. This should allow SSBG service levels to be generally maintained. The Department expects to receive approximately $48.0 million in SSBG funds in each fiscal year of the upcoming biennium. (The Department of Job and Family Services receives 72.5% of Ohio's SSBG award. The remaining amount is divided between the departments of Mental Health and Mental Retardation and Developmental Disabilities.) The Department may use up to 3% of the SSBG for administration and up to 2% for statewide training. The balance is allocated to the 88 county departments of job and family services. In addition, the Department also plans to transfer approximately $72.8 million in TANF dollars to the SSBG, which if used to pay for social service, they must be paid on behalf of a child or their families with income at or below the federal poverty guidelines.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 4.03: Adoption Services

Program Description: This program supports the state's adoption programs through subsidy payments to families that adopt special needs children, reimbursement for certain out-of-pocket costs incurred by families who adopt special needs children, services to families that have already adopted special needs children, and continued support for outreach and advertising campaigns to promote adoption and recruit adoptive families.

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. Over 3,400 children are currently awaiting adoption in Ohio. Significant numbers of these children are part of a sibling group, male, African-American, older, and have physical, mental, or emotional health problems or are developmentally delayed.

Adoption Subsidies. State funding is specifically targeted to support adoption services. Most of this support comes in the form of monthly cash subsidies for families that adopt special needs children. There are several kinds of adoption subsidies available.

- ***Title IV-E Adoption Subsidy.*** This adoption subsidy is provided for children who meet TANF eligibility guidelines. The average IV-E adoption subsidy in FY 2006 was $255.83 per child per month. (The federal share of this payment is currently 59.66% of the total allowable cost, which may vary with each child. Currently, the non-federal share of this payment is provided by the state to the counties up to a maximum of $250 per child per month. The counties are responsible for the non-federal share of payments above $250.) At the close of FY 2006, there were 20,592 recipients of the IV-E adoption subsidy.

- ***State Adoption Maintenance Subsidy.*** This subsidy is funded with state funds only and is currently limited to $250 per child per month. At the close of FY 2006, there were 1,550 recipients of this adoption subsidy. In FY 2006, ODJFS paid out approximately $3.6 million under this subsidy program.

- ***Post Finalization Adoption Subsidy.*** Subject to available funds, the state reimburses public children service agencies for some post adoption services needed by some special needs children. The maximum benefit amount, set by section 5153.163 of the Revised Code, is $10,000 per child per year, but may be increased to $15,000 in extraordinary circumstances. The federal government reimburses 75% of the cost of this subsidy. The child's adoptive parents are expected to share in the cost of services through a 5% copayment requirement. However, the public children services agency may waive the copay requirement if the gross annual income of the child's adoptive family is not more than 200% of the federal poverty guidelines. In FY 2006, there were 760 recipients of this subsidy. The Department paid out approximately $3.2 million (state and federal funds) in post finalization adoption subsidies.

- ***Nonrecurring Payments.*** The state reimburses the out-of-pocket costs incurred by families that adopt special needs children. Such costs include attorney fees and court costs, medical evaluations, and travel. The state will reimburse up to $2,000 per child adopted. The federal government reimburses the state 50% of the costs for these payments. In FY 2006, ODJFS paid out over $1.6 million (state and federal funds) under this subsidy program.

Funding Source and Line Items: The following table shows the line items that are used to fund the Adoption Services program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-423	Office of Children and Families	$434,142	$470,607
GRF	600-528	Adoption Services	$84,124,509	$93,174,366
		General Revenue Fund Subtotal	**$84,558,651**	**$93,644,973**
State Special Revenue Fund				
4E7	600-604	Child and Family Services Collection	$300,000	$300,000
5U6	600-663	Children and Family Support	$254,270	$254,270
		State Special Revenue Fund Subtotal	**$554,270**	**$554,270**
Federal Special Revenue Fund				
327	600-606	Child Welfare	$191,777	$264,536
395	600-616	Special Activities–Child & Family Services	$500,000	$500,000
398	600-627	Adoption Maintenance/Administration	$127,130,900	$127,761,675
3V6	600-689	TANF Block Grant	$10,000,000	$10,000,000
		Federal Special Revenue Fund Subtotal	**$137,822,677**	**$138,526,211**
Total Funding: Adoption Services			**$222,935,598**	**$232,725,454**

Implication of Executive Recommendation: Most of ODJFS's function related to adoption is to provide subsidy payments to families that adopt special needs children and to set forth policies and best practices for counties to follow when conducting outreach and advertising campaigns to promote adoption and recruit adoptive families. The state does not provide any funding specifically for adoption activities to the counties. Counties may use state child welfare dollars, Title XX dollars, and various other federal funds to pay for their administrative costs associated with adoption.

The executive recommendation will fully fund the anticipated costs for the Title IV-E adoption subsidy and the State Adoption Maintenance subsidy, with some assumed growth in both programs and an increase in the state share of each subsidy to $300 per child per month (from $250 per child per month). This funding will provide a Post Finalization Adoption subsidy for up to 370 recipients in each year and nonrecurring payments for up to 900 recipients in each year.

The executive recommendation also includes an earmark of up to $5.0 million of appropriation item 600-689, TANF Block Grant (Federal Special Revenue Fund 3V6), in each fiscal year that ODJFS must use for TANF-eligible activities in accordance with certain state law governing the use of TANF dollars to provide additional support for initiatives aimed at increasing the number of adoptions including recruiting, promoting, and supporting adoptive families.

Temporary Law Provisions

Child Welfare Training Initiative (Section 309.50.10 of the bill). H.B. 119, As Introduced, requires ODJFS in each fiscal year, to grant $50,000 from GRF appropriation item 600-528, Adoption Services, and $150,000 from appropriation item 600-606, Child Welfare (Federal Special Revenue Fund 327), to the National Center for Adoption Law and Policy to fund a multi-disciplinary child welfare training initiative. The Department must coordinate with the National Center for Adoption Law and Policy to determine the focus of the training provided each year.

Fiscal Effect: Other than the earmark, this provision may result in increased administrative costs to the Department to coordinate with the National Center for Adoption Law and Policy to determine the focus of the training.

Adoption LawSite Initiative (Section 309.50.10 of the bill). H.B. 119, As Introduced, requires ODJFS in each fiscal year, to grant $37,500 from appropriation item 600-528, Adoption Services, and $112,500 from appropriation item 600-606, Child Welfare (Fund 327), to the National Center for Adoption Law and Policy to fund expansion of the Adoption LawSite Initiative.

Fiscal Effect: The Adoption LawSite was created by The National Center for Adoption Law & Policy at Capital University Law School in Columbus, Ohio. The LawSite is an online resource where prospective adoptive parents, biological parents, adoption and child welfare lawyers, juvenile and family court judges and child advocates can access child welfare and adoption law information. The site provides statutes, regulations, key cases, and leading explanatory law review and practice journal articles concerning child welfare and adoption laws for each state.

Other than the earmark, this provision result in increased administrative costs to the Department to administer the granting of fund to the National Center for Adoption Law and Policy.

Permanent Law Provisions

There are no permanent law provisions affecting this program.

Program 4.04: Foster Care

Program Description: This program supports county child welfare costs including the investigation of complaints of child abuse and neglect, placement of children into foster care, training programs for county child welfare workers and foster parents, and the federal and non-federal share of education and training vouchers available to persons who have "aged-out" of the foster care system.

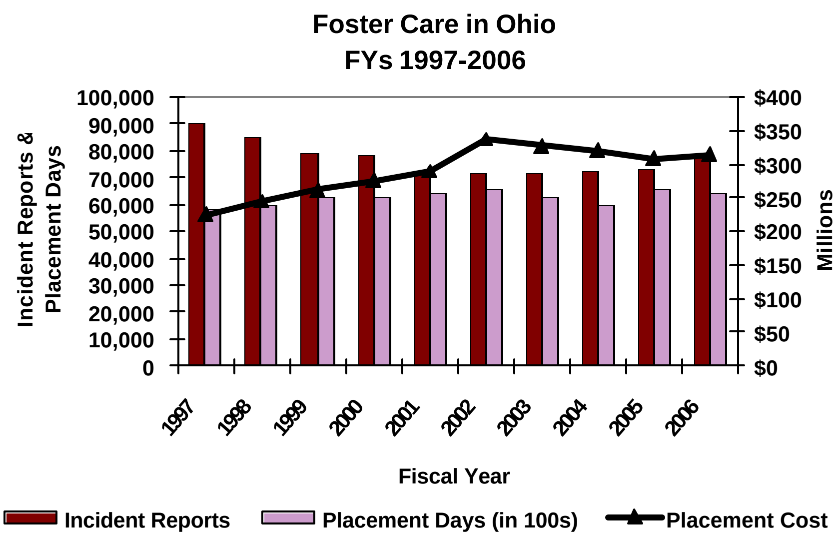
The Department of Job and Family Services is responsible for supervising, prescribing, and proscribing county child welfare practice through the formulation of policy, promulgation of regulations, and the promotion of best practices. The Department also provides support to the counties by providing training programs for county workers and foster parents, information systems, staff who license public and private providers of foster care services, and fiscal mechanisms for properly claiming federal reimbursement for allowable expenses.

Each county is responsible for creating, operating, and financing a child welfare program within the context of state and federal laws, regulations, and policies. State and federal laws require county child welfare agencies to investigate reports of child abuse and neglect, issue a finding concerning an investigation, and if necessary, intervene to protect children who are at risk of maltreatment. The number of incidents of reported abuse and neglect had been declining in recent years, from 95,188 in FY 1995 to 71,414 in FY 2003, a drop of 25%. However, in FY 2004, the reports received by county child welfare agencies began to rise again. In FY 2004, county agencies received reports alleging 72,550 incidents of child abuse and neglect (involving 114,171 alleged child victims) and in FY 2006, there were reports of 77,688 incidents of child abuse and neglect (involving 98,144 alleged child victims). That is an almost 9% increase over a three year period.

When it is determined that a child can no longer be safely cared for in the child's own home, the county must act to place that child in a foster care setting and, in some cases, for adoption. Once 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. Currently, there are 10,772 licensed foster homes in Ohio.

The cost of foster care is driven primarily by two variables – volume and unit cost. Volume is best measured by counting total placement days - a measure of the total number of days a child spends in foster care each year. Unit cost is calculated by dividing total placement cost by total placement days. The relationship between the two may provide some insight into the acuity of the caseload. Static or decreasing placement days yet rising unit costs suggest that the children being placed have more difficult care issues. The number of placement days was increasing over time and peaked in FY 2002 at 8,015,166. In FY 2006, the number of placement days had decreased to 6,434,877. Between FY 1995 and FY 2002, total placement costs increased at an even faster pace than the rise in placement days. During that time period total placement costs grew by 75.3%, from $192,056,052 to $336,588,611. However, in FY 2003 placement costs began to decrease and totaled $327,608,642. The downward trend continued and in FY 2005, total placement cost was $309,462,600. The placement cost was up slightly in FY 2006 and totaled $314,825,097.

The following graph shows the number of incident reports, placement days, and placement costs from FY 1997 through FY 2006.



ProtectOhio Demonstration. The Department of Job and Family Services 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 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 services to children.

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 prepaid 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 original demonstration counties included: Ashtabula, Belmont, Clark, Crawford, Fairfield, Franklin, Greene, Hamilton, Lorain, Medina, Muskingum, Portage, Richland, and Stark. (Hamilton County withdrew from the demonstration as of October 1, 2005.)[5]

The demonstration has been running since Federal Fiscal Year 1999. As of September 30, 2006, 11 of the 14 original counties had a surplus of placement days. Thus far, the demonstration has produced a savings of more than 1.20 million placement days (includes only those 11 counties that ran a surplus) and an aggregate internal savings of over $30.2 million in federal funds across the entire demonstration. The Department requested, and received approval for, a five-year extension of the waiver with the requirement of an independent evaluation. The Department contracted with Human Services Research Institute to conduct the federally required evaluation.

Overall, Ohio's final report presented mixed results. Although some changes were noted as a result of the demonstration, they were not strong enough to reform the State's child welfare system fundamentally. In addition, observed changes were neither large nor targeted enough to create statistically significant differences in foster care expenditures or child and family outcomes. However, there is continued strong support and enthusiasm for the demonstration amongst the participating counties. The demonstration counties are unanimous in their belief that the demonstration has improved outcomes for the communities they serve, and allowed them to become more efficient and accountable in their work. Over the past nine years, 10 of the 13 original demonstration counties have used the opportunity of the demonstration to constrain placement day growth well below the required levels. Those 10 counties have generated a cumulative internal savings of over 1.08 million placement days, and Title IV-E funds associated with demonstration savings have remained available for reinvestment to strengthen programs. With federal approval, the Department began implementing plans to expand the demonstration project. In response to the Department's invitation 12 counties expressed an interest; six were eligible to join, and four have agreed to participate in the demonstration. The expansion counties include Coshocton, Hardin, Highland, and Vinton.

[5] As a federal condition of participating in the waiver program, each county must enter into an agreement with ODJFS. Hamilton County and ODJFS could not agree on the terms and conditions of the waiver and agreement, thus Hamilton County withdrew from the demonstration project.

Funding Source and Line Items: The following table shows the line items that are used to fund the Foster Care program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-423	Office of Children and Families	$1,715,000	$1,423,607
GRF	600-523	Children and Families Services	$12,649,870	$12,649,870
		General Revenue Fund Subtotal	**$14,364,870**	**$14,073,477**
State Special Revenue Fund				
5U6	600-663	Children and Family Support	$1,439,131	$1,439,131
		State Special Revenue Fund Subtotal	**$1,439,131**	**$1,439,131**
Federal Special Revenue Fund				
327	600-606	Child Welfare	$8,133,847	$7,801,354
398	600-627	Adoption Maintenance/Administration	$166,456,330	$167,696,379
3F0	600-623	Health Care Federal	$315,086	$315,086
3N0	600-628	IV-E Foster Care Maintenance	$153,963,142	$153,963,142
3V6	600-689	TANF Block Grant	$9,086,996	$9,108,744
		Federal Special Revenue Fund Subtotal	**$337,955,401**	**$338,884,705**
Total Funding: Foster Care			**$353,759,402**	**$354,397,313**

Implication of Executive Recommendation: The executive recommendation provides for the cost of foster parent and county staff training. It also provides the match needed for education and training vouchers for persons who have "aged" out of foster care. The recommendation includes appropriations for the federal share of operating costs related to investigating complaints of child abuse and neglect and the placement of children into foster care.

In addition to the child protection allocation discussed in "Implication of Executive Recommendation" in Program 4.01, Child Abuse Prevention and Protective Services, there is an additional $9.0 million identified in GRF appropriation item 600-523, Children and Families Services, in the executive's budget to support the county child welfare agencies in implementing the recommendations found in the Fiesel Review Report.[6]

The Department is likely to continue to operate the ProtectOhio demonstration project. (See Requests Not Funded at the end of the Family and Children Section.)

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

[6] The Fiesel Review Report is an administrative review of activities performed by Butler County Children's Services Board, Lifeway for Youth foster care network, Clermont County Department of Job and Family Services, and the Foster Care Licensing Section of the Ohio Department of Job and Family Services' Office for Children and Families associated with the case in which it is alleged three-year old Marcus Fiesel was murdered by his foster parents, David and Liz Carroll. The report included findings of compliance and noncompliance and offered recommendations for systemic change to improve child welfare and safety. While the funding for these changes is in H.B. 119, As Introduced, the necessary changes to state law are being considered in separate legislation.

Program 4.05: Family and Children Program Management

Program Description: Family and Children Program Management oversees the operation of a variety of programs for children and their families and adults. These programs include child abuse prevention and protection, social services, adoption, and foster care. Family and Children Program Management also administers the child care subsidies for low-income working families and oversees licensing, inspection, and regulation of child care and foster care providers. Additionally, Family and Children Program Management develops and maintains information systems for child care and child welfare operational needs and program plans required for federal funding of services to children and families administered by the Office for Children and Families.

Funding Source and Line Items: The following table shows the line item that is used to fund Family and Children Program Management, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-423	Office of Children and Families	$3,212,030	$3,303,179
		General Revenue Fund Subtotal	**$3,212,030**	**$3,303,179**
General Services Fund				
4R4	600-665	BCII Services Fees	$36,974	$36,974
		General Services Fund Subtotal	**$36,974**	**$36,974**
State Special Revenue Fund				
5U6	600-663	Children and Family Support	$3,235,317	$3,235,317
		State Special Revenue Fund Subtotal	**$3,235,317**	**$3,235,317**
Federal Special Revenue Fund				
327	600-606	Child Welfare	$15,799,232	$15,550,572
396	600-620	Social Services Block Grant	$800,466	$839,083
398	600-627	Adoption Maintenance/Administration	$1,870,080	$1,920,500
3G5	600-655	Interagency Reimbursement	$6,000,000	$6,000,000
3H7	600-617	Child Care Federal	$940,920	$986,017
		Federal Special Revenue Fund Subtotal	**$25,410,698**	**$25,296,172**
Total Funding: Family and Children Program Management			**$31,895,019**	**$31,871,642**

Implication of Executive Recommendation: The executive recommendation will support state level administration for child care and child welfare programs. The recommended funding levels provide an increase of $1.3 million for state level administrative expenses for reforms to the child welfare system related to the Fiesel Review Report. (See footnote to "Implication of Executive Recommendation" for Program 4.04, Foster Care.)

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 4.06: Family and Children Information Technology

Program Description: This program is responsible for the child welfare management information systems. The systems support county caseworkers and state personnel in the performance of their jobs and provide performance data to both the state and federal governments. The child welfare systems record the receipt and investigations of child abuse complaints, track foster care placements, record and track training provided to foster parents, maintain a public web site listing special needs children who are available for adoption, record the adoptive placement of children, send adoption subsidy payments, and provide data that will serve as the basis for claiming federal funds for child welfare services.

In FY 2004, ODJFS began working on a replacement for the Family and Children Services Information System (FACSIS). The replacement system, called the Statewide Automated Child Welfare Information System (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.

The Department began piloting SACWIS in August 2006 in Muskingum County. The SACWIS pilot was originally scheduled for 90 days but was extended into late January 2007 to assure that the pilot check list was completed and the system was ready. Statewide rollout began at the completion of the pilot and is scheduled to occur over an eight-month period. Columbiana and Licking counties went "live" with the SACWIS application on January 29, 2007. Butler County joined as the fourth "live" county on March 5th. Then, on March 26, SACWIS was rolled out to four additional counties (Athens, Portage, Ashtabula, and Scioto). Cuyahoga county will be the last public entity to join SACWIS and roll out is expected to begin November 5, 2007. By the end of calendar year 2007, all public agencies will be part of SACWIS. The Department is currently in the process of planning how and when to extend SACWIS to about 240 private agencies and 16 courts that receive Title IV-E funding for their handling of unruly and delinquent children.

Caseworkers will be able to access the new system anywhere there is Internet access, with new case information updated immediately. The system also will issue alerts and reminders to assist in day-to-day management. This application is also being tested on a wireless and remote application, which will further assist case workers by providing the information they need when in the field.

Funding Source and Line Items: The following table shows the line items that are used to fund Family and Children Information Technology, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-416	Computer Projects	$4,563,884	$4,653,572
GRF	600-423	Office of Children and Families	$875,348	$915,100
		General Revenue Fund Subtotal	**$5,439,232**	**$5,568,672**
Federal Special Revenue Fund				
327	600-606	Child Welfare	$5,749	$5,749
398	600-627	Adoption Maintenance/Administration	$8,252,330	$4,769,737
3H7	600-617	Child Care Federal	$41,991	$44,098
3W3	600-659	TANF/Title XX Transfer	$3,582,101	$0
		Federal Special Revenue Fund Subtotal	**$11,882,171**	**$4,819,584**
Total Funding: Family and Children Information Technology			**$17,321,403**	**$10,388,256**

Implication of Executive Recommendation: The executive recommendation will allow for continued roll out of SACWIS and the support needed to operate the child welfare management information systems.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

REQUESTS NOT FUNDED

This section describes requests not funded in the executive budget and the effects on the Department's activities and spending decisions during the next biennium.

GRF Appropriation Item 600-523, Children and Families Services

There are five objects of expense that make up GRF appropriation item 600-523, Children and Families Services. They are as follows:

- County Child Protection Allocation
- County Social Services Operating Allocation
- Non-Federal Share of Education and Training Vouchers for individuals who have aged out of foster care
- Foster Parent Training Subsidy
- County Support Related to the Fiesel Review Report

The three items described below are extended requests for funding from appropriation item 600-523 that are not funded in the executive's budget proposal.

Child Prevention and Protective Services. Am. Sub. S.B. 238 of the 126th General Assembly directs ODJFS to develop, implement, oversee, and evaluate a pilot program on an "Alternative Response" approach to reports of child abuse, neglect, and dependency. Under this initiative, child protection agencies would have the flexibility to offer a more targeted response (services) to specified categories of child maltreatment reports and the authority to engage caretakers through a non-threatening, non-adversarial response protocol. The option to provide this response is consistent with current best practice standards for family-centered child welfare services.

The Department has requested $550,000 in each fiscal year for GRF appropriation item 600-523 to provide additional funding for this pilot (other state and federal funds are being used). **This request was not funded.** The Department has every intention to move forward on this project and is working to identify other possible sources of funding.

Social Services – Adult Protective Services. Beginning in the FY 2004–2005 biennium and continuing in the FY 2008-2009 biennium, state funding specifically for adult protective services was eliminated. In FY 2006, counties spent approximately $13.1 million on adult protective services.

The Department had requested $3.0 million dollars in each fiscal year for GRF appropriation item 600-523 to restore general fund support for an adult protective services allocation. **This request was not funded.** During the FY 2008-2009 biennium, counties will have to continue to absorb the cost of adult protective services within their SSBG allocation or, where available, use local levy dollars to provide adult protective services.

Foster Care – Children and Family Services Review. The Department had requested $8.5 million dollars in FY 2008 for GRF appropriation item 600-523, to create a one-time cash incentive pool of money for distribution to public children services agencies that achieve a performance level of not less than 110% of half the performance measures associated with the federal Children and Family Services Review. **This request was not funded.**

GRF Appropriation item 600-423, Office of Children and Families

The Department has expressed that it will face great challenges with the funding that was recommended for this appropriation item. Both of the requests described below (ProtectOhio Evaluation and SACWIS Staff) were not funded and cannot be financed within the recommended appropriation for this appropriation item. The Department is committed to trying to find support for both requests through other appropriations.

ProtectOhio Evaluation. In the past, the Department had funded the non-federal share of the federally mandated evaluation of the ProtectOhio demonstration project from an unrestricted cash reserve in state special revenue Fund 5U6.[7] The cash reserve will be exhausted at the end of FY 2007. The Department had requested to fund the non-federal share of the evaluation costs (approximately $500,000 each year) with general revenue dollars through appropriation item 600-423.

SACWIS Staff. The Department is currently funding the non-federal share of the cost for some SACWIS staff with cash budgeted from Fund 5U6 (earned federal reimbursement). The cash reserve will be exhausted at the end of FY 2007. The Department had requested to fund the non-federal share of the evaluation costs (approximately $700,000 each year) with general revenue dollars through appropriation item 600-423.

SACWIS Enhancements

The Department had requested almost $9.0 million in FY 2008 for a series of enhancements to the Statewide Automated Child Welfare Information System (SACWIS). (For more information on SACWIS see Program 4.06, Family and Children Information Technology.) This request was not related to operational functions of the system. **This request was not funded.** However, in FY 2007, the Department shifted some of the non-federal share for costs associated with SACWIS from Fund 3W3 (earned federal reimbursement) to a surplus that was identified in GRF appropriation item 600-416, Computer Projects. This shift freed up some dollars in Fund 3W3 that would have otherwise been spent had the shift not occurred. Fund 3W3 is therefore a possible source from which the Department could access dollars to pay the non-federal share of costs associated with the SACWIS enhancements and move forward on the project.

[7] Ohio's participation in the demonstration is not federally mandated. However, since Ohio has received federal approval for the project, Ohio must complete the evaluation to maintain approval.

HEALTH CARE (MEDICAID)

OVERVIEW

The Office of Ohio Health Plans in the Department of Job and Family Services (ODJFS) operates several state and federally funded programs providing health care coverage to certain low-income and medically vulnerable people of all ages including: Medicaid, the State Children's Health Insurance Program (SCHIP, created by the Social Security Act as Title XXI), the Hospital Care Assurance Program (HCAP, also created by the Social Security Act as Title XXI), and the state Disability Medical Assistance program (DMA).

Medicaid, the largest health program in Ohio, was created by the Social Security Act as Title XIX, and became law in 1965. Medicaid is an entitlement program and is a state-federal partnership that jointly funds the provision of adequate medical care to eligible needy persons. In this partnership, the federal government establishes broad national guidelines. Each state determines its own eligibility requirements and scope of services, sets its own payment rates, and administers its own program.

In 1997, the U.S. Congress enacted a significant health care expansion with the creation of SCHIP. SCHIP allowed states to enact new health care coverage for uninsured children in low-income families. It provided an incentive through enhanced federal matching funds for these newly eligible populations. States were offered the option of implementing this health care coverage as stand alone programs with different benefit packages, or as part of their existing Medicaid benefit. Ohio opted to implement SCHIP as a Medicaid expansion of the Healthy Start program. Healthy Start is Ohio's health coverage program for children and pregnant women and has existed since 1989. In July 2000, Ohio further expanded Healthy Start under SCHIP by raising the income limit for eligibility to 200% of the federal poverty guidelines (FPG). To qualify for SCHIP, children in families with income between 151% and 200% of the FPG must be considered uninsured.

Through HCAP, hospitals are reimbursed for some of their costs of providing medical care to persons below 100% of FPG. Disability Medical Assistance is a state funded program that provides limited medical coverage to persons who are not eligible for a federally funded program.

In FY 2006, Medicaid and SCHIP provided health care coverage to about 1.7 million Ohioans every month to people in the following four distinct insurance markets: children in families with incomes at or below 200% of FPG; pregnant women with incomes at or below 150% of FPG; parents at or below 90% of the FPG; and low-income elderly and persons with disabilities of all ages, commonly referred to as 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." Medicaid supplements their Medicare benefits by providing coverage for services such as long-term care through the Medicaid program. Medicaid also provides assistance with Medicare premiums, copayments, and deductibles to certain low-income seniors.

Although other state agencies provide Medicaid services, the vast majority of Medicaid spending occurs within the ODJFS budget. Recognized by the federal government as Ohio's single Medicaid agency, ODJFS provides long-term care and basic medical services with state and federal moneys through

General Revenue Fund (GRF) appropriation item 600-525, Health Care/Medicaid. In addition to the GRF, several provider tax programs and other special revenues are used to pay for Medicaid services.[8]

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 states' cost of Medicaid at a matching rate known as the Federal Medical Assistance Percentage (FMAP). 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 one dollar Ohio spends on Medicaid, the federal government gives Ohio 60 cents. However, while the majority of the spending in appropriation item 600-525, Health Care/Medicaid, is reimbursed at the FMAP, a few items, primarily contracts, are reimbursed at 50%, and all family planning services are reimbursed at 90%. In addition, the State Children's Health Insurance Plan (SCHIP) is reimbursed at an enhanced FMAP of about 71%.

Summary of FY 2008-2009 Biennium Budget Issues

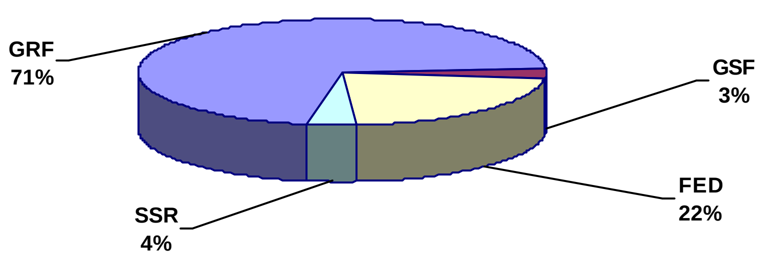
The executive recommends $8.90 billion in FY 2008 for appropriation item 600-525, Health Care/Medicaid (a 6.32% decrease from FY 2007 estimated spending levels), and $9.84 billion in FY 2009 (10.5% above the FY 2008 recommended appropriation). The executive recommends $254.4 million for FY 2008 and $271.9 million for FY 2009 for appropriations item 600-526, Medicare Part D.

In addition, the executive budget allows the Director of Budget and Management to increase the state share of appropriations in either appropriation item 600-525, or appropriation item 600-526, with a corresponding decrease in the state share of the other appropriation item to allow ODJFS to implement and operate the Medicare Part D requirements.

The executive recommends $49.9 million in FY 2008 for appropriation item 600-425, Office of Health Plans (a 7.4% decrease from FY 2007 estimated spending levels), and $49.9 million in FY 2009 (flat funding) to support a variety of system and administration changes related to Medicaid.

The chart below shows the various funding sources of the Health Care Program Series biennial budget, as recommended by the executive.

Total Health Care Budget by Fund Group



Note: GRF percentage includes both the state and federal shares of GRF Medicaid program funding.

[8] Provider tax programs refer to assessments on hospitals, managed care providers, and bed taxes on nursing facilities and intermediate care facilities for the mentally retarded. These programs serve as a mechanism by which to draw additional federal matching funds. Other special revenues include funds for the Disproportionate Share Hospital (DSH) and drug rebates.

The executive recommends a series of policy changes. If all the policies are implemented, the executive estimates that the baseline spending in appropriation item 600-525 could be reduced by $160.6 million all funds in FY 2008, and by $221.8 million all funds in FY 2009. The following table shows a summary of the executive's baseline projection and those appropriation items that offset the baseline 600-525 appropriation.

The Executive's Projected Baseline Expenditure for ALI 600-525, Health Care/Medicaid			
ALI		**FY 2008**	**FY 2009**
	Total projected baseline health care expenditures	**$11,310,827,987**	**$11,858,122,737**
600-526	Medicare Part D	($254,397,401)	($271,854,640)
600-513	Disability Medicaid Assistance	($32,101,959)	($32,101,959)
	Prior year encumbrance	($10,000,000)	($10,000,000)
	Subtotal	**$11,014,328,627**	**$11,544,166,138**
600-692	Health care services	($93,000,000)	($61,500,000)
600-623	Drug rebates (fed share)*	($140,331,803)	($95,845,608)
600-639	Medicaid revenue and collections*	($45,000,000)	($35,000,000)
600-623	Revenue/collections (fed share)*	($69,766,641)	($57,056,812)
600-621	ICF/MR franchise fee (4k1)*	($7,332,437)	($7,332,437)
600-623	ICF/MR franchise fee (fed share)*	($11,237,033)	($11,806,976)
600-671	IMD DSH/MR drug offset (5C9)*	($75,000,000)	($75,000,000)
600-623	Fed share IDN DSH offset*	($116,277,735)	($121,232,339)
600-608	Medicaid NF (5R2)	($175,000,000)	($175,000,000)
600-623	Fed share 608 payments*	($271,314,716)	($285,284,062)
600-653	Managed care assessment (5BG)	($210,655,034)	($222,667,304)
600-623	Fed share 653 payments*	($326,593,204)	($362,991,044)
	Total Offsets	**($1,541,508,603)**	**($1,510,716,582)**
600-525	**Projected 600-525 Baseline Expenditure (Net of offsets)**	**$9,472,820,024**	**$10,033,449,556**

* Amount does not reflect total appropriation because the line item is used to fund other programs.

The following table shows a summary of the executive's Medicaid policy recommendations and executive's estimated fiscal impact for each.

The Executive's Recommendation and Estimation of Medicaid Polices		
	FY 2008	FY 2009
Baseline, 600-525	**$9,472,820,024**	**$10,033,449,556**
FY 2007 Encumbrance	($436,941,410)	
Disability Medical Assistance	$26,466,950	$26,466,950
Eligibility Expansions		
Medicaid Buy-in for working enrollees with disabilities (1)	$1,724,797	$14,626,445
Parents to 100% FPG	$29,810,424	$97,397,346
Pregnant women to 200% FPG	$5,592,183	$19,274,391
Children to 300% FPG	$5,620,401	$38,588,066
Children over 300% FPG (1)	$764,013	$5,270,047
Expansion Total	**$43,511,818**	**$175,156,295**
Rate Adjustments		
Inpatient	$5,670,430	$22,462,069
ICF/MR	($43,148,075)	($57,148,889)
Community Providers	$10,294,415	$21,824,160
Managed Care	($122,223,145)	($219,266,840)
Rate Total	**($149,406,375)**	**($232,129,500)**
Operations Improvements		
Improved TPL Management	($41,500,000)	($83,000,000)
Claims Editing	($9,327,520)	($39,734,330)
Expedite managed care enrollment	($2,643,728)	($2,035,615)
Improve Medicare enrollment	($8,543,343)	($37,463,393)
Annual hospital recalibration	($3,186,353)	($10,030,643)
Operations Total	**($65,200,944)**	**($172,263,981)**
Other		
Dental, Chiropratic, Psychologists	$16,240,544	$32,078,281
Money Follows the Person Grant	$3,514,684	$30,520,785
Other Program Changes	$3,083,705	$2,232,127
Hire state employed actuary	$125,000	$125,000
Pre-approve psych drugs		($20,000,000)
Increased medical support collections	($12,500,000)	($37,500,000)
Other Total	**$10,463,933**	**$7,456,193**
Total Policy Impact	**($160,631,568)**	**($221,780,994)**
Executive Budget, 600-525	**$8,901,713,996**	**$9,838,135,512**

Notes: (1) Amounts are net of premiums and other cost sharing

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series 5: Health Care (Medicaid)

Purpose: This program series supports several state and federally funded health care programs including: Medicaid, the State Children's Health Insurance Program (SCHIP), the Hospital Care Assurance Program (HCAP), and the state Disability Medical Assistance (DMA) program. This program series also supports the administration and technology that support these health care programs.

