- JFS appropriation for FY 2004 increases $1.9 billion over FY 2003 spending, with most of the increase being in Medicaid and other health care
- Increases funding for line item 600-525, Health Care/ Medicaid, by $831.5 million in FY 2004 and by $465.6 million in FY 2005
- Creates the Head Start Plus program beginning in FY 2005
- Prohibits the Director, during FYs 2004 and 2005, from disenrolling from the child care program certain individuals with incomes at or below 165% of the federal poverty line
- Implements Disability Assistance cost containment reforms
- Appropriations for federal portion of TANF program exceed annual grant

Job and Family Services, Department of

Steve Mansfield, Fiscal Supervisor
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ROLE

The Ohio Department of Job and Family Services (JFS) was formed on July 1, 2000 by the merger of the Department of Human Services and the Bureau of Employment Services. The JFS mission is, through partnerships with local government, to help all Ohioans improve the quality of their lives. The JFS vision is to be the nation's leading family support and workforce development system. It does this through the direction and supervision of programs that provide health care, employment and economic assistance, child day care, enforcement of child support, and a host of other social services to individuals, families, and children. These services are provided through six major delivery systems: Workforce Development, Child Support, Children and Family Services, Health Care, Unemployment Insurance, and Family Stability. See the appropriate sections for a detailed analysis of the budget of each delivery system.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
3,603	$15,392.8 million	$16,025.2 million	$9,718.1 million	$10,187.9 million	Am. Sub. H.B. 95

*Employee head count, as of June 28, 2003, per the Department of Job and Family Services.

OVERVIEW

The administration and funding of human service and workforce development programs represent a unique cooperative partnership between the three levels of government: federal, state, and local. The Ohio Department of Job and Family Services directs and supervises the delivery of human services through a network of local government agencies and several district offices. The direct delivery of these services is administered by a combination of county offices, which include 88 county departments of job and family services, 50 separate child support enforcement agencies, and 33 separate public children services agencies. Unemployment compensation services and workforce development services are also delivered through a network of county and regional offices, and telephone registration centers.

The Ohio Department of Job and Family Services supervises the delivery of services by the counties through written fiscal agreements with county boards of county commissioners, local workforce development areas, children services boards, and child support enforcement agencies. The fiscal agreements specify the terms of the award of financial assistance, performance, reporting, and other matters for family services and for workforce development activities.

Under a family services fiscal agreement, each county receives a consolidated allocation of eight different allocation streams from the federal government. The advantage of the single allocation is that it provides counties with greater flexibility in their spending by aggregating these funding streams into one single amount with which to operate. The county spends the consolidated funds in the various programs as needed, and JFS employs a cost allocation system to capture and report expenditure information at the grant specific level. When this cost allocation system is employed, if a county exceeds its total allocation, this overage can be balanced with under spending from another county. Any excess expenditures that cannot be fully balanced by other under spending within the consolidated allocation, is covered by federal TANF funds that have been transferred to the Social Services Block Grant (SSBG) and claimed as reimbursement for eligible SSBG expenditures. The Ohio Department of Job and Family Services anticipates that approximately $40.5 million will be drawn from the transferred funds to pay for county overages in each year of the FY 2004-2005 biennium.

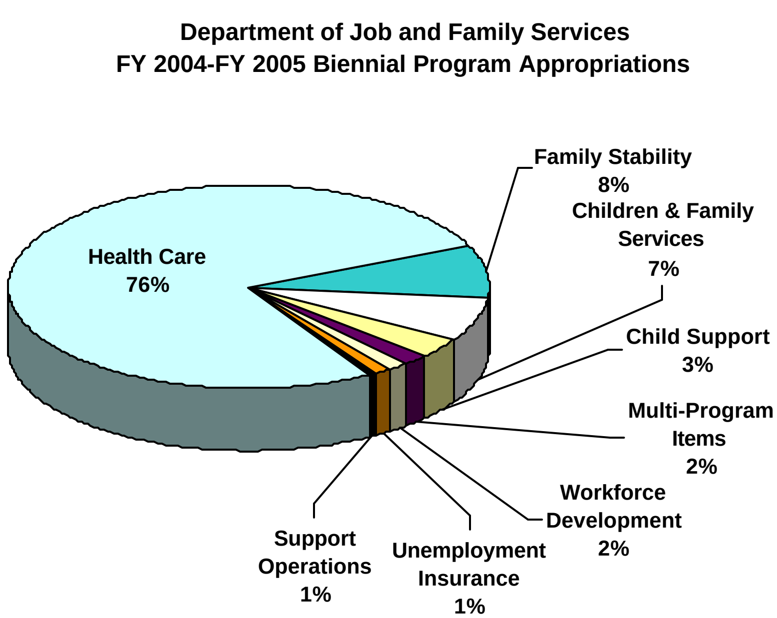
For FY 2004, the budget act appropriates $15,392,156,168 in all funds to totally fund JFS. This exceeds the FY 2003 spending level by $1,924,707,466, or 14.3%. An increase of 23.5% in appropriation authority over FY 2003 expenditures occurs in federal funding. When looking solely at GRF appropriations, we see that FY 2004's appropriation of $9,718,075,406 is an increase of only $869,156,241, or 9.8%, over the FY 2003 expenditure level. Looking further into the composition of the Department's GRF appropriation, we see that several GRF line items include a federal portion. The federal portion of the GRF appropriation for JFS amounts to over $5.3 billion in FY 2004, and $5.6 billion in FY 2005. As a portion of the Department's total budget for both FY 2004 and FY 2005, federal funds make up about 63% of the total. This federal component of GRF funds combined with federal special revenues results in a total of federal funds in the JFS budget of $9.7 billion in FY 2004 and $10.1 billion in FY 2005. The table below details the Department's appropriations by fund group.

Department of Job & Family Services Appropriations by Fund Group					
Fund	FY 2003 Actual Expenditures	FY 2004 Appropriation	% Change FY 2003-2004	FY 2005 Appropriation	% Change FY 2004-2005
GRF	$8,848,919,165	$9,718,075,406	9.8%	$10,187,883,706	4.8%
General Services	$103,272,224	$87,213,890	-15.5%	$87,089,846	-0.1%
Federal Special Revenue	$3,598,632,429	$4,443,376,680	23.5%	$4,594,555,020	3.4%
State Special Revenue	$805,265,147	$975,380,704	21.1%	$987,578,822	1.3%
Agency Fund	$107,836,423	$162,065,582	50.3%	$162,065,582	0.0%
Holding Account Redistribution	$3,523,314	$6,043,906	71.5%	$6,043,906	0.0%
TOTAL	$13,467,448,702	$15,392,156,168	14.3%	$16,025,216,882	4.1%

The budget for the Department of Job and Family Services is organized into six broad program areas, or program series, with a seventh for budget items that span two or more series. The appropriation level for each program series is as follows:

		FY 2004	FY 2005
Program Series 1	Workforce Development	$ 237,463,792	$ 234,808,884
Program Series 2	Child Support	$ 512,418,766	$ 514,404,551
Program Series 3	Children and Family Services	$ 1,093,913,194	$ 1,110,544,973
Program Series 4	Health Care	$11,750,203,208	$12,319,572,544
Program Series 5	Unemployment Insurance	$ 174,868,475	$ 161,052,378
Program Series 6	Family Stability	$ 1,283,269,446	$ 1,343,768,822
Program Series 8	Support Operations	$ 91,928,796	$ 88,165,118
Program Series 999	Multi-Program Items	$ 248,090,491	$ 252,899,612

The following pie chart displays the proportions of each program series in the JFS budget for both fiscal years combined.



The following sections provide a summary of the developments in each series.

SUPPORT OPERATIONS

Overview and Budget Issues

The Department of Job and Family Services (JFS) central administration consists of the Director's Office and the offices of the Chief Inspector; Communication; Fiscal Services; Internal Administration; Legal Services; Legislation; Professional Development and Quality Services; and Research, Assessment, and Accountability. Besides the leadership and direction-setting roles of the Director's Office, the component offices provide most of the support services to the program offices.

The Department has been closely monitoring its staffing levels. It has made adjustments to its staffing ceiling as employees leave the agency and has only hired selectively as needed. The Department believes that it will be able to maintain current staff levels during the biennium.

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

Computer projects are funded primarily with appropriation item 600-416, Computer Projects. The appropriation levels for appropriation item 600-416 are $151,095,442 in FY 2004, a 7.72% increase over FY 2003 expenditures, and $151,400,454 in FY 2005, a 0.2% increase over FY 2004 appropriations. The number of computer systems that JFS maintains necessitates constant evaluation of priorities. Ongoing maintenance of the aging computer infrastructure must be balanced against limited resources and advancements in technology. At the beginning of FY 2004, the Department's priorities for FYs 2004 and 2005, include:

- Phasing in the Sharing Career Opportunities and Training Information project (SCOTI), a key system in the implementation of "One Stop" service centers;
- Implementing Ohio Job Insurance (OJI), a new unemployment compensation benefits system;
- Upgrading MMIS (Medicaid Management Information System), which is not currently compliant with the Health Insurance Portability and Accountability Act of 1996 and constantly changing due to state and federal policy changes;
- Beginning work on SACWIS (Statewide Automated Child Welfare Information System) and a new Unemployment Compensation tax system, which will aid employers in filing unemployment tax and help JFS process the tax.

These priorities may change.

Program Budgeting

Beginning in FY 2003, JFS restructured its GRF appropriation items by implementing a program budgeting structure. Previously, appropriation items 600-100, Personal Service; 600-200, Maintenance; and 600-300, Equipment, while the primary sources of funding for central administration, were allocated across program areas throughout JFS. Each program area has its own appropriation item from which GRF-funded administrative expenses for that program are paid. In addition, JFS combined several GRF appropriation items within most of the program areas. For example, the Office for Children and Families had several GRF appropriation items that were used exclusively to provide subsidies to the counties. The restructuring of the appropriation items collapsed those appropriation items into one. The Department believes that this new structure allows for better management of individual programs while providing improved accountability. While the Controlling Board approved the restructuring of appropriation items beginning in FY 2003, Am. Sub. H.B. 95 is the first budget act that has appropriated dollars under the new structure.

