



STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

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January 17, 2025

Governor DeWine appoints Lt. Governor Husted to U.S. Senate

Governor Mike DeWine announced today that he appointed Lt. Governor Jon Husted to serve as Ohio's next United States senator.

Husted will replace JD Vance, who resigned from the Senate last week and will take office as the 50th vice president of the United States on Monday. Husted will remain lieutenant governor until he is sworn in at the U.S. Senate.

Governor DeWine stated during the press conference that he has not yet chosen a lieutenant governor to succeed Husted.

Legislative Committee assignments released; CCAO Formers hold prominent positions

Earlier this week, the House and Senate released their committee assignments for the 136th General Assembly. For the first time in recent memory, two CCAO formers will head the respective finance committees in each chamber. The finance committee is primarily responsible for crafting the state's two-year operating budget. That being said, CCAO formers who are chairs, vice-chairs, or ranking members of committees are:

- Representative Rodney Creech: House Agriculture Chair
- Representative Roy Klopfenstein: House Energy Vice-Chair
- Representative Brian Stewart: House Finance Chair
- Representative Sharon Ray: House General Government Chair
- Representative Bob Peterson: House Public Insurance and Pensions Chair
- Representative Kevin Ritter: House Workforce and Higher Education Vice Chair
- Senator Al Landis: Senate Addiction and Community Revitalization Chair and Senate Energy Vice-Chair
- Senator Jerry Cirino: Senate Finance Chair and Senate Higher Education Vice-Chair
- Senator Shane Wilkin: Senate Public Utilities Chair

The Ohio House of Representatives reduced the number of committees from the previous general assembly to 27 committees in total. It is expected that eight to ten committees will hear testimony on specific areas of the budget and then report back to the House Finance Committee. As of the posting of this article, House Minority Leader Russo has not made her committee appointments, so the article will only cover appointments made by the House majority.

Agriculture - Chair Creech, Vice Chair Newman, Barhorst; Dean; Hiner; Jones; Klopfenstein; Mullins; Peterson

Arts, Athletics, & Tourism - Chair Miller, M., Vice Chair Hiner, Deeter; Ghanbari; LaRe; Mathews, A.; Robb Blasdel; Swearingen; Thomas, D. (Former Ashtabula County Auditor)

Children & Human Services - Chair White, A., Vice Chair Salvo, Click; Deeter; Fowler Arthur; Miller, M.; Odioso; Ray; Richardson

Commerce & Labor - Chair Mark Johnson, Vice Chair Lear, Abrams; Claggett; Creech; Dean; Hoops; Kishman; Pizzulli

Community Revitalization - Chair Click, Vice Chair Mullins, Fowler Arthur; Gross; Hoops; Newman; Salvo; Swearingen; Teska

Development - Chair Hoops (Former Henry County Auditor), Vice Chair Lorenz, Dean; Demetriou; Fischer; Johnson; LaRe; Mathews, T.; Santucci

Education - Chair Fowler Arthur, Vice Chair Odioso, Bird; Click; Jones; Manning; Newman; Ritter; Thomas, J.

Energy - Chair Holmes, Vice Chair Klopfenstein, Dovilla; Fischer; Hall, T.; Kishman; Lear; Odioso; Peterson; Ray; Ritter; Robb Blasdel; Salvo; Thomas, D.; White, A.; Williams

Finance - Chair Stewart, Vice Chair Dovilla, Abrams; Bird; Callender; Hall, T.; Hoops; John; Johnson; Jones; Manning; Plummer; Ray; Ritter; Roemer; Schmidt; Thomas, J.; White, A.; Williams; Willis; Young

Financial Institutions - Chair Oelslager, Vice Chair Pizzulli, Ferguson; LaRe; Miller, K.; Schmidt; Stephens; Teska; Young

General Government - Chair Ray, Vice Chair Fischer, Bird; John; Manning; McClain; Miller, K.; Oelslager; Plummer

Government Oversight - Chair Hall, T., Vice Chair Ferguson, Claggett; Gross; King; Lear; Pizzulli; Stephens; Workman

Health - Chair Schmidt, Vice Chair Deeter, Barhorst; Craig; Gross; King; Miller, M.; Stewart; White, A.