Funding Source and Line Items: The following table shows the line items that are used to fund the Health Care (Medicaid) program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-416*	Computer Projects	$33,487,858	$31,559,363
GRF	600-425	Office of Ohio Health Plans	$49,865,282	$49,865,282
GRF	600-521*	Entitlement Administration-Local	$75,834,559	$75,834,559
GRF	600-525	Health Care/Medicaid	$8,901,713,996	$9,838,135,512
GRF	600-526	Medicare Part D	$254,397,401	$271,854,640
		General Revenue Fund Subtotal	**$9,315,299,096**	**$10,267,249,356**
Federal Special Revenue Fund				
397	600-626*	Child Support	$20,289	$21,181
398	600-627*	Adoption Maintenance Administration	$45,014	$46,991
3F0	600-623*	Health Care Federal	$1,208,309,026	$1,210,317,204
3F0	600-650	Hospital Care Assurance Match	$343,239,047	$343,239,047
3G5	600-655*	Interagency Reimbursement	$1,463,763,073	$1,507,855,965
3V0	600-688*	Workforce Investment Act	$110,768	$115,634
		Federal Special Revenue Fund Subtotal	**$3,015,487,217**	**$3,061,596,022**
State Special Revenue Fund				
4E3	600-605	Nursing Home Assessments	$4,759,914	$4,759,914
4J5	600-613*	Nursing Facility Bed Assessment	$34,049,714	$34,049,714
4J5	600-618	Residential State Supplement Payment	$15,700,000	$15,700,000
4K1	600-621	ICF/MR Bed Assessments	$19,332,437	$19,332,437
4Z1	600-625	Healthcare Compliance	$10,000,000	$10,000,000
5Q9	600-619	Supplemental Inpatient Hosp Payments	$56,125,998	$56,125,998
5R2	600-608	Medicaid-Nursing Facilities	$175,000,000	$175,000,000
5S3	600-629	MR/DD Medicaid Administration & Oversight	$1,620,960	$1,620,960
5U3	600-654	Health Care Services Administration	$9,867,284	$12,000,349
651	600-649	Hospital Care Assurance Program	$231,893,404	$231,893,404
		State Special Revenue Fund Subtotal	**$558,349,711**	**$560,482,776**

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
5BG	600-653	Managed Care Assessment	$210,655,034	$222,667,304
5C9	600-671	Medicaid Program Support	$80,120,048	$80,120,048
5DL	600-639	Medicaid Revenue and Collections	$51,966,785	$56,296,844
5P5	600-692	Health Care Services	$93,000,000	$62,000,000
		General Services Fund Subtotal	**$435,741,867**	**$421,084,196**
Total Funding: Health Care			**$13,324,877,891**	**$14,310,412,350**

* Amount does not reflect total appropriation because the line item is used to fund other program series.

The Medicaid program as a whole provides packages of health care coverage to certain low-income Ohioans. The Executive Blue Book divides the Medicaid program into several programs. However, each individual program is closely related to others in many respects. Thus, LSC staff believe it is more useful to look at the Medicaid program in terms of subject of interest.

The LSC analysis focuses on the following subjects of interest within the Health Care (Medicaid) program series:

- ***Medicaid Buy-In for Workers with Disabilities Program***
- ***Parent Eligibility Expansion to 100%***
- ***Pregnant Women Eligibility Expansion to 200%***
- ***Children Eligibility Expansion to 300%***
- ***Children Eligibility Expansion to Over 300%***
- ***Money Follows the Person Grant***
- ***Third Party Liability for Medicaid Claims***
- ***Improved Third Party Liability Management***
- ***Claims Editing***
- ***Medicaid Managed Care***
- ***Enhanced Care Management (ECM)***
- ***Community-Based Providers***
- ***Medicaid Optional Services***
- ***Inpatient Hospitals***
- ***Medicaid Prescription Drug Services***
- ***Medicaid Rates for Nursing Facilities (NFs)***
- ***Medicaid Rates for ICFs/MR***
- ***Franchise Permit Fees***
- ***Ohio Home Care Program***
- ***Home and Community-Based Waivers***
- ***Unified Long-Term Care Budget Workgroup***
- ***Documentation of U.S. Citizenship***
- ***Medicaid Estate Recovery Program***
- ***Medicaid Provider Agreements***
- ***Fraud, Waste, and Abuse Prevention and Detection***
- ***Medicaid Audits***
- ***Medicare Part D***
- ***Medicare Premium Assistance (Medicare Buy-In) Program***
- ***Upper Payment Limits (UPL)***
- ***Disproportionate Share Hospitals (DSH)***
- ***Hospital Care Assurance Program (HCAP)***
- ***Institutions for Mental Disease/Disproportionate Share Hospitals (IMD/DSH)***

- ***Client Registry Information System Enhanced (CRIS-E)***
- ***Medicaid Management Information System (MMIS)/Health Information Portability and Accountability Act (HIPAA)***
- ***Decision Support System (DSS)***
- ***Administration***
- ***Disability Medical Assistance (DMA) Program***
- ***Assisted Living Medicaid Waiver***
- ***Program of All-Inclusive Care for the Elderly (PACE)***
- ***Ohio Access Success Project***
- ***Home First Program***
- ***Resident Protection Fund***

Medicaid Buy-In for Workers with Disabilities Program

The executive recommendations include authorizing ODJFS to submit an amendment to the state Medicaid plan and any federal waiver necessary to establish a new component of the Medicaid program to be known as the Medicaid Buy-In for Workers with Disabilities program. The program is to be established in accordance with the provision of the Ticket to Work and Work Incentives Improvement Act of 1999 that authorizes the Medicaid buy-in eligibility expansions.

The Ticket to Work and Work Incentives Improvement Act of 1999 established two new populations that a state's Medicaid program may cover. However, a state may cover the second population only if it also covers the first. These two optional eligibility expansions are popularly known as the Medicaid buy-in.

The first population consists of individuals who, but for earnings in excess of a limit established under federal law, would be considered to be receiving Supplemental Security Income, are at least age 16 but less than age 65, and have assets, resources, and income not exceeding such limitations, if any, as the state may establish. The second population consists of employed individuals with a medically improved disability who have assets, resources, and income not exceeding such limitations, if any, as the state may establish. An "employed individual with a medically improved disability" is defined as an individual who (1) is at least age 16 but less than age 65, (2) is earning at least the applicable minimum wage requirement specified in federal law and working at least 40 hours per month or is engaged in a work effort that meets substantial and reasonable threshold criteria for hours of work, wages, or other measures, (3) ceases to be eligible for Medicaid under the first population described above because the individual, by reason of medical improvement, is determined at the time of a regularly scheduled continuing disability review to no longer meet federal definitions of disability, and (4) continues to have a severe medically determinable impairment as determined under federal regulations.

The executive estimates that a new Medicaid Buy-In for Workers with Disabilities Program will serve 7,300 persons by the end of the FY 2008-FY 2009 biennium at a cost to the state of approximately $1.7 million all funds in FY 2008 and $14.6 million all funds in FY 2009. The executive assumes a start date for the new program of January 1, 2008. Based on documents provided by the Office of Budget and Management, the estimate assumes 54% of eligibles will pay a monthly premium to buy-in to Medicaid (median monthly premium of $57). The executive also assumes a per member per month cost of about $1,159 in FY 2008 and $1,257 in FY 2009. Total estimated costs for FY 2008 are $2,073,033 minus an estimated $348,236 in premium payments collected. Total estimated costs for FY 2009 are $16,375,753 minus an estimated $1,749,308 in premium payments collected.

Temporary and Permanent Law Provisions

Medicaid Buy-In Program and waiver components (R.C. 5111.0119, and 5111.861). H.B. 119, As Introduced, authorizes ODJFS to submit an amendment to the state Medicaid plan and any federal waiver necessary to establish a new component of the Medicaid program to be known as the Medicaid Buy-In for Workers with Disabilities Program.

Parent Eligibility Expansion to 100%

In July 2000, income eligibility for parents was increased from between 70% and 90% of the federal poverty guidelines (FPG) to 100% of the FPG. H.B. 66 of the 126th General Assembly (the FY 2006-2007 biennial budget act) reduced the income eligibility to 90% of the FPG. According to the executive, as a result, approximately 25,000 parents lost coverage; however, in accordance with federal requirements, many of these Medicaid recipients were eligible for Transitional Medicaid for a six-month period, and some were eligible for another six-month period beyond that.

The executive budget recommends that the income eligibility increase to 100% (from 90%) of the FPG, effective January 2008. The executive estimates that approximately 26,000 additional parents will be covered at a cost of approximately $29.8 million all funds in FY 2008 and $97.4 million all funds in FY 2009 as a result of the expansion. Based on documents provided by the Office of Budget and Management, the executive estimates assume 6,295 average monthly eligibles in FY 2008 and 23,583 average monthly eligibles in FY 2009.

Temporary and Permanent Law Provisions

Medicaid Eligibility for Parents (R.C. 5111.019 and Section 309.30.80 of the bill). H.B. 119, As Introduced, requires the Director of ODJFS to submit an amendment to the state Medicaid plan to the United States Secretary of Health and Human Services to increase the amount of income an individual may have and still qualify for Medicaid as a parent of a child under age 19. The increase is to 100% (from 90%) of the FPG. ODJFS must submit the amendment not later than 90 days after the bill's effective date. The bill requires that the increase be implemented not earlier than 90 days after the amendment takes effect. The bill eliminates a two-year limitation on a parent's eligibility for Medicaid under this provision.

Pregnant Women Eligibility Expansion to 200%

Currently, in Ohio, a pregnant woman who meets other requirements is eligible for Medicaid if her family income is 150% or less of the FPG.

The executive budget requires ODJFS to submit an amendment to the state Medicaid plan to the United States Secretary of Health and Human Services to raise the income eligibility limit for pregnant women to family income of 200% (from 150%) of the FPG. The executive estimates that an additional 3,800 women could be eligible. Based on documents provided by the Office of Budget and Management, the executive estimate assumes a January 1, 2008 start date with a five-month ramp up between January and May of 2008. Furthermore, the executive assumes that 75% of the 3,800 additional eligible women, or 2,850, will enroll under the expansion. The executive estimates that this expansion will cost approximately $5.6 million all funds in FY 2008 and $19.3 million all funds in FY 2009.

Temporary and Permanent Law Provisions

Medicaid Eligibility for Parents (R.C. 5111.014 and Section 309.30.90 of the bill). H.B. 119, As Introduced, requires the Director of ODJFS to submit an amendment to the state Medicaid plan to the United States Secretary of Health and Human Services to raise the income eligibility limit for pregnant women to family income of 200% (from 150%) of the FPG. The bill also requires that ODJFS submit the amendment not later than 90 days after the effective date of the bill. The increase is to be implemented not earlier than January 1, 2008.

Children Eligibility Expansion to 300%

Currently, in Ohio, uninsured children in families with income below 200% of the FPG are eligible for SCHIP. The executive budget authorizes ODJFS to submit a plan to the U.S. Secretary of Health and Human Services under which individuals under age 19 may participate in SCHIP if they have family incomes not exceeding 300% of the FPG. The expansion is not to start before January 1, 2008.

The executive estimates that an additional 19,695 children with family income between 200% and 300% of the FPG will eventually be covered at a cost of approximately $5.6 million all funds in FY 2008 and $38.6 million all funds in FY 2009 as a result of the expansion. Based on documents provided by the Office of Budget and Management, there are an estimated 30,300 children who will be eligible between 200% and 300% of FPG. The executive assumes that 65% of the eligible children will eventually enroll at a per member per month cost of $177 in FY 2008 and $189 in FY 2009 with an average number of children covered per month of 2,651 in FY 2008 and 17,044 in FY 2009. Take up for the program expansion is projected to peak at 65% in January 2009. Lastly, the executive assumed federal reimbursement at the regular FMAP rate for this expansion when estimating the appropriation for appropriation item 600-525. If the federal government makes additional SCHIP grant moneys available to Ohio, it might become possible to draw down federal reimbursement at the enhanced FMAP rate.

Temporary and Permanent Law Provisions

Children Eligibility Expansion to 300% (R.C. 5101.51). H.B. 119, As Introduced, authorizes ODJFS to submit a plan to the U.S. Secretary of Health and Human Services under which individuals under age 19 may participate in SCHIP if they have family incomes not exceeding 300% of the FPG.

Children Eligibility Expansion to Over 300%

Currently, in Ohio, individuals under age 19 with family incomes not exceeding 150% of the FPG are eligible for Medicaid. The executive authorizes expansion of eligibility for individuals under age 19 with family incomes not exceeding 500% of FPG. The eligibility expansion must be implemented in the manner and to the extent that ODJFS receives approval from the federal government.

The executive proposed a "Healthcare Assistance" program. The program will include health care programs administered by the state which do not receive federal reimbursement. The Healthcare Assistance program allows children whose income is over 300% of the FPG to buy Medicaid coverage using copayments and sliding scale premiums based on the family's income level. Additionally, this program includes the disability medical assistance program.

The executive estimates that approximately an additional 4,000 children with family incomes above 300% of FPG will be covered at a cost of (net of any cost sharing assumed by ODJFS) approximately $0.8 million in FY 2008 and $5.3 million in FY 2009 as a result of the expansion. The executive assumed no federal reimbursement for this expansion.

Temporary and Permanent Law Provisions

Children Eligibility Expansion to Over 300% (R.C. 5114.01 to 5114.05). H.B. 119, As Introduced, authorizes ODJFS to expand eligibility for individuals under age 19 with family incomes not exceeding 500% of FPG. The eligibility expansion must be implemented in the manner and to the extent that ODJFS receives approval from the federal government.

Money Follows the Person Grant

In August of 2006, ODJFS, in coordination with other state agencies, determined that Ohio would submit an application for a Medicaid demonstration project. Under the provisions of the federal Deficit Reduction Act of 2005 and the Money Follows the Person Demonstration Grant application instructions, states that include stakeholders in a decision-making role for the design and development of the project will be given additional points towards winning funds under the grant program.

It was announced on January 11, 2007 that Ohio was one of 17 states selected to receive funding under the Money Follows the Person Rebalancing Demonstration Grant. Through enhanced Medicaid reimbursement rates, according to the Ohio Developmental Disabilities Council, Ohio is expected to receive more than $100 million during the next five years.

The enhanced reimbursement money may be used to assist individuals to transition from an institutional setting to a community-based setting of their choice. The executive provides funding of $3.5 million in FY 2008 and $30.5 million in FY 2009 to support the Money Follows the Person Grant initiative.

Temporary and Permanent Law Provisions

Money Follows the Person (Section 309.30.70 of the bill). H.B. 119, As Introduced, authorizes the Director of Budget and Management to do any of the following in support of any home and community-based services waiver program:

(1) Create new funds and account appropriation items to support and track funds associated with a unified long-term care budget;

(2) Transfer funds among affected agencies and adjust corresponding appropriation levels;

(3) Develop a reporting mechanism to show clearly how the funds are being transferred and expended.

Third Party Liability for Medicaid Claims

To enhance states' ability to identify and obtain payments from liable third parties, federal legislation signed by President Bush on Feb. 8, 2006 known as, "Deficit Reduction Act of 2005 (DRA)," made several changes to the third party liability provisions of federal Medicaid law as following:

(1) Clarifies the specific entities that are considered "third parties" that may be liable for payment and cannot discriminate against individuals on the basis of Medicaid eligibility.

(2) Requires states to enact laws requiring health insurers to do all of the following:

(a) Provide the state with coverage, eligibility, and claims data needed by the state to identify potentially liable third parties;

(b) Honor the assignment to the state of a Medicaid recipient's right to payment by the insurers for health care items or services;

(c) Not deny assignment or refuse to pay claims submitted by Medicaid based on procedural reasons (e.g., the failure of the recipient to present an insurance card at the point of sale, or the state's failure to submit an electronic, as opposed to a paper, claim).

ODJFS's right of recovery. Current law requires a third party to cooperate with ODJFS in identifying individuals for the purposes of establishing third party liability under federal Medicaid law. Current law also specifies that the acceptance of public assistance by an individual gives ODJFS a "right of recovery" against the liability of a third party for the cost of medical services and care arising out of injury, disease, or disability. The law provides that this right of recovery is for the entire amount of any settlement or compromise of an action or claim brought by a public assistance recipient, or any court award or judgment given to the recipient. Prior to initiating a recovery action, a public assistance recipient must disclose to ODJFS the identity of any third party against whom the recipient has or may have a right of recovery.

The executive budget makes changes to current law required by the DRA.

First, the executive budget clarifies the definition of "third party" consistent with DRA's clarification of the specific entities that are considered "third parties" and "health insurers" that may be liable for payment and cannot discriminate against individuals on the basis of Medicaid eligibility.

Second, in accordance with DRA's requirement that states enact laws to require third parties to provide states with coverage, eligibility, and claims data needed by the states to identify potentially liable third parties, the executive budget requires a third party to (i) cooperate with ODJFS and accept ODJFS's right of recovery, (ii) respond to an inquiry made by ODJFS regarding a claim for payment of a medical item or service that was submitted to the third party not later than six years after the date of the provision of the medical item or service, (iii) pay a claim described in (ii), (iv) not deny a claim submitted by ODJFS solely on the basis of the date of submission of the claim, type, or format of the claim form, or a failure by the medical assistance recipient who is the subject of the claim to present proper documentation of coverage at the time of service if certain conditions are met, and (v) provide, as ODJFS so chooses, information or access to information, or both, in the third party's electronic data system on ODJFS's request.

Assignment of rights to ODJFS. Current law further provides that the application for, or acceptance of, public assistance constitutes an automatic assignment to ODJFS of certain rights the applicant, recipient, or participant has – including any rights to medical support under an order of a court or administrative agency and any rights to payments by a liable third party for the cost of medical care and services arising out of injury, disease, or disability of the applicant, recipient, participant, or other members of the assistance group.

In accordance with the DRA's requirements that states enact laws to honor the assignment to the state of a Medicaid recipient's right to payment by an insurer for health care items or services, the executive budget requires a third party to accept the assignment of rights to ODJFS.

The executive budget also requires a third party to treat a managed care organization as ODJFS for a claim in which (i) the individual who is the subject of the claim received a medical item or service through a managed care organization that has entered into a contract with ODJFS under law governing Medicaid managed care, and (ii) ODJFS has assigned its right of recovery for the claim to the managed care organization.

By enhancing the state's ability to identify and obtain payments from liable third parties, the state may experience cost savings in its Medicaid program. However, the magnitude of the cost savings is unknown at this time.

Temporary and Permanent Law Provisions

Third party liability for Medicaid claims (Primarily R.C. 5101.571, 5101.572, 5101.573, 5101.574, 5101.575, 5101.58, 5101.59, and 5101.591). H.B. 119, As Introduced, makes changes to the third party liability provisions of state Medicaid law to comply with DRA.

Improved Third Party Liability Management

Congress intended that Medicaid be the payer of last resort; that is, if a Medicaid recipient has another source of payment for health services, that source is to pay instead of Medicaid. Consistent with federal law that reflects this intent, the U.S. Secretary of Health and Human Services has promulgated regulations that require states to have plans to do all of the following: (1) identify Medicaid recipients' other sources of health coverage, (2) determine the extent of the liability of third parties, (3) avoid payment of third party claims ("cost avoidance"), and (4) pay claims and later recover reimbursement from third parties if the state can reasonably expect to recover more than it spends in seeking reimbursement ("pay and chase"). For obvious reasons, cost avoidance is preferred over pay and chase.

The executive budget assumes an improvement on the management of Medicaid's Third Party Liability program. This program ensures Medicaid is the payer of last resort, which means other insurers must pay their share of a claim prior to Medicaid making a payment. The executive's plan includes improving the identification of these insurers and requiring them to pay their share of claims before Medicaid makes a payment. According to ODJFS, the Department will contract with private firms to avoid payment of third party claims and to identify and obtain payments from liable third parties for the state's Medicaid program. The executive estimates that the state could avoid costs totaling approximately $41.5 million all funds in FY 2008 and $83.0 million all funds in FY 2009 as a result of this outsourcing effort.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Claims Editing

According to ODJFS, several of the Department's staff will devote their time to identifying claims and obtaining payments from liable third parties by going through claims using the Medicaid Management Information System (MMIS) or Medicaid Information Technology System (MITS). The executive estimates that the state could avoid costs totaling approximately $9.3 million all funds in FY 2008 and $39.7 million all funds in FY 2009 as a result of this effort.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Medicaid Managed Care

There are two delivery systems in Ohio's Medicaid program: "fee-for-service" and "managed care." Medicaid does not directly provide medical services to eligible individuals enrolled in the program. It provides financial reimbursement to health care professionals and institutions for providing approved medical services, products, and equipment to Medicaid enrollees. Traditionally, Medicaid has paid most service providers a set fee for the specific type of service rendered to Medicaid enrollees (termed "fee-for-service" reimbursement). Payments are based on the lowest of the state's fee schedule, the actual charge, or federal Medicare allowances.[9]

An alternative to traditional fee-for-service reimbursement is managed care. A typical managed care plan, called capitated at-risk plans, is one in which the beneficiary receives all care through a single point of entry, and the plan is paid a fixed monthly premium per beneficiary for any health care included in the benefit package, regardless of the amount of services actually used. The beneficiary is responsible for, at most, modest copayments for services; the provider is at risk for the remaining cost of care. A capitated plan can be a network of physicians and clinics, all of whom participate in the plan and also participate in other plans or fee-for-service systems, or it can be one which hires all the physicians who provide all the care required.

Generally speaking, managed care has been shown to achieve an initial spending reduction of 3% to 5% compared to the traditional fee-for-service model of health care delivery.[10]

Ohio Medicaid has incorporated the use of managed care since 1978. Although Ohio has contracted with managed care plans since the late 1970s to provide care for certain Medicaid eligibles, the use of capitated rates was not given major emphasis in Ohio's program until the state received an 1115 demonstration waiver in January 1995. As one initiative of the federally approved OhioCare proposal, the state was given the freedom to require mandatory managed care enrollment by CFC Medicaid eligibles.

In FY 2004, Medicaid provided health care coverage to approximately 500,000 Ohioans per month through managed care. ODJFS contracted with 6 managed care providers that served 15 Ohio counties. Managed care membership was mandatory for the CFC population in 4 counties (Cuyahoga, Stark, Lucas, and Summit) and optional in the other 11 (Butler, Clark, Clermont, Franklin, Greene, Hamilton, Lorain, Montgomery, Pickaway, Warren, and Wood).

H.B. 66 of the 126th General Assembly (the FY 2006-2007 biennial budget act) required the managed care plans (MCPs) to be implemented in all counties and required ODJFS to designate the CFC population for participation.[11] The bill also required ODJFS designate the participants not later than

[9] Source: Review of the Medicaid Forecasting Methodology, Joint Legislative Audit and Review Commission of the Virginia General Assembly, 1997 Session.

[10] Medicaid Managed Care Weekly, February 1, 2007, Office of Ohio Health Plans, ODJFS.

[11] According to both state and federal regulations, managed care enrollment is optional for children receiving adoption assistance under the Federal Title IV-E program, foster care assistance or out of home placement.

January 1, 2006. Not later than December 31, 2006, all designated participants were required to enroll in Medicaid MCPs.

The FY 2006-2007 biennial budget act also required ODJFS to implement the MCPs for certain aged, blind, and disabled Medicaid recipients in all counties. The requirement did not apply to: (1) persons under age 21, (2) institutionalized persons, (3) persons eligible for Medicaid by spend-down, (4) dual eligibles, and (5) Medicaid waiver recipients. Not later than December 31, 2006, all designated participants were required to enroll in Medicaid MCPs.

Prior to the mandated expansions in the H.B. 66, Ohio Medicaid MCPs were limited to large metro areas and exclusively focused on the CFC population. The statewide expansion includes rural areas such as Appalachia where access to health care is more difficult. And for the first time, the elderly population is included in managed care. As of February 1, 2007, 1.1 million CFC and 23,662 ABD Medicaid recipients are receiving their health care via participating MCPs. According to ODJFS's February 2007 issue of the "Medicaid Managed Care Weekly," Ohio's Medicaid managed care expansion is almost complete for the CFC population and is well underway for the ABD population. All participating Medicaid recipients will be enrolled in managed care arrangements by June 2007. If ODJFS is to accomplish its plan according to its schedule, the managed care penetration rates will reach about 28% for ABD and almost 90% for CFC in FY 2008. In other words, about 28% of all ABD recipients and almost 90% of all CFC recipients are expected to enroll in a Medicaid MCP during the FY 2008-2009 biennium.

The statewide expansion of Medicaid managed care began in July 2005 with the enactment of H.B. 66. Within a period of 18 months, Ohio Medicaid transferred an additional 800,000 Medicaid recipients from fee-for-service to managed care. This expansion dramatically shifts expenditures from the fee-for-service categories to the Managed Care categories.

In addition to the increase in the managed care population, MCP capitation rates are also rising. Ohio Medicaid currently uses Mercer as its state contracted actuarial firm. The actuaries perform analyses of historic Medicaid spending and consumer utilization patterns for Ohio's Medicaid populations. Separate analyses have to be done for the CFC and the ABD populations because of the differences in their health care needs, utilization patterns, and overall Medicaid costs. After this rate setting process is completed per-member monthly payment rates are ready to be measured against the required federal standard of "actuarial soundness" and released to the MCPs. Historically, MCP capitation rates have been annually adjusted at the beginning of each calendar year. The capitation rates for the CFC population on average increased 4.9% in FY 2005, increased 9.5% in FY 2006, and increased 11.4% in FY 2007. For CFC, the average capitation rate paid was $162.75 in FY 2004, $170.77 in FY 2005, and $187.03 in FY 2006. For calendar year 2007, ODJFS assumed the CFC capitation rate would be $208.30, and the ABD capitation rate would be $1,054 per member per month. Mercer provided its forecast of the growth rates of the capitation rate to be 8.5% for ABD, and 6.8% for CFC for calendar years 2008 and 2009. The executive believes that it will be able to show the actuarial firm with which the state contracts that the administrative component of the capitated rate paid to managed care organizations should be reduced in future contracts to a level that will result in $122.2 million in savings in FY 2008 and $219.3 million in savings in FY 2009.

Expedite Managed Care Enrollment. According to ODJFS, currently, Medicaid applicants are mailed an informational packet about managed care plans after their eligibility determination is completed. The applicant has 30 days after receiving the materials to choose a plan. The executive proposes to require county departments of job and family services to provide Medicaid applicants with informational packets about managed care plans at the time of application. Applicants will be given 30 days from the date of application to choose a plan. The executive estimates that the state will reduce the duration of double paying for both fee-for-service and MCPs and thus save the state approximately $2.6 million all funds in FY 2008 and $2.0 million all funds in FY 2009 by expediting managed care enrollment.

Hiring of a Full-Time Actuary. To ensure proper management of the managed care program, the executive budget provides funding for the hiring of a full-time actuary to provide detailed analysis of the program and proper rate setting methods. The executive estimates that the state will pay $125,000 each year to employ a full-time actuary.

Temporary and Permanent Law Provisions

Medicaid managed care payment rate for noncontracting providers of emergency services (R.C. 5111.163). H.B. 119, As Introduced, extends the requirement that the Medicaid fee-for-service payment rate be accepted applies to Medicaid-participating providers, to any person, institution, or entity that furnishes emergency services to a Medicaid recipient enrolled in a managed care organization, regardless of whether the health care provider has a Medicaid provider agreement.

Community-Based Providers

The executive budget proposes increasing reimbursement rates for all state plan Medicaid community-based providers by 3% in January 2008, and another 3% increase in January 2009 (excluding federally qualified health centers, hospice providers, rural health centers, which all receive federally mandated increases). The reimbursement rates for community-based providers are adjusted through administrative rules; no statutory change is necessary. The executive estimates that costs will increase approximately $10.3 million all funds in FY 2008 and $21.8 million all funds in FY 2009 as a result of the increase in reimbursement rates.

Medicaid Optional Services

H.B. 95 of the 125th General Assembly (the FY 2004-2005 biennial budget act) eliminated two optional services for adults: chiropractic care and psychologist services, effective January 1, 2004.

H.B. 66 of the 126th General Assembly (the FY 2006-2007 biennial budget act) required that the Medicaid program continue to cover adult dental services provided only half funding. H.B. 66 also required that the Medicaid program continue to cover adult vision services, but explicitly stated that the act does not limit ODJFS's ability to adopt, amend, or rescind rules applicable to vision coverage, including rules that limit or reduce services, reduce reimbursement levels, or subject covered services to copayments. H.B. 66 provided full funding for vision services.

For the FY 2008-2009 biennium, the executive budget proposes to provide additional funding for dental care for adults, and the provision of psychology services for adults, effective January 2008. The executive budget also proposes to cover chiropractic services for Medicaid recipients age 22 or older in an amount, duration, and scope that the Director of ODJFS is to specify in rules. However, coverage is limited to 15 visits per recipient per fiscal year, and the total cost for all eligible recipients may not exceed $5 million per fiscal year. The regulations for dental and psychologist services, are in administrative rules; therefore, no statutory changes are necessary for the changes of these services.

The executive estimates that the additional services will cost approximately $16.2 million all funds in FY 2008 and $32.1 million all funds in FY 2009 as a result of providing additional funding for adult dental care and up to $5 million for chiropractic care. The executive assumes no increase in cost for restoring the psychologist services.

Temporary and Permanent Law Provisions

Medicaid Coverage of Chiropractic Services for Adults (Section 309.30.60 of the bill). H.B. 119, As Introduced, requires, for FYs 2008 and 2009, the Medicaid program to cover chiropractic services for Medicaid recipients age 22 or older in an amount, duration, and scope the Director of ODJFS is to specify in rules. However, coverage is limited to 15 visits per recipient per fiscal year, and the total cost for all eligible recipients may not exceed $5 million per fiscal year.

Inpatient Hospitals

Annual Hospital Recalibration. For the FY 2006-2007 biennium, ODJFS updated and provided a more current weighting of the relative weights for Diagnostic Related Groups (DRG) used in the prospective payment system for hospital services. The Department estimated that the recalibration of the relative weights for DRGs would result in a decrease in reimbursement for hospital services.

The executive budget proposes recalibration updates every year for all DRG hospitals. The executive estimates that the state could avoid approximately $3.2 million of all funds costs in FY 2008 and $10.0 million of all funds costs in FY 2009 as a result of the annual recalibration.

Increasing Inpatient Hospital Reimbursement Rates. H.B. 95 of the 125th General Assembly allowed no increase in rates for inpatient hospital services provided by general hospitals until January 2005. However, H.B. 95 also required ODJFS to pay to each children's hospital participating in the Medicaid program an inflation adjustment.

H.B. 66 of the 126th General Assembly froze inpatient hospital reimbursement rates in FYs 2006 and 2007 at the FY 2005 level.

The executive budget proposes that reimbursement rates for inpatient hospitals be increased 3.3% in January 2008, and another 2.9% increase in January 2009. The executive estimates that state costs would increase by approximately $5.7 million all funds in FY 2008 and $22.5 million all funds in FY 2009 as a result of the rate increase for DRG and children's hospitals.

Temporary and Permanent Law Provisions

Inpatient hospital rates are adjusted on a calendar year basis, rather than a fiscal year basis. The reimbursement rates for hospitals are adjusted through administrative rules; no statutory change is necessary.

Medicaid Prescription Drug Services

Ohio Medicaid prescription drug services presently encompasses over 30,000 line items of drugs from nearly 300 different therapeutic categories. Pharmacy claims are processed by ACS State Healthcare in an on-line, real-time environment, which allows the dispensing pharmacist access to the terms of coverage. In the event a particular drug is not approved, the dispensing pharmacist can notify the prescribing physician of possible alternatives in a timely fashion. The prescribing physician may choose an alternative product or may call a designated toll-free number to request prior authorization for the product originally prescribed.

Prescription Drug Reimbursement Rates. Medicaid presently pays 7% above the wholesale acquisition cost (WAC) for brand name drugs.

Supplemental Drug Rebates and Preferred Drug List (PDL). S.B. 261 of 124th General Assembly authorized ODJFS to establish a supplemental drug rebate program under which drug manufacturers may be required to provide a supplemental rebate to the state as a condition of having their products covered by Medicaid without prior approval H.B. 95 of the 125th General Assembly continued this provision of the law and allowed the full implementation of the supplemental rebate program and a Preferred Drug List (PDL).

These programs were initiated in April 2003. ODJFS designates the most clinically and cost effective drug as the preferred drug in a class; in some cases, more than one drug may be designated as preferred. All other (nonpreferred) drugs in that class remain covered; however, prior authorization from the Medicaid pharmacy benefit manager is necessary in order to obtain a prescribed, nonpreferred drug. ODJFS seeks supplemental rebates from manufacturers for preferred prescription drugs.

H.B. 66 of the 126th General Assembly eliminated a requirement that any drug product used to treat mental illness or HIV or AIDS be exempted from the supplemental drug rebate program. H.B. 66 also authorized ODJFS to receive a supplemental rebate in a provider's primary place of business.

Co-Payments for Drugs on the PDL. H.B. 95 of the 125th General Assembly allowed ODJFS to establish copayments for prescription drugs that are not included on the PDL. Beginning January 1, 2004, certain Medicaid consumers are charged copayments for prescription drugs that are not found on the PDL. These copayments are sought only from those recipients who are eligible for cost sharing under federal requirements. Services for children and those related to pregnancy are federally exempt from copayments, as are services for adults who reside in institutional settings. ODJFS does not actually collect the copayments. Instead the pharmacist's reimbursement is reduced by the amount of the copayments. H.B. 66 of the 126th General Assembly allowed copayments only on brand name drugs.

