June 22, 2021

Hamilton County Board of Commissioners

Hon. Stephanie Summerow Dumas, President

Hon. Alicia Reece, Vice President

Hon. Denise Driehaus

138 Court Street, Room 603

Cincinnati, OH 45202

Re: Children's Services Levy: Report and TLRC Recommendations

Hamilton County Board of County Commissioners:

HISORICAL LEVY INFORMATION

This report, and the Children's Services Levy itself, is different from other Hamilton County levies in four (4) regards: first, it is actually 2 levies – approved separately by voters of Hamilton County, in separate elections 2 years apart – both of which expire on December 31, 2021; second, when combined, this is our largest County Levy generating +/- $78 Million each year; third, the Levy provides services that are mandated by the Federal and State governments; and fourth, the Levy funds Hamilton County Job and Family Services (JFS) a County department (as opposed to an outside agency or entity typically funded by our levies) that is also the largest department within Hamilton County Government with more than 800 employees.

In November of 2016, voters of Hamilton County overwhelmingly approved a renewal of the Children's Services Levy (the "Levy"). That election represented the 6th time the Levy has been approved by Hamilton County voters – and had with it, the largest margin of approval it had ever enjoyed. The 2016 Levy approval provided funding from 2017 through December 2021. Also of note, the Levy passed with no increase – meaning the Levy had now remained "flat" since 1996. In January of 2017, the Tax Levy Review Committee (the "TLRC") raised concern relative to threats facing JFS that had been identified during its review conducted before the November 2016 election. The TLRC concern then centered primarily on five items, and the potential for further degradation of those issues, including:

- Children's services declining revenues
- Opioid addiction was creating additional impact on child safety
- The increasing number of children in Foster Care
- JFS workforce caseload was significantly above best practices

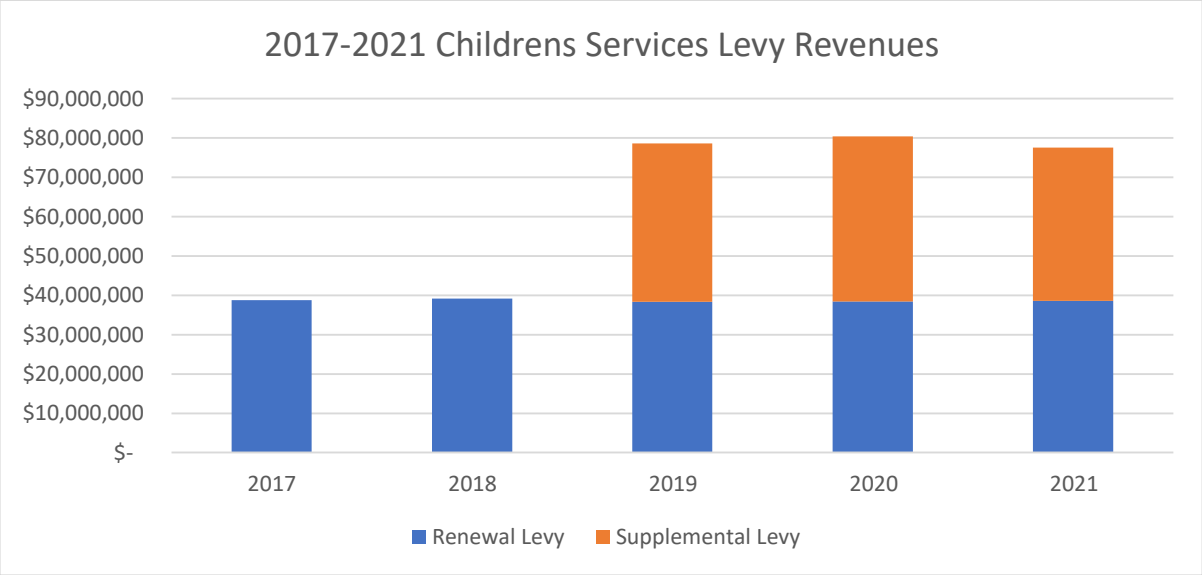
- JFS fund balance now and the projected balance over the next five years

In short – the TLRC had concern about the trajectory of the economic stability of JFS, and the long-term impact that degrading economic stability would have on service to clients. On January 10, 2017, the TLRC recommended to the Commissioners, and the Commissioners agreed, to allow engagement of PCG Human Services (the "Consultant") to perform a deeper review of the services provided by JFS and how those services could be enhanced; identify where and how our County needs were changing; and an assessment of the financial condition of JFS and projected cost to provide Hamilton County with the desired level of services expected by our Community.

