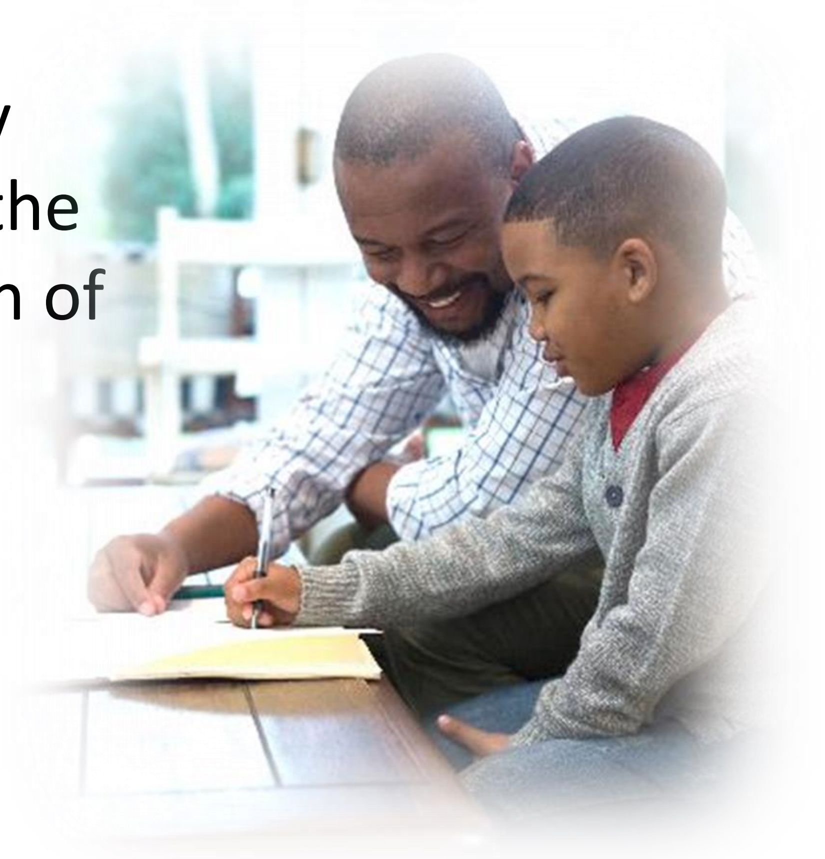
2024 Levy Presentation

Citizens Tax Levy Review Committee

Lucas County Children Services

AGENCY MISSION

- The mission of Lucas County Children Services is to lead the community in the protection of children.
- ORC 5153.16 outlines the duties of Ohio's 88 public children services agencies.



LUCAS COUNTY CHILDREN SERVICES

LEVY PROPOSAL

- LCCS is seeking a renewal of an expiring five-year, 1.80 mill operating levy.
- Asking for a 1.5 mill increase.
- Total request would generate $34,655,402 annually.
- **Retains a stable and sustainable funding source.**

LUCAS COUNTY CHILDREN SERVICES

LEVY IMPACT

1.80 Mill Renewal + 1.5 Mill Additional

Home Value	Annual Cost	Weekly Cost
$50,000	$51.20	$0.98
$100,000	$102.40	$1.57
$150,000	$153.60	$2.95
$200,000	$204.80	$3.94

LUCAS COUNTY CHILDREN SERVICES

LCCS HAS ANOTHER LEVY

- 1.85 mill operating levy.
- Ten-year measure.
- Passed in every Lucas County precinct in 2018 and 2020.
- Generates $14,197,981 annually.

LUCAS COUNTY CHILDREN SERVICES

NEED FOR ADDITIONAL FUNDING

- The impact of The Family First Prevention Services Act is causing a crisis in child protective services placements.
- The growing number and situational complexity of children and families in crisis.
- The challenges and expenses presented by multi-system youth placed in LCCS custody.
- The post-COVID decline in foster parents, particularly treatment foster homes.
- The growing demand for LCCS services, particularly in the areas of child abuse prevention and post-reunification.

