

**HAMILTON COUNTY  
TAX LEVY REVIEW COMMITTEE**

138 E. Court Street, Room 603  
Cincinnati, Ohio 45202

June 24, 2011

Hamilton County Board of Commissioners  
Hon. Greg Hartmann – President  
Hon. Chris Monzel  
Hon. Todd Portune  
138 East Court Street, Room 603  
Cincinnati, Ohio 45202

Re: Children's Services Levy Recommendations

Dear Commissioners:

This is the report of a subcommittee of the Hamilton County Tax Levy Review Committee ("TLRC") formed to review the Children's Services Levy which is being considered for placement on the November 2011 election ballot. The subcommittee was chaired by Chris Habel with Gwen McFarlin and Heather Harlow serving as members.

As part of our review, we met several times with Moira Weir, Director of Hamilton County Jobs & Family Services and the management team from the Children's Services Division ("CSD"). We toured the CSD offices where we met several managers and caseworkers and also observed the 241-KIDS call center. We heard from the third party providers who provide contract services to CSD which are paid for in whole or in part with levy funds. Lisa Webb of the County Administration was involved throughout our review and provided substantial support to our efforts.

The County engaged TATC Consulting and Management Partners ("TATC") to conduct an independent third-party review of CSD and the use of the Children's Services Levy funds. TATC issued a report on May 20, 2011 containing its findings and recommendations which we supply for your reference (the "Consultant Report").

The funding provided by the Children's Services Levy has been held level for many years. The budgeted levy revenue for 2011 was \$40,851,322. Based on our review, we recommend the amount of the levy funds be held at that same amount over the coming levy cycle. As noted below, following the resolution of the audit, it may appropriate for the Commissioners to revisit and consider revising the levy amount being collected before the Children's Services Levy comes up for renewal in 2016.

Unlike other services provided by the County, the work that CSD performs is mandated by state and federal law. CSD must accept, investigate and resolve every

allegation of child neglect and abuse in Hamilton County. If the funds needed to meet these obligations are not provided for by the Children's Services Levy, they must come from the County's general fund. The local funds generated by the Children's Services Levy are matched with state and federal dollars and also used to pay third parties to provide contract services in the care of children in Hamilton County.

Based on what we have seen and heard over the past few months, it would be improper for the TLRC to recommend further cuts to staff and budget at CSD. In 2006, CSD had 430.0 FTEs and in 2011 they have 240.5.<sup>1</sup> Meanwhile, the CSD's workload has increased between 2007 and 2010<sup>2</sup> due to the stress the poor economy places on families. The number of children per staff has increased from 12.7 in 2008 to 20.1 in 2010.<sup>3</sup>

Despite these reductions in budget and staff, during our review CSD was re-accredited by the Council on Accreditation, an achievement few county public service agencies achieve. In addition, in the past two years, CSD has won six Achievement Awards from the National Association of Counties for innovation. In 2009, only twelve such awards were given to Ohio county agencies and four of twelve were awarded to CSD. In our opinion, CSD should be held out as an example to other County agencies and political jurisdictions in our region as an example of how to do more with less while maintaining exceptional service.

**RECOMMENDATION #1 – Spend up to \$750,000 to deploy technology to increase productivity of the CSD.**

When the TLRC last reviewed the Children's Services Levy in 2006, the first iPhone® was a year away from retail markets, "apps" were unheard of and the iPad® had not been thought of. At that time, CSD had not fully deployed the Statewide Automated Child Welfare Information System ("SACWIS"). Today technology, particularly mobile technology, is far more advanced and pervasive than it was in 2006. Yet the CSD caseworkers can only access SACWIS and other electronic resources from their desks at the CSD offices. The successful businesses in the private sector have embraced and deployed mobile technology to increase productivity, improve work-life flexibility and reduce the need for fixed cost office space. Given the very mobile nature of the CSD's work where the caseworkers are often in the field and at times working non-standard hours, we believe CSD should do the same.