Local Operations Reorganization

The Department manages and maintains 1.5 million square feet of state-owned and leased properties to house employees across the state. In October of 2001, JFS presented a plan to the General Assembly outlining the consolidation of staff from 61 facilities into 22 locations. The reorganization plan is meant to reduce the amount of square feet needed to house employees by 50%. The Department's plan includes delivery of unemployment compensation services via telephone by state staff. It also includes the transfer of adjudication services from the local offices to telephone registration centers staffed by state employees. Specially trained state staff are to be dedicated to work closely with claimants to help them find work. The Department plans to continue face-to-face services for veterans.

The General Assembly requested that JFS start with a pilot transition. That pilot transition began in May 2002 and closed seven local JFS offices and consolidated staff into unemployment compensation call centers, processing centers, and locally operated One Stop centers.

The Department is in the process of closing 40 additional offices. The Department has announced the sequence of these office closings and proposed timeframes. It has worked with the Ohio Civil Service Employees Association and developed a process to reassign collective bargaining staff. Interviews and selections have been made for the future 22 office managers. Staff will continue services in six call centers, 16 processing centers, and locally operated One Stop centers.

To accomplish the next phase of the transition, JFS will purchase telephone switching equipment; develop telecommunication networks and a unified statewide call system; reconfigure the MIS network to accommodate the transition; lease and develop new call center and processing center space; selectively renovate existing office space; pay moving expenses; and acquire modular furniture and renovation items needed to upgrade the infrastructure.

The limited GRF funding available for this project required JFS to seek another source of funding to proceed with its plan for continuing the local operations reorganization. The Department received approval from the Unemployment Compensation Advisory Council to use federal Reed Act dollars as an alternative funding source for this project.

WORKFORCE DEVELOPMENT

Overview

The Office of Workforce Development (OWD) has been recently reorganized as part of the Department of Job and Family Services' program budgeting reform. It previously contained most of the programs now organized in the Office of Family Stability in addition to specific workforce development and employment service programs. The Office of Workforce Development 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 Office of Workforce Development provides services that seek to assist Ohioans remove barriers, enter employment, maintain employment, and gain self-sufficiency and independence. The Office of Workforce Development 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.

The Office of Workforce Development administers the federal Workforce Investment Act of 1998 (WIA), which brings about a fundamental change in the nation's employment and training system. The stated purpose of the legislation is to "provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation."

The Workforce Investment Act of 1998 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 Workforce Investment Act of 1998 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.

The Bureau of WIA, which is one of five bureaus in the Office of Workforce Development, has three main goals in its implementation of WIA. These are: (1) to created 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."

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 eight Workforce Investment Boards 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, job searching, employment services, and a range of other ancillary services that include childcare and transportation.

Ohio has piloted One-Stops in six locations: (1) Defiance/Paulding/Williams, (2) Cuyahoga, (3) Franklin, (4) Portage, (5) Lawrence, and (6) Clark. Fully compliant, cost sharing Memorandum of Understanding (MOUs) have been negotiated and signed in Clark and Lawrence counties. The Department of Job and Family Services remains in the process of deciding the number and location of the remaining One-Stops. The Department of Job and Family Services has stated that its goal is to have a minimum of 36 One-Stops, with at least three located in each of the 12 economic development areas.

The Department of Job and Family Services is also developing a process for the certification of One-Stops. The goal of such a certification process is to assure that each One-Stop meets national standards on the presence and availability of services.

The Governor's Workforce Policy Board developed a five-year strategic state plan and began implementing WIA beginning July 1, 2000.

Budget Issues

Workforce Development Grant Agreement

The budget act requires the Director of Job and Family Services to enter into one or more written grant agreements with each local workforce development area under which financial assistance is awarded for workforce development activities, rather than a partnership agreement, which had been required. The budget act further requires the Director to adopt rules to specify allowable uses of WIA funds, and to establish reporting, cash management, audit, and other requirements.

Appropriations from Fund 3V0

The budget act permits the Department of Job and Family Services to use appropriations from appropriation item 600-662, WIA Ohio Option #7, or from appropriation item 600-688, Workforce Investment Act, to provide financial assistance for workforce development activities included in a grant agreement entered into by the Department in accordance with section 5101.20 of the Revised Code. The Director of Budget and Management may increase appropriations in one of these line items with a corresponding decrease in the other line item in order to allow counties to move from a status as a conventional local area to an "Ohio Option" county, or the reverse.

Earmark of WIA Funds for Statewide Workforce Investment Activity

The budget act also earmarks $3.5 million from Workforce Investment Act funds (Fund 3V0), reserved for statewide workforce investment activities, in each fiscal year to support the Jobs for Ohio Graduates programs administered by the Department of Education. This is the first instance of an earmark of funds reserved for statewide workforce investment activities.

Unemployment Insurance

Overview

The Unemployment Insurance (UI) program was created as a federal/state partnership for income maintenance during periods of involuntary unemployment, by providing partial compensation for lost wages as a matter of right, to eligible individuals. Such compensation provides a counter-cyclical source of revenue to support the local economy in times of economic downturn. Funds for administration of UI are provided primarily by the U.S. Department of Labor (USDOL) from revenues collected from employers by the Internal Revenue Service pursuant to the Federal Unemployment Tax Act. Benefits are paid through the Unemployment Compensation Trust Fund, which is funded through state insurance taxes that are paid by employers and collected by JFS. In June 2003, the Unemployment Compensation Trust Fund had a balance of approximately $1.2 billion, and is forecast to end FY 2005 with a balance in excess of $1.0 billion. Since this balance is below the minimum safe level required by the Revised Code, an increase of employer contribution rates will be triggered.

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

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

Budget Issues

Local Office Closings

In FY 2004 JFS continues to implement its local office transition plan that will close local unemployment offices and replace them with telephone registration centers. (For further detail, please see the discussion under the heading "Reorganization of Local Operation" in the Administration section.)

Reed Act Distributions

The budget act appropriates $53,700,000 for FY 2004 and $47,300,000 for FY 2005 from funds made available by the federal government in what are know as "Reed Act distributions." In March 2002, federal legislation (H.R. 3090) to stimulate the economy provided for the immediate distribution of excess funds in the Unemployment Trust Fund (UTF). The budget act also provides in each year that up to $18,000,000 of this shall be used by the Department of Job and Family Services to reimburse the General Revenue Fund for allowable expenditures in Ohio's Unemployment Compensation program.

FAMILY STABILITY

Overview

The Office of Family Stability (OFS) is a newly created office, created in conjunction with the introduction of program budgeting reorganization within the Department of Job and Family Services (JFS). The 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 Stamps 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 Stamps program, the Electronic Benefits Transfer (EBT) program, and the Disability Assistance (DA) program.

Budget Issues

Ohio's TANF Programs

Ohio Works First (OWF)

A fundamental shift in the nature of Ohio's welfare program was introduced in 1995 with the passage of Sub. H.B. 167 of the 121st General Assembly. In H.B. 167, Ohio sought and was granted a waiver from the existing requirement of the federal Social Security Act to redesign the delivery of welfare benefits in a way that provided increased incentives for recipients to move off welfare by giving priority to early employment. The federal Temporary Assistance to Needy Families (TANF) program was implemented by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which built on the earlier experience of the several states that had pursued experiments in welfare reform. Ohio's TANF programs, the OWF program, and the PRC program (introduced by Am. Sub. H.B. 408 of the 122nd General Assembly), implemented PRWORA and refined and extended the "work first" strategy of welfare reform. The OWF program provides time-limited cash assistance and support services to help needy families with (or expecting) children care for 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, good cause exists to warrant the extension.

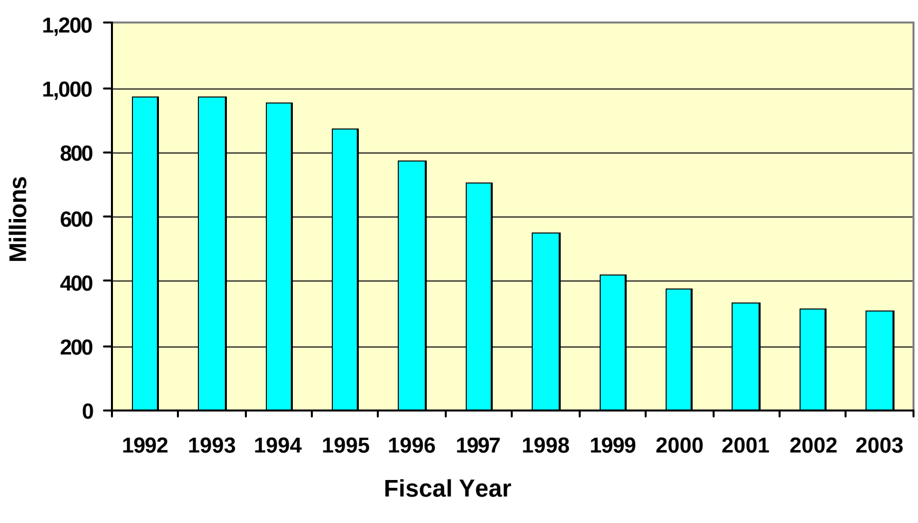
The PRWORA eliminated the Aid to Families with Dependent Children program (or AFDC; in Ohio this was called Aid to Dependent Children or ADC), the Job Opportunity and Basic Skills (JOBS) program, and the Family Emergency Assistance (FEA) program. Congress replaced these programs with the TANF program. 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 about 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 meet a participation requirement that is established in a self-sufficiency plan as a condition of receiving cash benefits.

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 transition to the new environment of TANF is that caseloads went down steadily since the spring of 1992, as Ohio and the nation experienced economic expansion (*see* **Figure 1**). Even though the economy has slackened in the last few years, Ohio's OWF caseload has remained fairly stable. 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 preventive 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.