LUCAS COUNTY CHILDREN SERVICES

PRIMARY DRIVER - FFPSA

- Recent federal legislation known as the Family First Prevention Services Act (FFPSA) became effective in Ohio on October 1, 2021. This legislation has caused placement costs across the country, the state and in Lucas County to dramatically increase.

- LCCS relies on private, mostly non-profit, agencies to house, treat and care for about half of the 850 children currently in our custody (the other half are placed with relatives or in LCCS maintained foster homes).

- Those children in purchased care are some of the most traumatized children in the county who have behavioral and/or psychological needs so great that they can not be maintained in a family-like setting.

- Per-diems (amount we pay per day) for these private providers averages $378.77 and can exceed $600. Highest per diem for LCCS in April of 2024 was $664.

LUCAS COUNTY CHILDREN SERVICES

RISING PLACEMENT COSTS

- Constitutes second largest category of expenses (only salary and benefits are higher)

- Primarily Comprised of:
  - Foster Care Payments
  - Residential Care
  - Adoption Assistance

- Increased by 58% over the last two years.
  - Historical average cost (2017-2021) = $12,172,393
  - 2022 actual expenditures = $15,341,899
  - 2023 actual expenditures = $19,358,550

LUCAS COUNTY CHILDREN SERVICES

PLACEMENT COST IMPACT ON EXPENDITURES

If Placement costs had remained at historical averages:

- 2022:
  - Would have added $1,302,917 to reserves instead of drawing $1,866,588 from them.
  - Total expenditures would have risen by only 2.81% for the year instead of the actual 9.07%.
- 2023:
  - Would have added $3,755,762 to reserves instead of drawing $3,430,394 from them.
  - Would have spent $108,536 ***LESS*** in 2023 than in 2022 (due primarily because labor costs reduced by .41% in 2023 compared to 2022.).