We understand that some if not all of the capital costs for such technology could come from the state. We recommend CSD aggressively pursue state capital funds to place technology in the hands of CSD staff to allow them to do paperwork and other tasks from the road and while waiting for court appearances. We leave it to CSD and other experts to determine the appropriate hardware and software to deploy. The Consultant Report recommends laptop computers with a capital cost of \$735,000 over

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<sup>1</sup> Consultant Report, p. 18.

<sup>2</sup> Consultant Report, p. 19

<sup>3</sup> *Id.*

the course of the 5-year levy. Given the rapid advancement of tablets such as the Apple iPad® and netbooks, a lower cost “thin client” alternative may be better since we understand the technology would be used principally for data entry, reporting, file review and e-mail correspondence. The Consultant Report (p. 40) estimates that the deployment of mobile technology could increase productivity to the point of effectively creating 20 to 24 FTEs annually.

We recognize CSD has concerns about this recommendation that are captured at p. 41 of the Consultant Report. In our view, other than the concern about the caseworker’s use of technology being disruptive during child and family interviews, all the other concerns raised have also been raised in the private sector and overcome. A policy relating to the use of mobile technology during interviews would address the one unique concern raised by CSD. CSD also expressed some concern about spending money on “fancy” technology when the County and CSD are fiscally strapped. Our response would be to look at the private sector where, despite the poor economy over the past several years, the investment in technology remained strong as companies turned to technology to cut waste and expenses and increase productivity with a smaller workforce. Finally, we were told that the majority, clearly not all, of the frontline caseworkers are recent college graduates. Chances are many of them have laptops and smartphones or have used them in the recent past.

A second aspect of technology involves the use of videoconference technology with the Juvenile Court. We understand that for good and legitimate reasons, CSD caseworkers spend time traveling to, waiting for and attending hearings at the Juvenile Court. We recommend that the Court, the Prosecutor’s Office and CSD come together and determine how best to utilize videoconferencing and other technologies that allow the limited CSD staff to stay in the field or in their offices as much as possible where they can best serve the children and avoid the need to hire more staff to provide mandated services. Obviously some matters will require the physical presence of the caseworker but these should be kept to a minimum.

**RECOMMENDATION #2 – Consider Co-Locating the Family Law Division of the Prosecutor’s Office within CSD.**

The Prosecutor’s Office Family Law Division works closely with CSD on dependency cases. Interviews conducted by the consultant suggest that placing the Family Law Division within the CSD will improve communication, timeliness and program effectiveness.<sup>4</sup> We recommend that the Family Law Division of the Prosecutor’s Office be co-located within the CSD unless there is some good reason that the Prosecutor’s Office raises as to why that should not happen. Given the recent staff reductions, we believe there is ample space available within the CSD offices for this to occur.

**RECOMMENDATION #3 – Assess 241-KIDS for Use of Best Practices and Potential Improvements**

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<sup>4</sup> Consultant Report p.43.

We toured the 241-KIDS call center within CSD's facility and were highly impressed with the work that the call center performs. As CSD notes, this is not a traditional call center because the workers at times are required to get up from the center and drive out to a location in the field to address an emergency situation of child abuse or neglect. Perhaps the better description is that the operation is like a 911 dispatch center where the dispatchers also occasionally ride on the fire trucks. We learned from CSD that the 241-KIDS call center received 65,169 inbound calls of which 5,353 contained allegations of child abuse and neglect. We believe that this means that only 8.2% of the inbound call volume to 241-KIDS actually relates to CSD's core mission of child safety. We agree with the consultants that this high volume of calls may result in hang ups by people who have a legitimate allegation of child abuse or neglect but get frustrated with wait times while CSD assists other customers with general social services needs.

We recommend that CSD consider connecting with experts in the call center business who can advise CSD on best practices and technology improvements. For most citizens and taxpayers of Hamilton County, 241-KIDS is the front door to CSD and CSD must continue to operate that call center as efficiently as possible with the highest levels of quality customer care.

**RECOMMENDATION #4** – Maintain an appropriate reserve of levy funds to address the unresolved audit and then adjust the levy as appropriate in mid-cycle once the audit is resolved.