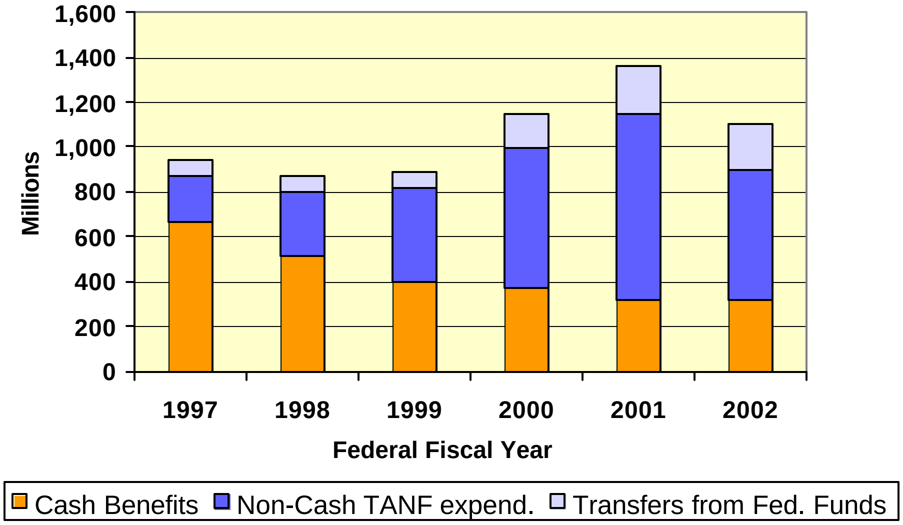
Figure 1: ADC/OWF Cash Benefits
FY 1992 -- FY 2003



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 **Figure 2**, by federal fiscal year

(FFY) 2000, 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. **Figure 2** also shows an increased rate of spending for FFY 2000 and FFY 2001, and a decline for FFY 2002.

Figure 2: Composition of Total TANF Expenditures, FFY 1997 -- 2002



Spending data through June 2003 shows a further decline in total TANF expenditures. Ohio reported total TANF expenditures of $1,058.0 million in SFY 2002, and reported $876.6 million in total TANF expenditures in SFY 2003, a decrease of 17.1%.

The federal TANF legislation provides that "a State may reserve amounts paid to the State under [this legislation] for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under [this legislation]." At the end of FFY 2002 (September 30, 2002), Ohio's total unspent TANF funds stood at $520.9 million, with $278.9 million reported as unliquidated obligations, and $242.0 million reported as the unobligated balance, not counting unspent funds that have been transferred to either the Social Service Block Grant or the Child Care and Development Fund. At the end of the third quarter of FFY 2003 (June 30, 2003), Ohio reported total unspent federal TANF funds of $694.2 million. At the same point in the previous fiscal year, Ohio reported total unspent federal TANF funds of $420.5 million. This represents a year-over-year increase in unspent funds of $273.6 million.

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 2003. The MOE can be lowered to 75% if the state meets its work participation requirements. Since Ohio is meeting these participation requirements, the budget act has established an MOE spending level of 75%, or about $390.9 million for FY 2005, and slightly above that level for FY 2004. See **Table 1** for a breakdown of the components of the MOE.

Table 1: Components of TANF State Maintenance of Effort		
	FY 2004 (in millions)	FY 2005 (in millions)
600-410, TANF State	$272.6	$272.6
600-413, Day Care MOE	$45.4	$45.4
600-658, Child Support Collections	$24.3	$23.8
ODADAS MOE (appropriated in ODADAS budget)	$5.0	$5.0
County Share	$28.5	$28.5
State Operating	$15.6	$15.6
TANF MOE	$391.4	$390.9

Prevention, Retention, and Contingency Program (PRC)

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

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

As of March 31, 2003, FY 2003 total expenditures in the PRC program were $36.2 million. At the same point in FY 2002, total PRC expenditures were $46.5 million.

Appropriation Level of Federal TANF Grant

The budget act appropriates $786.1 million for FY 2004 and $845.9 million for FY 2005 to line item 600-689, TANF Block Grant. These appropriations exceed the annual TANF Block Grant award by $58.2 million in FY 2004, and by $117.9 million in FY 2005. The expenditure of the full appropriation in each year would thus have the effect of reducing the amount of the unspent TANF grant funds that have accumulated from previous years.

Disability Assistance

The Disability Assistance (DA) program is a state and county funded effort that provides cash and/or medical assistance to persons who are unemployable due to physical or mental impairment, and who are not eligible for public assistance programs that are supported in whole or in part by federal funds (for example OWF or Supplemental Security Income). Eligibility criteria for DA are established by the state. To be eligible for DA, a person must meet one of the following conditions: is under the age of 18, is over the age of 59, is disabled as determined by the county, is pregnant, or is medication dependent. Disability under the DA program is defined as the inability to do any substantial or gainful activity by reason of physical or mental impairment that can be expected to last nine months or can be expected to result in death. The DA program thus provides a "safety net" to help needy people to meet basic needs and maintain their health.

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

In the wake of legislation in the mid-1990s that reformed the DA program, and the implementation of OWF, the DA cash and medical recipient caseloads exhibited a steady decline until fall 1999. Since then, however, the cash assistance caseload has been increasing steadily. In January 2001, the medical assistance caseload also began to increase and, along with an increase in medical inflation, has quickly added to the cost of the program. Both LSC and OBM had forecast a continuing high rate of growth in the program.

The budget act includes several cost containment measures for DA. Prior to the budget act, DA benefits were provided to a variety of people including the elderly and disabled who are awaiting federal disability determinations, first and second trimester pregnant women, children under 18 living with a nonrelative, and individuals residing in treatment facilities certified by the Ohio Department of Alcohol and Drug Addiction Services. The budget act provides an increase of funding for FY 2004 of 6% above the spending in the program for FY 2003. All of this increase is in the medical assistance portion of the DA program. The appropriation level for FY 2004 for the cash assistance portion of DA is $22.8 million, which is the same as the actual spending for FY 2003. The budget act provides no growth for FY 2005. In order to operate the program at flat funding during the biennium, program eligibility will be restricted. The budget act permits the Director of Job and Family Services to adopt rules that revised the program's eligibility requirements and payment amounts, and to suspend acceptance of applications for DA financial and medical assistance. The Department of Job and Family Services estimated that the flat funding for FY 2004 and FY 2005 will result in approximately $83.0 million being saved over the biennium.

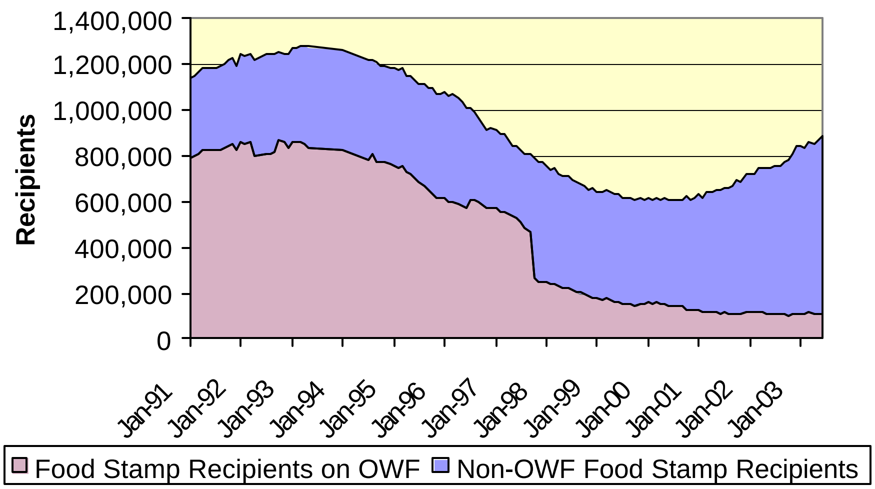
Food Stamps

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

Ohio experienced a steady decrease in FSP participation beginning in 1993 after the previous recession. However, as the economy slackened in the last few years, the number of recipients has increased. The earlier decline in participation may have been related to both the improvement in the overall employment rate and changes in eligibility. Whereas, in recent years, increased participation corresponds to increased unemployment. As is apparent in the accompanying **Figure 3**, a substantial shift in food stamp recipients away from receipt of OWF benefits has resulted in a fundamentally different composition of the food stamp caseload.

The budget act's appropriation to line item 600-610, Food Stamps and State Administration, for FY 2004 is $134.6 million, and for FY 2005 is $135.1 million. The appropriation level for FY 2004 represents an increase of $36.6 million, or 37.4%, from actual expenditures in FY 2003. In FY 2002 and FY 2003 this line item had appropriations of $160.4 million and $161.7 million, respectively. About half of these funds were state dollars. In June 2002, approximately $19 million from excess state food stamp administration funds were transferred to the GRF to help balance the budget. And, on March 5, 2003, the Executive announced that it would use $20.0 million from these excess funds to help balance the budget in FY 2003.

Figure 3: Food Stamp Recipients, OWF and Non-OWF, 1991-2003



MEDICAID

Overview and Budget Issues

The Office of Ohio Health Plans in the Department of Job and Family Services (JFS) 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), the Hospital Care Assurance Program (HCAP), and the state Disability Assistance (DA) Medical program.

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.

The State Children's Health Insurance Program, created by the Social Security Act as Title XXI, provides health care coverage to children who were not previously eligible for Medicaid and whose family income is below 200% of the federal poverty guideline (FPG). Through HCAP, created by the Social Security Act as Title XXI, hospitals are reimbursed for some of their costs of providing medical care to persons below 100% of FPG. Disability Assistance Medical is a state and county funded program that provides limited medical coverage to persons who are not eligible for a federally funded program.

In FY 2002, Medicaid and SCHIP provided health care coverage to about 1.4 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 100% 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 prescription medications and 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 JFS budget. Recognized by the federal government as Ohio's single Medicaid agency, JFS provides long-term care and basic medical services with state and federal moneys through General Revenue Fund (GRF) line item 600-525, Health Care/Medicaid. Beginning in FY 2003, the 600-525 line item is not only used to fund Medicaid, but also SCHIP, and DA Medical.[3] In addition to the GRF, several provider tax programs and other special revenues are used to pay for Medicaid services.[4]

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[3] Prior to FY 2003, spending for part II of SCHIP was funded through line item 600-426, Children's Health Insurance Program, and spending for DA Medical was funded through line item 600-511, Disability Assistance/Other Assistance.

[4] Provider tax programs refer to assessments on hospitals, as well as 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.

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 cost of Medicaid at a matching rate known as the FMAP (Federal Medical Assistance Percentage). The FMAP is calculated based upon each 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 59 cents. However, while the majority of the spending in line item 600-525, Health Care/Medicaid, is matched at the FMAP rate, a few items, primarily contracts, are matched at 50%, and all family planning services receive a 90% match. In addition, about 15% of Medicare buy-in premiums receive no federal match. Lastly, SCHIP is matched at an enhanced FMAP of about 71%.