After extensive review and study, and lengthy discussions with JFS staff, clients, and stakeholders on May 11, 2018, the TLRC presented a recommendation to the Commissioners for placement on the November 2018 ballot of a *supplemental JFS Levy* (the "Supplemental JFS Levy"). The Supplemental JFS Levy was intentionally limited to a 3-year term to coincide with the expiration of the existing Levy and to allow for stabilized funding in the interim. The Supplemental JFS Levy provided necessary funding, but also requested enactment of additional JFS initiatives, including:

- Implementation of a "Family Rights Advocacy" program to assist at-risk families with education and counseling, and to provide a sounding board and guidance for families in the JFS system.
- Development of a weekly JFS "Dashboard" report that provides real-time data and demographics of children in the JFS system, caseload, duration of stay, and other pertinent quantifiable measures. The Dashboard would be available for public review and could be delivered electronically to any interested parties.
- Other recommendations included (a) continued implementation of new programs and services, (b) further development of internal communications, (c) continued workforce and hiring initiatives, (d) support and expansion of kinship care placements, and (e) in addition to the Family Rights Advocacy, modification of the JFS Customer Service website to give more clear identification of parental rights, and a phone number to call for assistance and guidance.

The Supplemental JFS Levy went on the ballot in November 2018 and was approved by Hamilton County voters. With their approval, Hamilton County now had two (2) Children's Services levies – both of which expire on December 31, 2021. This report and recommendation will ask your approval to combine the two (2) levies to create equivalent total revenue, by allowing the Supplemental JFS Levy to expire without renewal and increasing the Levy (the original Levy) by the amount of the Supplemental JFS Levy. In so doing, Hamilton County would return to one (1) Children's Services Levy, while retaining the current revenue – and not increasing taxpayer burden (the combined Levy hereinafter referred to as the "Children's Services Levy").



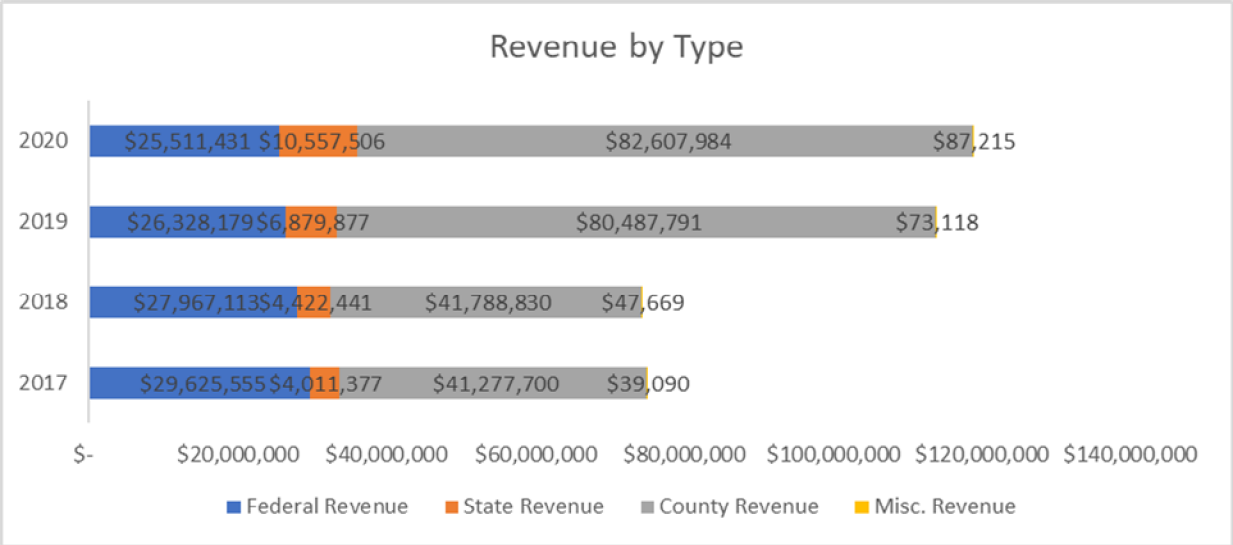
This is a lengthy report, so before diving into the details, I would like to take this opportunity to thank Lisa Webb for her exceptional expertise and guidance; our TLRC Chair Gwen McFarlin for her wisdom and leadership and our outstanding Sub-Committee members Bishop Ennis Tate and Dr. Jenny O'Donnell. This is a special and hard-working group of volunteers who, due to the complexity of this Levy, met every Monday morning for the past several months with Ms. Webb, the Consultant, and JFS and who organized community meetings and focus groups for additional input. Additionally, we would like to compliment and thank the staff of JFS – especially its Director, Tim Mccartney, and the leadership team of Margie Weaver, Amy Story, and Ellen Mccartney – all of whom were knowledgeable, responsive, open to our feedback and transparent in their desire to work with the committee.