Pre-Approval of Atypical Antipsychotic Drug

According to the Office of Budget and Management and the Department of Job and Family Services, the patent for risperdal, an atypical antipsychotic drug that is currently prescribed, will be expiring during the next biennium, opening the market for cheaper generic versions of the drug from other companies. The executive plans to require that the new extended release version of the drug, Invega, which recently received U.S. Food and Drug Administration approval, be prior approved before a doctor may prescribe it to Medicaid recipients. The executive estimates that the state could avoid approximately $20.0 million in all funds costs in FY 2009 as a result of this initiative.

Medicaid Rates for Nursing Facilities (NFs)

Reimbursement Methodology. The amount ODJFS pays a nursing facility (NF) is determined by formulas established in state law. H.B. 66 of the 126th General Assembly substantially revised the statutory formula used to determine the Medicaid reimbursement rate for nursing facilities.

Current law establishes the formula for determining the rate nursing facilities are to be paid under the Medicaid program for providing Medicaid-covered services to Medicaid recipients eligible for the services. The formula is divided into several parts sometimes referred to as cost centers or price centers. The price centers in the nursing facility reimbursement formula are direct care costs, ancillary and support costs, tax costs, capital costs, and franchise permit fees. A nursing facility is paid a rate for each price center; there is a separate formula for determining each rate. There is also a quality incentive payment included in the formula. A nursing facility's total rate is the sum of all of the rates and quality incentive payment.

Current law requires ODJFS to adjust the rates determined under the formulas for direct care costs, ancillary and support costs, tax costs, and capital costs as directed by the General Assembly through the enactment of law governing Medicaid payments to nursing facilities. The Department must also annually adjust the mean quality incentive payment starting in FY 2008 by the same adjustment factors.

FY 2007 Medicaid Reimbursement for NFs. The FY 2007 reimbursement rate for NFs was determined in accordance with the new statutory formula. However, H.B. 66 of the 126th General Assembly provided that if a NF's rate as determined under the new formula was more than 102% of the rate the facility is paid on June 30, 2006, ODJFS was to reduce the facility's 2007 rate so that the rate was no more than 102% of its June 30, 2006, rate. If a nursing facility's 2007 rate as determined under the new formula was less than 98% of its June 30, 2006 rate, ODJFS was required to increase the facility's rate so that the rate was no less than 98% of its June 30, 2006 rate.

FY 2008 Medicaid Reimbursement for NFs. The executive budget proposes to establish adjustments to the FY 2008 Medicaid rates for nursing facilities. The cost per case mix-unit calculated as part of direct care costs, rate for ancillary and support costs, rate for capital costs, and rate for tax costs are to be adjusted as follows:

(1) Increase the cost and rates by 2%;
(2) Increase the amount calculated above by another 2%;
(3) Increase the amount calculated above by 1%.

Instead of adjusting the mean quality incentive payment by the same adjustment factors, the executive budget proposes that the mean payment for FY 2008 is to be $3.03 per Medicaid day and weighted by Medicaid days.

In addition to establishing the adjustments, the executive budget provides that if a nursing facility's rate for FY 2008 as determined using the adjustments is more than 101.75% of the rate the provider is paid for nursing facility services the facility provides at the end of FY 2007, ODJFS must reduce the facility's FY 2008 rate so that it is not more than 101.75% of its rate for the end of FY 2007. If the rate determined using the adjustments is less than 98.25% of the rate the nursing facility is paid at the end of FY 2007, ODJFS must increase its rate for FY 2008 so that it is not less than 98.25% of its rate for the end of FY 2007.

If the United States Centers for Medicare and Medicaid Services (CMS) requires that the franchise permit fee for nursing facilities be reduced or eliminated, ODJFS is required to reduce the amount it pays nursing facilities for FY 2008 as necessary to reflect the loss to the state of the revenue and federal financial participation generated from the franchise permit fee.

FY 2009 Medicaid Reimbursement for NFs. The executive budget establishes similar adjustments for nursing facilities' FY 2009 Medicaid rates. The cost per case mix-unit calculated as part of direct care costs, rate for ancillary and support costs, rate for capital costs, and rate for tax costs for nursing facilities are to be adjusted as follows:

(1) Increase the cost and rates by 2%;
(2) Increase the amount calculated above by another 2%;
(3) Increase the amount calculated above by 1%;
(4) Increase the amount calculated above by 0.5%.

The mean quality incentive payment for FY 2009 is to be $3.05 per Medicaid day and weighted by Medicaid days.

If the adjusted rate for a nursing facility is more than 101.5% of the Medicaid rate paid the nursing facility for the end of FY 2008, its FY 2009 rate is to be reduced so that it is not more than 101.5% of its rate for the end of FY 2008. If the adjusted rate is less than 98.5% of the nursing facility's Medicaid rate for the end of FY 2008, its FY 2009 rate is to be increased so that it is not less than 98.5% of its rate for the end of FY 2008.

As in FY 2008, ODJFS must reduce nursing facilities' FY 2009 rate as necessary to reflect the loss to the state of the revenue and federal financial participation generated from the franchise permit fee if CMS requires that the franchise permit fee be reduced or eliminated.

Temporary and Permanent Law Provisions

FY 2008 Medicaid Reimbursement for NFs (Section 309.30.20). H.B. 119, As Introduced, establishes adjustments to the FY 2008 Medicaid rates for nursing facilities.

FY 2009 Medicaid Reimbursement for NFs (Section 309.30.30). H.B. 119, As Introduced, establishes adjustments to the FY 2009 Medicaid rates for nursing facilities.

Medicaid Rates for Intermediate Care Facilities for the Mentally Retarded (ICFs/MR)

As with nursing facilities, current law establishes the formula for determining the rate intermediate care facilities for the mentally retarded (ICFs/MR) are to be paid under the Medicaid program for providing Medicaid-covered services to Medicaid recipients eligible for the services. The formula for ICFs/MR is similar to the formula for nursing facilities in that it too is divided into several cost/price centers. One of the cost/price centers for ICFs/MR is direct care costs which include costs for nurses, direct care staff, medical directors, respiratory therapists, quality assurance, program directors, social services staff, activities staff, and other costs.

FYs 2006 and 2007 Reimbursement for ICFs/MR. H.B. 95 of the 125th General Assembly established a maximum mean total per diem rate applicable to ICFs/MR in FY 2004 and FY 2005. For FY 2004, the mean total per diem rate for all ICFs/MR in the state, weighted by May 2003 Medicaid days and calculated as of July 1, 2003, was not to exceed $221.43. For FY 2005, the mean total per diem rate for all ICFs/MR in the state, weighted by May 2004 Medicaid days and calculated as of July 1, 2004, was not to exceed $225.86. H.B. 66 of the 126th General Assembly provided that an ICF/MR be paid for FYs 2006 and 2007 at the rate the ICF/MR was paid on June 30, 2005. H.B. 66 also authorized ODJFS to increase the rate paid to an ICF/MR for FYs 2006-2007 by an amount specified in rules to reimburse the ICF/MR for active treatment day programming because of the termination of the Community Alternative Funding System (CAFS).

FYs 2008-2009 Medicaid rates for ICFs/MR. The executive budget establishes limitations on the FYs 2008 and 2009 Medicaid rates for ICFs/MR. Medicaid rates paid to ICFs/MR are to be subject to the following caps:

(1) For FY 2008, the mean total per diem rate for all ICFs/MR as calculated under codified sections of state law governing Medicaid payments to ICFs/MR is not to exceed $266.14 as weighted by Medicaid days and calculated as of July 1, 2007.

(2) For FY 2009, the mean total per diem rate for all ICFs/MR as so calculated is not to exceed $271.46 as weighted by Medicaid days and calculated as of July 1, 2008.

If the mean total per diem rate for all ICFs/MR for FY 2008 or 2009, weighted by Medicaid days and calculated as of the first day of July of the calendar year in which the FY begins, exceeds the cap, ODJFS is required to reduce the total per diem rate for each ICF/MR by a percentage that is equal to the percentage by which the mean total per diem rate exceeds the cap. Subsequent to any reduction required because of the caps, an ICF/MR's Medicaid rate is not to be subject to any adjustments authorized by codified law governing Medicaid payments to ICFs/MR during the remainder of the year.

Offsite day programming part of ICFs/MR's direct care costs. The executive budget adds offsite day programming to the costs included in ICFs/MR's direct care costs. According to ODJFS, this is related to the termination of the habilitation center services under the Medicaid program. The system by which the Medicaid program paid for habilitation center services was often referred to as CAFS. H.B. 66 of the 126th General Assembly permitted ODJFS to increase the Medicaid rate paid to an ICF/MR for FYs 2006 and 2007 by an amount specified in rules to reimburse the ICF/MR for active treatment day programming because of the termination of CAFS. Rather than repeating such authority for FYs 2008 and 2009, the executive budget adds offsite day programming to ICFs/MR's direct care costs.

The executive estimates that by limiting the reimbursement growth to 2% for both FY 2008 and FY 2009, the state can avoid costs of approximately $43.1 million in FY 2008 and $57.1 million in FY 2009.

Temporary and Permanent Law Provisions

FYs 2008 and 2009 Medicaid rates for ICFs/MR (Section 309.30.40). H.B. 119, As Introduced, establishes limitations on the FYs 2008 and 2009 Medicaid rates for ICFs/MR.

Offsite day programming part of ICFs/MR's direct care costs (R.C. 5111.20). H.B. 119, As Introduced, adds offsite day programming to the costs included in ICFs/MR's direct care costs.

Franchise Permit Fees

NF Franchise Permit Fees. ODJFS is required to assess an annual franchise permit fee on each long-term care bed in a nursing home or hospital Until July 1, 2001, the amount of the fee was $1.00 for each bed multiplied by the number of days in the fiscal year for which the fee is assessed. The fee is applied to: (1) nursing home beds, (2) Medicare-certified skilled nursing facility beds, (3) Medicaid-certified nursing facility beds, (4) beds in hospitals that are registered as skilled nursing facility beds or long-term care beds, or licensed as nursing home beds.

H.B. 94 of the 124th General Assembly (the FY 2002-2003 biennial budget act) raised the franchise permit fee to $3.30 for FYs 2002 and 2003. S.B. 261 of 124th General Assembly raised the franchise permit fee to $4.30 for FYs 2003 through 2005; a $1.00 per bed per day increase for FY 2003, and a $3.30 per bed per day increase for FYs 2004 and 2005. H.B. 66 of the 126th General Assembly increased the fee to $6.25 for FYs 2006 and 2007. Under current law, the fee is scheduled to decrease to $1 per bed per day in FY 2008.

The money generated by the franchise permit fee on nursing homes and hospitals has been required to be deposited into two funds. One fund, the Home and Community-Based Services for the Aged Fund, gets 16% of all franchise permit fees and related penalties paid by nursing homes and hospitals for FYs 2006-2007. (16% represents the first $1 of the franchise permit fee.) Current law requires that all nursing home and hospital franchise permit fees and related penalties for FY 2008 and thereafter be deposited into this fund. ODJFS and the Department of Aging are required to use the money in the fund for the Medicaid program, including the PASSPORT component of the Medicaid program, and the Residential State Supplement program.

The other fund into which money generated by the nursing home and hospital franchise permit fee goes is the Nursing Facility Stabilization Fund, which was created in H.B. 94. It is to receive all such franchise permit fees and related penalties that are not deposited into the Home and Community-Based Services for the Aged Fund. Because current law requires that all such fees and penalties be deposited into the Home and Community-Based Services for the Aged Fund beginning in FY 2008, no future money, other than any interest or other investment proceeds earned on money previously credited to the fund, is to go into the Nursing Facility Stabilization Fund beginning in FY 2008. ODJFS is required to use money in the Nursing Facility Stabilization Fund to make Medicaid payments to nursing facilities.

The executive budget proposes to eliminate the scheduled reduction, thereby maintaining the fee at $6.25 per bed per day. The executive budget also provides for the Nursing Facility Stabilization Fund to continue to receive 84% of the money generated by the fee.

ICF/MR Franchise Permit Fees. All money generated by the ICF/MR franchise permit fee and related penalties is required to be deposited into the Home and Community-Based Services for the Mentally Retarded and Developmentally Disabled Fund. The Departments of Job and Family Services and Mental Retardation and Developmental Disabilities are required to use money in that fund for the Medicaid program and home and community-based services to persons with mental retardation or a developmental disability.

The franchise permit fee for ICFs/MR was not changed during FYs 2002-2005. H.B. 66 did not change the amount of the ICFs/MR franchise permit fee for FYs 2006-2007 to be the same as in FY 2005, which is $9.63 per bed per day.

The executive budget does not change the amount of the ICF/MR franchise permit fee. That fee is $9.63 per bed per day, plus an annual composite inflation factor adjustment.

Temporary and Permanent Law Provisions

Nursing home and ICF/MR franchise permit fees (R.C. 3721.541, 5112.341, 3721.51, 3721.56, 3721.541, 5112.341, and 5111.20). H.B. 119, As Introduced, maintains the nursing home franchise permit fee at $6.25 per bed per day. The ICF/MR franchise permit fee is $9.63 per bed per day, plus an annual composite inflation factor adjustment.

Ohio Home Care Program

The Ohio Home Care program was developed and implemented in 1997 and evolved from Medicaid waiver programs and nonwaiver home care services that existed before. Ohio Home Care is Medicaid's integrated program of home care services. Prior to the recent redesign, the Ohio Home Care Program consisted of benefit packages such as Core, Core Plus (closed on July 1 2006), Ohio Home Care Waiver, and Transitions Waiver. All packages included "core" services of nursing, daily living, and skilled therapies. Skilled therapies included physical and occupational therapy and the services of a speech/language pathologist.

- ***The Core Benefit Package*** was designed to meet the basic home care needs of most consumers who required up to 14 hours of nursing and/or daily living services per week.

- ***The Core Plus Benefit Package*** was designed to meet the home care needs of consumers who require more than 14 hours of nursing and/or daily living services per week. This package was eliminated as of June 30, 2006.

- ***The Ohio Home Care Waiver Benefit Package*** was designed to meet the home care needs of consumers whose medical condition and/or functional abilities would qualify them for Medicaid coverage in a nursing home or hospital.

- ***The Transitions Waiver Benefit Package*** provided the identical services, providers, and administration as the Ohio Home Care Waiver benefit package but serves consumers who were transferred from the Ohio Home Care Waiver because they were identified as having an intermediate care facility for people with mental retardation or other developmental disabilities level of care (LOC).[12]

H.B. 95 of the 125th General Assembly authorized the Director of Job and Family Services to request a new waiver from the U.S. Secretary of Health and Human Services under which two Medicaid programs for home and community-based services may be created and implemented to replace the Ohio Home Care Program. ODJFS proposed changes to the Ohio Home Care Program but the changes were not made. H.B. 66 of the 126th General Assembly recommended implementation of the proposed changes.

The Ohio Home Care Waiver (OHCW) was redesigned to meet the requirement of H.B. 66, according to Office of Health Plans' FY 2006 Accomplishments Report. ODJFS changed the eligibility and increased the opportunities for consumer choice and selection of providers under the Ohio Home Care Program. Other home health changes include access to a private duty nurse, home care for eligible

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[12]*Level of care* (LOC) is a classification system in the Ohio Administrative Code, which is used to determine the appropriate types of long-term care Medicaid will provide for consumers, either in an institutional setting or in the home and community through a waiver program. Different home and community-based services waiver programs have different level-of-care requirements for enrollment. Each person applying for services is assigned only one level of care, but that level can change as the person's condition and functional abilities change. People who want to enroll on a home and community-based services Medicaid waiver must meet the specific level-of-care requirements for that waiver.

Intermediate LOC (ILOC) considers an individual's ability to perform activities of daily living, such as bathing, dressing, eating, toileting, and mobility, or the need for skilled services, and the inability to self-administer medication. A waiver requiring an ILOC is used for waivers that provide services as an alternative to nursing facility care.

Intermediate Care Facility for the Mentally Retarded LOC (ICF/MR LOC) relies on the presence of a developmental disability and the individual's assistance needs for economic independence, communication, capacity for independent living, and personal care. A waiver requiring an ICF/MR LOC provides an alternative to institutional care for an individual with mental retardation or developmental disabilities.

Skilled LOC, in general, is for individuals whose condition requires medical care beyond what is provided for individuals with intermediate or ICF/MR LOCs. The individual requires daily skilled services for an unstable medical condition having either complications or complex treatments. Skilled services must be performed by a nurse or therapist. Waivers providing services as an alternative to nursing facilities, hospitals, or rehabilitation facilities use the skilled LOC.

The Ohio Administrative Code level-of-care rules which apply to Ohio Home Care are: 5101:3-3-05, Skilled Level of Care; 5101:3-3-06, Intermediate Level of Care; 5101:3-3-07, ICF/MR Level of Care; and 5101:3-3-08, Protective Level of Care.

consumers leaving the hospital, the elimination of the Core Plus benefit package, and the addition of services to the Core benefit package, which has been renamed Home Health Services.

As a result of eliminating Ohio's Core Plus home health services program, 2,200 consumers were moved to the Ohio Home Care Waiver. One hundred forty consumers who were either enrolled in an MR/DD or Ohio Department of Aging-administered waiver who would have been negatively impacted by the elimination of Core Plus have been given the option to move to Ohio Home Care waiver to continue getting these services. A new private duty nursing (PDN) benefit was also developed for eligible consumers who have continuous nursing needs. The Core benefit package was changed and renamed Home Health Service. Home Health Service will consist of Home Health Nursing and Home Health Aide instead of Core nursing and daily living aide. As part of the new program, a post-hospital service was created for Medicaid consumers in need of part-time home health services following a three-day hospital stay. A PDN will be available to consumers who require continuous nursing service provided in the home or in the community following a hospital stay.

A new waiver, called "Transitions II Carve-Out waiver", was created to serve OHCW consumers age 60 and older who were adversely affected by the eligibility changes in the OHCW. The service package is the same as the OHCW's, but it allows for greater opportunities for consumer choice and selection of providers, including family members who are not the consumer's spouse, or birth, adoptive or foster parents.

Home and Community-Based Waivers

Home and Community-Based Service (HCBS) waivers provide alternatives to institutional long-term care under the state's Medicaid program. The term "waiver" refers to an exception to federal law that is granted to a state by the United States Centers for Medicare and Medicaid Services. Medicaid waivers allow participants, who have disabilities and chronic conditions, to have more control of their lives and remain active participants in their community. Without HCBS waivers, many consumers would live in a hospital, nursing home, or Institutional Care Facility for the Mentally Retarded (ICF/MR). In addition to providing an alternative to institutional care, waivers allow limited enrollment and limited locations, and waive certain eligibility requirements.

There are currently eight waivers within Ohio Medicaid. ODJFS administers three of them. The others are administered by the Ohio Department of Mental Retardation and Developmental Disabilities (ODMR/DD), which manages two waiver programs, and the Ohio Department of Aging (ODA), which manages three waiver programs. Together, in FY 2006, the eight Ohio Medicaid waivers provided alternative access to long-term care to more than 58,000 individuals.[13]

[13] Source: Home and Community-Based Waivers, January 2007, Ohio Medicaid Fact Sheet, ODJFS.

The following table is taken from the "Ohio Medicaid Fact Sheet, January 2007" and provides brief information on each of these eight waivers.

Eligibility	Services	Application	Administrative Agency
Ohio Home Care Waiver (OHCW)			
Specific Financial Criteria Intermediate or Skilled Level of Care Age 59 or younger	Adult day health Emergency response Home-delivered meal Home modification Out-of-home respite Personal care aide Supplemental adaptive and assistive device Supplemental transportation Waiver nursing	The ODJFS 02399 form is the application. It can be obtained and submitted at the local county department of job and family services (CDJFS) A waiting list exists at this time; when space becomes available applicants on the waiting list must re-apply	ODJFS administers this waiver program ODJFS contracts with a case management agency to provide management services
Transitions MR/DD Waiver			
Specific Financial Criteria ICF/MR Level of Care All Ages Available only to consumers w/an ICF/MR LOC (a) on OHCW 1/1/02, (b) on Core Plus when it closed 7/1/06, or (c) on ODMR/ DD waiver and receiving home health benefits 7/1/06	Same as above	Closed to new enrollment	ODJFS administers this waiver program ODJFS contracts with a case management agency to provide case management services
Transitions Carve-Out Waiver (T2)			
Specific Financial Criteria Intermediate or Skilled Level of Care The individual must be age 60 or older and must transfer in from the OHCW Available only to consumers (a) on OHCW 7/1/06, (b) on OHCW and turn 60 after 7/1/06, (c) on Core Plus when it closed 7/1/06, or (d) on ODA waiver and receiving home health benefits 7/1/06	Same as above	Closed to new enrollment	ODJFS administers this waiver program ODJFS contracts with a case management agency to provide case management services

Eligibility	Services	Application	Administrative Agency
Assisted Living Waiver			
Specific Financial Criteria At least an Intermediate Level of Care and in a nursing facility or enrolled in PASSPORT, CHOICES, Ohio Home Care or Transitions Carve-Out waivers, age 21 or older and have unschedulable need for hands-on assistance with at least two activities of daily living Not yet available statewide	Assisted living Community transition (for nursing home residents only)	Completion of the ODJFS 02399 is required and can be obtained and submitted at a local CDJFS or at the regional PAA office	The Ohio Department of Aging (ODA) administers this waiver program under the direction of ODJFS The three approved PAAs act as regional administrators and provide case management services
Choices Waiver			
Specific Financial Criteria At least an Intermediate Level of Care Age 60 and older, lives in approved service area (one of three PASSPORT Administrative Agencies (PAA) areas) Attend training and willing and able to direct provider activities and negotiate rates within cost cap	Adult day health Alternative meals service Environmental accessibility adaptations Home care attendant Home-delivered meals Personal emergency response systems Pest control Specialized medical equipment and supplies	Completion of the ODJFS 02399 is required and can be obtained and submitted at a local CDJFS or at one of the three approved regional PAA offices	ODA administers this waiver program under the direction of ODJFS The three approved PAAs act as regional administrators and provide case management services
PASSPORT			
Specific Financial Criteria At least an Intermediate Level of Care Age 60 or older	All of the above except home care attendant, alternative meals and pest control Chore Independent living assistance Nutritional consultation Personal care services Social work & counseling Transportation	The ODJFS 02399 form is required to make application and can be obtained and submitted at the local CDJFS or the PAA offices A waiting list exists at this time; when space becomes available applicants on the waiting list must re-apply	ODA administers this waiver program under the direction of ODJFS PAA acts as regional administrators and provide case management services

Eligibility	Services	Application	Administrative Agency
Level One Waiver			
Specific Financial Criteria ICF/MR Level of Care All Ages	Adult day supports Day habilitation Environmental accessibility and adaptations Homemaker/personal care Personal emergency response system Respite – informal Respite – institutional Specialized medical equipment and supplies Supported employment (community and enclave) – adaptive equipment Transportation (medical and nonmedical) Vocational habilitation	Completion of the ODJFS 02399 is required and can be obtained and submitted at a local CDJFS or at the local county board of MR/DD	The ODMRDD administers this waiver program under the direction of ODJFS Local county boards of MR/DD provide case management
Individual Options Waiver			
Specific Financial Criteria ICF/MR Level of Care All Ages	Homemaker/personal care Transportation Respite Supported employment Environmental accessibility modifications Social work/counseling Nutrition Interpreter Home-delivered meals Adaptive and assistive equipment Day habilitation – adult day support Habilitation – vocational habilitation Supported employment – enclave Supported employment – community Supported employment – adapted equipment Nonmedical transportation	Completion of the ODJFS 02399 is required and can be obtained and submitted at a local CDJFS or at the local county board of MR/DD A waiting list exists at this time; when space becomes available applicants on the waiting list must re-apply	The ODMRDD administers this waiver program under the direction of ODJFS Local county boards of MR/DD provide case management

Unified Long-Term Care Budget Workgroup

The executive has recommended the creation of the Unified Long-Term Care Budget Workgroup. The Workgroup will consist of the following individuals:

- Director of Aging;
- Consumer advocates;
- Representatives of the provider community; and
- State policy makers.

The executive budget also specifies that the Director of Aging is to serve as the chairperson of the Workgroup. The Workgroup must develop a unified long-term care budget that facilitates the following: (1) provides a consumer a choice of services that meet the consumer's health care needs and improve the consumer's quality of life, (2) provides a continuum of services that meet the needs of a consumer throughout life, (3) consolidates policymaking authority and the associated budgets in a single entity to simplify the consumer's decision making and maximize the state's flexibility in meeting the consumer's needs, and (4) assures the state has a system that is cost effective and links disparate services across agencies and jurisdictions. The Workgroup must submit an implementation plan to the Governor by June 1, 2008. This plan must, among other things, outline how funds can be transferred among involved agencies in a fiscally neutral manner and identify the resources needed to implement the unified budget in a multi-phase approach starting in FY 2009. The plan must consider the recommendations of the Medicaid Administrative Study Council and the Ohio Commission to Reform Medicaid. The executive budget also allows the Director of Budget and Management to create new funds and appropriation items to support and track funds associated with a unified long-term care budget, as well as transfer funds among affected agencies and adjust appropriations.

Documentation of U.S. Citizenship

Effective September 25, 2006, under the Deficit Reduction Act of 2005, U.S. citizens who apply for health care benefits through Ohio's Medicaid program are required to provide proof of their U.S. citizenship. The intent of the legislation is to ensure those getting public assistance are documented citizens. Applicants are only required to provide this documentation one time. The law requires both U.S. citizens and immigrants with legal alien status to provide original documents to establish proof of their citizenship at the time of application, or upon reapplication for benefits if already enrolled. Those eligible for Medicare, SSI, or applying for Disability Medical Assistance or Alien Emergency Medical Assistance are excluded from this requirement. Prior to this law, U.S. citizens could self-declare their citizenship verbally or in writing to meet this requirement. Acceptable verifications include: U.S. Passport, Certificate of Naturalization or Certificate of U.S. Citizenship. If these items are not available, Medicaid applicants need to provide one birth document and one identity document. Officials at ODJFS and at OBM have indicated that this requirement appears to be the primary reason for the decline in the Medicaid caseload seen since September 2006. A Medicaid recipient's eligibility is redetermined at least once a year. Therefore, a further drop in Medicaid caseload may occur over the next several months. It is unclear at this time how many persons will return to the program once they are able to provide the required documentation to prove citizenship.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Medicaid Estate Recovery Program

The Medicaid Estate Recovery program recovers money paid for Medicaid services from a Medicaid recipient's estate after the recipient dies. In Ohio, ODJFS, which has delegated collection efforts to the Ohio Attorney General's Office (AGO), administers the estate recovery program. State law stipulates that 9% of amounts collected by the AGO are to be credited to the AGO Claims Fund and is to be used to pay expenses incurred by the AGO. In addition, since Medicaid is a state-federal partnership program, ODJFS is required to return more than half of the money collected to the federal government for its financial share of the Medicaid services provided.

Federal Law Allows Medicaid Recipients to Retain Significant Resources. In order to be eligible for Medicaid long-term care benefits, an applicant's income and countable resources cannot exceed certain amounts. When determining whether an individual meets Medicaid resource standards, federal law requires states to temporarily exclude the applicant's primary residence and permanently exempt any other resource that is not available to pay for care. One reason this exclusion is granted is to allow the applicant's spouse or dependent children to have continued use of the home. A second reason this exclusion is granted is that the applicant may express intent to return to the home.[14]

Federal Law Permits States to Recover the Cost of Care. Federal law provides mechanisms by which a state may attempt to recover some of the costs of Medicaid from recipients. The Omnibus Budget Reconciliation Act (OBRA) of 1993 mandated that states set up programs to make claims and pursue recovery from the estates of certain Medicaid recipients for benefits paid on their behalf. To comply with OBRA 1993, Ohio passed laws in 1995 to implement the mandated estate recovery. Ohio designed its estate recovery program as conservatively as possible.[15] For example, it did not elect to exercise the federal options that allow states to expand the recoverable assets to include assets other than probate estate. It also limited collection to payments by Medicaid on a mandated set of services, not the entire list of claims paid by Medicaid for the recipient.[16] Furthermore, the state has the option to pursue the estate of a spouse or to place liens, but liens have yet to be imposed in Ohio on any recipient's property in conjunction with the Medicaid estate recovery program.[17]

H.B. 66 of the 126th General Assembly expanded the Medicaid Estate Recovery program to include any real and personal property and other assets in which an individual subject to recovery has any legal title or interest at the time of death, including assets conveyed to a survivor, heir, or assign of the individual through joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement. H.B. 66 also amended the Ohio Revised Code governing Medicaid estate recovery and liens to make it consistent with federal law.

[14] Commonwealth of Virginia, Medicaid Asset Transfers and Estate Recovery, Report of the Joint Legislative Audit and Review Commission, Senate Document No. 10, Richmond, Virginia, 1993.

[15] "Medicaid Estate Planning and Estate Recovery in Ohio," pg. 2.

[16] Prior to the amendment to Ohio's section 5111.11 by Am. Sub. H.B. 215 of the 122nd General Assembly (effective September 29, 1997), only the federally mandated services were subject to recovery in Ohio for recipients, age 55 or older. Am. Sub. H.B. of the 122nd General Assembly expanded to include estate recovery for all services correctly paid under the medical assistance program. This amendment was implemented for persons whose deaths were first recorded in July 1998.

[17] "Medicaid Estate Planning and Estate Recovery in Ohio," pgs. 19, 56.

The Deficit Reduction Act of 2005 (DRA), which became law on February 8, 2006, made several changes to the estate recovery of federal Medicaid law. The Act further limited a person's ability to transfer or discount assets in order to impoverish themselves and obtain Medicaid eligibility. The Act also contained some changes to the Medicaid estate recovery requirements.

As of October 1, 2006, Ohio Medicaid eligibility for long-term care services is modified to reflect changes in the DRA to the following:

- ***Transfer of Resources.*** Extends the transferred resources' review period from three years to five years. Funds used to purchase a life estate in another individual's property or used to purchase a promissory note or mortgage may, in certain circumstances, be considered an improper transfer.

- ***Improper Transfer of Resources (Penalty Period Start Date).*** The penalty period for improper transfers of resources now begins the date an individual receives or is eligible to receive long-term care services and would otherwise be eligible for Medicaid coverage, instead of the date the improper transfer was made. Also, multiple transfers of resources will be treated with penalty periods beginning on the earliest date of the improper transfer.

- ***Home Equity Over $500,000.*** Certain Medicaid applicants who have home equity above $500,000 are ineligible for payment of long-term care services through Medicaid (unless the applicant's spouse is residing in the home or the home is occupied by a child who is under age 21, blind, or disabled).

- ***Annuities.*** Medicaid applicants are now required to disclose information about annuities they have and to name the State of Ohio as the remainder beneficiary. As the remainder beneficiary, Medicaid programs can recoup medical costs once the consumer (and the consumer's spouse) is deceased. In addition, annuities purchased on or after February 8, 2006 are evaluated to determine whether the purchase is a proper or improper transfer of resources. To be considered an appropriate transfer of resources, annuities must:

  - be irrevocable, nonassignable, and actuarially sound;
  - have payments dispersed in equal monthly amounts;
  - exclude any deferrals or balloon payments; and
  - be purchased with retirement or IRA funds.

- ***Treatment of Income for Non-Institutionalized Spouses (Income First).*** In cases where an institutionalized individual has a spouse who still lives in the community, a county caseworker determines how much income the non-institutionalized spouse needs to maintain him/herself in the community. If the non-institutionalized spouse does not have enough income to meet the amount determined by the caseworker, DRA includes a requirement that the non-institutionalized spouse must use all available income from the institutionalized spouse to subsidize their monthly income prior to a reallocation of additional resources. Previously, the law allowed the non-institutionalized spouse to obtain additional resources without taking income from the institutionalized spouse.

Fraud, Waste, and Abuse Prevention and Detection

On January 26, 2005, the Ohio Inspector General's (OIG) office reported its findings from a recent investigation of Medicaid. The OIG initiated the investigation upon learning of a number of allegations related to the operations of the state Medicaid Surveillance and Utilization Review Section (SURS) of ODJFS. The investigation revealed a number of operational concerns within SURS, which, OIG believes, contributed to the failure of state officials to return tens of million s of dollars to the state. It also revealed serious issues related to the direction and integrity of the administration of several aspects of this program. In response to the report, ODJFS has identified an implementation plan to address the detection and recovery of Medicaid fraud or over-billing. H.B. 66 of the 126th General Assembly made several changes to address the detection and recovery of Medicaid fraud or over-billing.

Current law requires a person or government entity that receives or makes payments under the Medicaid program that, during a calendar year, total $5 million to provide to employees, contractors, and agents detailed, written information about the person or government entity's policies and procedures for preventing and detecting fraud, waste, and abuse. The person or government entity is also required to include this information in its employee handbook. The executive budget proposal requires an "entity," rather than a "person or government entity," to comply with its requirements.

By requiring an "entity," rather than a "person or government entity," to comply with the requirements outlined in the law regarding the Fraud, Waste, and Abuse Prevention and Detection could result in a reduction of the number of fraud, waste, and abuse cases of Medicaid, and thus could reduce Medicaid costs.

Temporary and Permanent Law Provisions

Fraud, Waste, and Abuse Prevention and Detection (R.C. 5111.101). H.B. 119, As Introduced, requires an "entity," rather than a "person or government entity," to comply with the requirements outlined in the law regarding the Fraud, Waste, and Abuse Prevention and Detection.

Medicaid Provider Agreements

To participate in the Medicaid program, a health care provider must enter into an agreement with ODJFS. This agreement, known as a provider agreement, serves as a contract between ODJFS and the provider. By signing the agreement, the provider agrees to comply with the terms of the agreement and all applicable state and federal laws. Medicaid reimbursement for providing health care services is contingent on a valid provider agreement being in effect when the services were provided.