Insurance - Chair Lampton, Vice Chair Craig, Barhorst; Daniels; Deeter; John; King; Lorenz; Peterson

Judiciary - Chair Thomas, J., Vice Chair Mathews, A., Callender; Odioso; Oelslager; Plummer; Stewart; Swearingen; Williams

Local Government - Chair Angie King (former Mercer County Recorder), Vice Chair Kishman, Abrams; Creech; Fowler Arthur; Klopfenstein; Lorenz; Schmidt; Stephens

Medicaid - Chair Gross, Vice Chair Barhorst, Craig; Ferguson; Lampton; Mullins; Oelslager; Roemer; Stephens

Natural Resources - Chair Don Jones, Vice Chair Robb Blasdel, Fischer; Hiner; Holmes; Johnson; Mathews, T.; Salvo; Workman

Public Insurance & Pensions - Chair Peterson, Vice Chair Teska, Bird; Claggett; Mathews, A.; Roemer; Swearingen; Thomas, D.; Young

Public Safety – Chair Abrams, Vice Chair Miller, K., Creech; Ghanbari; Hall, T.; LaRe; Mullins; Plummer; Willis

Rules & Reference - Chair Huffman, Vice Chair Manning, Bird; John; McClain; Plummer; Santucci; Williams

Small Business - Chair Ghanbari, Vice Chair Dean, Daniels; Demetriou; Hiner; Kishman; Lampton; McClain; Teska

Technology & Innovation - Chair Claggett, Vice Chair Workman, Demetriou; Ferguson; Holmes; Mathews, A.; Mathews, T.; McClain; Miller, M.

Transportation - Chair Willis, Vice Chair Daniels, Klopfenstein; Lorenz; McClain; Miller, K.; Newman; Pizzulli; Robb Blasdel

Veterans & Military Development - Chair Richardson, Vice Chair Mathews, T., Craig; Dovilla; Ghanbari; Holmes; Lampton; Santucci; Willis

Ways & Means - Chair Roemer, Vice Chair Thomas, D., Click; Daniels; Demetriou; Lear; Richardson; Santucci; Thomas, J.

Workforce & Higher Education - Chair Young, Vice Chair Ritter, Dovilla; John; Manning; Richardson; Santucci; Williams; Workman

The Senate increased the number of committees in the upper chamber by two committees, which brings their total list of committees to 21 standing committees.

Addiction and Community Revitalization - Chair Landis, A., Vice Chair Johnson, Ranking Minority Member Blackshear, Cutrona; Manning, N., O'Brien, Weinstein

Agriculture and Natural Resources - Chair Schaffer, Vice Chair Koehler, Ranking Minority Member Hicks-Hudson, P.; Landis, A.; Liston; Manchester; Reynolds, M.; Wilkin, S.

Armed Services, Veterans Affairs and Public Safety - Chair Johnson, Vice Chair Wilson, S., Ranking Minority Member Weinstein; Craig, H.; Patton; Schaffer

Education - Chair Brenner, A., Vice Chair Blessing, Ranking Minority Member Ingram, C.; Cutrona; Huffman, S.; Koehler; Smith, K.

Energy - Chair Chavez, Vice Chair Landis, A., Ranking Minority Member Smith, K.; Cirino; DeMora, B.; Lang; Manchester; Reineke; Schaffer; Weinstein; Wilkin, S.

Finance - Chair Cirino, Vice Chair Chavez, Ranking Minority Member Hicks-Hudson, P.; Blessing; Brenner, A.; Craig, H.; Ingram, C.; Lang; Manchester; Manning, N.; O'Brien; Patton; Romanchuk; Wilkin, S.