When the TLRC last reviewed the Children's Services Levy in 2006, there was an unresolved issue relating to a state audit of CSD's financial accounting practices between 2000 and 2004. That issue remains unresolved today. While there is uncertainty as to the amount of funds that may ultimately be required to be refunded to state or federal government agencies as a result of the audit, there appears to be little uncertainty that some amount will be required to be repaid or possibly taken out of future state or federal grant awards to CSD. Prudent fiscal management dictates that some levy funds be set aside in reserve for the potential resolution of this matter. Otherwise, the funds needed to resolve the audit would need to come from CSD's operating budget or the General Fund, which would be an undesirable situation.

Ultimately, the Commissioners should consult with the Prosecutor's Office to determine an appropriate amount of levy funds to be held in reserve for potential resolution of the audit. Assuming that the audit is resolved in the next year or two, we recommend the Commissioners then revisit the levy to determine if a downward adjustment in funds generated by the levy would be appropriate in the years after resolution and before the levy comes up for renewal in 2016.

**RECOMMENDATION #5** – Create a pool of \$5 to \$10 million in levy funds to allow CSD and its contract partners to provide wrap around services that prevent abuse and neglect that leads to more costly custody of these children.

We believe strained local, state and federal budgets will continue to adversely impact CSD. CSD has already lost funding from state and federal sources given budget crunches at those levels. There is discussion currently that additional federal funds that account for about \$6 million in annual funds to CSD may be eliminated. At this stage, state and federal dollars are only available for children that have been removed from the home. There are no funds aimed at prevention of child abuse and neglect and so-called “wrap around” services that could avoid much higher cost foster care or resident care for children brought into the “system.” We believe it would be a wise investment of local taxpayer dollars to provide prevention and wrap around services.

The focus of this 2011 TLRC’s review of both the Children’s Services Levy and the Indigent Care Levy has been on preventing the need for higher cost services. By far the single largest budgeted expense of CSD is out-of-home care of children, budgeted at \$153,224,880 or 44.6% of total expenditures over the upcoming five-year levy period. Data supplied by CSD showed that the *minimum* cost per child for resident facilities is \$56,000 per year with a *maximum* cost of almost \$153,000 per child whereas the *minimum* cost per child for therapeutic foster care is \$16,140 per year and a *maximum* of \$48,136 per year. Faced with these options, CSD should have tools at its disposal to avoid such costs.

A listing and description of the wrap around services that CSD would like to consider using (many of which it has used in the past) is found at pages 46 to 48 of the Consultant Report. Two programs in particular caught our attention – the kinship and KPI funding listed on page 46. The state and federal government provide funding when a child is taken into the system and placed with an unrelated foster parent or into an agency-run (or contracted) residential facility. Yet if kin of the child – grandparents aunts, uncles – take the child in, there is no financial support from state or federal sources. A child who has been abused by their parents and is taken in by a loving grandparent or relative is more likely to become a productive member of society and not a user of other taxpayer funded services than is a child who is bounced around the system. Using levy funds to give grandma who lives on a fixed income some basic financial assistance is an investment that has a high likelihood of avoiding future more substantial taxpayer burdens. Similarly the KPI funds allow CSD to provide small stipends of \$250 to needy families to bridge the gap with utility bills, groceries and medication that allow a child to stay in their home rather than become a victim of abuse and neglect.

We would not give CSD this pool of funds without appropriate measurement and reporting as to how the funds were used to prevent larger costs for child custody. Thus, for example, we would want to know on an annual basis how many children were placed with kin rather than in foster or group homes due to the provision of kinship assistance funds. We would want to know how many children avoided coming into custody due to the provision of stipends. If CSD cannot prove that these wrap around programs are in fact cutting down on more costly care, then the TLRC and Commissioners could consider withdrawing the funds mid cycle or in the next levy review. We’re concerned that the economy and tightening budgets are turning CSD into an agency that only

reacts rather than allowing CSD to be proactive and save us tax dollars over the long term. That's short-sighted and poor public policy.

In closing, we express our appreciation in being asked to serve our fellow taxpayers and our appreciation for the difficult and trying work that CSD does everyday to protect the most vulnerable in our community. We would be happy to answer any questions you may have.

Respectfully submitted,

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Christopher Habel

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Gwen McFarlin

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Heather Harlow

Cc: TLRC Members  
Moira Weir