LUCAS COUNTY CHILDREN SERVICES

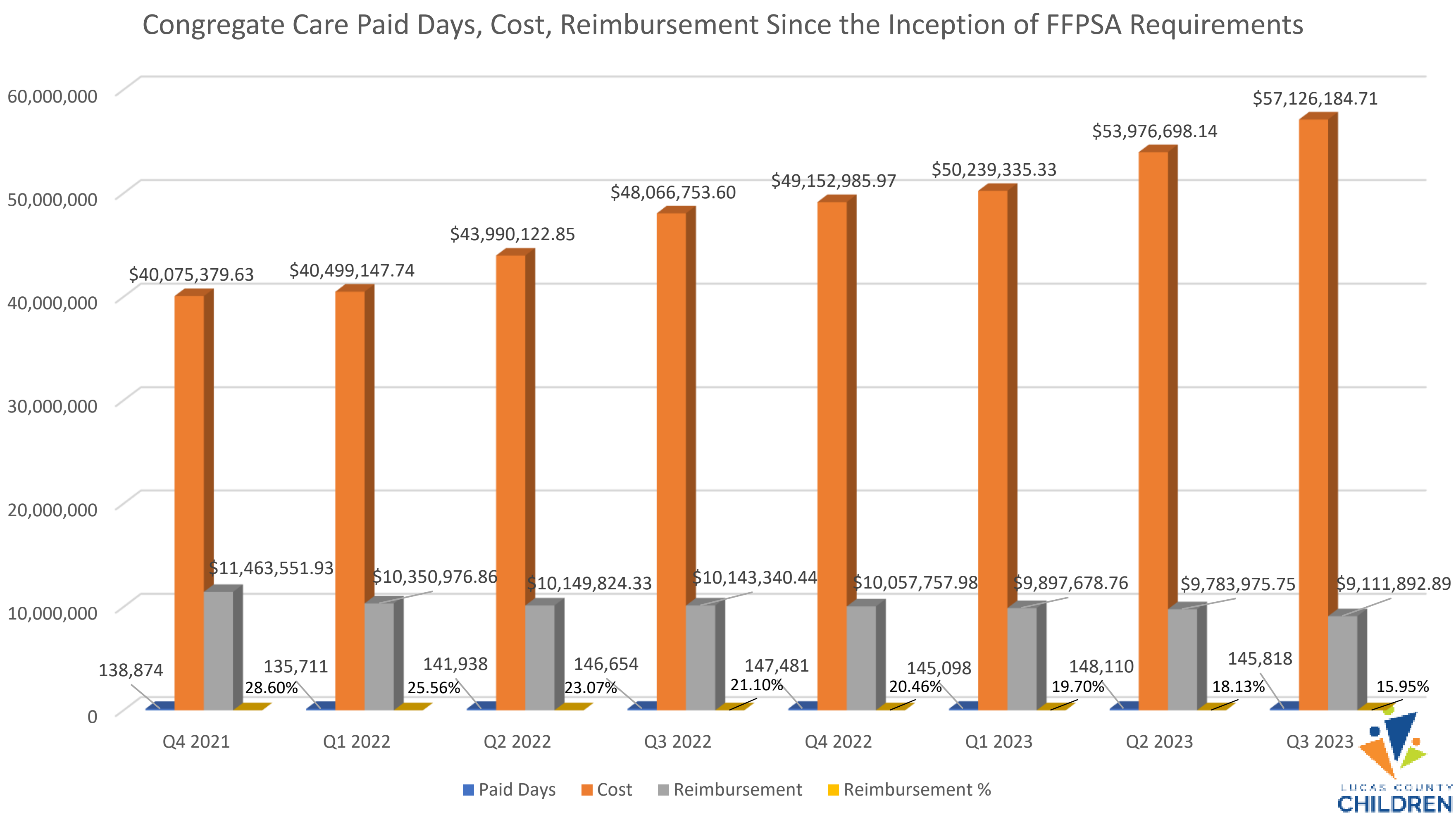
NOT LIMITED TO LUCAS COUNTY

<u>State-wide</u> after the first 2 full years of FFPSA implementation:

- Total amount spent on congregate care increased from $40,075,379 in Q4 2021 to $57,126,184 in Q3 2023. Represents an increase of 42.5%. (Lucas County was 58% - Metro counties are disproportionately affected).
- Average cost of congregate care rose from $248.87 per day in September 2021 to $396.49 as of November 30, 2023. Represents an increase of 39.18% (Lucas County went from $261.07 per day to $378.77 per day – an increase of 45%)
- Number of paid days in congregate increased by 5%.

LUCAS COUNTY CHILDREN SERVICES

STATE-WIDE CONGREGATE CARE COSTS



LUCAS COUNTY CHILDREN SERVICES

NOT LIMITED TO OHIO

Robin Reese – Lucas County Children Services Executive Director Emeritus will present the national view.