H.B. 66 of the 126th General Assembly permitted ODJFS to terminate or not renew a Medicaid provider agreement without an administrative hearing if the provider has not submitted claims for two or more years and cannot be located.

The executive proposes the following changes relative to Medicaid provider agreements:

(1) Expressly authorizes the use of time-limited provider agreements;

(2) Eliminates the five-year limit for termination of a provider agreement based on an action brought by the Attorney General;

(3) Authorizes the denial or termination of a provider agreement for any reason permitted or required by federal law;

(4) Requires the suspension of a provider agreement held by a noninstitutional health care provider based on an indictment of the provider or its owner, officer, authorized agent, associate, manager, or employee;

(5) Authorizes the exclusion of an individual, provider, or entity from participation in Medicaid for any reason permitted or required by federal law;

(6) Modifies the circumstances under which ODJFS is not required to conduct an adjudication when imposing sanctions relative to a provider agreement, including sanctions imposed against a provider for failing to obtain or maintain a required certification;

(7) Permits ODJFS to require criminal records checks as a condition of becoming or continuing to be a Medicaid provider or an employee, owner, officer, or board member of a provider;

(8) Modifies the procedures used to obtain the criminal records checks required in the provision of home and community-based services through a Medicaid waiver program to a person with disabilities.

Temporary and Permanent Law Provisions

Medicaid Provider Agreements (R.C. 109.572, 5111.028, 5111.03, 5111.031 to 5111.034, and 5111.06). H.B. 119, As Introduced, allows changes relative to Medicaid provider agreements.

Medicaid Audits

In response to the authorization granted in H.B. 66 of the 126th General Assembly, the Auditor of State's Office conducted a performance audit covering select areas of the Ohio Medicaid program. The report was available December 19, 2006 online at the Auditor's web site.[18]

The executive budget allows ODJFS to use up to $1.0 million in each fiscal year for FYs 2008 and 2009 to fund the state share of audits of nursing facilities and intermediate care facilities for the mentally retarded from Fund 4J5, Home and Community-Based Services for the Aged.

Temporary and Permanent Law Provisions

Audits of NFs and ICFs/MR (Sections 309.31.30 of the bill). H.B. 119, As Introduced, allows ODJFS to use up to $1.0 million to fund the state share of audits of nursing facilities and intermediate care facilities for the mentally retarded.

Medicare Part D

Dual Eligibles: Medicaid's Role for Low-Income Medicare Beneficiaries. Medicaid plays different roles for different types of dual eligibles. Most dual eligibles qualify for full Medicaid benefits. For these individuals, Medicaid helps to fill in some of the gaps in Medicare coverage by paying for services that are not part of the standard Medicare benefit package, such as prescription drugs (until January 1, 2006) and most long-term care services. These individuals account for most of the costs to Medicaid for dual eligibles. For other dual eligibles that do not qualify for full Medicaid benefits, Medicaid helps to make Medicare more affordable by providing assistance with Medicare premiums,

[18] http://www.auditor.state.oh.us/Public/AuditSearch/Reports/2006/Ohio_MedicaidProgram_12_19.pdf.

deductibles, and other coinsurance requirements. Whether they qualify for full benefits or more limited assistance, most dual eligibles are very low-income individuals – typically have income of less than $10,000 a year, and often face serious health challenges such as diabetes, heart disease, dementia, or a severe mental illness. Close to one in four dual eligibles lives in a nursing home.[19]

In Ohio, ODJFS administers the "Medicare Premium Assistance Program" as a part of the Medicaid program to pay Medicare premiums, deductibles, and coinsurance for certain low-income individuals enrolled in Medicare. Sometimes it is also called the "Medicare Buy-In" program.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) represents the most significant change to the Medicare program since its inception in 1965. Among a number of provisions in MMA, it establishes a new "Part D" in Medicare that gives people access to a private Medicare prescription drug plan. The new Medicare pharmacy benefit, which provides drug coverage for many individuals that previously had none, also has broad implications for states. For the first time since 1965, a specific Medicare benefit is financed in significant part by state payments. The MMA requires state Medicaid programs to determine eligibility for new groups of low-income Medicare beneficiaries, and to contribute to the cost of federal prescription drug coverage for dual eligibles.

The Medicare Part D Prescription Drug Program started January 1, 2006. For 2007, the enrollment period ran from November 15 to December 31, 2006. Dual eligibles and persons newly eligible for Medicare (turning age 65, etc) may sign up throughout 2007.

As of June 2006 Medicare announced that in the U.S. more than 38.3 million Medicare beneficiaries are receiving prescription drug coverage. More than 93 million prescriptions were filled for these beneficiaries with drug coverage during March – averaging 3 million prescriptions filled per day.

Pharmacy Benefits under Medicare Part D. Like all other Medicare beneficiaries, dual eligibles have access to the universal Medicare prescription drug benefit starting January 1, 2006. Medicaid no longer pays for prescription drugs for dual eligibles. They are to obtain their drug coverage by enrolling in one of the new Medicare drug plans. Dual eligibles can sign up for a Medicare drug plan on their own, but, if they do not do so, the Secretary of U.S. Health and Human Services is required to automatically enroll them in a plan on a random basis.

[19] Source: "The New Medicare Prescription Drug Law: Issues for Enrolling Dual Eligibles into Drug Plans," Richard Jensen, January 2005, The Henry J. Kaiser Family Foundation.

Under Medicare Part D, low-income subsidies are determined by either the state as defined under the state Medicaid plan or by the Social Security Administration. The new Part D benefit has different eligibility requirements than those required by states for partial dual eligibles (i.e., persons for whom Medicaid pays some portion or all of Medicare premiums and/or cost-sharing). The table below shows the eligibility requirements and benefits for dual eligibles and Medicare Part D.

Eligibility Requirements and Benefits for Dual Eligibles and Medicare Part D Low-Income Assistance				
Program	**Income as % of FPG**	**Assets Individual /Couple**	**Current Medicaid Benefits**	**Medicare Part D**
SSI Cash Assistance	<75%	$2,000 $3,000	Full Medicaid coverage, including prescription drugs	No premium if select average or low cost plan No deductible No copay for institutionalized Indexed copay of $1/generic and $3/brand name No copay above catastrophic limit
Qualified Medicare Beneficiary (QMB)	<100%	$4,000 $6,000	Medicaid pays Part B premium and cost sharing	No premium if select average or low cost plan No deductible No copay for institutionalized Indexed copay of $2/generic and $5/brand name No copay above catastrophic limit
Specified Low Income Medicare (SLMB)	100%-120%	$4,000 $6,000	Medicaid pays Part B premium	No premium No deductible Indexed copay: $2/generic and $5/brand name
Qualifying Individuals Program (QI-I)	120%-135%	$4,000 $6,000	Medicaid pays portion of Part B premium	
Part D Lowest-Income Subsidies	<135%	$6,000 $9,000		
Part D Lowest-Income Subsidies	135%-150%	$10,000 $20,000		Sliding scale premium $50 deductible 15% coinsurance to catastrophic limit Indexed copay: $2/generic and $5/brand name

Source: States' Issues and Concerns with Implementation of Medicare Part D Prescription Drug Coverage, Summary of an Audio Conference with States, Rutgers Center for State Health Policy, May 2004

Phased-Down State Contribution (Clawback). The mechanism through which the states help finance the new Medicare drug benefit is popularly known as the "clawback" (the statutory term is "phased-down state contribution"). In brief, the clawback is a monthly payment made by each state to the federal Medicare program that began in January 2006. The amount of each state's payment roughly reflects the expenditures of its own funds that the state would have made if it continued to pay for outpatient prescription drugs through Medicaid on behalf of dual eligibles.[20]

[20] "The 'Clawback': State Financing of Medicare Drug Coverage," Andy Schneider, June 2004, The Henry J. Kaiser Family Foundation.

Effective January 2006, Medicare Part D, not Medicaid, offers outpatient prescription drug coverage to dual eligibles. As of that date, federal Medicaid matching funds is no longer available for the cost of outpatient prescription drugs for dual eligibles. The state share of these costs is the subject of the clawback. States were required to pay the federal government 90% of their estimated state shares in 2006; over the following nine years, this proportion is reduced to 75%. Thereafter, the proportion remains at 75%.

Phase-Down Percentage	
Calendar Year	Percentage
2006	90.00%
2007	88.33%
2008	86.67%
2010	83.33%
2011	81.67%
2012	80.00%
2013	78.33%
2014	76.67%
2015 and thereafter	75.00%

A state's clawback payment for any given month is equal to the product of a three-part formula:

Payment = (PCE/12) x DE x P%

Per Capita Expenditures (PCE). This is the state's share of its per capita Medicaid expenditure for covered drugs for dual eligibles in calendar year (CY) 2003, increased by the growth in per capita prescription drug spending nationally, and adjusted for the change in the state's relevant FMAP. In calculating the state Medicaid per capita expenditures for prescription drugs for dual eligibles in CY 2003, it must include pharmacist dispensing fees, adjust for manufacturer rebates, and exclude any expenditures for drugs not covered under Part D.

Dual Eligibles (DE). This is the number of dual eligibles in the month who are enrolled in the Part D program and have been determined by the state to be eligible for full Medicaid benefits, not just subsidies for Medicare premiums and cost sharing.

Phase-Down Percentage (P%). This is the phase-down percentage for the year specified in the MMA. It declines from 90% in CY 2006 to 75% in CY 2015 and thereafter.

For example, if, in January 2006, Ohio had 190,000 dual eligibles enrolled in Part D plans, and if the per capita Medicaid spending for prescription drugs for dual eligibles (2003 trended forward) were $1,800 then the Ohio's payment amount for the month would be $25.7 million.

$25.7 million = ($1,800/12) x 190,000 x 90%

Implications for States. The clawback is only one of a number of provisions in the MMA that affects states, ranging from new administrative responsibilities for the Part D low-income subsidy program to additional federal matching funds for disproportionate share hospital (DSH) payments to subsidies for state employee retirement benefits programs. Of all these provisions, however, the clawback has the most significant fiscal and policy implications.[21]

[21] "The 'Clawback': State Financing of Medicare Drug Coverage," Andy Schneider, June 2004, The Henry J. Kaiser Family Foundation.

Clawback Calculation. As mentioned above, the clawback payment relies on a PCE amount that is determined by each state's Medicaid spending for outpatient prescription drugs for dual eligibles in CY 2003. States such as Ohio, which had high per capita drug spending on dual eligibles in CY 2003, would have its clawback amounts calculated each year using this high amount. The MMA does not permit Centers for Medicare and Medicaid Services to rebase the PCE amount for 2004 or 2005. Thus, a state like Ohio that implemented prescription drug cost containment measures in 2003 or subsequent years could not reduce its PCE amount in 2006, even if it succeeded in reducing its per capita spending on Medicaid drugs for dual eligibles during 2004 or 2005. As a result, a state with high per capita drug spending in 2003 would be at a permanent disadvantage. Moreover, this disadvantage would grow each year as the trend factor – the annual rate of increase in per capita national prescription drug spending on all populations – is applied.

The application of a uniform national trend factor creates another problem, regardless of whether a state's PCE amount for 2003 is high or low. If the rate of increase in a state's Medicaid drug spending on dual eligibles is less than the annual rate of increase in prescription drug spending nationally for all populations, then it will eventually produce a clawback payment amount that exceeds a state's actual savings from no longer covering prescription drugs for duals through its Medicaid program.

In short, the more effective a state is in managing the costs of its prescription drug benefit in the future, the more likely it is that the state's clawback payments will exceed its savings from Medicare Part D coverage. Although the fiscal burden of this potential mismatch is somewhat mitigated by the application of the phase-down percentage (e.g., 90% in 2006, declining over time to 75%), the payment could nonetheless result in a monthly state payment obligation in excess of actual state savings.[22]

Loss of Prescription Drug Purchasing Power. In Ohio, spending on drugs for the dual eligibles accounted for approximately 40% to 50% of total Medicaid spending on drugs. States no longer manage the drug costs for the dual eligibles due to the implementation of the Medicare Part D benefit. This loss of volume in drug purchasing could have a significant impact on Ohio's cost containment strategies such as the Preferred Drug List, and Supplemental Drug Rebates.

Woodwork Potential. States could anticipate a woodwork effect as a result of the new Part D benefits. More individuals may apply for Medicaid coverage because of the increased benefits with Part D. In fact, under the MMA, states are obligated to screen Part D eligibles for other low-income programs and must enroll them if they are determined to be eligible. Because more individuals may become dually eligible, states are likely to have increased costs.

Impact on Ohio's Medicaid Costs. In FY 2006, ODJFS made approximately $90 million in clawback payments. The executive estimates the clawback payments to be $239.5 million for FY 2007, $254.4 million for FY 2008, and $271.9 million for FY 2009. Appropriation item 600-526, Medicare Part D, is used to make the clawback payment to the federal government. The appropriation item 600-526, Medicare Part D, is state share only. There is no federal reimbursement for the clawback payment.

[22] *Ibid.*

Medicare Premium Assistance (Medicare Buy-In) Program

ODJFS administers the "Medicare Premium Assistance Program" as a part of the Medicaid program to pay Medicare premiums, deductibles, and coinsurance for certain low-income individuals enrolled in Medicare. Sometimes it is also called the "Medicare Buy-In" program. The Medicare Premium Assistance Program offers three types of assistance. These types are:

(1) Qualified Medicare Beneficiary (QMB);
(2) Specified Low-Income Medicare Beneficiary (SLMB); and
(3) Qualified Individual-1 (QI-1).

The income guidelines and asset limits for these programs are summarized in the table below.

Monthly Income Guidelines*		
	Individual	**Couple**
Monthly Income Limits		
QMB	$769 or less	$1,030 or less
SLMB	$919	$1,232
QI-1	$1,032	$1,384
Asset Limits		
	$4,000	$6,000

*Income based on 2004 Federal Poverty Guideline.

A Qualified Medicare Beneficiary (QMB) is a Medicare recipient who is eligible for payment of his/her Medicare premium(s), coinsurance, and deductibles. QMB is for individuals who:

- are eligible for Medicare Part A (hospital insurance);
- have countable monthly income that does not exceed 100% of the FPG;
- meet the asset limit requirements; and
- meet the general eligibility requirements for Medicaid (e.g., social security enumeration, citizenship, residency).

The QMB program does not provide retroactive payments to participants.

A Specified Low-Income Medicare Beneficiary (SLMB) is a Medicare recipient who is eligible for payment of their Medicare Part B (Supplemental Medical Insurance) premium only. To be eligible for SLMB, an individual must:

- be eligible for Medicare Part A (hospital insurance);
- have countable income between 100% and 120% FPG;
- meet the asset limit requirements; and
- meet the general eligibility requirements for Medicaid.

Retroactive SLMB payments are available for up to three months prior to the month of application.

A Qualified Individual-1 (QI-1) is a Medicare recipient who is eligible for payment of their Medicare Part B (Supplemental Medical Insurance) premium only. QI-1 is for individuals who:

- have countable monthly income between 120% and 135% FPG;
- meet the asset limit requirements; and
- meet the general eligibility requirements for Medicaid.

Retroactive QI-1 payments are available for up to three months prior to the month of application, but not prior to January 1 of each year. In addition, the QI-1 program is 100% federally funded.

Upper Payment Limits (UPL)

There are federal limits on the amount a state may pay Medicaid providers, called upper payment limits, limiting the amount a state may generate in federal match through intergovernmental transfers and provider donations and taxes. Medicaid-covered services subject to separate upper payment limits include inpatient hospital services, outpatient hospital services, nursing facility services, intermediate care facility for the mentally retarded services, and multiple source drugs. The upper payment limit applicable to inpatient hospital services, as an example, prohibits a state from paying in aggregate a group of hospitals within one of three categories more than a reasonable estimate of the amount Medicare would pay the group of hospitals for the services. There are, however, exceptions to the limit.

Although federal upper payment limits limit the amount of federal match a state may receive, they can also provide an opportunity to qualify for federal match for payments to Medicaid providers made for the purpose of bringing Medicaid payments up to the upper payment limit. Ohio has implemented a Supplemental Inpatient Hospital Upper Payment Limit program under which non-federal public hospitals make intergovernmental transfers to ODJFS for the purpose of providing the state match for Medicaid payments to hospitals to fill the gap between what Medicaid pays for inpatient hospital services and the amount Medicare would pay. The Department receives federal match for the supplemental payments to the hospitals.

In 2002, the U.S. Department of Health and Human Services reduced states' ability to obtain additional federal matching funds under the upper payment limits by amending a federal Medicaid regulation governing upper payment limits for nonstate government-owned or operated hospitals. Prior to the 2002 amendment, the upper payment limit was set at 150%. The 2002 amendment reduced the upper payment limit to 100%.

Disproportionate Share Hospitals (DSH)

Disproportionate share hospital payments are one of the exceptions to the upper payment limit for inpatient hospital services. Federal law requires that states take into account the situation of hospitals that serve a disproportionate number of low-income patients with special needs. In complying with this requirement, states make DSH payments to such hospitals. A state makes a DSH payment to a hospital even though the payment results with the state paying the hospital an amount exceeding the upper payment limit. Unlike other Medicaid expenditures, however, federal matching funds for DSH payments is limited to capped allotments specific to each state.

Hospital Care Assurance Program (HCAP)

Ohio's program for making DSH payments, HCAP, incorporates both intergovernmental transfer and provider tax funding mechanisms. The program provides hospital services support for persons whose income falls at or below 100% of the federal poverty guidelines and who are not Medicaid eligible. Under HCAP, hospitals are annually assessed an amount based on their total facility costs and government hospitals make annual intergovernmental transfers to ODJFS. Assessments and intergovernmental transfers are made in periodic installments. ODJFS distributes to hospitals money generated by assessments, intergovernmental transfers, and allotted federal matching funds generated by the assessments and transfers. The federal funds are appropriated in line item 600-650, and the state funds (assessment revenues) are appropriated in line item 600-649.

Under current law, HCAP is scheduled to sunset October 16, 2007. Just as in previous budgets, the executive budget proposes to delay the sunset of HCAP for two years until October 16, 2009. The FY 2007 spending level for HCAP was $575.1 million under appropriation items 600-650 and 600-649. The total appropriation for HCAP through both appropriation items 600-650 and 600-649 is $575.1 million in both FY 2008 and FY 2009.

Temporary and Permanent Law Provisions

Hospital Care Assurance Program Extension (Sections 621.05 and 621.06 of the bill). H.B. 119, As Introduced, extends for two years (until October 16, 2009) the scheduled expiration of the Hospital Care Assurance program.

Institutions for Mental Disease/Disproportionate Share Hospitals (IMD/DSH)

In cooperation with the Ohio Department of Mental Health (ODMH), during FY 1996, ODJFS began to process IMD/DSH payments for psychiatric hospitals. IMD/DSH qualifies psychiatric hospitals as disproportionate share hospitals based upon financial and patient care data. Although ODMH provides the state match for IMD/DSH, ODJFS draws down the federal funds that support IMD/DSH and distributes them among state Medicaid agencies. These IMD/DSH funds can earn federal reimbursement again upon expenditure for Medicaid eligible purposes.

Client Registry Information System Enhanced (CRIS-E)

The CRIS-E system is an automated eligibility and benefits calculation system. In 1992, the CRIS-E system became a statewide, automated system that assists county caseworkers as they determine OWF/Cash, Food Stamp, and Medicaid eligibility and provide benefits disbursements. CRIS-E supports over 18,000 users with online availability each day; it issues Medicaid identification cards and OWF cash benefits each month.

The Client Registry Information System Enhanced is a computer-based software eligibility system that requires routine maintenance and system modifications when public assistance eligibility policy changes occur. State staff payroll and training, contractor costs for maintenance, and certain monthly service costs are driving cost factors for CRIS-E.

The Client Registry Information System Enhanced was installed in the mid 1980s and was designed originally to facilitate Food Stamp eligibility determinations. Today 94% of the eligibility cases processed through CRIS-E involve Medicaid, not Food Stamps. Because CRIS-E is being used for purposes for which it was not intended, more than 15,000 caseworkers in 88 county offices must work around parts of CRIS-E's design to determine Medicaid eligibility. In addition, they must manually process third-party liability claims. The foregoing inefficiencies result in delays in determining Medicaid eligibility at the county level

The Client Registry Information System Enhanced is funded by a combination of state and federal funds. The federal reimbursement comes from the Food Stamp grant, the Medical Assistance grant, the TANF grant, and the Child Care grant.

H.B. 66 of the 126th General Assembly included funding the business plan for the replacement of the CRIS-E system in FY 2006. According to ODJFS, after completing an assessment of CRIS-E, it was determined that a new, web-based eligibility system was needed. ODJFS has submitted the planning document and is writing the "Invitation for Proposal" to gather business requirements. The new database, called Benefit Eligibility Network (BEN), will be a rules-driven program that provides enhanced caseload management capabilities.

Medicaid Management Information System (MMIS)/Health Portability and Accountability Act (HIPAA)

MMIS supports the benefits administration of the Ohio Medicaid and Disability Medical Assistance programs. It processes reimbursements to medical providers for services rendered to eligible recipients based on ODJFS's and federal policy. MMIS is a federally certified system for the processing of all Medicaid payments. It includes several subsystems.

MMIS was installed in 1984. To remedy the effects of aging infrastructure systems, ODJFS is adopting a system – Medicaid Information Technology System (MITS). The MITS Request for Proposal is active and evaluations are being scheduled. MITS could be eligible for up to 90% federal reimbursement for Medicaid IT system development.

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.

As part of HIPAA, Medicaid programs are required to: improve efficiency in healthcare delivery by standardizing electronic data interchange; protect confidentiality and security of health data; and use standardized codes and fields for consumer's electronic health, administrative, and financial data.

A secure e-mail system has been initiated to align with the requirements of HIPAA. The new e-mail system will allow ODFJS to securely send e-mails containing protected health or other confidential information to outside entities from their desktop computers. The system encrypts the data to protect it in transmission and provides a secure site for the recipient to access it.

Decision Support System (DSS)

In FY 2004, ODJFS implemented the Decision Support System (DSS), an analytical tool that can "slice and dice" eligibility and claims data based upon any combination of demographic, eligibility, diagnosis, procedure and other service-related characteristics. DSS was developed by Thompson Medstat, Inc., and includes Medstat's Advantage Suite, Net Effect, and e-Valuate products.

Administration

Ohio's Medicaid program is one of the largest health care plans in the country. Operating an effective health care plan requires ODJFS to engage in a number of administrative activities. These activities include member services, provider network management, quality assurance and improvement, coordination of benefits, benefit design and pricing, information services, contract monitoring, and program integrity activities.

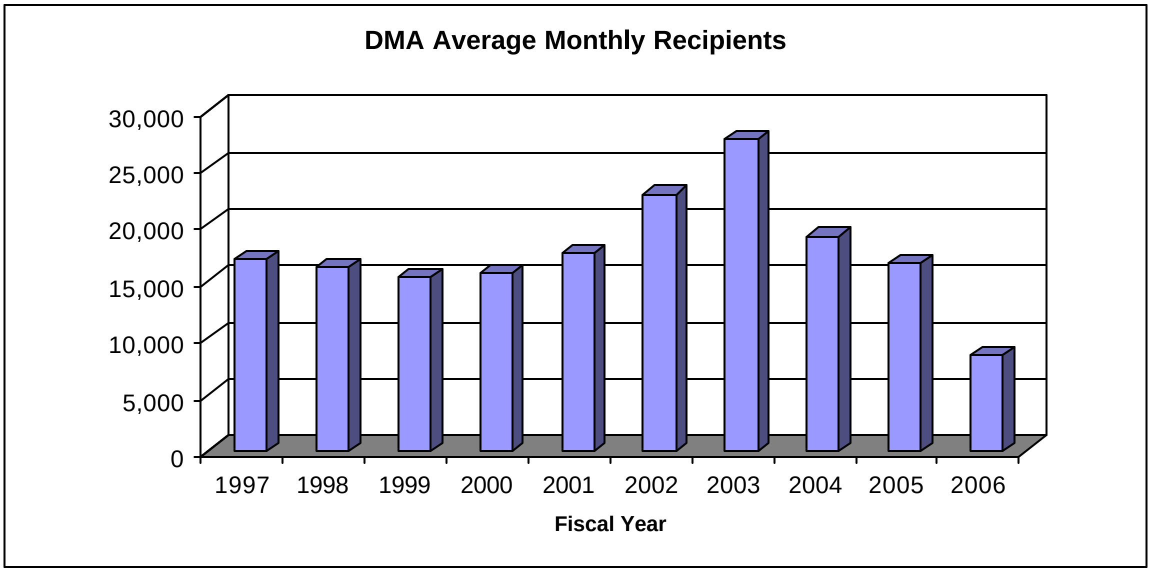
According to ODJFS, in FY 2005, total administrative costs associated with the management and payment of Medicaid services, including administrative costs incurred by ODJFS, other state agencies, and county departments of job and family services (CDJFS), were less than 4% of the total Medicaid expenditures in Ohio. Of the nearly $12.5 billion in total all funds expenditures in FY 2005 for all Medicaid medical services and administration in Ohio, $355 million was used for administration. Of the $355 million, other state agencies spent about $82 million, CDJFS spent $159 million, and ODJFS spent $114 million.

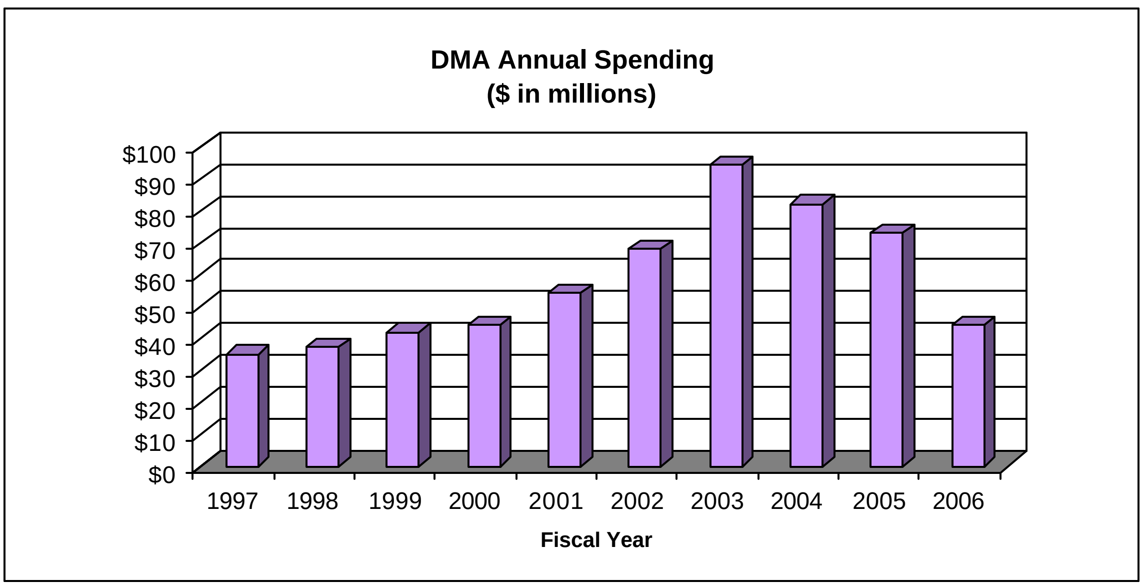
The Office of Ohio Health Plans (OHP) in ODJFS operates the state Medicaid program. The executive's budget proposal supports OHP staff and technology needs.

Disability Medical Assistance (DMA) Program

The Disability Medical Assistance program provides a limited health care benefit package to non-Medicaid eligible individuals based on income, resources, and severity of disability. The program supports individuals while they are applying for long-term federal disability benefits. The benefit package is a limited version of the primary- and acute-care services offered to consumers through Medicaid, and all services are received through the fee-for-service delivery system. Services are limited to prescription drugs, physician, clinic, restricted dental service, and restricted durable medical equipment services. Hospital services for this population are provided through the Hospital Care Assurance Program (HCAP).

Expenditures for the DMA program are not eligible for federal reimbursement because the recipients are either not Medicaid eligible or have not been determined to be Medicaid eligible. As shown below, in the early 2000s, the DMA program experienced a period of significant growth, both in caseload and expenditures.





Changes of the DMA Program. H.B. 95 of the 125th General Assembly allowed the Director of ODJFS to enact reforms necessary to contain DMA costs. Because it is not a Medicaid program it is funded with 100% GRF. ODJFS froze enrollment beginning in July 2003. Under the freeze, ODJFS allowed no new enrollment and denied coverage to those who missed their eligibility redeterminations. Enrollment was open for a limited time early in FY 2005 and then closed again in order to keep costs within the $64 million GRF allocated to operate the program that year.

H.B. 66 of the 126th General Assembly continued to provide funding of $19.5 million in FY 2006 and $25.5 million in FY 2007 in appropriation item 600-513, Disability Medical Assistance, to be used by ODJFS to operate a Disability Medical Assistance Program. H.B. 530 of the 126th General Assembly increased funding by another $4.3 million in FY 2006 and $5.7 million in FY 2007.

The executive proposes to continue the DMA program. The executive estimates that the DMA program will cost approximately $26.5 million (state share only) in FY 2007. In FY 2007, the DMA program is appropriated in GRF line item 600-513, Disability Medical Assistance. The executive proposes to eliminate this line item and include funding for the DMA program in GRF line item 600-525.

Back Billing of the DMA program. In FY 2005, ODJFS started back billing for DMA program claims that ODJFS can bill retroactively as Medicaid services. Approximately 25% of persons enrolled on the DMA program ultimately obtain Medicaid coverage and about 33% of DMA program spending is paid for services provided to those persons. Medicaid eligibility determinations for DMA recipients often take six months or more. Federal rules permit states to back bill for claims paid for up to two years for services rendered no more than three months before the recipient's initial date of application to Medicaid.

Assisted Living Services Waiver

H.B. 66 of the 126th General Assembly allowed for the creation of a waiver program to fund assisted living services. The Assisted Living Services Medicaid waiver is a program administered by the Ohio Department of Aging (ODA) that covers daily living services provided in an assisted living facility. Effective July 1, 2006 the Assisted Living Services waiver program was opened. There are 1,800 available slots to Medicaid consumers who qualify. The program offers an alternative service delivery in the community for people who are coming from a nursing home or from a home and community-based services waiver. According to ODJFS, assisted living offers more supervision and services than what may be available in a traditional home setting and allows consumers to have more independence, and less restrictions than a nursing facility.

Medicaid consumers, age 21 and over, who currently receive Medicaid services through PASSPORT, Choices, Ohio Home Care Waiver programs, live in a nursing home or residential care facility are eligible for the Assisted Living Services waiver program. The monthly income is capped at $1,809, which is 300% of the Supplemental Security Income federal benefit rate. Additionally, applicants must require assistance with at least two activities of daily living that cannot be met through scheduled assistance. Examples of these needs include: bathroom assistance, medication administration, and transference into and out of bed. To be eligible, a person must be able to pay room and board.

H.B. 66 of the 126th General Assembly provided for the transfer of funds from appropriation item 600-525 to ODA to fund the Assisted Living Services Waiver. The executive recommends an appropriation in ODA's GRF line item 490-422, Assisted Living, of $12,554,940 in FY 2008 and $15,213,890 in FY 2009. Appropriations in the ODA's federal line item 490-622, Assisted Living - Federal, are $14,972,892 in FY 2008 and $21,810,442 in FY 2009. These appropriation levels would fund the currently authorized 1,800 waiver slots. As of February 28, 2007, 123 unduplicated slots were used, with 1,677 open slots. There are currently 50 facilities certified as Assisted Living providers.

Program of All-Inclusive Care for the Elderly (PACE)

The Program of All-Inclusive Care for the Elderly (PACE) enables seniors who reside in nursing facilities to receive managed care services. The PACE sites provide participants with all of their needed health care. All PACE participants must be 55 years of age or older and qualify for a nursing home level of care. The PACE sites assume full financial risk for the care of the participants.

Ohio has two PACE sites. TriHealth SeniorLink is located in Cincinnati and serves Hamilton County and parts of Warren, Butler and Clermont counties. Concordia Care is located in Cleveland Heights and serves Cuyahoga County.

H.B. 95 of the 125th General Assembly permitted ODJFS to transfer the day-to-day administration of the PACE program to the Department of Aging, subject to federal approval. The transfer did not occur.

H.B. 66 of the 126th General Assembly allowed the transfer of the day-to-day administration of the PACE program to the Department of Aging to occur in FY 2006.

Currently, ODA administers PACE. Caseworkers in county departments of job and family services establish a PACE applicant's financial eligibility and Area Agencies on Aging make recommendations regarding an applicants level of care. ODA determines the applicants level of care and, if all programmatic criteria are met, enrolls the applicant at the appropriate PACE site. Additionally, Centers for Medicare and Medicaid Services is responsible for program oversight and site reviews.

The census for PACE is estimated to be 735 at the end of FY 2007. There are currently 62 individuals on the waiting list for PACE services – 44 in Cincinnati and 18 in Cleveland. The executive recommends an appropriation in ODA's GRF line item 490-421, PACE, of $10,214,809 in each fiscal year. Appropriations in ODA's federal line item 490-621, PACE-Federal, are $14,586,135 in each fiscal year. The executive recommendations will provide for current service levels to be maintained. Therefore, a census of 735 individuals should be supported.

Ohio Access Success Project

H.B. 94 of the 124th General Assembly authorized the Director of Job and Family Services to establish the Ohio Access Success Project to help Medicaid recipients make the transition from residing in a nursing facility to residing in a community setting. The bill provided $150,000 in FY 2002 and $250,000 in FY 2003 to fund one-time benefits to not more than 75 Medicaid recipients in FY 2002 and not more than 125 Medicaid recipients in FY 2003. No person was to receive more than $2,000 worth of benefits under the project. H.B. 95 of the 125th General Assembly continued the Ohio Access Success Project.