The budget act increases funding for line item 600-525, Health Care/Medicaid, by $831.5 million in FY 2004 (above FY 2003 actual spending levels), and by $465.6 million in FY 2005 (above FY 2004 appropriations) to support projected caseload growth, higher utilization, inflationary costs, and other policy changes. The appropriations for line item 600-525 amount to $8.8 billion in FY 2004 (10.4% above FY 2003 actual expenditures) and $9.3 billion in FY 2005 (5.3% above FY 2004 appropriations).

The budget act decreases funding for both line items 600-650, Hospital Care Assurance Match, and 600-649, Hospital Care Assurance Program Fund, by approximately 10% in FY 2004 (below FY 2003 actual spending levels), and increases funding by approximately 3% in FY 2005 (above FY 2004 appropriations) to fund HCAP. The total amounts of the appropriation for both line items 600-650 and 600-649 are $506.7 million in FY 2004 and $520.0 million in FY 2005.

The budget act increases funding for line item 600-654, Health Care Services Administration, by $4.2 million in FY 2004 (above FY 2003 actual spending levels), and decreases by $1.5 million in FY 2005 (below FY 2004 appropriations) to pay for costs associated with the administration of the Medicaid program.

Health Care/Medicaid (Mainly Appropriation Line Item 600-525, Health Care/Medicaid)

Elimination of Certain Medicaid Optional Services

For the FY 2004 and 2005 biennium, the Executive recommended the elimination of five optional services for adults: dental care, chiropractic care, podiatry, vision care, and psychologist services.[5] The regulations for dental care, podiatry, vision care, and psychologist services are in administrative rules; therefore, no statutory changes are necessary for the elimination of these services. However, the recommended elimination of chiropractic care would require changes in the Ohio Revised Code.

The budget act requires that the Medicaid program continue to cover dental, podiatric, and vision care services for FYs 2004 and 2005 in at least the amount, duration, and scope that it did on the effective date of the budget act under the administrative rules. The Governor vetoed this provision. However, the veto message states that the Governor has instructed JFS to continue to offer those services because the General Assembly authorized adequate funding.

Other special revenues include funds for the Disproportionate Share Hospital (DSH) offset, drug rebates, and the franchise fees.

[5] Federal regulation requires that state Medicaid programs provide a full range of medically necessary services to children. Thus, the executive budget recommendation included elimination of these services for adults only.

The budget act removes chiropractors from the definition of "physician" for the purpose of the Medicaid program. This will allow JFS to eliminate Medicaid coverage for chiropractic care for adults. This change will be effective January 1, 2004. The Department of Job and Family Services estimates that the state will avoid approximately $2.4 million in FY 2004 and $7.1 million in FY 2005 by eliminating chiropractic care for adults.

The Department of Job and Family Services also plans to eliminate the psychologist service for adults beginning January 1, 2004. The Department of Job and Family Services estimates that the state will avoid approximately $0.4 million in FY 2004 and $1.2 million in FY 2005 in potential costs by eliminating psychologist services for adults.

Medicaid Payments To Children's Hospitals

Under the budget act, JFS is required to pay to each children's hospital participating in the Medicaid program an amount equal to the inflation adjustment not paid for the period beginning January 1, 2003 and ending May 31, 2003. The budget act also provides that for FYs 2004 and 2005, the Medicaid payments to children's hospitals must include the inflation adjustment provided for in rules in effect on December 30, 2002. The Department of Job and Family Services estimates that the state will need approximately $7.5 million each year in FY 2004 and FY 2005 to pay each children's hospital the inflation adjustment.

Medicaid Inflation Adjustment Factor For Outpatient Hospital Services

The budget act requires JFS, by adopting an inflation adjustment factor, to increase the total amount it pays all hospitals participating in the Medicaid program, other than children's hospitals, for outpatient services provided during FYs 2004 and 2005. For each fiscal year, the increase is to be the maximum amount possible using $9,811,136 ($4 million is the state share).

Supplemental Drug Rebates

S.B. 261 of 124th General Assembly (a FY 2002–2003 biennium budget correction bill) authorizes JFS 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. The budget act continues this provision of the law and allows the full implementation of the supplemental rebate program and a Preferred Drug List (PDL). However, the Governor vetoed a provision of the budget act that would have provided that, each time before the Director of JFS contracted with an individual or private entity to administer the Medicaid program's preferred drug list or supplemental drug rebate program, an advisory council be appointed. The Governor also vetoed a provision that would have required drugs produced by a manufacturer to treat mental illness, HIV, or AIDS to also be exempt from "prior authorization or any other restriction" unless there was a generic equivalent.

These programs were initiated in April 2003; however, it is expected that a preferred drug will not be designated for all drug classes immediately. Additional classes of prescription drugs will continue to be added to the list throughout FY 2004.

The Department of Job and Family Services 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 will remain covered; however, prior authorization from the Medicaid pharmacy benefit manager will be necessary in order to obtain a prescribed, nonpreferred drug. The

Department of Job and Family Services will seek supplemental rebates from manufacturers for nonpreferred prescription drugs.

The Department of Job and Family Services expects this supplemental drug rebate/PDL will save the state approximately $76 million in FY 2004 and $81 million in FY 2005. Approximately half of the savings to the state are expected to result from changes in drug utilization; the other half are expected to result from increased drug rebates which are used to offset GRF spending.

Copayment Program on Non PDL Drugs

The budget act, with some changes, continues law requiring the Director of JFS to examine instituting a Medicaid copayment program.

This provision of the budget act allows JFS to establish copayments for prescription drugs that are not included on the PDL. These copayments will be 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. The copayment will not be required on preferred drugs in each class.

The Department of Job and Family Services expects this copayment program will save the state approximately $1 million each year in FY 2004 and FY 2005. This estimate is based on the assumption that a $1 copayment for nonpreferred generic drugs and a $3 copayment for nonpreferred trade name drugs will be charged.

Care Management For High Cost Populations

The budget act requires JFS to establish in some or all counties a "care management system" as part of the Medicaid program. The Department must designate the Medicaid recipients who are required or permitted to participate in the system. Under the system, JFS may require or permit Medicaid recipients to obtain health care services from providers JFS designates and through managed care organizations under contract with JFS.

The Governor vetoed a provision of the budget act that would have required the care management system to include a portion of the Medicaid recipients who are aged, blind, or disabled. This provision of the budget act would have specified that aged, blind, or disabled Medicaid recipients would not be designated for system participation unless they resided in a county in which other Medicaid recipients were participating in the system.

Under the care management system, JFS may do both of the following:

1. Require or permit participants in the system to obtain health care services from providers JFS designates;

2. Require or permit participants to obtain health care services through managed care organizations under contract with JFS.

Implementation of care management for high cost populations may result in savings to the state. However, it requires up-front expenditures on primary care, consumer education, and case management. Thus, significant savings are not expected in the FY 2004-2005 biennium. The Department of Job and Family Services estimates that the initial implementation of the care management system will require funding of approximately $5.3 million in FY 2004 and $25.4 million in FY 2005. This budget act includes that funding.

Maximum Mean Total Per Diem Rate for Nursing Facilities

The budget act continues law requiring JFS to pay the reasonable costs of services that a nursing facility or intermediate care facility for the mentally retarded (ICF/MR) with a Medicaid provider agreement provides to Medicaid recipients. The amount JFS pays a nursing facility or ICF/MR is determined by formulas established in the Revised Code.

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

The budget act establishes a maximum mean total per diem rate applicable to nursing facilities in FY 2004 and FY 2005. For FY 2004, the mean total per diem rate for all nursing facilities in the state, weighted by May 2003 Medicaid days and calculated as of July 1, 2003, is not to exceed $156.68. For FY 2005, the mean total per diem rate for all nursing facilities in the state, weighted by May 2004 Medicaid days and calculated as of July 1, 2004, is not to exceed $159.00, plus any difference between $156.68 and the mean total per diem rate for all nursing facilities in the state for FY 2004, weighted by Medicaid days and calculated as of July 1, 2003. If the mean total per diem rate for all nursing facilities in the state for FY 2004 or FY 2005, weighted by Medicaid days and calculated as of the first day of July of the calendar year in which the fiscal year begins, exceeds the maximum amount established by the act, JFS is required to reduce the total per diem rate for each nursing facility in the state by a percentage that is equal to the percentage by which the mean total per diem rate exceeds the maximum amount established by the budget act for that fiscal year. The budget act provides that, subsequent to any such reduction, a nursing facility's rate is subject to any adjustments required or authorized by state law during the remainder of the fiscal year.

Maximum Mean Total Per Diem Rate for ICFs/MR

The budget act also establishes 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, is 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, is not to exceed $225.86. If the mean total per diem rate for all ICFs/MR in the state for FY 2004 or FY 2005, weighted by Medicaid days and calculated as of the first day of July of the calendar year in which the fiscal year begins, exceeds the maximum amount established by the act, JFS is required to reduce the total per diem rate for each ICF/MR in the state by a percentage that is equal to the percentage by which the mean total per diem rate exceeds the maximum amount established by the budget act for that fiscal year. The budget act provides that, subsequent to any such reduction, an ICF/MR's rate is subject to any adjustments required or authorized by state law during the remainder of the fiscal year.

Reform of the Home Care Program

The Department of Job and Family Services currently operates the Ohio Home Care Program through both its state plan and waiver services.

State Plan Services. There are two levels of state plan services: (1) Core services including nursing and daily living services provided up to 14 hours per week, (2) Core Plus including the same services, but provided in excess of 14 hours per week. The increased service utilization has led to significant expenditure growth in this area of the Medicaid budget.

Waiver Services. The Home Care waiver provides an additional package of services to more than 7,000 recipients with disabilities who have an institutional level of care. These services include home delivered meals, supplemental adaptive/assistive living devices, out-of-home respite care, and adult day health services.

The budget act gives authority to the Director of JFS to request an additional waiver that will permit the existing Home Care waiver to be divided into two programs with more specifically targeted services and cost controls. The replacement programs will have a maximum number of enrollees, a maximum amount that may be spent for each enrollee each year, and a maximum aggregate amount that may be expended for all enrollees each year. Furthermore, the budget act allows the elimination of the Ohio Home Care program after all eligible individuals have been transferred to the replacement programs.