LONG TERM EFFECTS W/O INCREASE

REVENUE					
	2024	**2025**	**2026**	**2027**	**2028**
Local Revenue	$28,476,534	$28,126,618	$28,527,025	$28,935,566	$29,352,362
Federal Revenue	$20,482,029	$21,510,955	$22,297,660	$22,999,413	$23,776,401
State Revenue	$6,554,432	$6,554,432	$6,554,432	$6,554,432	$6,554,432
-Total Revenue	**$55,512,995**	**$56,192,005**	**$57,379,118**	**$58,489,411**	**$59,683,195**
EXPENDITURES					
Total Compensation	$32,696,098	$34,419,230	$36,298,199	$37,894,305	$39,707,615
Percent of increase	8.98%	5.27%	5.46%	4.40%	4.79%
Placements	$19,358,550	$19,939,307	$20,537,486	$21,153,610	$21,788,219
Contracts	$3,043,194	$3,164,922	$3,291,519	$3,423,179	$3,560,107
Other Costs of Care	$3,305,253	$3,437,463	$3,574,962	$3,717,960	$3,866,679
Other Operating Cost	$3,521,641	$4,897,606	$4,991,868	$5,089,902	$5,191,856
-Total Expenditures	**$61,924,736**	**$65,858,527**	**$68,694,033**	**$71,278,957**	**$74,114,475**
Percentage of Increase	4.81%	6.35%	4.31%	3.76%	3.98%
	----------------------	----------------------	----------------------	----------------------	----------------------
Sub-total Income	$55,512,994.54	$56,192,005.17	$57,379,117.71	$58,489,411.36	$59,683,194.81
Less Exp.	$61,924,736.19	$65,858,527.24	$68,694,033.46	$71,278,957.03	$74,114,474.86
Total Income/Deficit	($6,411,741.65)	($9,666,522.07)	($11,314,915.75)	($12,789,545.67)	($14,431,280.05)
Reserves	$12,281,676.60	$5,869,934.95	($3,796,587.12)	($15,111,502.87)	($27,901,048.53)
	===============	===============	===============	===============	===============
Balance	**$5,869,935**	**($3,796,587)**	**($15,111,503)**	**($27,901,049)**	**($42,332,329)**

LUCAS COUNTY CHILDREN SERVICES

1.5 MILLS NECESSARY

	2024	2025	2026	2027	2028	2029	2030	2031
REVENUE								
Local Revenue	$28,476,534	$41,620,144	$42,222,954	$42,836,934	$43,462,251	$44,099,083	$44,747,625	$45,408,084
Federal Revenue	$20,482,029	$21,510,955	$22,297,660	$22,999,413	$23,776,401	$24,562,454	$25,381,423	$26,234,726
State Revenue	$6,554,432	$6,554,432	$6,554,432	$6,554,432	$6,554,432	$6,554,432	$6,554,432	$6,554,432
-Total Revenue	**$55,512,995**	**$69,685,531**	**$71,075,047**	**$72,390,779**	**$73,793,083**	**$75,215,969**	**$76,683,480**	**$78,197,242**
EXPENDITURES								
Total Compensation	$32,696,098	$34,419,230	$36,298,199	$37,894,305	$39,707,615	$41,530,811	$43,437,872	$45,432,661
Percent of increase	8.98%	5.27%	5.46%	4.40%	4.79%	4.59%	4.59%	4.59%
Placements	$19,358,550	$19,939,307	$20,537,486	$21,153,610	$21,788,219	$22,441,865	$23,115,121	$23,808,575
Contracts	$3,043,194	$3,164,922	$3,291,519	$3,423,179	$3,560,107	$3,702,511	$3,850,611	$4,004,636
Other Costs of Care	$3,305,253	$3,437,463	$3,574,962	$3,717,960	$3,866,679	$4,021,346	$4,182,199	$4,349,487
Other Operating Cost	$3,521,641	$4,897,606	$4,991,868	$5,089,902	$5,191,856	$5,297,889	$5,192,936	$5,522,848
-Total Expenditures	**$61,924,736**	**$65,858,527**	**$68,694,033**	**$71,278,957**	**$74,114,475**	**$76,994,422**	**$79,778,739**	**$83,118,207**
Percentage of Increase	4.81%	6.35%	4.31%	3.76%	3.98%	3.89%	3.62%	4.19%
	-	-	-	-	-	-	-	-
Sub-total Income	$55,512,994.54	$69,685,531.12	$71,075,046.55	$72,390,779.14	$73,793,083.11	$75,215,968.93	$76,683,479.55	$78,197,242.06
Less Exp.	$61,924,736.19	$65,858,527.24	$68,694,033.46	$71,278,957.03	$74,114,474.86	$76,994,422.16	$79,778,739.45	$83,118,206.93
Total Income/Deficit	($6,411,741.65)	$3,827,003.89	$2,381,013.09	$1,111,822.11	($321,391.76)	($1,778,453.23)	($3,095,259.90)	($4,920,964.87)
Reserves	$12,281,676.60	$5,869,934.95	$9,696,938.84	$12,077,951.93	$13,189,774.04	$12,868,382.28	$11,089,929.05	$7,994,669.15
Balance	**$5,869,935**	**$9,696,939**	**$12,077,952**	**$13,189,774**	**$12,868,382**	**$11,089,929**	**$7,994,669**	**$3,073,704**
Reserve to Annual Expend.	**9.48%**	**14.72%**	**17.58%**	**18.50%**	**17.36%**	**14.40%**	**10.02%**	**3.70%**
Days of Cash on Hand	**35**	**54**	**64**	**68**	**63**	**53**	**37**	**13**