H.B. 66 of the 126th General Assembly allowed the continuation of the Ohio Access Success Project. ODJFS was permitted to limit the number of persons who may participate in the project. H.B. 66 also provided $350,000 in both FY 2006 and FY 2007 to fund one-time transitional benefits. H.B. 66 eliminated an eligibility requirement that required a Medicaid recipient to have resided continuously in a nursing facility for not less than 18 months before applying to participate in the project. H.B. 66 required that ODJFS, if an application is received before six months, ensure that an assessment is conducted as soon as practicable to determine whether the applicant is eligible to participate in the project. To the maximum extent possible, the assessment and eligibility determination must be completed not later than the date that occurs six months after the applicant becomes a recipient of Medicaid-funded nursing facility services. During FY 2006, the Ohio Access Success Project assisted 75 consumers in relocation from a nursing facility to the community; half occurring in the last quarter.

The executive budget allows ODJFS to use up to $350,000 from the Home and Community-Based Services for the Aged, Fund 4J5, in both FY 2008 and FY 2009 to provide one-time transitional benefits under the Ohio Access Success Project.

Temporary and Permanent Law Provisions

Ohio Access Success Project (Sections 309.31.30 of the bill). H.B. 119, As Introduced, allows ODJFS to use up to $350,000 in each fiscal year to provide one-time transitional benefits under the Ohio Access Success Project.

Home First Program

The executive budget continues to support that, on a monthly basis, each area agency on aging must determine whether individuals who reside in the area served by the agency are on a waiting list for the PASSPORT Program and were admitted to a nursing facility during the previous month. If the area agency determines that any individual meets both criteria, it must contact the Long-Term Care Consultation Program administrator for that area. The administrator is required to determine whether PASSPORT is appropriate for the individual and whether the individual would rather receive PASSPORT services than continue to reside in a nursing facility. If the administrator determines that the PASSPORT services are appropriate and the individual would prefer to receive them, the administrator is required to contact the Ohio Department of Aging. On receipt of notice from the administrator, the Department of Aging is to approve the enrollment of the individual in the PASSPORT program regardless of that individual's place on the PASSPORT waiting list.

Temporary and Permanent Law Provisions

Home First Program (Sections 309.30.50). H.B. 119, As Introduced, provides for the Home First Program under which an individual admitted to a nursing facility while on a waiting list for the PASSPORT program is to be placed in PASSPORT if PASSPORT is appropriate for the individual and the individual would rather be in PASSPORT than a nursing facility.

Resident Protection Fund

The executive budget allows ODJFS to issue a competitive request for grant proposals to support projects that will benefit the residents of nursing facilities that have been found to have deficiencies if the Resident Protection Fund has a cash balance, less encumbrances and appropriations, more than $2 million. The directors of Job and Family Services, Health, and Aging or their designees must determine priority categories for funding, make awards, and determine which of the three agencies should administer each grant. Based on these determinations, the Director of Budget and Management may transfer cash and appropriations matching the amount of each award to the appropriate agency.

Temporary and Permanent Law Provisions

Resident Protection Fund (Sections 309.31.20). H.B. 119, As Introduced, allows ODJFS to issue a competitive request for grant proposals to support projects that will benefit the residents of nursing facilities that have been found to have deficiencies.

REQUESTS NOT FUNDED

According to the Office of Budget and Management, the difference between what ODJFS requested and what was appropriated for the Health Care (Medicaid) program series is the difference between the original baseline forecast produced by the Department last summer and the cost containment proposals recommended by the executive. From this perspective, Health Care (Medicaid) is fully funded.

FACTS AND FIGURES

Ohio Medicaid Eligibility Requirements

The tables below provide detailed eligibility criteria under the Ohio Medicaid program.

Medicaid Eligibility for Aged, Blind or Disabled Populations

	Basic Eligibility Requirements	Countable Income Standards[a]	Deductions From Income	Resources[b]	Exempt Resources
Individuals and Couples age 65 or older	Proof the applicant is age 65 or older.	Individuals $525 Couples $904	SSI income not counted; first $20 of unearned income not counted; first $65 and half of remaining earned income not counted; medical bills, including medical insurance premiums (this deduction of medical bills is known as the spenddown); outstanding medical bills from the past that have not been paid may be applied to future months' spenddown.	Individuals $1,500 Couples $2,250	Home; household goods; personal effects; one car if necessary for employment, medical transportation if specially equipped for disability/handicap, or necessary for the performance of necessary daily activities; or, if not exempt for these reasons, up to $4,500 is exempt; cash value of life insurance with face value less than $1,500; irrevocable prepaid funeral account.
Individuals and Couples younger than 65	Medical proof of physical or mental impairment prohibiting work and lasting for at least 12 months.	Individuals $525 Couples $904	same as above	Individuals $1,500 Couples $2,250	same as above
Qualified Medicare Beneficiaries (QMB)[g]	Entitlement to Medicare Part A coverage; Income is less than or equal to 100% of the FPL.	Individuals $817* Couples $1,100**	Same as above except no deduction for medical bills.	Individuals $4,000 Couples $6,000	same as above
Specified Low-Income Medicare Beneficiaries (SLMB)[h]	Entitlement to Medicare Part A coverage; Income is greater than 100% of the FPL, but less than or equal to 120% of the FPL	Individuals $ 980** Couples $1,320**	Same as above except no deduction for medical bills.	Individuals $4,000 Couples $6,000	same as above
Qualified Individuals-1	Entitlement to Medicare Part A coverage; Income is greater than 120% of the FPL, but less than or equal to 135% of the FPL	Individuals $1,103** Couples $1,485**	Same as above except no deduction for medical bills.	Individuals $4,000 Couples $6,000	same as above
Individuals Who Need Nursing Home Care[i]	A level of care determination is required to verify a person needs nursing home care.	Income less than the cost of care	$40 for personal needs; certain medical bills including health insurance and past medical bills; if appropriate, monthly income allowance of an amount between $1,650 and $2,489 for the community spouse, and other deductions for other dependent family members	Individuals $1,500 Couples $2,250	Greater of $19,908 or half of total assets (but not more than $99,540) deducted for community spouse.

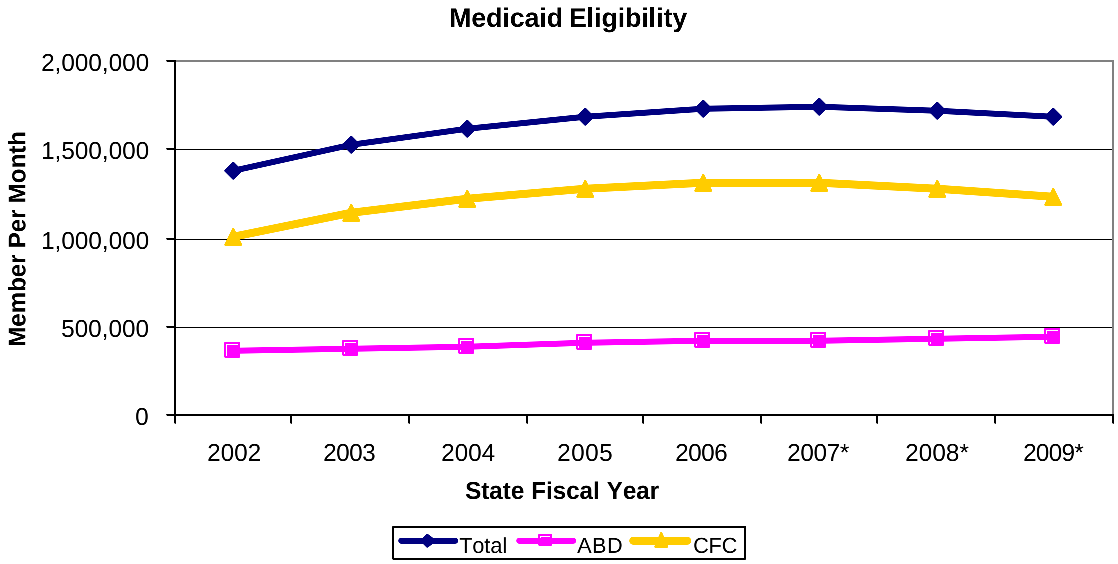
Medicaid Eligibility for Families and Children Populations

	Basic Eligibility Requirements	Countable Income Standards [a]	Deductions From Income	Resources [b]	Exempt Resources
Low-income families (LIF) [c]	Eligible for OWF assistance or would have met the TANF regulations in effect in 7/96.*	1 = $245 2 = $336 3 = $410 4 = $507	Earned income deductions: child care expenses (up to $175/ mo. per child, $200/mo. per child younger than age two) additional deductions may include $250 and half of the remainder of earned income[d]	No limit	Nothing to exclude because there is no limit on assets.
Healthy Families	Gross income equal to or less than 90% of the FPLI.	1 = $ 735 2 = $ 990 3 = $1,245 4 = $1,500	No deductions	No limit	same as above
Children 19 and 20 years old (Covered Families & Children)	Proof the child is younger than age 21.	Same as LIF	First $50 of child support[e]; Earned income deductions: child care expenses (up to $175/ mo. per child, $200/mo. per child younger 2); additional deductions may include $90 and disregards of $30 and 1/3 of the remaining income	$1,000	House; household goods; personal effects; one car; funeral agreements up to $1,500 per assistance group member
Pregnant women (Healthy Start)	Proof of pregnancy[f]	2 = $1,650 3 = $2,075 4 = $2,500	Earned income deduction, additional deductions if person recently received Ohio Works First. After eligibility is established, increases in income for pregnant women are excluded	No limit	Nothing to exclude because there is no limit on assets.
Children birth through age 18 (Healthy Start)	A child born to a woman receiving Medicaid is deemed eligible for up to 12 months. Eligible until end of month of 19th birthday or, if hospitalized, until child is discharged from hospital.	1 = $1,225 2 = $1,650 3 = $2,075 4 = $2,500	Changes in income do not affect the newborn for the first 12 months	No limit	same as above
SCHIP	Uninsured children (without in-patient hospital & physicans coverage) eligible if income is between 151% - 200% FPL. May have a premium payment and continuous coverage for 12 months.	1 = $1,634 2 = $2,200 3 = $2,767 4 = $3,334	Earned income deductions: child care expenses (up to $175/mo. per child, $200/mo. per child under 2); additional deductions may include $90 and disregards of $30 and 1/3 of the remaining income	No limit	same as above

Source: Ohio Medicaid Report 2006, ODJFS

Ohio Medicaid Caseloads

The following chart and tables show the trends by eligibility groups.



*The caseload numbers for fiscal years 2007 to 2009 are the Legislative Service Commission's (LSC) projections.

	Healthy Families		Healthy Families Expansion		Healthy Start Pregnant Women		Healthy Start		CHIP-I		CHIP-II		Adopted Children & Foster Care Children		Dual CFC		Total CFC	
SFY	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	721,962		989		21,835		131,429		70,073		38,494		26,977		360		1,012,119	
2003	701,976	-2.8%	127,157	12758.2%	21,512	-1.5%	143,294	9.0%	76,914	9.8%	44,933	16.7%	28,309	4.9%	1,915	432.2%	1,146,011	13.2%
2004	709,136	1.0%	182,475	43.5%	21,805	1.4%	147,364	2.8%	82,866	7.7%	48,856	8.7%	29,211	3.2%	3,230	68.6%	1,224,942	6.9%
2005	739,070	4.2%	206,081	12.9%	22,025	1.0%	141,983	-3.7%	85,508	3.2%	50,754	3.9%	29,886	2.3%	4,075	26.2%	1,279,382	4.4%
2006	784,889	6.2%	185,558	-10.0%	22,892	3.9%	144,451	1.7%	87,714	2.6%	52,071	2.6%	30,054	0.6%	4,098	0.6%	1,311,728	2.5%
2007*	803,884	2.4%	144,662	-22.0%	24,409	6.6%	158,529	9.7%	93,372	6.5%	54,069	3.8%	30,230	0.6%	3,988	-2.7%	1,313,142	0.1%
2008*	775,411	-3.5%	138,935	-4.0%	24,754	1.4%	160,990	1.6%	95,935	2.7%	54,599	1.0%	31,337	3.7%	3,980	-0.2%	1,285,942	-2.1%
2009*	736,158	-5.1%	131,902	-5.1%	24,502	-1.0%	159,019	-1.2%	94,832	-1.1%	53,407	-2.2%	32,349	3.2%	3,970	-0.2%	1,236,139	-3.9%

	ABD		Dual ABD		QMBO		SLMB		Total ABD	
SFY	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	170,215		158,291		21,576		18,019		368,101	
2003	176,562	3.7%	164,418	3.9%	22,280	3.3%	17,784	-1.3%	381,044	3.5%
2004	183,987	4.2%	171,909	4.6%	22,505	1.0%	15,528	-12.7%	393,928	3.4%
2005	187,988	2.2%	179,217	4.3%	24,079	7.0%	16,004	3.1%	407,288	3.4%
2006	191,408	1.8%	175,433	-2.1%	32,076	33.2%	18,458	15.3%	417,375	2.5%
2007*	195,984	2.4%	166,085	-5.3%	42,430	32.3%	23,424	26.9%	427,922	2.5%
2008*	199,797	1.9%	167,799	1.0%	44,614	5.1%	26,442	12.9%	438,652	2.5%
2009*	204,263	2.2%	170,119	1.4%	45,644	2.3%	28,733	8.7%	448,758	2.3%

Total ABD & CFC		
SFY	Monthly Average	Growth Rates
2002	1,380,220	
2003	1,527,055	10.6%
2004	1,618,870	6.0%
2005	1,686,670	4.2%
2006	1,729,103	2.5%
2007*	1,741,065	0.7%
2008*	1,724,593	-0.9%
2009*	1,684,897	-2.3%

MCP				
	CFC		ABD	
SFY	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	334,043		10	
2003	403,717	20.9%	13	30.0%
2004	483,346	19.7%	18	38.5%
2005	521,929	8.0%	773	4194.4%
2006	621,096	19.0%	952	23.2%
2007*	958,261	54.3%	26,687	2703.0%
2008*	1,150,577	20.1%	123,165	361.5%
2009*	1,103,806	-4.1%	126,461	2.7%

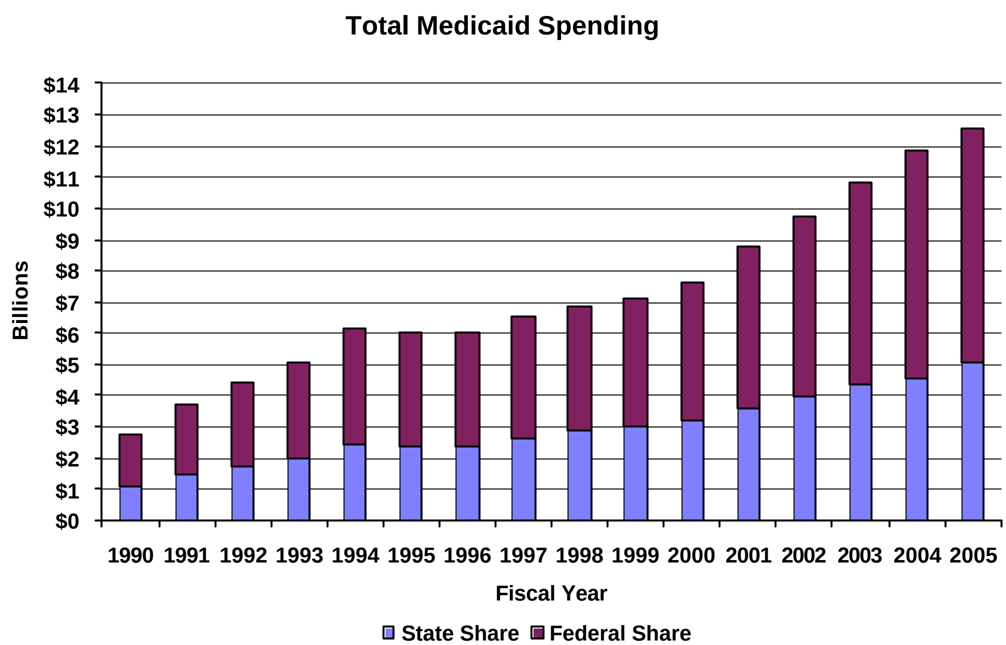
FFS				
	CFC		ABD	
SFY	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	678,076		368,091	
2003	742,294	9.5%	381,031	3.5%
2004	741,596	-0.1%	393,910	3.4%
2005	757,453	2.1%	406,515	3.2%
2006	690,632	-8.8%	416,423	2.4%
2007*	354,882	-48.6%	401,236	-3.6%
2008*	135,365	-61.9%	315,486	-21.4%
2009*	132,333	-2.2%	322,297	2.2%

*LSC baseline estimates

Ohio Medicaid Spending, FYs 1990-2005

Since FY 1990, Medicaid spending has increased by an average of 10.4% each fiscal year. The rapid spending growth for the first half of the 1990s was driven by health care cost increases generally, and specifically by increased caseloads associated with eligibility expansions. Spending decreased slightly in FY 1995 as a result of an improving economy. Medicaid spending growth started to rise dramatically again in the early 2000s. The growth in total Medicaid spending averaged 12.3% from FY 2000 to FY 2003. The spending growth slowed down for FY 2005 with 5.8% growth. Total spending for FY 2005 was $12.5 billion. Increases in spending on long-term care and inpatient hospital services have been the driving force behind the Medicaid spending increases in the early 2000s. Also contributing significantly to total Medicaid spending is the growth in prescription drug expenditures, expanded coverage for children up to 200% of the federal poverty guidelines, and the increase in caseloads due to the last economic recession.

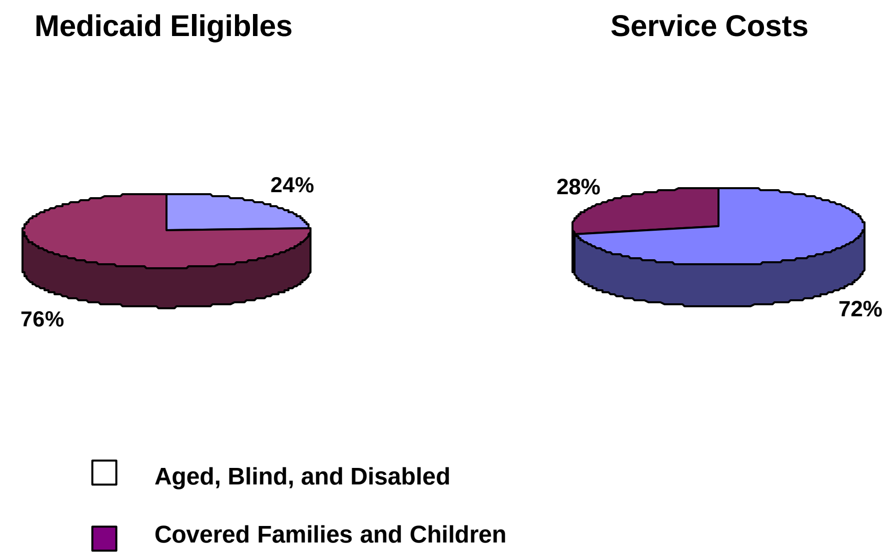
Medicaid Spending Shows Rapid Growth for Second Time Since FY 1990



Caseloads and Spending: ABD vs. CFC

The following pie charts show the Aged, Blind, and Disabled (ABD) and Covered Families and Children (CFC) eligibility groups as a percentage of the total Medicaid population and the percentage of total service costs for each of these groups. The CFC population made up 75% of the Medicaid population, but accounted for 28% of service costs in FY 2006. In comparison, the ABD population made up 25% of the Medicaid population, but accounted for 72% of service costs.

Medicaid Service Costs vs. Caseloads, FY 2006



Ohio Medicaid Covered Services: Mandatory vs. Optional

The federal government requires state Medicaid programs to extend a broad range of *mandatory* physical and behavioral health care services to Medicaid recipients. These services are called the *mandatory services*. In addition to these mandatory services, Ohio has chosen to cover some *optional* services. The following chart shows the services covered under the Ohio Medicaid program for both mandatory and optional The table also provides payment information.

OHIO MEDICAID COVERED SERVICES				
Service	**M/O**	**Process**	**Special Considerations**	**Payment Information**
Outpatient Services	M	Covered services are those diagnostic, therapeutic, rehabilitative or palliative treatment or services furnished by or under the direction of a physician or other qualified practitioner.	Outpatient visits are limited to 24 per year, except for certain medical conditions. Visits in excess of 24 are subject to post payment review.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule. These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipients who are enrolled in MCPs.
Rural Health Clinic (RHC)	M	Covered RHC services are as follows: • Services furnished by a physician; • Services furnished by a physician assistant, nurse practitioner or nurse midwife; and • Services and supplies that are furnished as an incident to professional services furnished by a physician, physician assistant, nurse practitioner or nurse midwife.	Certain ambulatory services must be billed by RHCs under a separate Medicaid Provider Number as a FFS ambulatory clinic provider: Outpatient visits are limited to 24/year, except for certain medical conditions. Visits in excess of 24 are subject to post payment review.	RHCs are reimbursed using a prospective payment system in accordance with federal legislation. Each RHC's rates are established on a per visit basis, and are increased by the percentage increase in the Medicare Economic Index (MEI) for primary care services. RHC services are included in the capitated rates paid to Managed Care Plans (MCPs).

OHIO MEDICAID COVERED SERVICES				
Service	**M/O**	**Process**	**Special Considerations**	**Payment Information**
Federally Qualified Health Centers (FQHC)	M	Covered core services for FQHCs are: • Services furnished by a physician, physician assistant or advanced practice nurse; • Services and supplies that are furnished as an incident to professional services furnished by a physician, physician assistant or advanced practice nurse. • Part-time or intermittent visiting nurse care and related medical supplies (other than drugs and biologicals) if certain conditions are met. • Covered noncore services include the following: • Physical therapy; • Speech pathology and audiology; • Dental services; • Podiatry; • Optometric/optician services; • Chiropractic services; • Transportation services; and • Mental health services provided by a clinical psychologist, clinical social worker, advanced practice nurse certified by a national certifying organization in the specialty of psychiatry, or a professional counselor.	Outpatient visits are limited to 24 per year, except for certain medical conditions. Visits in excess of 24 are subject to post payment review. FQHCs that contract with MCPs must complete the "ODHS 3454 MCP Worksheet" and return to the Department with the annual FQHC cost report.	FQHCs are reimbursed for covered core and noncore services using a prospective payment system in accordance with federal legislation. Services are billed on an encounter basis. Certain services are not considered covered FQHC services. The FQHC's costs for these services are not included in the rate established for core and noncore services. These services should be billed by an FQHC under a separate Medicaid provider number as FFS ambulatory care provider (this would include services such as inpatient hospital surgery and inpatient hospital visits).
Laboratory/ X-ray	M	Laboratory services include: • Biological, microbiological, serological, chemical, immunological, immunohematological, hematological, cytological, or pathological procedures performed on specimens from the human body; and • Specimen collections.	Lab tests must be ordered by a physician or other qualified practitioner. All laboratory services must be medically necessary or medically indicated for preventive care. X-rays and other radiological procedures are covered if ordered by a physician or other qualified practitioner.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule. These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipients who are enrolled in MCPs.

OHIO MEDICAID COVERED SERVICES				
Service	**M/O**	**Process**	**Special Considerations**	**Payment Information**
Nursing Home	M	Covered services include, but are not limited to: • Resident assessment; • Preadmission screening and annual resident review; • Comprehensive care; • Physician services; • Nursing services; • Dietary services; • Pharmacy services; • Social services/activities; • Specialized rehab services; • Lab services; • Radiology/other diagnostics; • Dental/vision/hearing services; • Quality assessment and assurance.		Nursing homes are reimbursed per diem rates according to a case-mix adjusted prospective payment system. These rates are based on four major cost centers: direct care costs, other protected costs, indirect care costs and capital costs.
Physician Services	M	Services necessary for the diagnosis and/or treatment of an illness or injury are covered. Such services must be provided within the scope and practice of the medical profession (M.D. or D.O.) as defined by Ohio law, and performed by eligible providers for eligible Medicaid recipients.	Outpatient visits are limited to 24 per year, except for certain medical conditions. Visits in excess of 24 are subject to post-payment review.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule. These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipients who are enrolled in MCPs.
Dental	O	Diagnostic, preventive, restorative and surgical services are covered, with certain limitations.		These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule.
Early and Periodic Screening Diagnosis and Treatment (EPSDT) Program	M	The Ohio EPSDT program ("Healthchek") includes the following services: • Vision services; • Hearing services; • Dental services; • Behavioral health and other rehabilitative services; and • Other medically necessary services, including further diagnosis and/or treatment.	This federally mandated program of comprehensive and treatment services for children under age 21.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule. These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipients who are enrolled in MCPs.

OHIO MEDICAID COVERED SERVICES				
Service	**M/O**	**Process**	**Special Considerations**	**Payment Information**
Family Planning Services and Supplies	M	Covered family planning services include medical and educational services related to: • Temporary contraceptive management; • Permanent contraceptive management (sterilization); • Physical and emotional reproductive health of patient; • Genetic counseling and diagnostic testing; and • Pregnancy determination.	A family planning visit may be performed by either a physician and/or health professional or social service professional qualified under the Ohio Revised Code. Family Planning services not covered under the Ohio Medicaid program include: Infertility services; Hysterectomies performed for sterilization purposes; Abortions performed to terminate an unwanted pregnancy.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule.
Clinic Services	O	The following services are covered in an ambulatory clinic setting: • Physician services; • Nursing services; • Dental services; • Pharmaceuticals; • Diagnostic services; • Family planning services; • EPSDT; • At-risk pregnancy services; • Vision care services; • Transportation; and • Rehabilitation services.	Outpatient visits are limited to 24 per year, except for certain medical conditions. Visits in excess of 24 are subject to post-payment review.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule.

<table>
<tr><th colspan="5">OHIO MEDICAID COVERED SERVICES</th></tr>
<tr><th>Service</th><th>M/O</th><th>Process</th><th>Special Considerations</th><th>Payment Information</th></tr>
<tr><td>Prescription Drugs</td><td>O</td><td>Drugs covered by the Ohio Medicaid program are limited to those that are manufactured or labeled by companies participating in the Federal Medicaid Rebate Program, dispensed by duly enrolled providers and which fall into one of the following categories:
Legend and over-the-counter drugs listed in the Ohio Medicaid Formulary;
Legend and over-the-counter drugs not included in the formulary but which have been authorized by the Department; and
Compounded prescriptions in accordance with State regulations.</td><td>Nonformulary drugs, other than those excluded below, that are essential for treatment, require prior authorization. Nonformulary drugs where there is a formulary alternative may be authorized when it is documented that a formulary drug cannot be used. The prescribing physician is required to document the medical necessity:
Noncovered drugs;
Drugs for the treatment of obesity;
Drugs for the treatment of infertility;
DESI (ineffective) drugs or drugs that have been determined to be identical, similar or related; and
Drugs being used for non-FDA approved indications unless there is compelling clinical evidence to support the experimental use.</td><td>The Department reimburses pharmacies for drugs at the lesser of the submitted charge or the calculated allowable for the cost of the drug plus a dispensing fee for those drugs listed on the drug formulary.

Maximum Allowable Cost drugs: Maximum Allowable Cost (MAC) is equal to Federal Upper Limit (FUL) established by the federal government or an amount set by the Department. Reimbursement for state MAC drugs is based on the 65th percentile of the Estimated Acquisition Cost (EAC) of all readily available generic equivalent drugs.

All products, other than those designated as MAC drugs, are considered EAC drugs. Reimbursement is based on the estimate of the Wholesale Acquisition Cost (WAC) determined by periodic review of pricing information from Ohio drug wholesalers, pharmaceutical manufacturers and a pharmacy pricing update service. Maximum reimbursement for these drugs is WAC plus 9%.

In the event that WAC cannot be determined, the Department defines EAC as Average Wholesale Price (AWP) minus 12.8%.

The dispensing fee for noncompounded drugs is $3.75.</td></tr>
<tr><td>Case Management Services</td><td>O</td><td>Targeted case management is provided to Children with Special Health Care Needs (CSHCN), especially those with high-risk and chronic conditions such asthma, teen pregnancy and HIV/AIDS.

The Primary Alternative Care and Treatment (PACT) is a case management program for recipients who have exceeded the utilization criteria for prescribing physicians, number of office visits, and drug use.</td><td>The CSHCN program was developed by the Bureau of Managed Health Care, which monitors MCP delivery of these services and performance.

If enrolled in PACT, clients are asked to select a primary physician to make referrals and a primary pharmacy to dispense all medications. Any physician who is a Medicaid provider may become an enrollee's primary physician/case manager.</td><td>These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule.

These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipients who are enrolled in MCPs.

Each primary physician may bill the Department for a monthly case management fee for each month a PACT client is assigned to him/her. This fee is not available to primary pharmacies, clinics, FQHCs, or to any other provider, including providers rendering services to an enrolled client on an emergency or referral basis.</td></tr>
</table>

OHIO MEDICAID COVERED SERVICES				
Service	**M/O**	**Process**	**Special Considerations**	**Payment Information**
Necessary Medical Transportation	M	Expenses for transportation and other travel expenses necessary to secure medical examinations and treatment are covered. This includes ambulance services and other transportation by common carrier and the cost of meals and lodging to and from medical care for the client and, if necessary, an attendant. Ambulance services are covered only for emergencies and when it is the only medically appropriate option.		These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule.
Services Provided By Nurse Midwife, Certified Pediatric Nurse Practitioner, and Certified Family Nurse Practitioner	M	These practitioners are referred to as Advanced Practice Nurses in Ohio. Services within scope of practice are covered.		These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule. These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipients who are enrolled in MCPs.
Extended Services to Pregnant Women	O	Services include: • Extensive counseling and education; • Nutrition counseling; • Nutrition intervention; and • Care coordination.	Women who are enrolled in Managed Care Plans (MCP), she will access the services through her MCP's network of providers. These services are provided from the date of identification of pregnancy through 60 days after the end of the pregnancy.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule. These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipientsw ho are enrolled in MCPs.

OHIO MEDICAID COVERED SERVICES				
Service	**M/O**	**Process**	**Special Considerations**	**Payment Information**
Ambulatory Prenatal Care	M	Antepartum care is all obstetrical care provided from the confirmation of the pregnancy and with onset of established labor, induction or cesarean section. The antepartum visit is inclusive of: • Instruction, education, and counseling on a variety of topics related to pregnancy, nutrition, infant care, and family; • Routine urinalysis screening tests using reagent strips to measure pH and/or to detect the presence of sugar, protein or other components; • A physician examination which includes recording of weight, blood pressure and fetal heart tones or similar routine services; and • Coordination of the patient's medical care, including at a minimum, a planned hospital delivery at a designated hospital, arrangements from medical care and/or consultation in case of emergency, and referrals to appropriate medical services.	In addition to the antepartum visit, reimbursement is available for the following services provided during the antepartum and postpartum periods: • Pregnancy-related services; • All obstetrical-related radiology and laboratory procedures (with the exception of urinalysis screening tests); • All obstetrical diagnostic procedures identified in standard code sets; and • All other covered medical services provided in addition to the antepartum visit.	These services are billed at the lesser of billed charges of the Medicaid maximum contained in the Ohio Medicaid Fee Schedule. For services provided prior to 7/1/03, antepartum visits must be billed on a per-visit basis using the original code for antepartum care, 59420. Antepartum services provided on or after 7/1/03 must be billed on a per-visit basis using the evaluation and management code (office visit code) appropriate for the type of visit documented in the patient's record. When the antepartum visit is billed, providers must specify a diagnosis code to signify pregnancy. Bill the code modified by "TH" to signify "obstetrical services, prenatal or postpartum." These services are included in the Managed Care Plan (MCP) capitated rates for Medicaid recipients who are enrolled in MCPs.

M/O: Mandatory / Optional

Current through 6/2003

Source: **http://www.hrsa.gov/tpr/tech-assistance.htm#Medicaid**, Health Resources and Services Administration, U.S. Department of Health and Human Services.

Unemployment Compensation

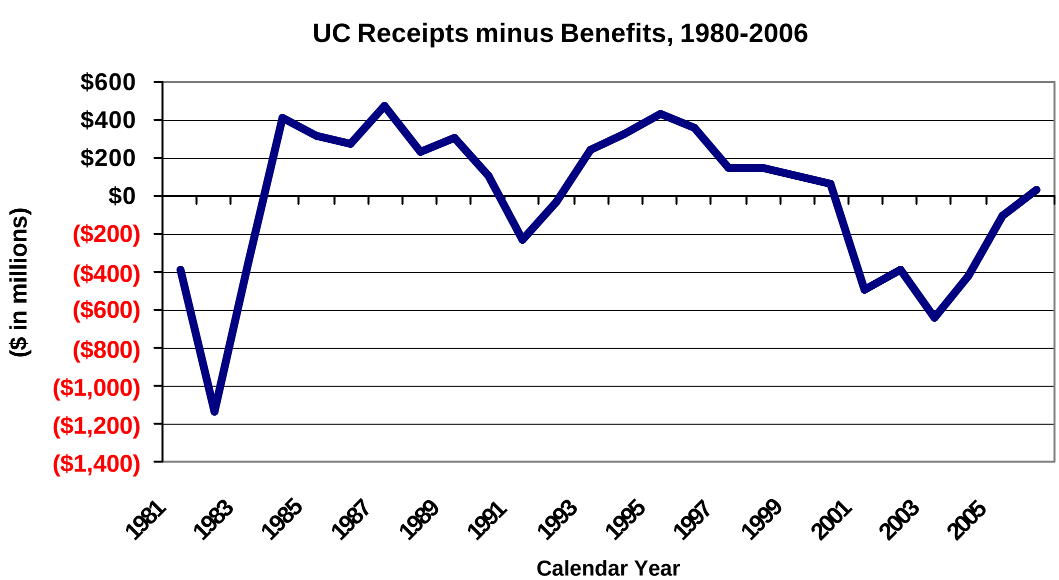
Overview

The Unemployment Compensation (UC) 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 UC are provided primarily by the U.S. Department of Labor (DOL) from revenues collected from employers by the Internal Revenue Service pursuant to the Federal Unemployment Tax Act (FUTA). Benefits are paid through the Unemployment Compensation Trust Fund, which is funded through state insurance taxes that are paid by employers and collected by the Ohio Department of Job and Family Services (ODJFS).