In this report, we will discuss:

- The JFS current condition and findings
- The TLRC recommendations to JFS
- The TLRC recommendation to the Board of County Commissioners

CURRENT CONDITIONS AND FINDINGS

1. As was outlined in the TLRC Children's Services report of May 14, 2018 – the State of Ohio is a "home rule State" for children's services, wherein the state government ceded authority for the oversight and funding of children's services to each of the 88 counties. And, though there are significant federal, and state mandated services required, the State of Ohio provides the lowest level of funding for children's services of any state in the Country. In 2020, the State doubled its allocation to each county's children's services, and still remained the lowest provider of funding. Nationwide, state governments pay an average of 42% of the cost of children's services – in Ohio, the State pays 10%. As the chart below shows, Hamilton County taxpayers pay a vast majority (70%) of the cost of providing these mandated and vital services.



2. **Family First Prevention Services Act ("Family First").** In 2018, the Federal government enacted Family First (and gave states 2 years to initiate its requirements). The goal of Family First was to provide a higher level of in-placement care for children, encourage kinship care, and assist older youth in care. Some benefits of Family first include providing additional funding for kinship care, expanded age ranges for service, and funding for prevention services related to mental health and substance abuse. The primary concern surrounding Family First nationwide – is that to receive Federal funding, the Act requires a significantly higher standard of service for residential childcare providers. For providers to receive funding after the 14th day of care, the provider must be a Qualified Residential Treatment Provider ("QRTP"). For perspective, there are currently 26 residential providers who are active in the JFS system in Hamilton County – only 2 qualify as QRTPs. It is unclear and difficult to project how many of the providers will engage in the process to become a QRTP, how long that process will take, and what the cost of non-federally funded services will be. (Note: The Consultant report estimates that Family First will cause an increase in JFS expenses of $5M per year).

3. **COVID impact.** In 2020, there was a decrease in mandated reports, a reduction in client intake assessments, and a reduction in mandated child welfare reports. The general consensus of professionals in Children's Services, is that these reductions were a direct result of children not being in a classroom during Covid, and not being in other venues where mandated reporters and therefore reporting and identification of needed services usually originate (such as churches or community activity centers). Therefore, 2020 was a difficult year in which to benchmark – and was a difficult year for JFS to enact the several new programs and services that it had begun to initiate after the 2018 Supplemental Levy began funding. It is widely believed that an uptick in hotline calls is expected once children return to school and other activities full-time, with a high level of emotional and mental health strain on families.

4. **JFS Initiatives from the 2018 Levy.** Additional funding from the 2018 Supplemental Levy ($39M) resulted in several areas of improvement in services provided and staffing, such as:

   - An increase in kinship care from 31% in 2017 to 38% in 2020, and monthly kinship payments of $350/child.
   - Staff vacancy rate improvement from 21% in 2017, to 15% as of February 2021 – including the addition of staff trauma coordinators and services to reduce staff burnout.
   - A 19% reduction in staff caseload for ongoing caseworkers – ongoing caseload levels are now within national best practices (intake caseload has not improved).

- New programs including Safe Sleep, 30 Days to Family, and Family Voice advocacy; and most recently, blind-screening for intake – removing the child's race from intake evaluation to address cultural bias in the outcome of the assessment.

5. **JFS Financial Condition**. The JFS financial condition is very good now. Due to the combination of additional funding from the 2018 Supplemental Levy, Covid-driven reduction of services in 2020 census, and sound fiscal management, JFS will finish the current Levy cycle with a fund balance in excess of $100M. However, to maintain current operations including the recommended fund balance level, JFS will need to receive at a minimum, $68 million per year.