LUCAS COUNTY CHILDREN SERVICES

IF APPROVED AS REQUESTED

- Solvent through 2031 (7.5 years) with straight renewal of second levy in 2027
- Can reset in 2027 if:
  - Placement costs haven't peaked (can go up by 17.5% and maintain solvency through 2027).
  - Federal, state and local mitigation strategies work, can reduce millage in 2027.
- Reserves never exceed 18.5% of expected annual operating expenditures
- Reserves never exceed 68 days of cash on hand.

LUCAS COUNTY CHILDREN SERVICES

COST SAVING MEASURES

- Reduced labor costs by 0.41% in 2023 despite contractually obligated salary increases and increases in health care costs.
- Reduced the cost of the vacation payout incentive for bargaining and non-bargaining employees in 2018, thus ending this in 2021. Vacation payout is now time limited to one year.
- Reduced the cost of technology by leveraging relationships with other agencies and joining the Ohio Department of Job and Family Services' state network.
- Reduced the amount spent on child welfare contracts by changing to a referral model.
- In addition to ensuring that relative and foster care families needing day care services applied for benefits with Lucas County Department of Job and Family Services, LCCS staff worked with relatives to apply for new day care benefits with ODJFS.

LUCAS COUNTY CHILDREN SERVICES

COST SAVING MEASURES

- Reduced information services expenses by joining the state network, reduced the use of MIFIs, and installed fax to email that eliminated fax machines.
- Created committees and sub committees that are actively working on reducing placement cost (placement committee, Title IV-E eligibility committee, fiscal committee).
- Collaborated with partners that offered free services within the community.
- Pursued private grants to help supplement existing resources (OneOhio grants, Ohio Childcare Resource and Referral Association (OCCRRA) foster parent recruitment grant, equity access grant etc.).
- Implemented a project team to promote, grow, monitor, and transition kinship foster parent to the Kinship guardianship assistance program funded by the state.
- Expanded Kinnect to Family and Family Search and Engagement Services to locate kin for children coming into care.

LUCAS COUNTY CHILDREN SERVICES

TYPES OF SUBSTITUTE CARE

- Kinship – varies, depending on funding source.
- LCCS Traditional Foster Care – average per diem $22.76
- LCCS Therapeutic Foster Care – average per diem $111.69
- Purchased Foster Homes – average per diem $91.78
- Purchased Group Home/Residential Facility – average per diem $378.77
- Psychiatric Residential Treatment Facility – no cost/no availability.

LUCAS COUNTY CHILDREN SERVICES

FAMILY FIRST PREVENTION SERVICES ACT (FFPSA)

Clinical Services

- Private agencies are limited to using only those services that are rated as promising, supported, or well-supported by the FFPSA Clearinghouse. Currently, there are only five programs/methodologies in Ohio that meet those criteria.

- Many agencies have incurred significant upfront investments in training and infrastructure. This has also led to a service "vacuum" in the state which means that the providers of these qualifying services are able to charge much more per unit today, compared to prior to the FFPSA. Currently, there are only five interventions in Ohio which the Clearinghouse has approved:
  - Multisystemic Therapy (MST)
  - Functional Family Therapy (FFT)
  - Ohio START
  - Parents as Teachers (PAT)
  - Healthy Families America (HFA).