Financial Institutions, Insurance and Technology - Chair Wilson, S., Vice Chair Lang, Ranking Minority Member Craig, H.; Blessing; Chavez; DeMora, B.; Liston; Manning, N.; Patton

General Government - Chair Roegner, K., Vice Chair Gavarone, Ranking Minority Member Blackshear; DeMora, B.; Huffman, S.; Reineke

Government Oversight and Reform - Chair Manchester, Vice Chair Brenner, A., Ranking Minority Member Weinstein; DeMora, B.; Johnson; Landis, A.; O'Brien

Health - Chair Huffman, S. (former Miami County Coroner), Vice Chair Johnson (former Scioto County Coroner), Ranking Minority Member Liston; Ingram, C.; Manchester; Roegner, K.; Romanchuk

Higher Education - Chair Roegner, K., Vice Chair Cirino, Ranking Minority Member Ingram, C.; Koehler; Reineke; Weinstein

Housing - Chair Reynolds, M., Vice Chair Brenner, A., Ranking Minority Member Craig, H.; Blackshear; Cirino; Cutrona

Judiciary - Chair Manning, N., Vice Chair Reynolds, M., Ranking Minority Member Hicks-Hudson, P.; Blessing; Cutrona; Gavarone; Smith, K.

Local Government - Chair O'Brien (former Ashtabula County Auditor), Vice Chair Gavarone, Ranking Minority Member Smith, K.; Hicks-Hudson, P.; Koehler; Landis, A.; Wilkin, S.

Medicaid - Chair Romanchuk, Vice Chair Huffman, S., Ranking Minority Member Liston; Ingram, C. Johnson; Wilson, S.

Public Utilities - Chair Wilkin, S., Vice Chair Reineke, Ranking Minority Member DeMora, B.; Blackshear; Brenner, A.; Chavez; Gavarone; Manchester; Romanchuk; Smith, K.; Wilson, S.

Rules & Reference - Chair McColley, R., Vice Chair Reineke, Ranking Minority Member Antonio, N.; Brenner, A.; Chavez; Cirino; Craig, H.; Gavarone; Lang; Liston; Reynolds, M.; Schaffer; Smith, K.

Small Business and Economic Opportunity - Chair Cutrona, Vice Chair Romanchuk, Ranking Minority Member Craig, H.; Gavarone; Lang; Liston; Reynolds, M.

Transportation - Chair Patton, Vice Chair Schaffer, Ranking Minority Member Antonio, N.; Chavez; Reineke; Smith, K.

Ways & Means - Chair Blessing, Vice Chair Roegner, K., Ranking Minority Member DeMora, B.; Liston; O'Brien; Schaffer; Wilson, S.

Workforce Development - Chair Koehler, Vice Chair Reynolds, M., Ranking Minority Member Ingram, C.; Blackshear; Huffman, S.; Lang

Issue Spotlight: Child Welfare Placement Costs – A Statewide Challenge

Counties across the state are grappling with the high, unpredictable placement costs for children in foster and congregate care in the child welfare system. Congregate care broadly includes residential treatment facilities and group homes. To solve the placement crisis, Ohio needs more appropriate, accessible, and affordable placement options, and more community-based services so children can remain safely at home.

In Ohio, the child welfare system is state-supervised and county-administered. As such, counties, not the state, are responsible for paying placement costs. CCAO continues to hear from CCAO members about the growing cost of child welfare, and this Issue Spotlight is designed to explain the different funding sources, why the costs are rising, and how we can move forward.

Broadly speaking, placement costs are based on a per diem rate, typically paid monthly, to cover the child's living expenses, such as food, clothing, diapers, and transportation. Many youth in foster care receive treatment services which typically are paid for by Medicaid, separate from placement costs.

Foster and Congregate Care Placement Funding Sources

The primary funding sources for placement costs for children in custody of a PCSA in foster care, residential care, or a group home are listed below.

County

County levies: 53 counties have property tax levies that fund child welfare.

County general fund: Many counties pay placement costs and other child welfare costs using county general fund dollars. Several counties with children services levies have indicated they supplement the levy funds with general fund dollars.

State

State child protection allocation (SCPA): A state allocation given to each PCSA via a formula to meet expenses in the child welfare program. The past four state budgets have increased the SCPA. It is currently funded at a maximum of \$155 million for SFY 2025.