TLRC RECOMMENDATIONS TO JFS

The TLRC recommends the following programmatic and organizational modifications:

JFS finds itself in a unique position in its organizational history. As provided earlier, JFS will complete this Levy cycle with a significant fund balance, and with pending retirement of its current Director – JFS will be in a period of leadership transition, and availability of funds to make significant changes to children's services throughout Hamilton County. The TLRC believes this is the Levy cycle in which to provide JFS with aspirational goals and expectations of achievement. Therefore, TLRC recommends the following:

1. Expand JFS efforts to increase and retain staff. We are looking for an actionable plan to improve caseload to the national best practice and address the ongoing issue throughout all of children's services of staff burnout. (Allocated funding of $10M during the 5-year levy cycle).

2. Diversity of staff and leadership. JFS has done a very good job of staff diversity (50% of its overall staff are people of color). TLRC would like to see a continued effort for diversity and opportunity at all levels of the organization. (Allocated funding of $2.5M during the 5-year levy cycle).

3. Increase services and support of older youth. Hamilton County has a higher rate of older youth in care (20% of youth in care are 16 or older, vs. 14% nationally), and 5% more children in Hamilton County "age out" than the national average (12% vs. 7%). TLRC would like to see an actionable plan that is designed to address this issue and bring our performance in line (or better) than the national average. (Allocated funding of $13M during the 5-year levy cycle).

4. Studies, and common sense, have shown a direct correlation between homelessness or the threat of homelessness, and family stability and child welfare. TLRC recommends utilization of the JFS Planning Committee, whose members have extensive knowledge in this area, for development of a plan to provide funding and support to address families on the verge of crisis due to unstable housing. TLRC recognizes that these efforts are oriented more toward "prevention" – but we believe that JFS has the talent and ability to provide assistance in this endeavor. (Allocated funding of $11M over the 5-year levy cycle).

5. TLRC would like to see an actionable plan to enhance communication, collaboration and partnership with community members and stakeholders. From community focus group input, TLRC believes that improvement could be made relative to outreach and engagement with existing "front line" organizations, and with individuals and families who are in direct need of service to prevent adverse impacts on children. TLRC recognizes that this endeavor is more oriented toward prevention – however, we believe that as a core community principle, investment in prevention will result in a reduction in children's services cases. (Allocated cost of $5.5M during the 5-year levy cycle).

6. There are various other recommendations noted by the Consultant that JFS should be aware of, and of which we recommend for mid-term TLRC review. Please see the Consultant's report (items include increasing community-based programming, expansion of community health and

educational support for children, and Safety Culture enhancement – allocated cost of $14.5M during the 5-year levy cycle).

Cost analysis for each of these recommendations, and the resulting impact on the JFS fund balance, is shown on the attached Exhibit A. As you will note, with implementation of the above recommendations, at conclusion of the Levy cycle, the JFS fund balance remains comfortably within the Consultant's recommendation.

TLRC RECOMMENDATION TO COMISSIONERS

The TLRC began this review of JFS in January of 2021. However, we have continually reviewed JFS through the 2016 and 2018 election cycles. We have great admiration for JFS, its leadership and staff – and great empathy for members of our community who are suffering, and for whom reaching out for assistance can at times be difficult and unintentionally intimidating. We believe that JFS is one of the great assets of our community, and we would like to strive for its continued growth and positive impact. We believe this Levy cycle could prove to be a time of significant achievement for JFS through new, energetic leadership, and capital to fund goals outlined in this report.

We respectfully recommend the Commissioners adopt the Recommendations to JFS noted herein; and we recommend allowing the Supplemental Levy to lapse and putting forth renewal of the Levy (the original Levy) on the ballot at the full current revenue amount of the combined Levy and Supplemental Levy ($78M). TLRC has put forth herein recommendations and expectations for JFS to achieve over the next 5 years. We look forward to a robust mid-point review, to be scheduled approximately two (2) years after commencement of the Levy (i.e., around January of 2024).

John I. Silverman
TLRC Children's Services Subcommittee Chair

Cc: Gwen McFarlin, TLRC Chair
Dr. Jenny O'Donnell, Subcommittee Member
Bishop Ennis Tate, Subcommittee Member
Lisa Webb, County Administration