The Office of Unemployment Compensation (OUC) within ODJFS administers the UC program. The primary goal of the OUC 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 UC 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.

The graph below depicts the status of the UC Trust Fund by looking at the balance of benefits and receipts, for calendar years 1980 through 2006. Receipts exceeded benefits paid or have been close to balancing in the period following the recession of the early 1980s, with a relatively small shortfall experienced during the recession of the early 1990s, and lasted for several years. In 2006, receipts exceeded benefits by $32.4 million. As of March 13, 2007, Ohio's UC Trust Fund balance was $293,146,897.



Depending on an employer's experience of unemployment, the tax rate ranges from zero to 8.0%. In CY 2005, it is estimated that the average employer will pay a rate of 2.7% on the first $9,000 of an employee's wages. This equates to approximately $230 per employee on average. The distribution of Reed Act funds received in March 2002 allowed the state to avoid an automatic employer tax increase for CY 2003. The statute required employer tax increases in CYs 2004 through 2007. However, the increases were less than they would have been without the Reed Act distribution. Despite these recent increases, Ohio's unemployment tax rates remain below the national average and lower than all but one of our neighboring states.

There is a gap between the percentage of the unemployed who are eligible to receive unemployment benefits and the percentage of the total workforce that is unemployed. The table below provides overall unemployment rates and insured unemployment rates for December 2006 for Ohio and the five surrounding states.

Insured Unemployment Rate and Overall Unemployment			
	Unemployment Rate, December, 2006	**Insured Unemployment Rate, week ending 12/25/06**	**Proportion of Unemployed Receiving Benefits**
Indiana	4.6%	1.8%	34%
Kentucky	4.9%	1.7%	31%
Michigan	6.5%	3.2%	42%
Ohio	**5.1%**	**1.7%**	30%
Pennsylvania	4.1%	2.8%	59%
West Virginia	4.6%	1.7%	33%

(U.S. Department of Labor data, not seasonally adjusted)

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series **6: Unemployment Compensation**

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.

This program series supports unemployment insurance activities, including benefit issuance, employer tax functions, Trade Program and NAFTA-related activities, funding for the Unemployment Compensation Review Commission (UCRC), and the related information technology support.

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

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund				
4A9	600-607	Unemployment Compensation Admin Fund	$12,273,062	$12,188,996
4A9	600-694	Unemployment Compensation Review Commission	$1,726,938	$1,811,004
4R3	600-687	Banking Fees	$800,000	$800,000
		State Special Revenue Fund Subtotal	**$14,800,000**	**$14,800,000**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$123,124	$129,193
3V0	600-688	Workforce Investment Act	$130,243	$136,127
3V4	600-678	Federal Unemployment Programs	$84,730,828	$87,190,860
3V4	600-679	Unemployment Compensation Review Commission Federal	$3,092,890	$3,191,862
		Federal Special Revenue Fund Subtotal	**$88,077,085**	**$90,648,042**
Total Funding: Unemployment Compensation			**$102,877,085**	**$105,448,042**

Note: Some line items are used to fund other program series, so the amount shown in this table and those throughout this program series may not reflect the total appropriation.

This analysis focuses on the following specific programs within the Unemployment Compensation program series:

- ***Program 6.01: Unemployment Compensation***
- ***Program 6.02: Trade Programs***
- ***Program 6.03: Unemployment Compensation Program Management***
- ***Program 6.04: Unemployment Compensation Information Technology***

Program 6.01: Unemployment Compensation

Program Description: Unemployment Compensation was developed as a counter cyclical economic stabilizer to provide funds to support the economy when workers are unemployed and without wages through no fault of their own. The Unemployment Compensation program is a state and federal partnership. Employers pay a federal unemployment tax to the Internal Revenue Service (IRS). Federal funds are then provide to the state to administer the program and the employer taxes are returned to the state to pay the unemployment benefits.

The Office of Unemployment Compensation is organized into three bureaus: Tax, Benefits, and Program Services.

- 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 nonmonetary 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 Services Bureau is responsible for research, legislation, and policy in support of the Unemployment Compensation Advisory Council and represents the Director before the UCRC. In addition to these general program administration responsibilities, the bureau is responsible for a number of special unemployment tax and benefit determinations in cases involving employer unemployment tax appeals or benefit eligibility during labor disputes.

Funding Source and Line Item: The following table shows the line items that are used to fund the Unemployment Compensation program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund				
4A9	600-607	Unemployment Compensation Admin Fund	$12,273,062	$12,188,996
4A9	600-694	Unemployment Compensation Review Commission	$1,726,938	$1,811,004
		State Special Revenue Fund Subtotal	**$14,000,000**	**$14,000,000**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$93,244	$97,738
3V4	600-678	Federal Unemployment Programs	$36,770,708	$38,463,700
3V4	600-679	Unemployment Compensation Review Commission – Federal	$3,092,890	$3,191,862
		Federal Special Revenue Fund Subtotal	**$39,956,842**	**$41,753,300**
Total Funding: Unemployment Compensation			**$53,956,842**	**$55,753,300**

Implication of the Executive Recommendation: The executive recommendation will allow ODJFS to serve approximately 800,000 unemployment compensation claimants. The Department will collect over $1.0 billion in tax contributions from over 230,000 employers and make payments of over $1.0 billion in benefits. In addition, the recommended funding level will support the filing of over 21,000 appeals of unemployment compensation rulings.

Temporary Law Provision

Federal Unemployment Programs (Section 309.80.20 of the bill). H.B. 119, As Introduced, appropriates any unspent funds from FY 2007 in appropriation item 600-678, Federal Unemployment Programs, to ODJFS and at the request of the Director of ODJFS, the Director of OBM may increase appropriations for FY 2008 by the amount remaining unspent from the FY 2007 appropriation and in the same manner increase appropriations for FY 2009 by the amount remaining unspent from the FY 2008 appropriation. The appropriation must be used for administrative activities for the UC program, employment services, or any other allowable expenditures under section 903(d) of the Social Security Act. The provision limits the reappropriation to the balance of federal funds remaining after benefits are paid and obligated administrative expenditures are taken into account.

Fiscal Effect: There is a balance in the fund that supports the appropriation of between $20 million to $25 million, which the Department expects to carry forward.

Permanent Law Provisions

Unemployment Compensation Law (R.C. 4141.09). H.B. 119, As Introduced, eliminates the Trade Act Benefit Account under the Unemployment Compensation Law and specifies that the State Treasurer, under the direction of the Director of ODJFS, may transfer funds from the Trade Act Training and Administration Account to the Unemployment Compensation Benefit Account for the purpose of making payments directly to claimants for benefits, job search, relocation, transportation, and subsistence allowances, as specified by the federal "Trade Act of 1974," 19 U.S.C. 2101; the "North American Free Trade Implementation Act of 1993," 19 U.S.C. 3301; and the "Trade Act of 2002," 19 U.S.C. 3801. Under current law, federal funds received under these federal acts for benefits, job search, relocation, transportation, and subsistence allowances are instead deposited into the Trade Act Benefit Account.

Fiscal Effect: Combining the Trade accounts with the Benefits account is intended to reduce banking costs and increase efficiencies. The current balance in the Trade account is $625,000. Approximately $21 million passes through the Trade account in a normal year.

Program 6.02: Trade Programs

Program Description: Trade Programs supports activities related to the Trade Act of 2002. Its goal is to administer and make benefit payments of individuals who have been dislocated due to the relocation of their employer or laid off due to foreign competition. Depending on their situation, workers can receive Trade Readjustment Allowances (TRA), Training, Reemployment Services, Job Search Allowances, Relocation Allowances, Health Coverage Tax Credit (HCTC), and/or Alternative Trade Adjustment Assistance (ATAA) services. Each program has its own eligibility criteria and compensation arrangement.

Funding Source and Line Item. The following table shows the line items that are used to fund Trade Programs, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
3V0	600-688	Workforce Investment Act	$130,243	$136,127
3V4	600-678	Federal Unemployment Programs	$12,212,127	$12,314,783
Total Funding: Trade Programs			**$12,342,370**	**$12,450,910**

Implication of Executive Recommendation: The executive recommendation provides funding for processing 1,300 trade contracts, 50% of the wage differential for up to two years for those earning less than $50,000 in a new job and administrative costs to connect people with the IRS to receive a health coverage tax credit of 65% of their monthly health insurance premium.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program 6.03: Unemployment Compensation Program Management

Program Description: Unemployment Compensation Program Management ensures that the required federal and state unemployment laws are met regarding payment of unemployment compensation claims and collection of the employer state unemployment taxes.

Funding Source and Line Item. The following table shows the line items that are used to fund Unemployment Compensation Program Management, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund				
4R3	600-687	Banking Fees	$800,000	$800,000
Federal Special Revenue Fund				
3V4	600-678	Federal Unemployment Programs	$7,250,159	$7,262,308
Total Funding: Unemployment Compensation Program Management			**$8,050,159**	**$8,062,308**

Implication of the Executive Recommendation: The executive recommendation for this program will support the administrative office of the Unemployment Compensation program and the Attorney General's efforts to collect from delinquent employers and overpaid benefits. The recommended funding level also provides for payment of charges assessed by the Treasurer of State for clearing and accounting of unemployment compensation benefit warrants.

Temporary Law Provisions

Employer Surcharge (Section 309.80.10 of the bill). H.B 119, As Introduced, reinstates the ability of the Department to collect an employer surcharge assessed between calendar years 1988 and 1990. Prior law required contributing employers to pay a surcharge in order to generate revenues to meet the costs of automating the Bureau. Any revenues collected will be deposited in the Unemployment Compensation Administrative Fund (Fund 4A9).

Fiscal Effect: Approximately $400,000 in revenues due from delinquent employers remains outstanding. Of the $400,000 outstanding, the Department is unable to estimate how much of that revenue will be collected from delinquent employers in the next biennium. In FY 2006, the Department collected $3,732 and thus far in FY 2007 (through March 16, 2007) $1,497.

Permanent Law Provisions

There are no permanent law provisions affecting this program.

Program 6.04: Unemployment Compensation Information Technology

Program Description: Unemployment Compensation Information Technology supports the benefits and unemployment compensation tax systems. Specifically, the Ohio Job Insurance (OJI) system accepts and processes claims, maintains employer records, determines eligibility, requests separation information, issues determinations, charges employers, processes appeals, and issues redeterminations. The new unemployment compensation tax system, called the Employer Resource Information Center or ERIC, will bill employers, accept payments, process refunds, collect moneys due, track employer records, assure employer compliance, and provide customer support to employers.

Funding Source and Line Item. The following table shows the line items that are used to fund Unemployment Compensation Information Technology, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
331	600-686	Federal Operating	$29,880	$31,455
3V4	600-678	Federal Unemployment Programs	$28,497,834	$29,150,069
Total Funding: Unemployment Compensation Information Technology			**$28,527,714**	**$29,181,524**

Implication of Executive Recommendation. The executive recommendation provides funding to support the UC tax system (ERIC), which serves approximately 230,000 employers and the benefit system (OJI), which handles approximately 800,000 new claims and 5.3 million continued claims.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

REQUESTS NOT FUNDED

The executive recommendation includes all funding ODJFS requested for the Unemployment Compensation Program Series.

LOCAL OPERATIONS

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series **7: Local Operations**

Purpose: This program series provides administrative and operational support in bringing together a seamless delivery of services to Ohioans and employers.

The only program in this program series is:

- ***Program 7.01: Local Operations Program Management***

Program 7.01: Local Operations Program Management

Program Description: Local Operations Program Management administers and provides operational support for the delivery of services for the following programs: Unemployment Compensation, Employment Services, Workforce Investment Act, Veterans Services, Labor Market Information, and Trade. The Office of Local Operations assists offices across the state to deliver services to individuals seeking jobs and assist employers in finding qualified applications for available jobs.

Funding Source and Line Items: The following table shows the line items that are used to fund the Local Operations program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
331	600-686	Federal Operating	$5,646,298	$5,875,086
3V0	600-688	Workforce Investment Act	$3,177	$3,330
3V4	600-678	Federal Unemployment Programs	$41,275,634	$42,881,842
Total Funding: Local Operations			**$46,925,109**	**$48,760,258**

Note: Some line items are used to fund other program series, so the amount shown in this table may not reflect the total appropriation.

Implication of Executive Recommendation: The executive recommendation will support state staff in 92 locations distributed throughout all 88 counties who provide employment and unemployment services to Ohio jobseekers. Additionally, the recommended funding level will provide for the operation of six call centers that handle over one million public calls for employment and unemployment services information.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

REQUESTS NOT FUNDED

The executive recommendation includes all funding ODJFS requested for the Local Operations program series.

PROGRAM MANAGEMENT

OVERVIEW

Program Management of the Department of Job and Family Services (ODJFS) consists of the Director's Office and the offices of Legislation; Legal Services; Communications; Employee and Business Services; Research, Assessment and Accountability; Contracts and Acquisition; Chief Inspector; and Fiscal Services. Besides the leadership and direction-setting roles of the Director's Office, the component offices provide support services to the program offices.

Through its Office of Management Information Services (MIS), ODJFS provides information systems to meet the Department's operational and managerial decision-making needs. The Office 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 for the Department's computer systems for Medicaid, public assistance, social services, child support enforcement programs, employment services, and workforce development.

The executive recommendation for Program Management program series is $239,251,472 in FY 2008 and $250,386,277 in FY 2009. The executive recommendation will enable ODJFS's component offices to maintain their current level of support services to the rest of the agency. The executive recommendation will also ensure maintenance of existing enterprise business applications of the Office of MIS and management of network support to all ODJFS staff and county users.

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series 8: Program Management

Purpose: This program series provides administrative and operational support to agency programs to help accomplish the agency's mission.

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

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$65,104,679	$67,657,543
GRF	600-416	Computer Projects	$77,613,966	$81,153,629
		General Revenue Fund Subtotal	**$142,718,645**	**$148,811,172**
State Special Revenue Fund				
4J5	600-613	Nursing Facility Bed Assessment	$564,270	$564,270
5F2	600-667	Building Consolidation	$250,000	$250,000
5F3	600-668	Building Consolidation	$1,000,000	$1,000,000
5Z9	600-672	TANF QC Reinvestments	$239,872	$251,602
		State Special Revenue Fund Subtotal	**$2,054,142**	**$2,065,872**
General Services Fund				
5N1	600-677	County Technologies	$1,000,000	$1,000,000
		General Services Fund Subtotal	**$1,000,000**	**$1,000,000**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$9,559,152	$10,039,282
384	600-610	Food Stamps and State Administration	$13,156,367	$13,725,555
397	600-626	Child Support	$20,177,900	$21,441,344
398	600-627	Adoption Maintenance/Administration	$13,514,736	$14,371,853
3F0	600-623	Health Care Federal	$564,271	$564,271
3H7	600-617	Child Care Federal	$6,683,399	$6,977,911
3V0	600-688	Workforce Investment Act	$5,916,346	$6,166,959
3V4	600-678	Federal Unemployment Programs	$19,919,099	$21,216,686
3V6	600-689	TANF Block Grant	$377,415	$395,372
		Federal Special Revenue Fund Subtotal	**$89,868,685**	**$94,899,233**
Holding Account Redistribution Fund				
R12	600-643	Refunds and Audit Settlements	$3,600,000	$3,600,000
R13	600-644	Forgery Collection	$10,000	$10,000
		Holding Account Redistribution Fund Subtotal	**$3,610,000**	**$3,610,000**
Total Funding: Program Management (Program Series 8)			**$239,251,472**	**$250,386,277**

Note: Some line items are used to fund other program series, so the amount shown in this table and those throughout this program series may not reflect the total appropriation.

This analysis focuses on the following specific programs within the Program Management program series:

- ***Program 8.01: Program Management***
- ***Program 8.02: Program Management Information Technology***

Program 8.01: Program Management

Program Description: Program Management provides administrative support services across the entire agency. Services include budget development, management and monitoring; payroll projections; human resources processing; facilities management; responses to legislative, constituent, and media requests; performance management; contracting and acquisition procedures; accounting services, funding and auditing of counties and service providers; financial reporting; legal services; mail processing; quality control; and internal audit compliance program implementation.

Program Management consists of the following offices:

- ***Director's Office.*** Provides the strategic direction and vision for the Department and supervises the overall administration of the agency and its programs;

- ***Office of Legislation.*** Responds to constituent inquiries and is the Department's principal liaison to the General Assembly;

- ***Office of Legal Services.*** Responsibilities, in addition to managing all litigation and 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 the Department's customers;

- ***Office of Communications.*** Informs the public, via the news media, and other customers about ODJFS programs and issues;

- ***Office of Employee and Business Services.*** Includes the Department's personnel, office services, facility management, and Equal Employment Opportunity, and administers and develops programs for employee training, development, education, and cultural awareness;

- ***Office of Research, Assessment, and Accountability.*** Provides a range of services for the Department's offices, including program research and evaluation, quality assessment, labor market information, and auditing;

- ***Office of Contracts and Acquisitions.*** Performs contract management functions;

- ***Office of the Chief Inspector.*** Responsible for the Department's security matters, monitoring and follow-up to audits of the Department conducted by outside entities, and ensuring civil rights compliance;

- ***Office of Fiscal Services.*** Provides a wide range of financial management and support to the Department's program areas, other administrative offices, and county agencies.

Funding Source and Line Items: The following table shows the line items that are used to fund the Program Management program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$62,799,094	$65,350,293
		General Revenue Fund Subtotal	**$62,799,094**	**$65,350,293**
State Special Revenue Fund				
4J5	600-613	Nursing Facility Bed Assessment	$564,270	$564,270
5F2	600-667	Building Consolidation	$250,000	$250,000
5F3	600-668	Building Consolidation	$1,000,000	$1,000,000
5Z9	600-672	TANF QC Reinvestments	$239,872	$251,602
		State Special Revenue Fund Subtotal	**$2,054,142**	**$2,065,872**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$5,217,080	$5,631,946
384	600-610	Food Stamps and State Administration	$13,142,367	$13,710,555
397	600-626	Child Support	$10,789,622	$11,759,370
398	600-627	Adoption Maintenance/Administration	$7,011,312	$7,611,256
3F0	600-623	Health Care Federal	$564,271	$564,271
3H7	600-617	Child Care Federal	$2,739,757	$2,928,177
3V0	600-688	Workforce Investment Act	$3,989,308	$4,191,758
3V4	600-678	Federal Unemployment Programs	$10,786,833	$12,082,789
3V6	600-689	TANF Block Grant	$377,415	$395,372
		Federal Special Revenue Fund Subtotal	**$54,617,965**	**$58,875,494**
Holding Account Redistribution Fund				
R12	600-643	Refunds and Audit Settlements	$3,600,000	$3,600,000
R13	600-644	Forgery Collection	$10,000	$10,000
		Holding Account Redistribution Fund Subtotal	**$3,610,000**	**$3,610,000**
Total Funding: Program Management (Program 8.01)			**$123,081,201**	**$129,901,659**

Implication of Executive Recommendation: The executive recommendation will enable ODJFS to maintain its staffing levels in its support offices.

Over the FY 2008–2009 biennium, ODJFS will continue the process of consolidating and relocating its central campus. Prior to the start of the relocation project ODJFS offices operated from nine different locations in Columbus. The overall consolidation plan is that by some time in FY 2008 ODJFS will operate out of three locations; the Air Center, 145 Front Street, and the Lazarus Building. The 145 Front Street building and the Lazarus Building are currently under renovation.

The initial estimated cost to renovate 145 Front Street Building was $16 million. In H.B. 675 of the 124th General Assembly ODJFS received a capital appropriation of $16 million for renovation purposes. (This amount was reappropriated in Am. Sub. H.B. 530 of the 126th General Assembly.) Funding for the renovation will come from the Special Administrative Fund, in which interest on delinquent contributions, fines, and forfeitures collected pursuant to the law governing unemployment compensation, and all court costs and interest paid or collected in connection with the repayment of fraudulently obtained unemployment compensation benefits are deposited. The Unemployment Compensation Advisory Council (UCAC) controls all spending from this fund. The UCAC is a

12-member body that was formed to recommend legislative changes to the law governing the unemployment compensation program to the Director of Job and Family Services, the Unemployment Compensation Review Commission, the Governor, and the General Assembly.

The original budget for the project was developed nearly five years ago and had not been adjusted for market changes or contingencies. The current revised estimate requires an additional $4.6 million to complete the project as planned. How to address the shortfall is currently being discussed within the Department.

The Lazarus Building is owned by the Columbus Downtown Development Corporation, which is paying for the renovation. The Department of Administrative Services is working with ODJFS and the property owner to ensure that the design of the renovation meets the needs of ODJFS. Some of the renovations are complete and several ODJFS offices have moved in and leased the space.

Temporary Law Provisions

Transfer of Mail and Fulfillment Services from the Department of Job and Family Services (Section 515.09 of the bill). H.B. 119, As Introduced, transfers, effective July 1, 2007, or the earliest date thereafter agreed to by the Director of ODJFS and the Director of DAS, to the Department of Administrative Services (DAS) the mail and fulfillment services office of ODJFS. The functions, assets, liabilities, and employees designated as staff in the mail and fulfillment office are to be transferred to DAS.

Fiscal Effect: This provision is budgeted for in the executive recommended funding level. It will reduce ODJFS's expenditures for such operations. However, ODJFS will experience a loss of the corresponding appropriations when the Office of Budget and Management takes action, authorized by the bill, with respect to budget changes made necessary by the transfer.

Ohio Benefit Bank (Section 309.20.20 of the bill). H.B. 119, As Introduced, requires the use of up to $299,276 in FY 2008 and up to $472,366 in FY 2009 of GRF appropriation item 600-321, Support Services, to support the Ohio Benefit Bank, a web enabled, counselor assisted program for low and moderate income Ohioans.

Agency Fund Group (Section 309.20.30 of the bill). H.B. 119, As Introduced, specifies that the Agency Fund Group and Holding Account Redistribution Fund Group be used to hold revenues until the appropriate fund is determined or until the revenues are directed to the appropriate governmental agency other than ODJFS. If it is determined that additional appropriation authority is necessary, such amounts are appropriated.

Fiscal Effect: At times, ODJFS receives checks for which the disposition cannot be determined at the time the check is received. Those checks are deposited into Fund R12. Upon determination of the appropriate fund into which the check should have been deposited, the disbursement is made to the correct fund. In addition, ODJFS receives funds from banks and other entities that have cashed forged public assistance warrants. Such amounts are deposited into Fund R13. Appropriations for the line items supported by these funds (600-423, Refunds and Audit Settlements, and 600-644, Forgery Collection) are estimated based on prior year activities. The provision described above is standard language that automatically increases the appropriations for these holding accounts should the agency experience more activity in these funds than the appropriation will allow.

Permanent Law Provisions

Grant Agreements (R.C. 307.98, 307.981, 329.04, 329.05, 3125.12, 5101.162, 5101.21, 5101.211, 5101.212, 5101.213, 5101.24, 5101.242, 5101.244, and 5111.10). H.B. 119, As Introduced, requires boards of county commissioners to enter into grant agreements with the Director of Job and Family Services, rather than permitting the boards to enter into a fiscal agreement with the Director.

The bill prohibits the Director from making a grant of federal financial assistance regarding family services duties (i.e., services performed by county departments of job and family services, public children services agency, or child support enforcement agencies) through any means other than a grant agreement, rather than permitting a board of county commissioners to select which family services duties to include in a fiscal agreement.

Additionally, the bill requires a county elected official performing the duties of a child support enforcement agency and a county children services board to jointly enter into a grant agreement with the board of county commissioners and Director, rather than only requiring a county elected official or children services board to jointly enter into a fiscal agreement if the fiscal agreement includes family services duties of a child support enforcement agency or public children services agency.

Fiscal Effect: This provision will require the expenditure of some administrative dollars to establish the grant agreements. If a board of county commissioners and ODJFS fail to enter into a fiscal agreement, such failure will result in a loss to the county of federal financial assistance for family services duties.

Action Against a County Regarding Family Services Duties (R.C. 5101.24 and 5101.242) H.B. 119, As Introduced, provides that ODJFS may take specified actions directly against a public children services agency (PCSA) regarding certain problems with family services duties only if a children services board serves as the PCSA and may take such actions directly against a child support enforcement agency (CSEA) only if a county elected official performs the duties of the CSEA; otherwise the Department is to take the action against the board of county commissioners.

The bill further provides that the Department may no longer take specified actions directly against a county department of job and family services regarding certain problems with family services duties but must instead take the action against the board of county commissioners.

Fiscal Effect: This provision changes the entity against which ODJFS may take action and is unlikely to result in a significant fiscal impact.

Program 8.02 – Program Management Information Technology

Program Description: Through its Office of Management Information Services, ODJFS provides various computer 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 for the Department's computer systems for Medicaid, public assistance, social services, child support enforcement programs, employment services, and workforce development. Program Management Information Technology includes the network, mainframe support, security, database maintenance, systems programming for all mainframe applications, client server support, standards, and configuration management for all of the MIS applications and business functions. Also included in this program is the Data Warehouse project, which is designed to provide easily accessible, comprehensive, and high-quality information in a timely manner using both standard and ad hoc reporting in an integrated environment.

Funding Source and Line Items: The following table shows the line items that are used to fund Program Management Information Technology, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	600-321	Support Services	$2,305,585	$2,307,250
GRF	600-416	Computer Projects	$77,613,966	$81,153,629
		General Revenue Fund Subtotal	**$79,919,551**	**$83,460,879**
General Services Fund				
5N1	600-677	County Technologies	$1,000,000	$1,000,000
		General Services Fund Subtotal	**$1,000,000**	**$1,000,000**
Federal Special Revenue Fund				
331	600-686	Federal Operating	$4,342,072	$4,407,336
384	600-610	Food Stamps and State Administration	$14,000	$15,000
397	600-626	Child Support	$9,388,278	$9,681,974
398	600-627	Adoption Maintenance/Administration	$6,503,424	$6,760,597
3H7	600-617	Child Care Federal	$3,943,642	$4,049,734
3V0	600-688	Workforce Investment Act	$1,927,038	$1,975,201
3V4	600-678	Federal Unemployment Programs	$9,132,266	$9,133,897
		Federal Special Revenue Fund Subtotal	**$35,250,720**	**$36,023,739**
Total Funding: Program Management Information Technology			**$116,170,271**	**$120,484,618**

Implication of the Executive Recommendation: The executive recommendation will ensure maintenance of existing enterprise business applications of the Office of Management Information Services and management of the ODJFS network support to over 25,000 state, county, and partner users. The recommended funding level will allow the Department to maintain over 3,000 network printers and 500 servers.

The Department is planning to upgrade its wide area network so that it can carry converging services (voice/data/video). The Department will also be examining the possibilities with regard to consolidating computer hardware, which will require less staff for maintenance and the Department will be moving to Voice over IP for phone services.

The Department will also be working with the Rehabilitation Services Commission to reduce the duplication of activities related to disability determination performed by each agency and develop a systems interface so that medical information for mutual clients may be transferred between the agencies.

The Department continues to replace Information Technology (IT) contractors with state staff. In March of 2003, ODJFS had 452 IT state employees and 273 time and materials contractors. As of December 31, 2004, ODJFS had 596 IT state employees and 162 time and materials contractors. Currently, the Department has 560 IT state employees and 86 time and materials contractors. The Department may need to retain a certain number of contractors because as the IT industry changes there will always be needed skill sets that are in large demand and command greater compensation than the state can offer to pay a state employee.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

REQUESTS NOT FUNDED

This section describes requests not funded in the executive budget and the effects on the Department's activities and spending decisions during the next biennium.

Program Management						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 600-321	$83,850,612	$62,799,094	**($21,051,518)**	$81,632,498	$65,350,293	**($16,282,205)**
GRF 600-416	$90,971,417	$77,613,966	**($13,357,451)**	$93,357,444	$81,153,629	**($12,203,815)**
GRF 600-425	$432,000	$0	**($432,000)**	$432,000	$0	**($432,000)**
331 600-686	$5,575,579	$5,217,080	**($358,499)**	$5,631,946	$5,631,946	**($0)**
397 600-626	$11,059,710	$10,789,622	**($270,088)**	$11,790,501	$11,759,370	**($31,131)**
398 600-627	$7,326,105	$7,011,312	**($314,793)**	$7,680,319	$7,611,256	**($69,063)**
3H7 600-617	$2,831,257	$2,739,757	**($91,500)**	$2,928,177	$2,928,177	**($0)**
3V0 600-688	$4,639,689	$3,989,308	**($650,381)**	$4,361,711	$4,191,758	**($169,953)**
3V4 600-678	$11,878,533	$10,786,833	**($1,091,700)**	$12,082,789	$12,082,789	**($0)**
TOTALS	$218,564,902	$180,946,972	**($37,617,930)**	$219,897,385	$190,709,218	**($29,188,167)**

The Department's request included several items in this program series that were not funded.

- ***Additional Audit Capacity*** ($2,900,288 in FY 2008 only) – The Department identified a need to conduct special audits of county family services agencies. The request was to be used to hire contract auditors to perform the special audits. Since this request was not funded, the Department will continue at current audit capacity.

- ***TANF Compliance*** ($1,103,371 in FY 2008, $1,153,114 in FY 2009) – The Department requested funding to hire five additional audit staff to perform internal audit functions to ensure the proper administration of federal grants and to ensure federal rules and regulations are being met for program compliance and performance goals. Since this request was not funded, the Department must reconsider the need to perform these internal audits and fund this request with other resources if it is determined that such staff are vital to the Department's operations.

- ***County Finance Information System*** ($2,780,600 in FY 2008, $4,163,000 in FY 2009) – The Department must have an A-133 Compliant (federal) reporting system by July 1, 2008, or the agency faces potential sanctions and award reduction from various federal agencies. In August of 2004, the Department began considering options for replacing the system used to track federal funds that are dispersed to local agencies and record the expenditures reported by local agencies. The replacement system is called the County Finance Information System. The Department requested funding to fully integrate the reporting and processing of financial data between county finance and the new state accounting system, OAKS. The request was not specifically funded. The Department must reprioritize its spending in GRF appropriation item 600-416, Computer Projects, and move forward with the projects the Department determines are the most vital for the next two years and beyond.

- ***Mail, Utilities and Printing Costs*** ($15,955,782 in FY 2008, $18,014,535 in FY 2009) – The Department requested funding to purchase mail machines for the agency as well as funding for utilities and printing. Since the mail and fulfillment function is being moved to DAS, this requested funding is no longer needed.

- ***Move to 145 Front Street*** ($3,000,000 over the biennium) – The Department requested funding for the offices that will be moving into 145 Front Street once renovations are completed. The project is a bit delayed and the move will not be taking place in FY 2008 so the requested funding was not needed at the level it was requested. If the move should take place in FY 2009, the Department will have to accomplish the task within existing resources.

- ***BWC Lump Sum Payouts*** ($200,016 in FY 2008, $200,016 in FY 2009) – The Department requested funding to settle several workers' compensation claims through a pilot program that allows the payment of a lump sum on existing claims directly from agency funds. Settlements paid in this manner are outside the rate calculation the Bureau of Workers Compensation (BWC) uses to determine the agencies workers' compensation contribution rate. Settlement of the claims reduces the costs seen by BWC, and by paying the settlements directly, it reduces the rate the Department is required to pay. Since this request was not funded, the Department will not be settling the cases it had planned to with the requested funding.

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General Revenue Fund

GRF 600-321 Support Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$62,154,564	$56,127,550	$58,360,571	$76,767,865	**$65,775,552**	**$68,343,151**
	-9.7%	4.0%	31.5%	**-14.3%**	**3.9%**

Source: GRF

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 2002)

Purpose: This line item is the primary source of funding for operating expenses for support services provided by JFS component offices to the rest of the agency. Expenditures from this line item for federal programs earn federal reimbursement, which is deposited into the GRF.

GRF 600-410 TANF State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$272,619,054	$272,619,055	$272,619,061	$272,619,061	**$272,619,061**	**$272,619,061**
	0.0%	0.0%	0.0%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: ORC 5101.80 through 5101.91; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides the federal maintenance of effort (MOE) moneys 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. The MOE level may be lowered to 75% if the state meets its work activity participation rate requirements. Ohio has met these requirements and the MOE has been reduced to 75%.

GRF 600-413 Child Care Match/MOE

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$84,120,420	$84,119,965	$84,120,596	$84,120,596	**$84,120,596**	**$84,120,596**
	0.0%	0.0%	0.0%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 1997)

Purpose: In addition to being used for matching funds for the Child Care and Development Fund, the dollars appropriated to this line item fund the child care maintenance of effort (MOE) requirement in the TANF program. The portion going to the MOE is set at $45.4 million in each fiscal year.

GRF 600-416 Computer Projects

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$122,309,615	$123,048,763	$132,458,765	$151,481,486	**$145,315,754**	**$147,447,438**
	0.6%	7.6%	14.4%	**-4.1%**	**1.5%**

Source: GRF

Legal Basis: ORC 5101, 4141, and 6301; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides funding for the development, implementation, and maintenance of computer systems used by JFS and the county departments of job and family services. Major computer projects include: Medicaid Management Information System (MMIS), Client Registry Information System - Enhanced (CRIS-E), Statewide Automated Child Welfare Information System (SACWIS), Support Enforcement Tracking System (SETS), Network Administration, OJI (replacement of the legacy Unemployment Compensation Benefits system), and SCOTI (replacement of ServiceLink/QuickLink, Ohio Job Net on-line, and Ohio Job Net).