The Department of Job and Family Services is also allowed to continue the work undertaken in early 2003 to reform the state plan portion of the Home Care program. The more immediate savings expected to occur under this reform will result from new cost ceilings to restrict the monthly service costs of some existing Home Care waiver recipients. The Department of Job and Family Services estimates that the state will avoid approximately $3.5 million in FY 2004 and $21.4 million in FY 2005 in potential costs as a result of this initiative.

Among the additional reforms under consideration is an adjustment to the state plan that would restrict the limit on nursing and daily living to 14 hours or less per week for adults. This change would affect Medicaid waiver programs administered by other state agencies. While adult recipients would continue to have access to Core services through waivers, they would no longer be able to access Core Plus services to support and augment waiver services. According to JFS, eliminating private duty nursing services and Core Plus home care services in the state Medicaid program would contribute significantly to a reduced rate of growth in the cost of Medicaid home care services in the long run.

Ohio Access Success Project

H.B. 94 of the 124th General Assembly authorized the Director of JFS 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.

The budget act continues the Ohio Access Success Project. To the extent funds are available, the Ohio Access Success Project may provide benefits to help a Medicaid recipient make the transition from a nursing facility to a community setting. The Department plans to spend up to $350,000 in each fiscal year to provide one-time transitional benefits under the Ohio Access Success Project.

Medicaid Coverage for Parents

The budget act does not include a specific provision regarding Medicaid coverage for parents. The enacted version of H.B. 95 of the 125th General Assembly does not include a provision included in earlier versions that would have required the Director of JFS to seek federal approval to eliminate the expansion of Medicaid eligibility for parents up to 100% of the FPG. Further, the enacted version includes the use of new federal Medicaid funds available under recently enacted the federal Jobs and Growth Tax Relief

Reconciliation Act of 2003. The Department of Job and Family Services is to continue to cover certain parents with family income not exceeding 100% of FPG to the same extent as in the FY 2002-2003 biennium because of the federal restrictions associated with state access to the additional federal funds. The Department of Job and Family Services estimates that coverage for this population will cost the state approximately $9.6 million in FY 2004 and $71.5 million in FY 2005.

Disability Medical Assistance Program

Under prior law, the Disability Assistance program consisted of a financial assistance component and medical assistance component. The budget act separates the Disability Assistance program into the Disability Financial Assistance program and the Disability Medical Assistance program (DA Medical). Distinct requirements, eligibility determination procedures, administrative rules, and potential limitations are to be established by JFS for each of the programs.

In prior years the medical assistance component of the Disability Assistance program provided a limited health care benefit package to non-Medicaid eligible individuals based on income, resources, and severity of disability. The program supported individuals while they were applying for long-term federal disability benefits. The benefit package was a limited version of the primary and acute care services offered to consumers through Medicaid. Services were limited to prescription drugs, physician, clinic, restricted dental service, and restricted durable medical equipment services. Hospital services for this population were provided through HCAP.

Expenditures for the medical assistance component of the Disability Assistance program are not eligible for federal reimbursement because the recipients are not Medicaid eligible. In recent years the medical assistance component of the Disability Assistance program has experienced a period of significant growth, both in caseload and expenditures:

Fiscal Year	Avg. Caseload	Change	Expenditures	Change
2001	17,375	11.6%	$54.2 million	24.0%
2002	22,049	26.9%	$67.9 million	25.3%
2003 estimated	25,905	17.5%	$95.7 million	41.0%

The budget act allows the Director of JFS to enact reforms necessary to contain projected costs. Some possibilities include limiting the following: the number of individuals who are eligible for the program, the benefit package, utilization, and the amount of time an individual can receive DA Medical benefits. Specifically, JFS plans to hold DA Medical expenditures to 6% growth in FY 2004 and 0% growth in FY 2005. The Department of Job and Family Services estimates that the state will avoid approximately $21.6 million in FY 2004 and $47.4 million in FY 2005 in potential costs for DA Medical as a result.

Hospital Care Assurance Program (Appropriation Line Items 600-649, Hospital Care Assurance Program Fund, and 600-650, Hospital Care Assurance Match)

The Hospital Care Assurance Program (HCAP) is Ohio's version of the federally required Disproportionate Share Hospital program. It provides hospital services support for persons whose income falls at or below 100% of the FPG 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 JFS. Assessments and intergovernmental transfers are made in periodic installments. The Department of Job and Family Services 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 appropriation line item 600-650, and the state funds (assessment revenues) are appropriated in appropriation line item 600-649. A portion of the money generated from the first installment of assessments and intergovernmental transfers during each program year beginning in an odd-numbered calendar year is deposited into the Legislative Budget Services Fund. Also, of the amount JFS receives during FYs 2004 and 2005 from the first installment of assessments and intergovernmental transfers made under HCAP, the Director is to deposit $350,000 into the state treasury to the credit of the Health Care Services Administration Fund, which is to be used to pay costs of administering the Medicaid program.

Termination of HCAP is delayed by the budget act from October 16, 2003 to October 16, 2005. The Director of JFS is given authority to set penalties for failure of hospitals to comply with HCAP reporting requirements. The budget act also shifts the deposit of HCAP penalty revenue from the General Revenue Fund (GRF) to the Health Care Services Administration Fund.

The FY 2003 spending level for HCAP was $560.6 million under line items 600-650 and 600-649. The total appropriation for HCAP through both line items 600-650 and 600-649 is $506.7 million in FY 2004 and $520 million in FY 2005. The decrease in the appropriation for HCAP from FY 2003 to FY 2004, and the increase in the appropriation from FY 2004 to FY 2005, are due to the changes in the federal allotment for HCAP.

Health Care Services Administration (Appropriation Line Item 600-654, Health Care Services Administration)

The budget act increases funding for line item 600-654, Health Care Services Administration, by $4.2 million in FY 2004 (above FY 2003 appropriation level), and decreases by $1.5 million in FY 2005 (below FY 2004 appropriations). According to JFS, the appropriation amount in FY 2004 is higher than FY 2005 because of start-up, operational, and new staff training costs.

S.B. 261 of the 124th General Assembly created the Health Care Services Administration Fund (Fund 5U3) and specified its sources of funding. The bill provided $3,419,405 in appropriations for FY 2003 to line item 600-623, Health Care Federal, and $3,419,405 in appropriations for FY 2003 to line item 600-654, Health Care Services Administration, which was newly created in the bill. The bill specified that line item 600-654 was to be used by JFS for costs associated with the administration of the Medicaid program. The bill permitted the Director of JFS, for FY 2003, to deposit into Fund 5U3 any revenue received from federal reimbursement for allowable Medicaid administrative expenditures made by state or local entities. The bill also provided $175,000 of the amount received during FY 2003, from the first installment of assessments on hospitals for HCAP and intergovernmental transfers under HCAP, to be deposited into the state treasury to the credit of Fund 5U3.

The budget act requires that $350,000 of the amount received each fiscal year during FYs 2004 and 2005, from the first installment of assessments on hospitals for HCAP and intergovernmental transfers under HCAP, be deposited into Fund 5U3.

The Department of Job and Family Services plans to use these funds to hire additional staff and pay for contracted services for various purposes that, according to JFS, will result in cost avoidance for the Department. Those various purposes include:

- Safeguarding Medicaid funds that are distributed to other state agencies to ensure proper use of the funds, which could result in fewer audit findings by the federal government that result in revenue loss to the state for the Medicaid program;

- Hiring more auditors to conduct audits of Medicaid providers to improve billing accuracy, and when appropriate, recover overpayments of Medicaid, and reduce fraud and abuse;

- Refinancing services currently funded with GRF and/or local funds in the mental retardation and developmental disabilities, education, and public health systems; and

- Developing care management strategies for Ohioans with higher medical needs.

Ohio Commission to Reform Medicaid (Appropriation Line Item 600-639, Commission to Reform Medicaid)

The budget act creates the Ohio Commission to Reform Medicaid. The Commission is required to conduct a comprehensive review of Ohio's Medicaid program. The budget act appropriates $125,000 in each fiscal year in a newly created GRF appropriation item 600-439, Commission to Reform Medicaid, to be used to fund the Ohio Commission to Reform Medicaid.

Federal Jobs and Growth Tax Relief Reconciliation Act of 2003

The federal Jobs and Growth Tax Relief Reconciliation Act of 2003 temporarily increases the share of Medicaid expenditures that the federal government will pay.

The budget act requires that for the third and fourth calendar quarters of federal fiscal year (FFY) 2003 and the first, second, and third calendar quarters of FFY 2004, the reimbursement rate for all Medicaid service expenditures paid by state or local entities shall be at the non-enhanced FMAP rate.

In addition, during the quarters that the enhanced FMAP is authorized, the budget act requires JFS to deposit the amount of federal revenue attributable to the enhanced FMAP that is being made available into the newly created Federal Fiscal Relief Fund. The disposition of cash from this new fund is to occur as follows:

1. On a schedule to be determined by the Office of Budget and Management, the Director of Budget and Management is to make cash transfers to the newly created Medicaid Reserve Fund. The total amount transferred shall be $18,611,156 in FY 2004 and $90,851,972 in FY 2005. The Director of Job and Family Services is required to make requests to the Director of Budget and Management as necessary to increase the appropriation in appropriation item 600-525, Health Care/Medicaid. The Director of Budget and Management is required to transfer the state share of such amounts from the Medicaid Reserve Fund to the General Revenue Fund. The transferred amount plus the federal share associated with this amount is appropriated. The Department of Job and Family Services is required to use this appropriation authority to pay claims for Medicaid services.

2. After the amounts have been transferred, the Director of Budget and Management is required to transfer the remainder of cash in the Federal Fiscal Relief Fund to the General Revenue Fund on a schedule to be determined by the Office of Budget and Management.

CHILD WELFARE

Overview and Budget Issues

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

The final GRF appropriation amounts for the Children and Families program series is $229,731,362 in FY 2004, a 3.9% increase over FY 2003 actual expenditures, and $236,100,140 in FY 2005, a 2.8% increase over the FY 2004 appropriation amount.

Publicly Funded Child Care

In general, the state provides child care dollars to those families whose income levels fall below a certain threshold. The child care program currently serves more than 102,000 children. Since 1999, caseloads have increased 60% and expenditures have increased by an average of more than 25% annually. In FY 2003, JFS spent approximately $606 million on the child care program. Clients receiving child care benefits are required to pay a fee toward the cost of child care. Their fees range from a minimum of $0 per month, per child in care, to $108 per month, per child in care.