Multi-system youth (MSY): A state allocation given to each PCSA via a formula. One of the allowable uses is to support the care of children in custody of a PCSA for congregate care. This allocation is \$25 million for SFY 2025. 12% of each PCSA's allocation must be distributed to the local FCFC.

Federal

Title IV-E: Counties can draw down these federal funds for eligible children; the reimbursement rate mirrors the Federal Medical Assistance Percentage (FMAP). IV-E is paid as a reimbursement, so counties must front the cost.

There are several eligibility requirements for IV-E, including income threshold of the child's family, removal circumstances, and judicial documentation. Reimbursement exists only for licensed placement settings, including family and treatment foster homes, pre-finalized adoptive homes, group homes, maternity homes, children's residential centers, and purchased foster care. Congregate care settings must meet Qualified Residential Treatment Program (QRTF) requirements to be eligible for reimbursement.

Why are placement costs increasing?

The short answer is it's a complex perfect storm and counties across Ohio and the nation are feeling the effects.

Complex needs of youth: The child welfare system has seen more children entering custody primarily due to behavioral health, developmental disabilities, or juvenile justice involvement, rather than due to abuse and neglect concerns. These youth often have complex, high-acuity needs requiring treatment. Many family foster homes are not equipped to meet the needs of these youth, leaving congregate care as the placement option PCSAs turn to. While the overall number of youth in custody of PCSAs is decreasing, the complex needs of the youth in custody contribute to the increased costs.

Capacity challenges: Ohio has a shortage of appropriate treatment options, including QRTFs, Psychiatric Residential Treatment Facilities (PRTF), or Treatment Foster Care Homes. Demand is high and supply is limited, driving the cost upward. PCSAs sometimes have no choice but to place a youth out of state, which adds costs to the agency due to caseworker

travel. At other times, PCSAs have no choice but to place a youth in a congregate setting because a foster home is not available.

IV-E challenges: The percentage of children in foster care who are IV-E eligible continues to decline and is currently less than 50%. Several factors are driving this. The income threshold for IV-E eligibility is tied to the 1996 Aid to Families with Dependent Children income standard.

Additionally, some providers do not complete the required cost report through the Department of Children and Youth (DCY). If the cost report is not current, the PCSA cannot claim IV-E reimbursement for that placement.

Finally, the Family First Prevention Services Act implemented new QRTP requirements on residential facilities and group homes. Meaning to improve the quality of care, these new requirements also increased the cost of care. The Act also imposes new requirements for PCSA placement of youth into QRTPs and for court oversight of youth in QRTPs. If all requirements are not met, the PCSA receives less IV-E reimbursement or none at all.

Where do we go from here?

If there was a silver bullet solution, we would have found it by now. County PCSAs and JFS agencies, along with their commissioners, county executives, and county council members, are working tirelessly to find local solutions for each child that enters custody. Additional state investment and policy changes are needed to address this crisis head on.

For the past year, DCY has convened a Placement Crisis Working Group to brainstorm short- and long-term solutions to the crisis. The work group includes representatives from CCAO, PCSAs, county JFS agencies, providers, and state agencies, among others.

In August, the CCAO Board of Directors voted to make child welfare placement costs a top association priority for the upcoming state operating budget process. We are partnering with the Public Children Services Association of Ohio (PCSAO) that represents your PCSAs to advocate for these urgent requests, including:

- Increasing the SCPA by \$30 million per year, which comes directly to counties to pay for placement costs and other local needs
- Establishing children's crisis stabilization centers to provide short-term treatment and care for multi-system youth.
- Establishing a process for DCY to work with providers to increase cost transparency and predictability in budgeting for county agencies.

As you continue to have conversations locally about your placement crisis challenges, please share information with your legislators. Communicating your county's experiences with this crisis will go a long way in helping CCAO's advocacy in the upcoming state budget.

If you have questions about child welfare or the placement crisis, please contact Rachel Reedy at rreedy@ccao.org or 513-543-3723.