GRF 600-420 Child Support Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$4,460,689	$4,328,150	$4,189,836	$5,134,710	**$8,791,446**	**$10,891,446**
	-3.0%	-3.2%	22.6%	**71.2%**	**23.9%**

Source: GRF

Legal Basis: ORC 3109.05; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides the non-federal share of state administrative expenditures for 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). The FFP reimbursement is deposited into Federal Special Revenue Fund 397 and appropriated in line item 600-626, Child Support.

GRF 600-421 Office of Family Stability

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$4,151,514	$4,094,307	$4,055,431	$4,864,932	**$4,864,932**	**$4,864,932**
	-1.4%	-0.9%	20.0%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 2002)

Purpose: This line item is the primary source of funding for the operating expenses of the Office of Family Stability.

GRF 600-422 Local Operations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$2,101,545	$2,158,104	$140	$0	**$0**	**$0**
	2.7%	-100.0%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Controlling Board in FY 2002)

Purpose: This line item provided some of the funds needed for implementation of the local operations transition plan. In FY 2006 and FY 2007, local operations will be supported by appropriation item 600-607, Unemployment Compensation Administrative Fund, and various other federal line items.

GRF 600-423 Office of Children and Families

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$4,266,872	$4,917,848	$4,817,485	$5,431,690	**$6,737,630**	**$6,737,630**
	15.3%	-2.0%	12.7%	**24.0%**	**0.0%**

Source: GRF

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A (originally established by Controlling Board in FY 2002)

Purpose: This line item is the primary source of funding for the operating expenses of the Office for Children and Families.

GRF 600-424 Office of Workforce Development

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$457,134	$259,870	$1,718	$0	**$0**	**$0**
	-43.2%	-99.3%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Controlling Board in FY 2002)

Purpose: This line item was the primary source of funding for the operating expenses of the Office of Workforce Development. In FY 2006, the Department began workforce development activities will be supported by appropriation item 600-607, Unemployment Compensation Administrative Fund.

GRF 600-425 Office of Ohio Health Plans

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$34,739,585	$36,421,778	$40,683,091	$53,866,233	**$49,865,282**	**$49,865,282**
	4.8%	11.7%	32.4%	**-7.4%**	**0.0%**

Source: GRF

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 2002)

Purpose: This line item is the primary source of funding for the operating expenses of the Office of Ohio Health Plans. The federal earnings on the payments from this line item are deposited as revenue into the GRF.

GRF 600-435 Unemployment Compensation Review Committee

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$3,041,014	$3,197,622	$3,044	$0	**$0**	**$0**
	5.1%	-99.9%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: In FY 2006 and FY 2007, the UCRC activities will be supported by appropriation item 600-694, Unemployment Compensation Review Commission.

GRF 600-439 Commission to Reform Medicaid

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$5,682	$131,614	$43,780	$0	**$0**	**$0**
	2216.3%	-66.7%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Sections 59 and 59.01 of Am. Sub. H.B. 95 of the 125th G.A.)

Purpose: This line item was used to fund the Ohio Commission to Reform Medicaid. Am. Sub. H.B. 95 of the 125th G.A. required the Commission to evaluate the Medicaid program and make recommendations about reform and cost containment initiatives by January, 2005. The Commission completed its work and presented its recommendations.

GRF 600-440 Ohio's Best Rx Start Up Costs

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$119,808	$742,562	$971,616	$8,015,612	**$0**	**$0**
	519.8%	30.8%	725.0%		

Source: GRF

Legal Basis: As needed - ORC 5110.33; Section 206.66.12 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Section 4 of H.B. 311 of the 125th G.A.)

Purpose: This line item was used to pay for the administrative and operational expenses for the Ohio's Best Rx Program.

Am. Sub. H.B. 468 of the 126th General Assembly transferred the Ohio's Best Rx program to ODA.

GRF 600-502 Administration-Local

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$16,802,229	$16,788,614	$16,814,102	$16,814,103	**$34,014,103**	**$34,014,103**
	-0.1%	0.2%	0.0%	**102.3%**	**0.0%**

Source: GRF

Legal Basis: ORC 3109.05; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

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. The state child support allocation and incentive funds are allocated to the counties according to the methodology outlined in Chapter 5000 of the Child Support Enforcement Manual.

GRF 600-511 Disability Financial Assistance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$21,348,922	$23,068,540	$21,658,726	$22,839,371	**$24,028,480**	**$25,335,908**
	8.1%	-6.1%	5.5%	**5.2%**	**5.4%**

Source: GRF

Legal Basis: ORC 5115; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to provide cash assistance for Ohioans who are unemployable due to a physical or mental impairment.

Disability under the Disability Financial Assistance (DFA) 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. The DFA program provides a maximum grant of $115 per month.

GRF 600-512 Non-TANF Disaster Assistance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$3,000,000	$1,000,000	**$1,000,000**	**$1,000,000**
		N/A	-66.7%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: ORC 5101.86; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item was created to provide funding to counties for emergency assistance to elderly and disabled individuals who are ineligible for federal public assistance programs. The Non-TANF Disaster Assistance 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.

GRF 600-513 Disability Medical Assistance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$27,532,714	$26,466,950	**$0**	**$0**
		N/A	-3.9%		

Source: GRF

Legal Basis: ORC 5115.10; Section 206.66.42 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to operate the Disability Medical Assistance Program.

GRF 600-521 Entitlement Administration-Local

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$54,091,331	$55,523,338	$123,770,007	$151,206,401	**$131,214,401**	**$131,214,401**
	2.6%	122.9%	22.2%	**-13.2%**	**0.0%**

Source: GRF

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 2002)

Purpose: Through this line item, JFS advances to the counties the state's share of county administration for family services programs. Due to problems with the consolidated funding allocation method the Department was using, the appropriations for FYs 2006 and 2007 were increased to cover the rising costs of counties to administer entitlement programs.

GRF 600-523 Children and Families Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$67,736,205	$70,579,591	$67,797,879	$69,438,543	**$78,515,135**	**$78,515,135**
	4.2%	-3.9%	2.4%	**13.1%**	**0.0%**

Source: GRF

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A (originally established by Controlling Board in FY 2002)

Purpose: This line item provides funding to the county departments of job and family services for direct social services costs and administrative costs.

GRF 600-525 Health Care/Medicaid

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$8,912,897,216	$9,446,177,653	$9,143,137,516	$9,157,150,368	**$8,901,713,996**	**$9,838,135,512**
	6.0%	-3.2%	0.2%	**-2.8%**	**10.5%**

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

Legal Basis: ORC 5111; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The primary purpose of this account is to reimburse health care providers for covered services to Medicaid eligible recipients. In addition, this line item funds the costs of health care related contracts such as eyeglass purchases, inpatient hospital peer review, enrollment information centers, and contracted case management. The federal earnings on the payments that are made entirely from this line item are deposited as revenue into GRF. These earnings are drawn in accordance with the guidelines of the Cash Management Information Act.

Medicaid is an entitlement program that provides health care coverage to low-income Ohioans. Although other agencies, for example, the departments of Aging, Alcohol and Drug Addiction Services, Health, 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% of the federal poverty guideline (FPG); parents at or below 90% of the FPG; and low-income elderly and persons with disabilities of all ages, commonly referred to as the Aged, Blind, and Disabled (ABD).

Spending within the line item generally can be placed into one of nine 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, all other care, and Disability Assistance (DA) Medical (FY2003 - FY2005).

The majority of expenditures from this line item earn the basic Federal Medical Assistance Percentage (FMAP) reimbursement rate at approximately 59%, although family planning expenditures earn an enhanced 90% federal participation rate, and a portion of the buy-in premium payments are state funds only. Expenditures for Children's Health Insurance Program (CHIP) from this line item earn an enhanced FMAP at approximately 71%. DA Medical is a state funded only program, there are no federal match earnings.

CHIP phase II (CHIP-II) payments were moved from line item 600-426, Children's Health Insurance Plan, to this line item beginning in FY 2003. In addition, DA Medical payments were moved from line item 600-511, Disability Financial Assistance, to this line item beginning in FY 2003. However, Am. Sub. H.B. 66 of the 126th G.A. provides funding of $19.5 million in FY 2006 and $25.5 million in FY 2007 in appropriation item 600-513, Disability Medical Assistance, for operation of the Disability Medical Assistance Program.

GRF 600-526 Medicare Part D

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$89,973,932	$339,578,325	**$254,397,401**	**$271,854,640**
		N/A	277.4%	**-25.1%**	**6.9%**

Source: GRF

Legal Basis: Section 206.66.51 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item may be used by the Department of Job and Family Services for the implementation and operation of the Medicare Part D requirements contained in the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003."

GRF 600-528 Adoption Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$65,793,842	$65,552,070	$70,432,889	$78,538,615	**$84,124,509**	**$93,174,366**
	-0.4%	7.4%	11.5%	**7.1%**	**10.8%**

Source: GRF

Legal Basis: ORC 5101.14; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

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 TANF 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 (4) Post Finalization Adoption Payments (Post Adoption Special Services Subsidy - PASSS) intended to prevent disruption of finalized adoptions of special needs children.

GRF 600-529 Capital Compensation Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$0	$10,000,000	**$0**	**$0**
			N/A		

Source: General Revenue Fund

Legal Basis: Section 606.19.03 of Am. Sub. H.B. 530 of the 126th G.A.

Purpose: This line item is used to make payments to nursing facilities and intermediate care facilities for the mentally retarded under Section 606.18.06 of H.B 530 of the 126th G.A..

The unencumbered balance of this appropriation item at the end of FY 2006 is appropriated to FY 2007 for use under the same appropriation item.

General Services Fund Group

4A8 600-658 Child Support Collections

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$24,449,285	$23,702,014	$23,508,044	$26,680,794	**$26,680,794**	**$26,680,794**
	-3.1%	-0.8%	13.5%	**0.0%**	**0.0%**

Source: GSF: Non-federal share of OWF child support collections received from the child support enforcement agencies (An obligee receiving public assistance is requires to assign to JFS any child support payments the person receives to cover part of their assistance payment.)

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item is the funding mechanism for the non-federal share of all county Ohio Works First (OWF) child support collections. These funds are used in conjunction with line items 600-410, TANF State, and 600-689, TANF Federal Block Grant, to cover cash assistance payments issued directly to OWF eligible participants. The participant's cash award, if paid from this line item, is considered part of the state's Maintenance of Effort (MOE). This line item may also be used for other expenditures claimable as any MOE expenditures.

4R4 600-665 BCII Service Fees

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$6,967	$6,042	$5,201	$36,974	**$36,974**	**$36,974**
	-13.3%	-13.9%	610.9%	**0.0%**	**0.0%**

Source: GSF: Background check fees

Legal Basis: ORC 5101.012 and 5101.013; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item was created to pass through fees collected from individuals for the cost of criminal records checks to the Bureau of Criminal Identification and Investigation (BCII). A criminal records check is required for persons who have applied for employment as child care providers and employees.

5BG 600-653 Managed Care Assessment

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$18,224,884	$99,410,121	**$210,655,034**	**$222,667,304**
		N/A	445.5%	**111.9%**	**5.7%**

Source: GSF: Medicaid managed care franchise permit fee: a 4.5% fee on each Medicaid Managed care provider’s total revenues, unless ODJFS adopts rules decreasing the percentage or increasing the percentage to not more than 6%.

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to help offset the state-wide managed care expansion for Covered Families and Children.

5C9 600-671 Medicaid Program Support

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$50,292,326	$57,206,108	$71,462,972	$63,947,536	**$80,120,048**	**$80,120,048**
	13.7%	24.9%	-10.5%	**25.3%**	**0.0%**

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, transfer from DMR for the non-federal portion of targeted case management costs.

Legal Basis: ORC 5101.80 through 5101.91; Section 606.17 of Am. Sub. H.B. 530 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item is supported by the Federal Medicaid Institutions for Mental Disease Disproportionate Share (IMD/DSH) funds, which are generated from state fund expenditures made by the Department of Mental Health. The federal funds are drawn into this General Services Fund (GSF 5C9) as earned federal funds. This line item is used to support the state share of offsets to the line item 600-525 (DSH offsets) and transfers to the Department of Mental Health.

This line item is also used to pay target case management costs. The federal match for expenditures from this line item are made from line item 600-623, Health Care Federal.

5DL 600-639 Medicaid Revenue and Collections

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$0	$56,927,358	**$51,966,785**	**$56,296,844**
			N/A	**-8.7%**	**8.3%**

Source: GSF: Recoveries and collections under the Medicaid program.

Legal Basis: Section 606.17 of Am. Sub. H.B. 530 of the 126th G.A.

Purpose: This appropriation item is used by the Department of Job and Family Services to pay for Medicaid services and contracts.

5N1 600-677 County Technologies

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$256,567	$393,728	$227,535	$1,000,000	**$1,000,000**	**$1,000,000**
	53.5%	-42.2%	339.5%	**0.0%**	**0.0%**

Source: GSF: Collections received for the purchase of computer related equipment on behalf of the counties

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line provides the accounting mechanism for reimbursement by counties to JFS for the purchase of computer related equipment. This allows the counties to purchase additional computer related equipment with local funds while ensuring that the equipment meets JFS' technical specifications. JFS purchases the equipment and the counties reimburse JFS.

5P5 600-692 Health Care Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$459,404,768	$541,958,429	$781,988,116	$179,307,452	**$93,000,000**	**$62,000,000**
	18.0%	44.3%	-77.1%	**-48.1%**	**-33.3%**

Source: GSF: Prescription drug manufacturer rebates to the Ohio Medicaid program

Legal Basis: ORC 5111.081; Section 606.17 of Am. Sub. H.B. 530 of the 126th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item is used to offset Medicaid expenditures that would otherwise be paid from line item 600-525. This line item is also used to pay for Medicaid services and contracts.

H.B. 119, As Introduced, of the 127th General Assembly, retains the requirement in current law that ODJFS use money in the fund to pay for Medicaid services, but requires ODJFS to also use the money to pay for Medicaid program administration, rather than only for contracts.

613 600-645 Training Activities

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$35,629	$164,072	$13,235	$135,000	**$135,000**	**$135,000**
	360.5%	-91.9%	920.0%	**0.0%**	**0.0%**

Source: GSF: Fees paid by trainees

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A (originally established by Controlling Board in September 1986; originally part of the State Special Revenue Fund)

Purpose: Funds from this appropriation item support the Apprenticeship Council Conference, previously funded through SSR Fund 557, ALI 600-684, Apprenticeship Council Conference.

The Conference includes workshops and presenters covering topics such as increasing understanding between union and non-union sponsors, how to create a School to Apprenticeship program within an approved apprenticeship program. Conference costs are paid solely through the assessment of registration fees.

Federal Special Revenue Fund Group

316 600-602 State and Local Training

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$2,633,843	$984,861	$290,779	$0	**$0**	**$0**
	-62.6%	-70.5%			

Source: FED: Federal grants: CFDA 10.561, Food Stamp; CFDA 17.002, Labor Force Statistics; CFDA 17.207, Employment Services; CFDA 17.225, Unemployment Insurance; CFDA 17.255, Workforce Investment Act; CFDA 17.2801, Disabled Veterans' Outreach Program; CFDA 17.804, Local Veterans' Employment Representative Program; CFDA 93.558, TANF; CFDA 93.563, Child Support Enforcement; CFDA 93.645, Child Welfare Services Part I; CFDA 93.658, Title IV-E Foster Care; CFDA 93.667, Social Services Block Grant; CFDA 93.596, Child Care; CFDA 93.778, Medical Assistance - Medicaid

Legal Basis: Discontinued line item

Purpose: Funds from this line item were used to conduct training programs for state and county job and family services employees. This line item received 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).

327 600-606 Child Welfare

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$14,532,495	$14,598,059	$30,195,436	$33,090,786	**$48,514,502**	**$47,947,309**
	0.5%	106.8%	9.6%	**46.6%**	**-1.2%**

Source: FED: CFDA 93.645, Child Welfare Services State Grant; CFDA 93.566, Promoting Safe and Stable Families grant

Legal Basis: ORC 5101.14; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

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.

331 600-686 Federal Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$38,415,185	$39,561,687	$38,377,468	$44,929,545	**$53,963,318**	**$56,263,225**
	3.0%	-3.0%	17.1%	**20.1%**	**4.3%**

Source: FED: CFDA 17.002, Labor Market Information (LMI); CFDA 17.203, Alien Labor Certification; CFDA 17.207, Employment Services (Wagner Peyser); CFDA 17.801, Disabled Vets Outreach; CFDA 17.804, Local Vets Employment Reps

Legal Basis: ORC 4141 and 6301; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: The appropriation item supports activities of the Office of Workforce Development, the Office of Unemployment Compensation, and the Office of Operations. Programs funded include the Labor Market Information (LMI) program; the Local Veterans Employment Representative (LVER); the Disabled Veteran's Outreach (LVOP); the Work Opportunity Tax Credit (WOTC); the Alien Labor Certification (ALC) and other services and administrative functions in support of workforce development and employment services.

365 600-681 JOB Training Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$23,334	$0	$0	**$0**	**$0**

Source: FED: CFDA 17.250, JTPA

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: The Workforce Investment Act of 1998 replaced the Job Training Partnership Act (JTPA) program as of July 1, 2000.

This line item was used to award non-competitively bid grants. Grants were awarded to public and private organization based on compliance with the proposal's specifications. At the local level, JTPA funds were administered by a network of Service Delivery Areas (SDA). Each SDA had a Private Industry Council that provided guidance and oversight for JTPA activities.

384 600-610 Food Stamps and State Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$102,237,448	$119,103,381	$127,754,385	$181,250,799	**$160,237,060**	**$153,147,118**
	16.5%	7.3%	41.9%	**-11.6%**	**-4.4%**

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

Legal Basis: ORC 5101.49; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: 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. For most activities, the state and federal share of costs is 50/50.

385 600-614 Refugee Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$3,992,620	$5,242,482	$6,095,912	$6,542,439	**$10,196,547**	**$11,057,826**
	31.3%	16.3%	7.3%	**55.9%**	**8.4%**

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; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

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.

395 600-616 Special Activities/Child and Family Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$2,466,671	$3,068,490	$2,492,363	$4,564,877	**$5,723,131**	**$5,717,151**
	24.4%	-18.8%	83.2%	**25.4%**	**-0.1%**

Source: FED: CFDA 93.643, Children's Justice Act; CFDA 93.669, Child Abuse Neglect and Treatment Grant; CFDA 93.603, Adoption Incentive Payments

Legal Basis: ORC 5153; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 171 of the 118th G.A.)

Purpose: This line item provides the funding mechanism for federal grants for children and adult welfare activities.

396 600-620 Social Services Block Grant

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$33,689,727	$72,987,850	$110,656,099	$123,705,573	**$114,479,464**	**$114,474,085**
	116.6%	51.6%	11.8%	**-7.5%**	**0.0%**

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; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (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.
This line item also include TANF funds transferred to the Social Services Block Grant.

396 600-651 Second Harvest Food Banks

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$0	$0	**$5,500,000**	**$5,500,000**
				N/A	**0.0%**

Source: FED: CFDA 93.667, Social Services Block Grant

Legal Basis: Section 309.40.30 of H.B. 119 of the 127th G.A., as proposed

Purpose: This line items is used to provide a grant to the Ohio Association of Second Harvest Food Banks. The grant agreement will allow for the purchase of food products and the distribution of those products to agencies participating in the emergency food distribution program. The agreement must also require the Association to ensure that local agencies will limit participation of individuals and families who receive any of the food products purchased with these funds to those who have an income at or below 200% of the federal poverty guidelines. Up to 5% of the annual funding may be used by the Association for administrative costs.

397 600-626 Child Support

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$237,675,453	$232,012,110	$234,906,550	$287,468,576	**$303,661,307**	**$303,538,962**
	-2.4%	1.2%	22.4%	**5.6%**	**0.0%**

Source: FED: CFDA 93.563, Child Support Enforcement

Legal Basis: ORC 3119, 3121, 3123, and 3125; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

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).

398 600-627 Adoption Maintenance/Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$225,871,231	$220,890,201	$223,865,145	$314,639,519	**$318,172,168**	**$317,483,676**
	-2.2%	1.3%	40.5%	**1.1%**	**-0.2%**

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 5153.163; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

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% of allowable costs incurred on behalf of eligible children. This line item is also used to pay the federal share of Title IV-E adoption assistance payments. Reimbursement is made quarterly to counties for their administrative and training expenses as funds become available based on the Social Services Time Study. This line item also receives funds from the Independent Living Grants to assist states and localities in establishing and carrying out programs designed to assist foster care children in making the transition from foster care to independent living.

3A2 600-641 Emergency Food Distribution

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$2,691,705	$2,701,662	$2,425,279	$3,000,000	**$2,900,000**	**$3,500,000**
	0.4%	-10.2%	23.7%	**-3.3%**	**20.7%**

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

Legal Basis: ORC 5101.48; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

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.

3AW 600-675 Faith Based Initiatives

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$361,574	$914,242	$1,934,140	**$1,000,000**	**$1,000,000**
	N/A	152.9%	111.6%	**-48.3%**	**0.0%**

Source: FED: FED: CFDA 93.647, Compassion Capital Fund Demonstration grant

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board September 2004)

Purpose: The State of Ohio was awarded $750,000 for three fiscal years, beginning FY 2005. The Governor's Office of Faith-Based and Community Initiatives will partner with Ohio Community Action Training Organization (OCATO), Community Care Network, Economic and Community Development Initiative, and Freestore Foodbank (FSFB) to provide technical assistance to faith-based and community-based organization.

3D3 600-648 Children's Trust Fund Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$215,017	$22,511	$1,542,862	$2,040,524	**$2,040,524**	**$2,040,524**
	-89.5%	6753.9%	32.3%	**0.0%**	**0.0%**

Source: FED: CFDA 93.590, Community Based Family Resource and Support grant

Legal Basis: ORC 3109.14 through 3109.18; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: These federal funds are used to support family resource centers, which provide a continuum of prevention services that target at-risk populations. The centers can offer parent education and support, early development screening of children, parent mentoring, job readiness and counseling, and crisis intervention.

3F0 600-623 Health Care Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$413,196,431	$403,047,748	$514,619,836	$1,119,728,886	**$1,209,188,383**	**$1,211,196,561**
	-2.5%	27.7%	117.6%	**8.0%**	**0.2%**

Source: FED: CFDA 93.778 Medical Assistance Grants (Medicaid); CFDA 93.779, Health Care Financing Research, Demonstrations and Evaluations (added by Controlling Board in October 2001)

Legal Basis: Section 606.17 of Am. Sub. H.B. 530 of the 126th G.A. (originally established by Controlling Board in October 1997)

Purpose: The funds in this account are used to meet the non-GRF federal share of Medicaid expenditures. This line item is used for the Medicaid federal share when the state share is provided from a source other than line items 600-525, Health Care/Medicaid, or 600-649, Health Care Assurance Program. This line item was created to simplify accounting for the non-GRF federal share of Medicaid funding. Major activity in this line item includes the federal share of nursing facility and ICF/MR franchise fees, eligibility outreach, county administration, and general Medicaid services.

3F0 600-635 Children's Hospitals - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$4,459,022	$9,000,000	**$0**	**$0**
		N/A	101.8%		

Source: FED: Medical Assistance Program (Medicaid: Title XIX)

Legal Basis: Section 606.17 of Am. Sub. H.B. 530 of the 126th G.A.

Purpose: This line item is used for the Medicaid federal share of making supplemental Medicaid payments to children's hospitals for inpatient services based on federal upper payment limits for children's hospitals. ODJFS is to pay children's hospitals the federally allowable supplemental payment occurring in fiscal year 2006 and fiscal year 2007, except that the amount used for the program shall not exceed $6 million (state share) in each fiscal year plus the corresponding federal match, if available.

3F0 600-650 Hospital Care Assurance Match

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$282,052,600	$328,502,069	$327,976,613	$343,239,047	**$343,239,047**	**$343,239,047**
	16.5%	-0.2%	4.7%	**0.0%**	**0.0%**

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

Legal Basis: ORC 5112.01 through 5112.21; Section 206.66.85 of Am. Sub. H.B. 66 of the 126th G.A.

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 G.A., only federal matching funds related to the HCAP program may flow through the line item.

3G5 600-655 Interagency Reimbursement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$1,006,819,702	$1,198,945,148	$1,196,206,073	$1,426,954,440	**$1,469,763,073**	**$1,513,855,965**
	19.1%	-0.2%	19.3%	**3.0%**	**3.0%**

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: Sections 206.66.36 and 206.66.37 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

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

3H7 600-617 Child Care Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$197,783,565	$169,493,158	$197,593,939	$208,000,001	**$207,269,463**	**$200,167,593**
	-14.3%	16.6%	5.3%	**-0.4%**	**-3.4%**

Source: FED: CFDA 93.558, Temporary Assistance for Needy Families; CFDA 93.596, Child Care and Development Fund (Mandatory/ Matching); CFDA 93.575, Child Care and Development Fund (Discretionary)

Legal Basis: ORC 5104; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides a major funding mechanism to subsidize child care costs of low income families. It is also used to provide state administration and quality programs.

3N0 600-628 IV-E Foster Care Maintenance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$115,796,416	$120,642,812	$109,079,847	$153,963,142	**$153,963,142**	**$153,963,142**
	4.2%	-9.6%	41.1%	**0.0%**	**0.0%**

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

Legal Basis: ORC 5101.141; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: Foster care maintenance payments are issued monthly from this line item 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.

3S5 600-622 Child Support Projects

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$280,306	$288,244	$206,701	$534,050	**$534,050**	**$534,050**
	2.8%	-28.3%	158.4%	**0.0%**	**0.0%**

Source: FED: CFDA 93.597, State Access and Visitation Program

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A (originally established by Controlling Board on October 20, 1997)

Purpose: This line item provides funding for a special federal grant related to the child support program. These funds are to used to facilitate non-custodial parents' access to, and visitation of, their children and to encourage the payment of child support obligations. County departments of job and family services apply for these funds from JFS' Office of Child Support. Examples of programs funded include: supervised visitation, neutral drop-off and pick-up points, and mediation of access disputes.

3V0 600-662 WIA Ohio Option #7

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$66,953,871	$3,231,612	$0	$0	**$0**	**$0**
	-95.2%				

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

Legal Basis: Discontinued line item (originally established by Controlling Board in June 2002)

Purpose: This line item captured federal Workforce Investment Act funding that supported WIA Youth Activities, WIA Adult Activities, and WIA Dislocated Worker Activities in Ohio's seventh Workforce Investment Area (the Ohio Option area).

Since FY 2005, funding for all Ohio Workforce Investment Areas has been supported by appropriation item 600-688, Workforce Investment Act.

3V0 600-688 Workforce Investment Act

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$62,000,443	$129,841,575	$146,644,402	$208,097,948	**$232,568,453**	**$233,082,144**
	109.4%	12.9%	41.9%	**11.8%**	**0.2%**

Source: FED: CFDA 17.255, Workforce Investment Act (WIA); CFDA 17.258, Workforce Investment Act - Adult; CFDA 17.259, Workforce Investment Act - Youth; CFDA 17.260, Workforce Investment Act - Dislocated Worker; CFDA 17.257, WIA - Faith Based Initiative for States

Legal Basis: ORC 6301; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (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 in the state's Workforce Investment Areas.

3V4 600-678 Federal Unemployment Programs

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$104,372,627	$145,191,484	$135,157,841	$157,202,750	**$147,411,858**	**$152,843,414**
	39.1%	-6.9%	16.3%	**-6.2%**	**3.7%**

Source: FED: CFDA 17.225, Unemployment Insurance; CFDA 17.245, Trade Adjustment Assistance; CFDA 83.541, Disaster Unemployment Assistance

Legal Basis: ORC 4141; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item receives federal funds used to administer the Unemployment Insurance (UI) program in Ohio. The UI program is mandated by federal and state law. Funds for program administration are provided primarily by the U.S. Department of Labor from revenues collected from employers by the Internal Revenue Service pursuant to the Federal Unemployment Tax Act.

This appropriation line item supports activities in the Office of Unemployment Compensation, the Office of Workforce Development, and the Office of Local Operations.

3V4 600-679 Unemployment Compensation Review Commission - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$3,035,906	$2,445,009	$2,435,220	$3,800,573	**$3,092,890**	**$3,191,862**
	-19.5%	-0.4%	56.1%	**-18.6%**	**3.2%**

Source: FED: CFDA 17.245, Unemployment Insurance

Legal Basis: ORC 4141; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: The Unemployment Insurance program is mandated by federal and state law. Funds for program administration are provided primarily by the U.S. Department of Labor from revenues collected from employers by the Internal Revenue Service pursuant to the Federal Unemployment Tax Act.

This line item is used to administer the review of claims for unemployment insurance by the Unemployment Compensation Review Commission (UCRC).

3V6 600-689 TANF Block Grant

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$650,235,823	$574,957,671	$746,384,903	$1,027,739,200	**$1,037,739,200**	**$1,085,861,099**
	-11.6%	29.8%	37.7%	**1.0%**	**4.6%**

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

Legal Basis: ORC 5101.80 through 5101.91; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item receives 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 line item must be used within the guidelines of the TANF state plan.

3V6 600-690 Wellness

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$15,004	$0	$0	$0	**$0**	**$0**

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

Legal Basis: Discontinued line item (originally established in ORC 3109.161 and 5103.07)

Purpose: This line item supported a statewide primary prevention initiative, which provided 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 was based on a formula that considered each county's population under the age of eighteen, rates of child abuse, neglect and teen pregnancy. This line item also supported 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.

3W3 600-659 TANF/ Title XX Transfer

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$55,633,235	$47,985,431	$10,449,489	$12,372,173	**$9,782,101**	**$6,200,000**
	-13.7%	-78.2%	18.4%	**-20.9%**	**-36.6%**

Source: FED: CFDA 93.558, Social Security Act, Title IV, Part A, as amended (Temporary Assistance for Needy Families), and claimed as earned federal reimbursement as a result of being transferred to the Social Services Block Grant

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in August, 2001)

Purpose: This line item supports various state activities not confined to the Department of Job and Family Services. This line item receives and disburses earned federal reimbursement resulting from transfers of the federal TANF Block Grant funds to the Social Services Block Grant.

State Special Revenue Fund Group

198 600-647 Children's Trust Fund

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$4,209,769	$4,396,536	$4,384,189	$6,788,522	**$6,788,522**	**$6,788,522**
	4.4%	-0.3%	54.8%	**0.0%**	**0.0%**

Source: SSR: Fees charged for copies of birth and death certificates, and for filing a decree of divorce or dissolution; interest earned on these deposits

Legal Basis: ORC 3109.15 through 3109.18; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides the state funding mechanism for the expenditures related to the Children's Trust Fund (CTF). CTF works with the local Children's Trust Fund Advisory Board to establish and maintain services to support child abuse and neglect prevention programs.

4A9 600-607 Unemployment Compensation Admin Fund

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$125,011	$124,746	$1,898,901	$10,811,527	**$12,273,062**	**$12,188,996**
	-0.2%	1422.2%	469.4%	**13.5%**	**-0.7%**

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

Legal Basis: ORC 4141; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: 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.

Beginning in FY 2006, workforce development activities previously funded through the Office of Workforce Development line item 600-424, will be supported by this appropriation item.

4A9 600-694 Unemployment Comp Review Comm

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$2,894,987	$3,188,473	**$1,726,938**	**$1,811,004**
		N/A	10.1%	**-45.8%**	**4.9%**

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

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: In FY 2006 and FY 2007, funds previously expended from GRF line item 600-435, Unemployment Compensation Review Commission, will be expended from this line item.

4E3 600-605 Nursing Home Assessments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$588,025	$611,301	$1,151,042	$4,759,914	**$4,759,914**	**$4,759,914**
	4.0%	88.3%	313.5%	**0.0%**	**0.0%**

Source: SSR: Assessments against nursing facilities for deficiencies

Legal Basis: ORC 5111.35 through 5111.62; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on August 17, 1992)

Purpose: These funds are used for the protection of the health and property of residents of nursing homes in which the Department of Health finds deficiencies. Expenditures include payment for the costs of relocation of residents to other facilities, maintenance or operation of a facility pending correction of deficiencies or closure, and reimbursement to residents for the loss of money managed by the facility. Services provided are considered allowable services under the federal Medicaid regulation. Currently, funds in this line item are transferred to the Department of Aging and the Department of Health.

4E7 600-604 Child and Family Services Collections

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$2,795	$51,935	$408,607	$300,000	**$300,000**	**$300,000**
	1758.1%	686.8%	-26.6%	**0.0%**	**0.0%**

Source: SSR: $30 of the $50 filing fee assessed to adoptive parents

Legal Basis: ORC 5101.80 through 5101.91; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item funds the Putative Father Registry. This registry is designed to allow a man who believes he has fathered a child to register his interests in the child. By registering, the father will be notified if his child is placed for adoption. This may decrease the possibility for adoption disruption.

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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$0	$61,420	**$0**	**$0**
			N/A		

Source: SSR: Various gifts and grants

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item receives funds from private foundations in support of pilot projects that promote programs that enhance the health, safety, and well-being of children and families.