Traditional beneficiaries of publicly funded child care services include children and families who are: Ohio Works First (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 the federal poverty level (FPL). With some exceptions, 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 150% of FPL.

Under current law, whenever the Department determines that the anticipated future expenditures of the county departments of job and family services will exceed available federal and state funds for child care, the Director of JFS is to issue and implement an administrative order that specifies the priorities for expending the remaining available funds and issue instructions and procedures to be used by the county departments. Within the scope of the Director's discretion is the ability to change the eligibility requirements of the program. The Director may limit enrollment of new participants whose incomes are at or below a specified percentage of FPL, and/or disenroll existing participants with income above a specified percentage of FPL. However, Am. Sub. H.B. 95 of the 125th General Assembly prohibits the Director of JFS from reducing the initial and continued eligibility level for publicly funded child care below 150% of FPL during FYs 2004 and 2005.

The Department's spending plan for child care is based on the Department's forecast of child care caseloads and includes funding for those with incomes at or below 150% of FPL. The Department received sufficient funding to pay the cost of child care for those individuals. However, should caseloads exceed available resources, prohibiting the Director from reducing eligibility below 150% of FPL may require the Department to either find other ways to reduce costs of the child care program (i.e., reduce provider payments), increase revenue (i.e., increase copayments, though not likely to generate much revenue), or seek additional appropriations from the General Assembly for additional appropriations.

Am. Sub. H.B. 95 also prohibits the Director from disenrolling, during FYs 2004 and 2005, publicly funded child care program participants who have incomes at or below 165% of FPL, and do not otherwise cease to qualify for the program, if the family enrolled in the program before June 9, 2003 or when the family's income was at or below 150% of FPL. The Department's initial spending for publicly funded child day care includes expenditures from the Temporary Assistance for Needy Families (TANF) Block Grant (appropriation item 600-689) in the amounts of $190,825,450 in FY 2004 and $245,753,442 in FY 2005. The Department plans to use an additional $20.0 million in TANF each fiscal year and $4.0 million of its GRF appropriations in FY 2005 to pay the cost associated with allowing certain publicly funded child care program participants who have incomes at or below 165% of FPL to continue to receive benefits during FYs 2004 and 2005.

Am. Sub. H.B. 95 also provides that federal funds available under the TANF block grant are among the funds JFS may use for publicly funded child day care. In the past, the Department has transferred TANF dollars into the Child Care and Development Fund (CCDF). Funds transferred into the CCDF become CCDF moneys, which means that 4% of those moneys must be spent on quality activities. This provision of the bill will allow the Department to directly charge the TANF Block Grant for child day care costs.

Head Start Plus

Head Start, as it exists now, is a part-day, part-year child development program that serves children age three to school age. Head Start programs are intended to promote school readiness of low income children by enhancing their social and cognitive development. Head Start providers may deliver full-day services by collaborating with local child care providers.

During FY 2004, Head Start will continue to function as it does under current law. The funding available for Head Start in FY 2004 is $68,170,000 ($11,000,000 GRF and $57,170,000 TANF), which will allow 11,600 children to receive state funded services under the program. (Funding for Head Start in FY 2003 was approximately $98.0 million, which allowed 18,000 children to receive state funded Head Start services.)

Am. Sub. H.B. 95 creates, beginning in FY 2005, the Head Start Plus program, which will provide child care settings with an enhanced program that meets the purposes of the Head Start program and meets families' needs for all-day, year-round child care. Given the available funding for Head Start Plus, 10,000 children will receive services through Head Start Plus, 4,000 children will receive services through traditional Head Start. The Department of Job and Family Services is planning to fund part of the Head Start Plus initiative with TANF dollars. Total funding for the Head Start/Head Start Plus initiative in FY 2005 is $115,184,000 ($5,000,000 GRF and $110,184,000 TANF).

The budget act also creates the Head Start Partnership Study Council to assist and advise the departments of Education and Job and Family Services in planning and implementing the new Head Start program. The Council must report to the General Assembly by December 31, 2003.

In addition, beginning September 1, 2005 JFS will be the sole agency responsible for licensing Head Start agencies. The Department's administrative costs are likely to increase (decrease for the Department of Education) once JFS begins licensing Head Start programs.

The budget act earmarks $57,170,000 in FY 2004 of appropriation item 600-689, TANF Block Grant, for the Head Start program. Of that amount, $5,000,000 is to be used to increase the number of Head Start slots in FY 2004. It also earmarks $110,184,000 in FY 2005 of appropriation item 600-689, TANF Block Grant, for the Head Start Plus program. Of that amount, $5,000,000 is to be used to ensure that Head Start Plus provider payments are at least $8,500 per year in FY 2005.

State Matching Funds for Independent Living for Young Adults

Am. Sub. H.B. 95 eliminates a requirement that JFS provide state matching funds needed to qualify for federal funds to facilitate the provision of independent living services for young adults who were in foster care.

The Foster Care Independence Act of 1999 established the John H. Chafee Foster Care Independence Program. The Act increased funding for independent living services. Independent living services are designed to aid children and young adults in successfully transitioning from foster care to independent adult living. Based on the federal funds available in federal fiscal year (FFY) 2002 ($4.3 million), former law required JFS to provide an estimated $860,000 in state matching funds to access the federal funds.

According to JFS, under this provision of the bill, funds otherwise used for state match will be consolidated into the general child welfare subsidy, which will allow the counties to use the funds to meet their program needs. This provision will not affect the amount of federal dollars that Ohio may draw down.

Recovery of Foster Care and Adoption Assistance Funds

Am. Sub. H.B. 95 provides for the Attorney General to take recovery actions if an inclusion or omission in a cost report for reimbursement for foster care or adoption assistance services causes a federal disallowance. In addition, the budget act makes government entities that provide federally reimbursable child placement services subject to fiscal accountability requirements applicable to public children services agencies, private child placing agencies, and private noncustodial agencies. The budget act also requires that rules governing Title IV-E foster care and adoption assistance requirements applicable to private child placing agencies and private noncustodial agencies be adopted in accordance with the Administrative Procedure Act.

These provisions of the budget act will enable JFS to recover misspent funds from foster care service providers that were identified in the audits performed by the Auditor of State. Some of the audit findings resulted in JFS having to refund federal revenue. By recovering funds from the providers, JFS will not have to completely absorb the loss of federal funds.

Adoption Subsidies

Am. Sub. H.B. 95 revises as follows the law regarding provision of State Adoption Maintenance Subsidy (SAMS) payments on behalf of a child:

- Requires payments to be made by either the public children services agency that had custody of the child before adoption or the public children services agency of the county in which the private child placing agency that had permanent custody of the child before adoption is located;
- Requires the Department of Job and Family Services (JFS) to establish by rule, a method to determine the amount of assistance available for a child; and

- Restricts public children services agencies from providing services using moneys other than state funds appropriated for that purpose.

Am. Sub. H.B. 95 revises as follows the law regarding provisions of Post Adoption Special Services Subsidy (PASSS) payments on behalf of a child:

- Requires JFS to establish clinical standards to evaluate a child's post-adoption condition and assess the child's need for assistance;
- Eliminates requirement that each agreement undergo an annual redetermination of need process;
- Limits to $10,000 ($15,000 if there are extraordinary circumstances) the value of services the child may receive during a single year;
- Requires the adoptive parent to pay at least 5% of the total cost of services provided the child; and
- Requires JFS to adopt rules establishing a method to determine the amount, duration, and scope of assistance to be provided a child.

In addition, the budget act permits the adoption of any other rules JFS considers necessary for the implementation of the SAMS or PASSS program. It also removes the fiscal penalty imposed on a public children services agency that fails to report to JFS the placement or maintenance of certain special needs children and allows JFS to take disciplinary action against a public children services agency that fails to report to JFS on the placement or maintenance of certain special needs adopted children.

According to JFS, the adoption subsidy program has historically been forced to cease or restrict operations before the close of each fiscal year because demand exceeded available funding. According to JFS, this change will allow the program to remain open longer and serve more children with existing available resources.

Am. Sub. H.B. 95 makes changes to the various adoption subsidy programs operated by JFS. The budget act eliminates the State Adoption Special Services Subsidy (SASSS) program, which was suppose to provide assistance to parents of adopted children who require special medical or psychological services. According to JFS, that program never came into existence. Therefore, eliminating that particular program will not have a fiscal effect on the adoption subsidy program.

Surplus Money in Putative Father Registry Fund

Am. Sub. H.B. 95 allows JFS to use surplus funds in the Putative Father Registry Fund to finance the Department's costs of developing, publishing, and distributing forms and materials the Department is required to create and provide to parents who voluntarily deliver a child to an emergency medical service worker, peace officer, or hospital employee. Am. Sub. H.B. 95 also permits the Department to use surplus moneys in the fund to promote the adoption of children with special needs. The budget act includes appropriations for this purpose in the amount of $300,000 in each fiscal year.

CHILD SUPPORT

Overview and Budget Issues

Title IV-D of the Social Security Act of 1975 designates the Ohio Department of Job and Family Services (JFS) as Ohio's Child Support Enforcement Agency. The Act requires JFS 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. The child support program supports over 900,000 cases statewide, which assists almost one million Ohio children. In FY 2002, Ohio collected and disbursed approximately $1.8 billion of child support. Of the amount collected, 66.8% was current support obligations. In FY 2002, approximately $153.8 million was added to arrears.

The final GRF appropriation amount for child support (appropriation items 600-420, Child Support Administration and 600-502, Child Support Match) is $21.9 million in each fiscal year. The GRF appropriation amount for child support in FY 2004 and FY 2005 is essentially flat funding from actual expenditures in FY 2003. At this funding level, OCS and the county CSEAs will be able to provide basic services to their customers.

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 four 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 2002, 15,340 cases were resolved resulting in establishing fathers for 8,041 children. Currently, the federal government reimburses 90% for the cost of genetic testing.