LUCAS COUNTY CHILDREN SERVICES

CONTINUED

Nursing Services

Private child placing agencies must have registered or licensed nursing and clinical staff who are available 24 hours per day, seven days per week.

LUCAS COUNTY CHILDREN SERVICES

CONTINUED

Trauma-Informed Care

- Private agencies must incorporate trauma-informed principles into their programming and services.
- This involves recognizing the impact of trauma on children and youth and providing a supportive and healing environment that promotes resilience and recovery.
- Again, while this does represent best practices, many non-profits did not utilize this prior to the FFPSA. Therefore, there are additional costs in designing, hiring, training and maintaining trauma-informed clinicians and programs.

LUCAS COUNTY CHILDREN SERVICES

CONTINUED

Individualized Treatment Planning

Private agencies must develop individualized treatment plans for each child or youth in their care. These plans must be based on a thorough assessment of the child's strengths, needs, and goals and should outline specific interventions and services to address their unique needs.

CONTINUED

Family Engagement and Support

- Private child placing agencies now must have programs that actively involve families in the treatment process and provide support and resources to help strengthen family relationships and support reunification efforts whenever possible.
- This may include facilitating visitation, providing family therapy, and offering parenting education and support services.
- Prior to the FFPSA, private child placing agencies could rely on community-based and publicly funded children's mental health agencies. These new regulations require private child placing agencies to have these services in-house.

LUCAS COUNTY CHILDREN SERVICES

CONTINUED

Accreditation

- Private agencies are now *required* to obtain accreditation from a recognized accrediting body, such as the Council on Accreditation (COA) or the Joint Commission. Accreditation demonstrates that the facility meets nationally recognized standards for quality and effectiveness.

- While some agencies voluntarily obtained accreditation, that was left to the discretion of the individual agency. Because accreditation involves significant fees and indirect costs associated with staff time not involving direct billable services, the decision to obtain accreditation was often inextricably intertwined with the agency's financial position at that particular time.

- This requirement forced that expense and time onto all agencies irrespective of their ability to pay. Those costs have been passed down to the taxpayers.

LUCAS COUNTY CHILDREN SERVICES

IN THE MEDIA

Ohio's Child Welfare System Faces Crisis – Spectrum News 1, March 12, 2023

https://spectrumnews1.com/oh/columbus/news/2023/03/12/ohio-s-child-welfare-system-faces-crisis

Ohio Urges Action on the Placement Crisis in Foster Care – Children's Defense Fund, Feb. 3, 2023

https://www.childrensdefense.org/blog/cdf-ohio-urges-action-on-the-placement-crisis-in-foster-care/

Ohio's Foster Care Crisis Forcing Hundreds of Kids to Sleep in Offices – Ohio News Service, August 21, 2023

https://www.clevescene.com/news/ohios-foster-care-crisis-forcing-hundreds-of-kids-to-sleep-in-offices-42597438

The local impact of the child welfare placement crisis in Ohio – The Perry Tribune, August 16, 2023

https://www.perrytribune.com/comment/article_eaa89d06-3b70-11ee-bc05-277be5da8992.html

Inside America's critical shortage of foster care homes – NPR, July 20, 2023

https://www.wusf.org/2023-07-20/inside-americas-critical-shortage-of-foster-care-homes

LUCAS COUNTY CHILDREN SERVICES

IN CONCLUSION…

- LCCS has demonstrated fiscal responsibility.
- The agency is recognized statewide and nationally as a leader in child welfare practice.
- At a time when there are so many changes and unknowns in child protection, we must be ready to respond to any challenge.
- Renewing this 1.80 mill levy and increasing it by 1.5 mills is critical for the children of Lucas County.

LUCAS COUNTY CHILDREN SERVICES

LUCAS COUNTY CHILDREN SERVICES