4J5 600-613 Nursing Facility Bed Assessments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$33,975,980	$34,044,246	$34,185,096	$34,613,984	**$34,613,984**	**$34,613,984**
	0.2%	0.4%	1.3%	**0.0%**	**0.0%**

Source: SSR: Tax on nursing home beds for each day of use. The funding source for this line item comes from Nursing Facility Franchise fees and transfers from the Department of Aging to support the RSS program. Prior to FY 2002, the amount of the franchise fee was $1 per day for each such bed. Am. Sub. H. B. 94 of the 124th General Assembly raised the franchise fee to $3.30 for FYs 2002 and 2003. Am. Sub. S. B. 261 of the 124th General Assembly raised the franchise fee to $4.30 for FYs 2003 through 2005. The additional money generated from the increase for FYs 2003, 2004, and 2005 are to be deposited into a newly established fund, 5R2, Nursing Facility Stabilization Fund.
Am. Sub. H.B. 66 of the 126th G.A. increases the fee to $6.25 for FYs 2006 and 2007.

Legal Basis: ORC 3721.51; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: Am. Sub. H.B. 94 of 124th General Assembly allowed this line item to fund the nursing facility audits and the Ohio Access Success Project for FYs 2002 and 2003.

This line item is used to (1) transfer moneys to the Department of Aging and provides funds for PASSPORT; (2) fund the nursing facility audits and the Ohio Access Success Project.

This line item provides the state share of franchise fee reimbursements to the nursing facilities. The federal share is paid through line item 600-623, Health Care Federal.

4J5 600-618 Residential State Supplement Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$11,992,307	$10,406,875	$9,856,290	$15,700,000	**$15,700,000**	**$15,700,000**
	-13.2%	-5.3%	59.3%	**0.0%**	**0.0%**

Source: SSR: Nursing home franchise fee payments available for Residential State Supplement (RSS) and any transfers from the Department of Aging

Legal Basis: ORC 173.35 and 3721.56; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item provides payments to Residential State Supplement (RSS) recipients. As a result of Am. Sub. H.B. 152 of the 120th G.A., 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 JFS. Funding for RSS payments is transferred from the Department of Aging. There are no federal funds generated by this line item.

The RSS program provides a cash supplement to low-income aged, blind, or disabled adults who have need for assistance with daily activities due to a medical condition, but do not require institutional care if other protective care can be arranged.

4K1 600-621 ICF/MR Bed Assessments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$20,363,845	$19,399,403	$19,393,464	$20,064,131	**$19,332,437**	**$19,332,437**
	-4.7%	0.0%	3.5%	**-3.6%**	**0.0%**

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

Legal Basis: ORC 5112.31; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to fund the state share of reimbursement to Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) for the cost of the franchise fee. The federal share is paid through 600-623, Health Care Federal.

Moneys from this account are also transferred to the Department of Mental Retardation and Developmental Disabilities (DMR), to provide funds for use as state match for the waiver program under DMR.

This line item provides the state share of reimbursements to the ICFs/MR, the federal share is paid through 600-623, Health Care Federal.

4R3 600-687 Banking Fees

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$556,424	$364,539	$357,825	$800,000	**$800,000**	**$800,000**
	-34.5%	-1.8%	123.6%	**0.0%**	**0.0%**

Source: SSR: Interest earned on the unemployment compensation benefit account; the unemployment compensation clearing account

Legal Basis: ORC 4141; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: This line item is used for paying related banking costs incurred from the State Treasurer's Office for clearing unemployment compensation warrants. ORC 4141.09 (H) 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.

4Z1 600-625 Healthcare Compliance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$300,000	$206,543	$90,216	$10,000,000	**$10,000,000**	**$10,000,000**
	-31.2%	-56.3%	10984.6%	**0.0%**	**0.0%**

Source: SSR: Fine revenue from Medicaid providers

Legal Basis: ORC 5111.171; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in October 1998)

Purpose: Medicaid Managed Care providers who fail to comply with health care data collection requirements are fined and the moneys are deposited in this account. When providers come into compliance, they are reimbursed for the fines paid from this account.

Prior to FY 2001, this line item was appropriated in the Department of Human Services' budget (line item 400-625).

5A5 600-685 Unemployment Benefit Automation

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$12,504,146	$10,594,384	$1,059,145	$0	**$0**	**$0**
	-15.3%	-90.0%			

Source: SSR: Interest earned on money deposited into the Unemployment Compensation Benefit Reserve Fund (Fund 5B4)

Legal Basis: Discontinue line item (originally established by Am. Sub. H.B. 275 of the 121st G.A.)

Purpose: This line item was created to help fund automation of the Unemployment Compensation Benefit delivery system and Ohio Job Net. The remainder of the funds generated from this line item will be exhausted by the end of FY 2005.

5AA 600-673 Ohio's Best Rx Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$0	$5,000,000	**$0**	**$0**
			N/A		

Source: SSR: Fund was transferred from the Ohio's Best Rx Program Fund.

Legal Basis: ORC 5110.33; Section 206.66.12 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Section 4 of H.B. 311 of the 125th G.A.)

Purpose: This line item was used on an ongoing basis to cover expenses associated with the Ohio's Best Rx Program.

Am. Sub. H.B. 468 of the 126th General Assembly transferred the Ohio's Best Rx program to ODA.

5AX 600-697 Public Assistance Reconciliation

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$133,000,000	$42,043,374	$0	**$0**	**$0**
	N/A	-68.4%			

Source: SSR: Transfers from the GRF

Legal Basis: Section 206.66.21 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to pay the remaining state TANF liability to the federal government.

5BE 600-693 Child Support Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$1,487,538	$5,000,000	**$0**	**$0**
		N/A	236.1%		

Source: SSR: A portion of federal incentives received from the U.S. Department of Health and Human Services related to Child Support Enforcement law

Legal Basis: ORC 3125.191; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is to be used for programs and administrative purposes associated with the Child Support Enforcement program.

5CR 600-636 Children's Hospitals - State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$3,000,000	$6,000,000	**$0**	**$0**
		N/A	100.0%		

Source: SSR: Transfers from the Tobacco Master Settlement Agreement Fund (Fund 087)

Legal Basis: Sections 206.66.79 and 312.24 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used for the Medicaid state share of making supplemental Medicaid payments to children's hospitals for inpatient services based on federal upper payment limits for children's hospitals. ODJFS is to pay children's hospitals the federally allowable supplemental payment occurring in fiscal year 2006 and fiscal year 2007, except that the amount used for the program shall not exceed $6 million (state share) in each fiscal year plus the corresponding federal match, if available.

5DB 600-637 Military Injury Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$0	$0	**$2,000,000**	**$2,000,000**
					0.0%

Source: SSR: State income tax check-off and 1% set-aside of the Jobs for Veterans Act grant

Legal Basis: R.C. 5101.98 and Section 309.70.10 H.B.119 of the 127th G.A., as proposed

Purpose: This line item is used to support grants to individuals injured while in active service as a member of the armed forces of the United States while serving under Operation Iraqi Freedom or Operation Enduring Freedom, and individuals diagnosed with post-traumatic stress disorder as a result of such service.

5E6 600-634 State Option Food Stamps

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$45,546	$0	$0	$0	**$0**	**$0**

Source: SSR: Claimed as earned federal reimbursement as a result of being transferred to the Social Services Block Grant from CFDA 93.558, Social Security Act, Title IV, Part A, as amended (Temporary Assistance for Needy Families)

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: This line item was used to support expenditures of the Ohio Association of Second Harvest Food Banks and also Child Nutrition Services in the Department of Education.

5ES 600-630 Food Assistance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$0	$0	$0	**$500,000**	**$500,000**
				N/A	**0.0%**

Source: SSR: Transfer of $1.0 million from federal special revenue fund, Fund 384, Food Stamp-Federal in FY 2008 only and federal reimbursement for food stamp program administrative expenses and other food stamp program expenses

Legal Basis: R.C. 5101.541 and Section 309.40.20 of H.B. 119 of the 127th G.A., as proposed

Purpose: The dollars appropriated to this line item will be provided to the Ohio Association of Second Harvest Food Banks.

5F2 600-667 Building Consolidation

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$0	$178,138	$117,500	$250,000	**$250,000**	**$250,000**
		-34.0%	112.8%	**0.0%**	**0.0%**

Source: SSR: Down payments on the sale of buildings (local offices) purchased with U.S. Department of Labor (DOL) funds by the former Ohio Bureau of Employment Services

Legal Basis: ORC 4141.131; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: Proceeds from the sale of some local offices originally purchased with DOL funds must be reimbursed to the DOL. This is a holding account for escrow deposits. Interest must be accounted for separately. Amounts remaining in the fund associated with selling the property are transferred to the Building Enhancement Fund (Fund 5F3).

5F3 600-668 Building Consolidation

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$810,021	$1,899,460	$1,941,102	$1,000,000	**$1,000,000**	**$1,000,000**
	134.5%	2.2%	-48.5%	**0.0%**	**0.0%**

Source: SSR: Proceeds from the sale of buildings (Local Offices) purchased with U.S. Department of Labor (DOL) funds by the former Ohio Bureau of Employment Service and transfers from the Building Consolidation Fund (Fund 5F2)

Legal Basis: ORC 4141.131; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: Proceeds from the sale of some local offices originally purchased with DOL funds must be reimbursed to the DOL. The sale proceeds less any costs associated with the sale of the properties will be deposited into this fund, then returned to the DOL.

5P4 600-691 TANF Child Welfare

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$506,346	$0	$0	$0	**$0**	**$0**

Source: SSR: Claimed as earned federal reimbursement as a result of being transferred to the Social Services Block Grant from CFDA 93.558, Social Security Act, Title IV, Part A, as amended (Temporary Assistance for Needy Families)

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item was used to expand and support county Public Child Services Association activities and to develop pilot projects dealing with violent and aggressive youth.

5Q9 600-619 Supplemental Inpatient Hospital Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$44,227,437	$40,105,285	$37,028,322	$56,125,998	**$56,125,998**	**$56,125,998**
	-9.3%	-7.7%	51.6%	**0.0%**	**0.0%**

Source: SSR: The difference between what Medicare would have paid and what Medicaid actually paid for services provided to Medicaid recipients by hospitals

Legal Basis: Ohio Administrative Code 5101:3-2-50; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in October 2001)

Purpose: This line item and fund were created to collect and disburse the state share of Supplemental Inpatient Hospital Upper Limit Payments to Public Hospitals. The Supplemental Inpatient Hospital Upper Limit Payment program gives public hospitals an option for reducing the gap between what Medicare would have paid and what Medicaid actually pays for inpatient services provided to Medicaid recipients.

The Department estimates what Medicare would have paid for a set of inpatient services provided to Medicaid recipients by each hospital. JFS then calculates the "payment gap" or the difference between the two. The public hospitals then send the state share of the payment gap to JFS. These dollars are deposited into fund 5Q9 and then disbursed back to the public hospitals through line item 600-619 along with federal match from line item 600-623, Health Care Federal.

5R2 600-608 Medicaid-Nursing Facilities

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$113,754,184	$105,470,419	$150,269,661	$176,632,090	**$175,000,000**	**$175,000,000**
	-7.3%	42.5%	17.5%	**-0.9%**	**0.0%**

Source: SSR: Additional franchise fee assessment on nursing facilities

Legal Basis: ORC 3721.56; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This fund was established to receive the increased franchise fee assessment from nursing facilities in accordance with Am. Sub. H.B. 94 and Am. Sub. S.B. 261 of the 124th G.A. These funds and the resulting federal match is used to reimburse nursing facilities in accordance with the reimbursement rate methodology described in statute. The original franchise fee assessment ($1 per bed per day) is deposited in Fund 4J5.

This line item provides the state share of reimbursements to the nursing facilities. The federal share is paid through line item 600-623, Health Care Federal.

5S3 600-629 MR/DD Medicaid Administration and Oversight

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$197,319	$204,859	$568,267	$1,620,960	**$1,620,960**	**$1,620,960**
	3.8%	177.4%	185.2%	**0.0%**	**0.0%**

Source: SSR: An annual fee charged by the Department of Mental Retardation and Developmental Disabilities to the county boards of MR/DD

Legal Basis: ORC 5123.0412; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in October 2001)

Purpose: This line item was created to appropriate and disburse funds received from the Department of Mental Retardation and Developmental Disabilities (ODMR/DD) as limited by ORC 5123.0412, which describes the purpose of Fund 5S3, which includes MR/DD related administration/oversight and county board technical support.

ODMR/DD charges the county boards of MR/DD an annual fee of 1% of the value of all Medicaid claims paid for case management or home and community based services. ODMR/DD then transfers 30% of the funds collected to the Department of Job and Family Services, Fund 5S3.

5T2 600-652 Child Support Special Payment

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$1,007,013	$13,200	$1,061	$148,628	**$0**	**$0**
	-98.7%	-92.0%	13912.4%		

Source: SSR: Food stamp earned federal reimbursement owed to Ohio by Food and Nutrition Services in the U.S. Department of Agriculture and AFDC quality control funds owed to Ohio by the U.S. Department of Health and Human Services

Legal Basis: Discontinue line item (originally established by Am. S.B. 170 of the 124th G.A.)

Purpose: This line item was used to refund state income tax returns that were intercepted between October 1997 and September 2000 to offset the cost of public assistance. The line item was also used to reimburse former welfare recipients, dating back to October 1997, whose child support was intercepted to pay for public assistance benefits. This line item was used to reimburse counties for the state share of administrative costs incurred in case reviews and payment for support arrearages with interest based on the case reviews.

The reimbursements described above have been completed and this line item no longer receives appropriations.

5U3 600-654 Health Care Services Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$2,002,564	$2,833,762	$2,966,064	$5,454,637	**$9,867,284**	**$12,000,349**
	41.5%	4.7%	83.9%	**80.9%**	**21.6%**

Source: SSR: Revenue received from federal reimbursement for allowable Medicaid administrative expenditures made by state or local entities; $350,000 in each fiscal year from the first installment of assessments on hospitals for the Hospital Care Assurance Program and intergovernmental transfers under the Hospital Care Assurance Program.

Legal Basis: ORC 5111.92 through 5112.11; Section 206.66.87 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to pay costs associated with the administration of the Medicaid program.

This line item provides funding to hire additional staff and pay for contracted services for various purposes including: (1) safeguarding Medicaid funds that are distributed to other state agencies to ensure proper use of the funds, which could result in fewer Medicaid audit findings by the federal government that result in revenue loss to the state; (2) hiring more auditors of Medicaid providers to improve billing accuracy, recover overpayments of Medicaid when appropriate, and reduce fraud and abuse; (3) refinancing services currently funded with GRF and/or local funds in the mental retardation and developmental disabilities, education, and public health systems; and (4) developing care management strategies for Ohioans with higher medical needs (5) state share of expense for the development and implementation of the new Medicaid Information Technology System (MITS).

5U6 600-663 Children and Family Support

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$2,739,882	$2,954,026	$2,836,036	$4,929,717	**$4,928,718**	**$4,928,718**
	7.8%	-4.0%	73.8%	**0.0%**	**0.0%**

Source: SSR: Various withholding allowances of pass-through dollars

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in June 2002)

Purpose: This line item funds the state portion of the Child Welfare Training Program for county personnel and child welfare related administrative expenses.

5Z5 600-664 Health Care Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$11,659	$2,221	$0	$0	**$0**	**$0**
	-81.0%				

Source: SSR: Various non-federal grants and other private funds

Legal Basis: Discontinued line item (originally established by Controlling Board, October 2003)

Purpose: The fund in the line item was used to support specific health care administration activities and pilot projects.

5Z9 600-672 TANF QC Reinvestments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$19,962	$404,348	$377,319	$688,421	**$520,971**	**$546,254**
	1925.6%	-6.7%	82.5%	**-24.3%**	**4.9%**

Source: SSR: Settlement with the U.S. Department of Health and Human Services (HHS) for a disallowance under the former Aid to Families with Dependent Children (AFDC) due to quality control findings. The negotiated disallowance amount refunded to the state is 15% of the total disallowance, or $2,853,088.

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board, March 2004)

Purpose: In FFY 1991, the U.S. Department of Health and Human Services assessed the State of Ohio $19,020,584 for quality control findings under the former Aid to Families with Dependent Children (AFDC) program. A settlement agreement between several states, including Ohio, and the U.S. Department of Health and Human Services resulted in a much lower assessment amount, totaling 15% of the original disallowance. For the State of Ohio, the revised assessment equaled $2,853,088. Under the settlement agreement, the state could reinvest that amount in program activities or pay it back to the federal government. ODJFS has chosen to create the Temporary Assistance for Needy Families Quality Control (TANF QC) program.

The Department has described the TANF QC program as a "review process, which will focus on the dollar payment accuracy of the eligibility determination process for Ohio Works First (OWF)." The program will continue to function through SFY 2009 with a program need reassessment at that time.

The Department will continue the program with the remaining negotiated disallowance funds through FY 2009.

651 600-649 Hospital Care Assurance Program Fund

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$197,380,968	$226,156,258	$221,606,986	$231,893,404	**$231,893,404**	**$231,893,404**
	14.6%	-2.0%	4.6%	**0.0%**	**0.0%**

Source: SSR: HCAP assessments on hospitals

Legal Basis: Ohio Administrative Code 5101:3-2; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 738 of the 117th G.A.)

Purpose: This line item disburses the hospital share of funding for the Hospital Care Assurance Program. Hospitals are assessed an amount on their total facility costs. The total anticipated assessments from all Ohio hospitals are combined with the anticipated federal revenue in Fund 3F0, Hospital Care Assurance Match. These funds are distributed to the hospitals based on methodology provided in the Ohio Administrative Code.

Agency Fund Group

192 600-646 Support Intercept-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$96,470,181	$88,225,050	$90,174,722	$110,000,000	**$110,000,000**	**$110,000,000**
	-8.5%	2.2%	22.0%	**0.0%**	**0.0%**

Source: AGY: Overdue child support payments collected by the Internal Revenue Service

Legal Basis: ORC 5101.32; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: In cooperation with the Internal Revenue Service, JFS 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.

583 600-642 Support Intercept-State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$14,821,290	$10,577,236	$12,378,458	$16,000,000	**$16,000,000**	**$16,000,000**
	-28.6%	17.0%	29.3%	**0.0%**	**0.0%**

Source: AGY: Overdue child support payments collected by the Department of Taxation

Legal Basis: ORC 5101.321; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: In cooperation with the Ohio 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.

5B6 600-601 Food Stamp Intercept

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$634,365	$1,533,697	$1,748,932	$2,000,000	**$2,000,000**	**$2,000,000**
	141.8%	14.0%	14.4%	**0.0%**	**0.0%**

Source: AGY: Collections from IRS intercept program for food stamp fraud

Legal Basis: ORC 5101.80 through 5101.91; Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item receives the collections the IRS makes through the Food Stamp Intercept program. The moneys from this line item are sent back to the United States Department of Agriculture for reimbursement for fraudulent food stamp payments. A small portion of the collection is sent back to the county where the fraudulent benefits were issued as an incentive payment for participation in this program.

Holding Account Redistribution Fund Group

R12 600-643 Refunds and Audit Settlements

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$1,506,767	$1,336,265	$2,193,433	$3,600,000	**$3,600,000**	**$3,600,000**
	-11.3%	64.1%	64.1%	**0.0%**	**0.0%**

Source: 090: Unidentified checks received by JFS

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item acts as a holding account for checks whose disposition cannot be determined at the time of receipt. Upon determination of the appropriate fund into which the check should have been deposited, a disbursement is made from this line item to the appropriate fund.

R13 600-644 Forgery Collections

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
$1,286	$0	$0	$10,000	**$10,000**	**$10,000**
			N/A	**0.0%**	**0.0%**

Source: 090: Funds from banks and other entities that have cashed a forged public assistance check that was repaid to the state

Legal Basis: Section 206.66 of Am. Sub. H.B. 66 of the 126th G.A.; ORC 5101 (originally established by Am. Sub. H.B. 238 of 116th G.A.)

Purpose: The line item was created to receive funds from banks and other entities that have cashed forged public assistance warrants.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
JFS	**Job and Family Services, Department of**							
GRF	600-321	Support Services	$ 58,360,571	$76,767,865	$ 65,775,552	-14.3%	$ 68,343,151	3.9%
GRF	600-410	TANF State	$ 272,619,061	$272,619,061	$ 272,619,061	0.0%	$ 272,619,061	0.0%
GRF	600-413	Child Care Match/MOE	$ 84,120,596	$84,120,596	$ 84,120,596	0.0%	$ 84,120,596	0.0%
GRF	600-416	Computer Projects	$ 132,458,765	$151,481,486	$ 145,315,754	-4.1%	$ 147,447,438	1.5%
GRF	600-420	Child Support Administration	$ 4,189,836	$5,134,710	$ 8,791,446	71.2%	$ 10,891,446	23.9%
GRF	600-421	Office of Family Stability	$ 4,055,431	$4,864,932	$ 4,864,932	0.0%	$ 4,864,932	0.0%
GRF	600-422	Local Operations	$ 140	$0	$ 0	N/A	$ 0	N/A
GRF	600-423	Office of Children and Families	$ 4,817,485	$5,431,690	$ 6,737,630	24.0%	$ 6,737,630	0.0%
GRF	600-424	Office of Workforce Development	$ 1,718	$0	$ 0	N/A	$ 0	N/A
GRF	600-425	Office of Ohio Health Plans	$ 40,683,091	$53,866,233	$ 49,865,282	-7.4%	$ 49,865,282	0.0%
GRF	600-435	Unemployment Compensation Review Committee	$ 3,044	$0	$ 0	N/A	$ 0	N/A
GRF	600-439	Commission to Reform Medicaid	$ 43,780	$0	$ 0	N/A	$ 0	N/A
GRF	600-440	Ohio's Best Rx Start Up Costs	$ 971,616	$8,015,612	$ 0	-100.0%	$ 0	N/A
GRF	600-502	Administration-Local	$ 16,814,102	$16,814,103	$ 34,014,103	102.3%	$ 34,014,103	0.0%
GRF	600-511	Disability Financial Assistance	$ 21,658,726	$22,839,371	$ 24,028,480	5.2%	$ 25,335,908	5.4%
GRF	600-512	Non-TANF Disaster Assistance	$ 3,000,000	$1,000,000	$ 1,000,000	0.0%	$ 1,000,000	0.0%
GRF	600-513	Disability Medical Assistance	$ 27,532,714	$26,466,950	$ 0	-100.0%	$ 0	N/A
GRF	600-521	Entitlement Administration-Local	$ 123,770,007	$151,206,401	$ 131,214,401	-13.2%	$ 131,214,401	0.0%
GRF	600-523	Children and Families Services	$ 67,797,879	$69,438,543	$ 78,515,135	13.1%	$ 78,515,135	0.0%
GRF	600-525	Health Care/Medicaid	$ 9,143,137,516	$9,157,150,368	$ 8,901,713,996	-2.8%	$ 9,838,135,512	10.5%
GRF	600-526	Medicare Part D	$ 89,973,932	$339,578,325	$ 254,397,401	-25.1%	$ 271,854,640	6.9%
GRF	600-528	Adoption Services	$ 70,432,889	$78,538,615	$ 84,124,509	7.1%	$ 93,174,366	10.8%
GRF	600-529	Capital Compensation Program	----	$10,000,000	$ 0	-100.0%	$ 0	N/A
General Revenue Fund Total			**$ 10,166,442,898**	**$ 10,535,334,861**	**$ 10,147,098,278**	**-3.7%**	**$ 11,118,133,601**	**9.6%**
4A8	600-658	Child Support Collections	$ 23,508,044	$26,680,794	$ 26,680,794	0.0%	$ 26,680,794	0.0%
4R4	600-665	BCII Service Fees	$ 5,201	$36,974	$ 36,974	0.0%	$ 36,974	0.0%
5BG	600-653	Managed Care Assessment	$ 18,224,884	$99,410,121	$ 210,655,034	111.9%	$ 222,667,304	5.7%

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
JFS		***Job and Family Services, Department of***						
5C9	600-671	Medicaid Program Support	$ 71,462,972	$63,947,536	$ 80,120,048	25.3%	$ 80,120,048	0.0%
5DL	600-639	Medicaid Revenue and Collections	----	$56,927,358	$ 51,966,785	-8.7%	$ 56,296,844	8.3%
5N1	600-677	County Technologies	$ 227,535	$1,000,000	$ 1,000,000	0.0%	$ 1,000,000	0.0%
5P5	600-692	Health Care Services	$ 781,988,116	$179,307,452	$ 93,000,000	-48.1%	$ 62,000,000	-33.3%
613	600-645	Training Activities	$ 13,235	$135,000	$ 135,000	0.0%	$ 135,000	0.0%
General Services Fund Group Total			**$ 895,429,986**	**$ 427,445,235**	**$ 463,594,635**	**8.5%**	**$ 448,936,964**	**-3.2%**
316	600-602	State and Local Training	$ 290,779	$0	$ 0	N/A	$ 0	N/A
327	600-606	Child Welfare	$ 30,195,436	$33,090,786	$ 48,514,502	46.6%	$ 47,947,309	-1.2%
331	600-686	Federal Operating	$ 38,377,468	$44,929,545	$ 53,963,318	20.1%	$ 56,263,225	4.3%
384	600-610	Food Stamps and State Administration	$ 127,754,385	$181,250,799	$ 160,237,060	-11.6%	$ 153,147,118	-4.4%
385	600-614	Refugee Services	$ 6,095,912	$6,542,439	$ 10,196,547	55.9%	$ 11,057,826	8.4%
395	600-616	Special Activities/Child and Family Services	$ 2,492,363	$4,564,877	$ 5,723,131	25.4%	$ 5,717,151	-0.1%
396	600-620	Social Services Block Grant	$ 110,656,099	$123,705,573	$ 114,479,464	-7.5%	$ 114,474,085	0.0%
396	600-651	Second Harvest Food Banks	----		$ 5,500,000	N/A	$ 5,500,000	0.0%
397	600-626	Child Support	$ 234,906,550	$287,468,576	$ 303,661,307	5.6%	$ 303,538,962	0.0%
398	600-627	Adoption Maintenance/Administration	$ 223,865,145	$314,639,519	$ 318,172,168	1.1%	$ 317,483,676	-0.2%
3A2	600-641	Emergency Food Distribution	$ 2,425,279	$3,000,000	$ 2,900,000	-3.3%	$ 3,500,000	20.7%
3AW	600-675	Faith Based Initiatives	$ 914,242	$1,934,140	$ 1,000,000	-48.3%	$ 1,000,000	0.0%
3D3	600-648	Children's Trust Fund Federal	$ 1,542,862	$2,040,524	$ 2,040,524	0.0%	$ 2,040,524	0.0%
3F0	600-623	Health Care Federal	$ 514,619,836	$1,119,728,886	$ 1,209,188,383	8.0%	$ 1,211,196,561	0.2%
3F0	600-635	Children's Hospitals - Federal	$ 4,459,022	$9,000,000	$ 0	-100.0%	$ 0	N/A
3F0	600-650	Hospital Care Assurance Match	$ 327,976,613	$343,239,047	$ 343,239,047	0.0%	$ 343,239,047	0.0%
3G5	600-655	Interagency Reimbursement	$ 1,196,206,073	$1,426,954,440	$ 1,469,763,073	3.0%	$ 1,513,855,965	3.0%
3H7	600-617	Child Care Federal	$ 197,593,939	$208,000,001	$ 207,269,463	-0.4%	$ 200,167,593	-3.4%
3N0	600-628	IV-E Foster Care Maintenance	$ 109,079,847	$153,963,142	$ 153,963,142	0.0%	$ 153,963,142	0.0%
3S5	600-622	Child Support Projects	$ 206,701	$534,050	$ 534,050	0.0%	$ 534,050	0.0%
3V0	600-688	Workforce Investment Act	$ 146,644,402	$208,097,948	$ 232,568,453	11.8%	$ 233,082,144	0.2%

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
JFS		***Job and Family Services, Department of***						
3V4	600-678	Federal Unemployment Programs	$ 135,157,841	$157,202,750	$ 147,411,858	-6.2%	$ 152,843,414	3.7%
3V4	600-679	Unemployment Compensation Review Commission - Federal	$ 2,435,220	$3,800,573	$ 3,092,890	-18.6%	$ 3,191,862	3.2%
3V6	600-689	TANF Block Grant	$ 746,384,903	$1,027,739,200	$ 1,037,739,200	1.0%	$ 1,085,861,099	4.6%
3W3	600-659	TANF/ Title XX Transfer	$ 10,449,489	$12,372,173	$ 9,782,101	-20.9%	$ 6,200,000	-36.6%
Federal Special Revenue Fund Group Total			**$ 4,170,730,406**	**$ 5,673,798,988**	**$ 5,840,939,681**	**2.9%**	**$ 5,925,804,753**	**1.5%**
198	600-647	Children's Trust Fund	$ 4,384,189	$6,788,522	$ 6,788,522	0.0%	$ 6,788,522	0.0%
4A9	600-607	Unemployment Compensation Admin Fund	$ 1,898,901	$10,811,527	$ 12,273,062	13.5%	$ 12,188,996	-0.7%
4A9	600-694	Unemployment Comp Review Comm	$ 2,894,987	$3,188,473	$ 1,726,938	-45.8%	$ 1,811,004	4.9%
4E3	600-605	Nursing Home Assessments	$ 1,151,042	$4,759,914	$ 4,759,914	0.0%	$ 4,759,914	0.0%
4E7	600-604	Child and Family Services Collections	$ 408,607	$300,000	$ 300,000	0.0%	$ 300,000	0.0%
4F1	600-609	Foundation Grants/Child & Family Services	----	$61,420	$ 0	-100.0%	$ 0	N/A
4J5	600-613	Nursing Facility Bed Assessments	$ 34,185,096	$34,613,984	$ 34,613,984	0.0%	$ 34,613,984	0.0%
4J5	600-618	Residential State Supplement Payments	$ 9,856,290	$15,700,000	$ 15,700,000	0.0%	$ 15,700,000	0.0%
4K1	600-621	ICF/MR Bed Assessments	$ 19,393,464	$20,064,131	$ 19,332,437	-3.6%	$ 19,332,437	0.0%
4R3	600-687	Banking Fees	$ 357,825	$800,000	$ 800,000	0.0%	$ 800,000	0.0%
4Z1	600-625	Healthcare Compliance	$ 90,216	$10,000,000	$ 10,000,000	0.0%	$ 10,000,000	0.0%
5A5	600-685	Unemployment Benefit Automation	$ 1,059,145	$0	$ 0	N/A	$ 0	N/A
5AA	600-673	Ohio's Best Rx Administration	----	$5,000,000	$ 0	-100.0%	$ 0	N/A
5AX	600-697	Public Assistance Reconciliation	$ 42,043,374	$0	$ 0	N/A	$ 0	N/A
5BE	600-693	Child Support Operating	$ 1,487,538	$5,000,000	$ 0	-100.0%	$ 0	N/A
5CR	600-636	Children's Hospitals - State	$ 3,000,000	$6,000,000	$ 0	-100.0%	$ 0	N/A
5DB	600-637	Military Injury Grants	----	$0	$ 2,000,000	N/A	$ 2,000,000	0.0%
5ES	600-630	Food Assistance	----		$ 500,000	N/A	$ 500,000	0.0%
5F2	600-667	Building Consolidation	$ 117,500	$250,000	$ 250,000	0.0%	$ 250,000	0.0%
5F3	600-668	Building Consolidation	$ 1,941,102	$1,000,000	$ 1,000,000	0.0%	$ 1,000,000	0.0%
5Q9	600-619	Supplemental Inpatient Hospital Payments	$ 37,028,322	$56,125,998	$ 56,125,998	0.0%	$ 56,125,998	0.0%
5R2	600-608	Medicaid-Nursing Facilities	$ 150,269,661	$176,632,090	$ 175,000,000	-0.9%	$ 175,000,000	0.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
JFS		**Job and Family Services, Department of**						
5S3	600-629	MR/DD Medicaid Administration and Oversight	$ 568,267	$1,620,960	$ 1,620,960	0.0%	$ 1,620,960	0.0%
5T2	600-652	Child Support Special Payment	$ 1,061	$148,628	$ 0	-100.0%	$ 0	N/A
5U3	600-654	Health Care Services Administration	$ 2,966,064	$5,454,637	$ 9,867,284	80.9%	$ 12,000,349	21.6%
5U6	600-663	Children and Family Support	$ 2,836,036	$4,929,717	$ 4,928,718	0.0%	$ 4,928,718	0.0%
5Z9	600-672	TANF QC Reinvestments	$ 377,319	$688,421	$ 520,971	-24.3%	$ 546,254	4.9%
651	600-649	Hospital Care Assurance Program Fund	$ 221,606,986	$231,893,404	$ 231,893,404	0.0%	$ 231,893,404	0.0%
State Special Revenue Fund Group Total			**$ 539,922,992**	**$ 601,831,826**	**$ 590,002,192**	**-2.0%**	**$ 592,160,540**	**0.4%**
192	600-646	Support Intercept-Federal	$ 90,174,722	$110,000,000	$ 110,000,000	0.0%	$ 110,000,000	0.0%
583	600-642	Support Intercept-State	$ 12,378,458	$16,000,000	$ 16,000,000	0.0%	$ 16,000,000	0.0%
5B6	600-601	Food Stamp Intercept	$ 1,748,932	$2,000,000	$ 2,000,000	0.0%	$ 2,000,000	0.0%
Agency Fund Group Total			**$ 104,302,112**	**$ 128,000,000**	**$ 128,000,000**	**0.0%**	**$ 128,000,000**	**0.0%**
R12	600-643	Refunds and Audit Settlements	$ 2,193,433	$3,600,000	$ 3,600,000	0.0%	$ 3,600,000	0.0%
R13	600-644	Forgery Collections	----	$10,000	$ 10,000	0.0%	$ 10,000	0.0%
Holding Account Redistribution Fund Group Total			**$ 2,193,433**	**$ 3,610,000**	**$ 3,610,000**	**0.0%**	**$ 3,610,000**	**0.0%**
Total All Budget Fund Groups			***$ 15,879,021,827***	***$ 17,370,020,910***	***$ 17,173,244,786***	***-1.1%***	***$ 18,216,645,858***	***6.1%***