



STATEHOUSE REPORT

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Bill to set child welfare rates introduced; Scioto County Commissioner Powell speaks at press conference

On Wednesday, Representatives Justin Pizzulli and Darnell Brewer hosted a [press conference](#) introducing [House Bill 984](#), which would set rate caps for child welfare placement costs. Scioto County Commissioner Scottie Powell and Scioto County JFS Director Tammy Moore Morton joined the representatives to provide insight into Scioto County's child welfare challenges.

HB 984 requires the Department of Children and Youth (DCY) to develop and administer a system to establish payment rates for the placement and care of children in DCY licensed settings, including foster homes, residential facilities, and group homes. It includes an emergency clause, which would make the bill effective immediately upon the governor's signature. These bills require a 2/3 affirmative vote to pass, rather than a simple majority.

The bill also requires DCY to consult with county public children services agencies (PCSAs), boards of county commissioners, and licensed providers when developing the rates. The rates that are set through the process would be the maximum allowable payment rate that a county could pay for the placement of the child. The legislation allows rates to be adjusted every two years.

HB 984 allows DCY to establish, through rule, exceptions to the traditional rates "for extraordinary or specialized placements and care." The Department is required to establish maximum rates for these types of care as well.

During the press conference, Reps. Pizzulli and Brewer highlighted the need to calm child placement costs that have soared in recent years, and the need for consistency and transparency in what counties are expected to pay. Rep. Pizzulli described the statewide situation in which the number of children in care has decreased while the costs have increased dramatically.

Commissioner Powell described Scioto County's fiscal position due to child welfare costs. In the last four years, the number of children in Scioto County custody has decreased by over 50%. Despite the significant reduction in children in care, the agency's placement costs are higher today than they were four years ago. Director Moore Morton shared that one child in Scioto County was on track to cost \$1 million in a single year.

Even though Scioto County voters approved a levy that tripled the revenue available for children services, the revenue is not covering the costs. Without change, the commissioners may be forced to cut other county services, including law enforcement and court services, to cover the difference.

"The most troubling part of this equation is even if we manage to cut \$4 million of expense of our \$24 million general fund, the problem is still not fixed. Rates can and will go up because there are no guardrails to prevent it," Commissioner Powell said.

Funding for child placement costs has been a CCAO priority. Counties across the state are seeing unsustainable rises in these costs. When a child enters custody, it is often hard to predict how much the county will be required to pay for placement.

In House Bill 96, the current state operating budget, the legislature passed language requiring DCY to establish rate cards using provider reported costs in response to an advocacy request from CCAO and the Public Children Services Association of Ohio (PCSAO). Congregate care providers (residential facilities and group homes) are required to participate, while foster homes may opt to participate. PCSAs will be able to collect federal Title IV-E reimbursement on all rates established through the rate card process.

DCY anticipates the rate cards will be effective January 1, 2027. If HB 984 passes in its current form, the rate card language in statute would be repealed and replaced with this new rate establishment process.

Earlier this week, CCAO [held a webinar](#) with PCSAO to provide commissioners with an overview of the children services system and [a deeper examination](#) of the stressors and cost drivers that are fueling the crisis that the rate card process and HB 984 both seek to address.

CCAO is reviewing HB 984 and will continue to keep members updated. Members with questions should contact Rachel Reedy at rreedy@ccao.org.