The final funding level allows the state to continue to provide statewide genetic testing through the four vendors. The Department will be able to maintain, but not expand the contracts with the current three vendors that aid in support collection and enforcement. The collections contracts are expected to cost $6,050,000 each year ($2,057,000 GRF and $3,993,000 federal). Since these contractors are paid on a contingent basis, the expected costs of the contracts would result in approximately an additional $46.5 million of support collected each year.

Support Enforcement Tracking System (SETS)

The Family Support Act of 1988 mandated that each state develop an automated system to manage child support enforcement by October 1, 1995. The Ohio automated system aids in the location of absent parents, and the establishment, enforcement, tracking, and reporting of child support cases. In Ohio, the system is called SETS. SETS is one of the largest statewide child support systems in the nation. The system maintains data on 1.9 million parents and children seeking child support payments and 634,000 cases. There are approximately 4,000 SETS users statewide.

While SETS was being implemented, Ohio failed on several occasions to comply with federally imposed deadlines and as a result paid millions of dollars in federal fines. Full conversion of cases to SETS was complete by September 30, 2000 and Ohio received conditional certification from the federal government. The federal government returned in the spring of 2003 to review a few outstanding issues with SETS. There are still three issues with SETS that the Department must address before receiving full certification. No further penalties were accessed and no additional penalties are expected.

Executive Ordered Repayment

Am. S.B. 170 of the 124th General Assembly requires each county child support enforcement agency to review certain child support cases to determine if disbursements of the support payments were made in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The case reviews were to be conducted to ensure that once the federal law took effect, payments were made in accordance with PRWORA and with retroactive application of certain PRWORA requirements in accordance with the time frame set forth by Executive Order 2001-15T. If the case reviews reveal that support payments to certain individuals were not distributed in accordance with PRWORA requirements during the specified time frames, then under S.B. 170, JFS is required to make payments to those individuals. The payments that JFS must make are to represent the amount of child support arrearage payments that the individual would have received if the PRWORA requirements had been implemented.

The review of these cases is almost complete. The Department has repaid in excess of $14.0 million to over 61,500 families. In addition, over 41,000 families have received notices indicating their cases have been reviewed, but they are not entitled to a repayment. Am. Sub. H.B. 95 of the 125th General Assembly includes the funding necessary for the remaining review and repayment of child support payments in accordance with the executive order.

Line Item Detail by Agency

Report For: Main Operating Appropriations Bill **Version:** Enacted

JFS Job and Family Services, Department of

			FY 2001:	FY 2002:	FY 2003:	FY 2004 Appropriations:	% Change 2003 to 2004:	FY 2005 Appropriations:	% Change 2004 to 2005:
GRF	600-100	Personal Services	$ 55,294,474	$ 71,835,960	$313,649	$ 0	-100.00%	$ 0	N/A
GRF	600-200	Maintenance	$ 22,886,898	$ 23,916,618	$1,012,763	$ 0	-100.00%	$ 0	N/A
GRF	600-300	Equipment	$ 458,288	$ 528,111	$133,640	$ 0	-100.00%	$ 0	N/A
GRF	600-321	Support Services	----	----	$54,498,761	$ 69,537,296	27.59%	$ 65,736,930	-5.47%
GRF	600-402	Electronic Benefits Transfer (EBT)	$ 11,230,219	$ 15,169,330	$2,843,666	$ 0	-100.00%	$ 0	N/A
GRF	600-405	Family Violence Prevention Program	$ 715,078	$ 90,631	$0	$ 0	N/A	$ 0	N/A
GRF	600-406	Workforce Development	$ 314,327	----	$0	$ 0	N/A	$ 0	N/A
GRF	600-407	Unemployment Insurance/Employment	$ 22,579,652	$ 1,168	$0	$ 0	N/A	$ 0	N/A
GRF	600-408	Labor Market Projections	$ 147,023	----	$0	$ 0	N/A	$ 0	N/A
GRF	600-410	TANF State	$ 259,428,144	$ 268,461,459	$268,622,755	$ 272,619,061	1.49%	$ 272,619,061	0.00%
GRF	600-411	TANF Federal Block Grant	$ 541,453,386	$ 14,723,719	$0	$ 0	N/A	$ 0	N/A
GRF	600-413	Child Care Match/MOE	$ 89,162,077	$ 84,120,596	$84,118,257	$ 84,120,596	0.00%	$ 84,120,596	0.00%
GRF	600-414	Apprenticeship Council	$ 172,018	----	$0	$ 0	N/A	$ 0	N/A
GRF	600-416	Computer Projects	$ 108,520,778	$ 134,189,609	$140,271,621	$ 151,095,442	7.72%	$ 151,400,454	0.20%
GRF	600-420	Child Support Administration	$ 4,367,517	$ 5,349,447	$5,137,221	$ 5,091,446	-0.89%	$ 5,091,446	0.00%
GRF	600-421	Office of Family Stability	----	----	$3,962,170	$ 4,864,932	22.78%	$ 4,864,932	0.00%
GRF	600-422	Local Operations	----	----	$2,232,474	$ 2,305,232	3.26%	$ 2,305,232	0.00%
GRF	600-423	Office of Children and Families	----	----	$4,130,122	$ 5,000,000	21.06%	$ 5,000,000	0.00%
GRF	600-424	Office of Workforce Development	----	----	$802,164	$ 877,971	9.45%	$ 877,971	0.00%
GRF	600-425	Office of Ohio Health Plans	----	----	$34,351,227	$ 43,793,456	27.49%	$ 45,099,242	2.98%
GRF	600-426	Children's Health Insurance Plan	$ 23,957,445	$ 47,106,345	$0	$ 0	N/A	$ 0	N/A
GRF	600-427	Child and Family Services Activities	$ 2,737,524	$ 1,729,121	$542,093	$ 0	-100.00%	$ 0	N/A
GRF	600-428	Wellness Block Grant	$ 14,158,152	----	$0	$ 0	N/A	$ 0	N/A
GRF	600-429	Women's Programs	$ 464,638	----	$0	$ 0	N/A	$ 0	N/A
GRF	600-434	Nutrition Programs	$ 2,548,603	----	$0	$ 0	N/A	$ 0	N/A
GRF	600-435	Unemployment Compensation Review	----	$ 3,688,522	$3,151,998	$ 3,188,473	1.16%	$ 3,188,473	0.00%
GRF	600-436	Medicaid Systems Enhancements	----	$ 32,125	$0	$ 0	N/A	$ 0	N/A
GRF	600-439	Commission to Reform Medicaid	----	----		$ 125,000	N/A	$ 125,000	0.00%
GRF	600-502	Child Support Match	$ 20,765,684	$ 17,369,467	$16,803,024	$ 16,814,103	0.07%	$ 16,814,103	0.00%

Line Item Detail by Agency			FY 2001:	FY 2002:	FY 2003:	FY 2004 Appropriations:	% Change 2003 to 2004:	FY 2005 Appropriations:	% Change 2004 to 2005:
JFS	**Job and Family Services, Department of**								
GRF	600-504	Non-TANF County Administration	$ 74,483,825	$ 67,150,231	$859,444	$ 0	-100.00%	$ 0	N/A
GRF	600-511	Disability Financial Assistance	$ 71,441,628	$ 87,222,475	$24,487,575	$ 22,839,371	-6.73%	$ 22,839,371	0.00%
GRF	600-512	Non-TANF Emergency Assistance	$ 4,218,417	$ 1,062,815	$0	$ 0	N/A	$ 0	N/A
GRF	600-521	Family Stability Subsidy	----	----	$58,040,559	$ 55,206,401	-4.88%	$ 55,206,401	0.00%
GRF	600-522	Burial Claims	$ 1,211,575	$ 91,187	$0	$ 0	N/A	$ 0	N/A
GRF	600-523	Children and Families Subsidy	----	----	$69,897,771	$ 69,846,563	-0.07%	$ 69,846,563	0.00%
GRF	600-525	Health Care/Medicaid	$ 6,479,302,550	$ 7,126,610,366	$8,008,531,527	$ 8,839,985,860	10.38%	$ 9,305,614,950	5.27%
GRF	600-527	Child Protective Services	$ 55,095,487	$ 58,633,007	$209,307	$ 0	-100.00%	$ 0	N/A
GRF	600-528	Adoption Services	$ 51,762,347	$ 60,427,409	$63,618,210	$ 70,764,203	11.23%	$ 77,132,981	9.00%
GRF	600-534	Adult Protective Services	$ 3,031,333	$ 2,738,097	$70,112	$ 0	-100.00%	$ 0	N/A
GRF	600-552	County Social Services	$ 11,909,349	$ 10,219,677	$277,055	$ 0	-100.00%	$ 0	N/A
General Revenue Fund Total			**$ 7,933,818,438**	**$ 8,102,467,493**	**$ 8,848,919,165**	**$ 9,718,075,406**	**9.82%**	**$ 10,187,883,706**	**4.83%**
613	600-645	Training Activities	----	$ 23,556	$14,730	$ 135,000	816.50%	$ 135,000	0.00%
4A8	600-658	Child Support Collections	$ 42,097,618	$ 42,303,897	$43,821,149	$ 27,255,646	-37.80%	$ 26,680,794	-2.11%
4R4	600-665	BCII Service Fees	$ 7,201	$ 7,163	$7,469	$ 136,974	1,733.90%	$ 136,974	0.00%
5C9	600-671	Medicaid Program Support	$ 66,976,461	$ 50,771,239	$59,151,893	$ 54,686,270	-7.55%	$ 55,137,078	0.82%
5N1	600-677	County Technologies	----	----	$276,983	$ 5,000,000	1,705.16%	$ 5,000,000	0.00%
General Services Fund Group Total			**$ 109,081,280**	**$ 93,105,855**	**$ 103,272,224**	**$ 87,213,890**	**-15.55%**	**$ 87,089,846**	**-0.14%**
316	600-602	State and Local Training	$ 2,268,595	$ 6,476,523	$7,983,451	$ 11,212,594	40.45%	$ 11,249,282	0.33%
327	600-606	Child Welfare	$ 8,609,288	$ 19,167,206	$19,645,815	$ 29,119,408	48.22%	$ 28,665,728	-1.56%
384	600-610	Food Stamps and State Administration	$ 74,749,539	$ 87,253,366	$97,938,456	$ 134,560,572	37.39%	$ 135,141,694	0.43%
385	600-614	Refugee Services	$ 2,632,291	$ 3,408,461	$3,579,853	$ 5,793,656	61.84%	$ 5,841,407	0.82%
395	600-616	Special Activities/Child and Family Ser	$ 2,983,998	$ 2,283,396	$1,649,953	$ 3,975,821	140.97%	$ 3,975,821	0.00%
3H7	600-617	Child Care Federal	$ 236,674,197	$ 314,874,784	$335,422,802	$ 224,539,425	-33.06%	$ 235,045,596	4.68%
396	600-620	Social Services Block Grant	$ 49,676,213	$ 50,336,680	$37,703,685	$ 74,969,767	98.84%	$ 74,986,134	0.02%
3S5	600-622	Child Support Projects	$ 280,831	$ 277,962	$160,800	$ 534,050	232.12%	$ 534,050	0.00%
3F0	600-623	Health Care Federal	$ 152,660,702	$ 251,580,895	$316,865,254	$ 391,658,105	23.60%	$ 394,221,409	0.65%
397	600-626	Child Support	$ 204,035,181	$ 237,228,542	$240,065,342	$ 304,157,939	26.70%	$ 307,468,576	1.09%
398	600-627	Adoption Maintenance/Administration	$ 169,106,232	$ 184,958,968	$215,057,999	$ 339,957,978	58.08%	$ 340,104,370	0.04%
3N0	600-628	IV-E Foster Care Maintenance	$ 117,877,069	$ 119,103,085	$120,940,020	$ 173,963,142	43.84%	$ 173,963,142	0.00%

Line Item Detail by Agency

			FY 2001:	FY 2002:	FY 2003:	FY 2004 Appropriations:	% Change 2003 to 2004:	FY 2005 Appropriations:	% Change 2004 to 2005:
JFS	**Job and Family Services, Department of**								
3A2	600-641	Emergency Food Distribution	$ 1,777,005	$ 2,425,381	$1,997,708	$ 2,083,500	4.29%	$ 2,187,675	5.00%
3D3	600-648	Children's Trust Fund Federal	$ 731,712	$ 641,407	$871,685	$ 2,040,524	134.09%	$ 2,040,524	0.00%
3F0	600-650	Hospital Care Assurance Match	$ 309,093,463	$ 320,551,643	$329,495,855	$ 298,128,308	-9.52%	$ 305,879,644	2.60%
3G5	600-655	Interagency Reimbursement	$ 724,031,893	$ 788,027,514	$977,276,055	$ 1,180,523,642	20.80%	$ 1,245,244,536	5.48%
3G9	600-657	Special Activities Self Sufficiency	$ 520,301	$ 377,853	$391,950	$ 0	-100.00%	$ 0	N/A
3W3	600-659	TANF/ Title XX	----	----	$22,710,087	$ 88,994,049	291.87%	$ 93,498,158	5.06%
3V0	600-662	WIA Ohio Option #7	----	----	$82,648,878	$ 87,407,014	5.76%	$ 89,352,850	2.23%
3V4	600-678	Federal Unemployment Programs	----	$ 64,445,475	$96,263,783	$ 153,690,682	59.66%	$ 154,111,608	0.27%
3V4	600-679	Unemployment Compensation Review	----	$ 1,616,355	$2,625,381	$ 3,097,320	17.98%	$ 2,860,297	-7.65%
365	600-681	JOB Training Program	$ 21,232,216	$ 19,034,130	$1,483,604	$ 5,000,000	237.02%	$ 0	-100.00%
331	600-686	Federal Operating	$ 101,658,727	$ 38,610,316	$40,956,746	$ 48,237,185	17.78%	$ 47,340,081	-1.86%
3V0	600-688	Workforce Investment Act	$ 62,989,353	$ 104,268,250	$68,607,612	$ 93,636,390	36.48%	$ 94,932,750	1.38%
3V6	600-689	TANF Block Grant	----	$ 569,408,004	$563,722,208	$ 786,095,609	39.45%	$ 845,909,688	7.61%
3V6	600-690	Wellness	----	$ 13,137,155	$12,567,447	$ 0	-100.00%	$ 0	N/A
Federal Special Revenue Fund Group Total			**$ 2,243,588,806**	**$ 3,199,493,350**	**$ 3,598,632,429**	**$ 4,443,376,680**	**23.47%**	**$ 4,594,555,020**	**3.40%**
600	600-603	Third-Party Recoveries	$ 885,771	$ 1,531,612	$0	$ 0	N/A	$ 0	N/A
4E7	600-604	Child and Family Services Collections	----	$ 58	$0	$ 300,000	N/A	$ 300,000	0.00%
4E3	600-605	Nursing Home Assessments	$ 7,353	($1,774)	$56,892	$ 4,759,913	8,266.58%	$ 4,759,914	0.00%
4A9	600-607	Unemployment Compensation Admin F	$ 7,782,037	$ 7,038,595	$126,666	$ 8,001,000	6,216.61%	$ 8,001,000	0.00%
5R2	600-608	Medicaid-Nursing Facilities	----	$ 56,531,059	$98,585,728	$ 113,754,184	15.39%	$ 113,754,184	0.00%
4F1	600-609	Foundation Grants/Child & Family Servi	----	$ 98,380	$0	$ 119,310	N/A	$ 119,310	0.00%
4J5	600-613	Nursing Facility Bed Assessments	$ 29,707,332	$ 43,415,949	$33,878,723	$ 35,060,013	3.49%	$ 35,064,238	0.01%
4J5	600-618	Residential State Supplement Payment	$ 14,139,057	$ 13,935,742	$13,681,359	$ 15,700,000	14.75%	$ 15,700,000	0.00%
5Q9	600-619	Supplemental Inpatient Hospital Payme	----	----	$11,779,720	$ 30,797,539	161.45%	$ 30,797,539	0.00%
4K1	600-621	ICF/MR Bed Assessments	$ 24,846,488	$ 20,007,768	$21,419,351	$ 20,467,050	-4.45%	$ 20,428,726	-0.19%
4Z1	600-625	Healthcare Compliance	$ 421,720	$ 925,689	$899,953	$ 10,000,000	1,011.17%	$ 10,000,000	0.00%
5S3	600-629	MR/DD Medicaid Administration and O	----	----	$245,350	$ 1,620,960	560.67%	$ 1,620,960	0.00%
5E6	600-634	State Option Food Stamps	----	$ 5,297,303	$5,176,393	$ 0	-100.00%	$ 0	N/A
3W8	600-638	Hippy Program	----	$ 62,500	$0	$ 0	N/A	$ 0	N/A
3W9	600-640	Adoption Connection	----	$ 50,000	$0	$ 0	N/A	$ 0	N/A
198	600-647	Children's Trust Fund	$ 2,382,201	$ 2,786,937	$2,860,319	$ 4,336,109	51.60%	$ 4,336,109	0.00%

Line Item Detail by Agency

			FY 2001:	FY 2002:	FY 2003:	FY 2004 Appropriations:	% Change 2003 to 2004:	FY 2005 Appropriations:	% Change 2004 to 2005:
JFS	**Job and Family Services, Department of**								
651	600-649	Hospital Care Assurance Program Fun	$ 217,740,460	$ 222,480,309	$231,061,911	$ 208,634,072	-9.71%	$ 214,058,558	2.60%
5T2	600-652	Child Support Special Payment	----	----	$12,869,481	$ 1,500,000	-88.34%	$ 750,000	-50.00%
5U3	600-654	Health Care Services Administration	----	----	$135,208	$ 7,576,322	5,503.46%	$ 6,119,127	-19.23%
5U6	600-663	Children and Family Support	----	----	$1,197,811	$ 4,929,718	311.56%	$ 4,929,718	0.00%
4N7	600-670	Wellness Block Grant	$ 1,000,000	----	$0	$ 0	N/A	$ 0	N/A
4G1	600-683	Interagency Agreements	$ 45,493	----	$0	$ 0	N/A	$ 0	N/A
557	600-684	Apprenticeship Council Conference	$ 31,697	----	$0	$ 0	N/A	$ 0	N/A
5A5	600-685	Unemployment Benefit Automation	$ 3,231,898	$ 1,493,492	$7,809,680	$ 14,000,000	79.26%	$ 0	-100.00%
4R3	600-687	Banking Fees	$ 314,920	$ 404,000	$655,364	$ 892,000	36.11%	$ 892,000	0.00%
5P4	600-691	TANF Child Welfare	----	$ 2,163,229	$9,672,179	$ 0	-100.00%	$ 0	N/A
5P5	600-692	Health Care Services	----	$ 258,544,053	$353,153,059	$ 492,932,514	39.58%	$ 515,947,439	4.67%
3W3	600-696	Non-TANF Adult Assistance	----	$ 1,000,000	$0	$ 0	N/A	$ 0	N/A
State Special Revenue Fund Group Total			**$ 302,536,426**	**$ 637,764,900**	**$ 805,265,147**	**$ 975,380,704**	**21.13%**	**$ 987,578,822**	**1.25%**
5B6	600-601	Food Stamp Intercept	$ 442,797	$ 1,263,289	$1,169,823	$ 5,000,000	327.42%	$ 5,000,000	0.00%
583	600-642	Support Intercept-State	$ 15,434,147	$ 14,718,542	$13,150,190	$ 20,565,582	56.39%	$ 20,565,582	0.00%
192	600-646	Support Intercept-Federal	$ 106,889,760	$ 97,951,642	$93,516,410	$ 136,500,000	45.96%	$ 136,500,000	0.00%
Agency Fund Group Total			**$ 122,766,703**	**$ 113,933,474**	**$ 107,836,423**	**$ 162,065,582**	**50.29%**	**$ 162,065,582**	**0.00%**
R12	600-643	Refunds and Audit Settlements	$ 10,673	$ 46,364	$3,523,314	$ 5,343,906	51.67%	$ 5,343,906	0.00%
R13	600-644	Forgery Collections	----	----	$0	$ 700,000	N/A	$ 700,000	0.00%
Holding Account Redistribution Fund Group Total			**$ 10,673**	**$ 46,364**	**$ 3,523,314**	**$ 6,043,906**	**71.54%**	**$ 6,043,906**	**0.00%**
Job and Family Services, Department of Total			***$ 10,711,802,327***	***$ 12,146,811,435***	***$ 13,467,448,702***	***$ 15,392,156,168***	***14.29%***	***$ 16,025,216,882***	***4.11%***