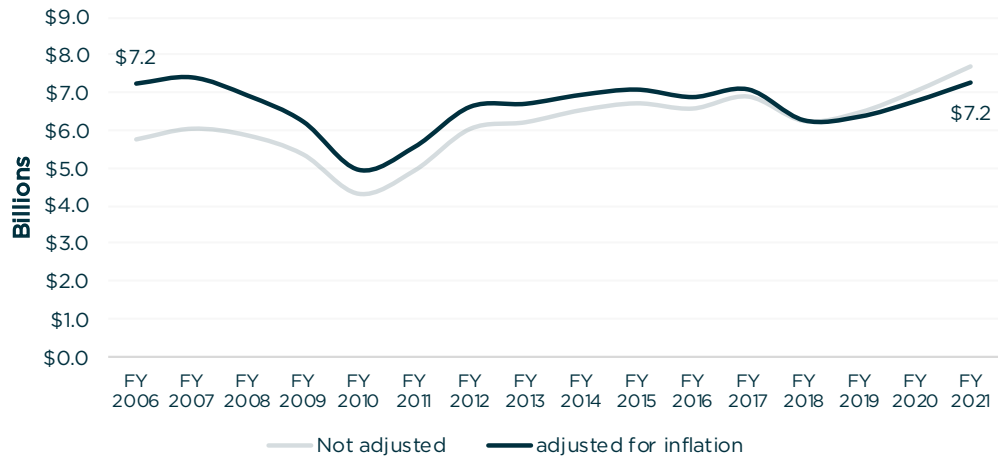
Health and human services

Health and human service programs make sure Ohioans' basic needs are met. They provide a safe place to stay for children while their parents are recovering from addiction. They protect and care for elderly Ohioans. They make sure people get treatment when they are sick, no matter how much money they have. State GRF resources for health and human services grow by $2 billion in the 2020-21 budget compared to the prior budget, an increase of 15.5%. Adjusted for inflation, state GRF resources in these areas will catch up to and surpass the level at which they were funded in 2006 for the first time in 2021 (Figure 8).

During the recession lawmakers used federal stimulus dollars to backfill where the dip appears in the black line in Figure 8. This graph illustrates that post-recession, state support of health and human services was flat, even as poverty remained high.[1] During these years infant mortality rates rose and drug overdose deaths climbed. This budget responds to those emergencies with increased and in many cases targeted funding.

Figure 8

State GRF dollars for health and human services regain pre-recession levels (adjusted for inflation; billions of dollars)



Source: Policy Matters Ohio, based on Ohio Legislative Service Commission Historical Expenditures: Table 2: State - Source GRF, LPEF, and LGF Expenditure History. 2018 dollars; deflation based on CPIU-RS. 2020-21 inflated using LSC June forecast to the conference committee.

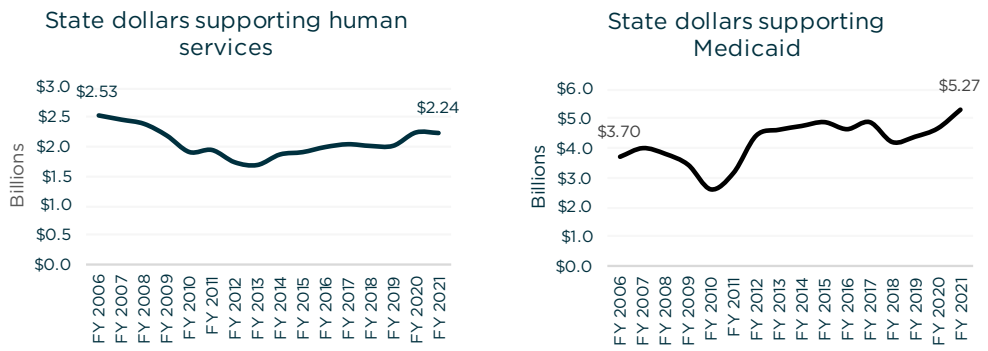
Investment in health and human services in the 2020-21 budget is driven by urgent health concerns. The death rate from the drug epidemic was nation's second highest in 2017, although progress has been made since then.[2] The infant mortality rate is 41st highest in the nation,[3] and in 2017, there was only one other state where a higher share of black babies didn't make it to their first birthday.[4] Too many Ohio children are poisoned by lead.[5] The population is aging, with increased needs for care.[6] The home health and mental health workforces are eroding, in part because of low pay, related to meager Medicaid reimbursement levels set by the state.[7]

Ohio ranks low among states on various health measures. The Commonwealth Fund finds 42 states score better in terms of "healthy lives" than Ohio and that disparity in health outcomes between rich and poor people is on the rise.[8]

Figure 9 shows that growth in state GRF funding for health and human services has primarily been in the Medicaid budget since the 2014 Medicaid expansion. State tax dollars spent on health and human service funding other than in the primary Medicaid lines remains 11.5% below the level of 2006 (Figure 9), adjusted for inflation.

Figure 9

State dollars supporting health and human services in the GRF, (adjusted for inflation, billions of dollars)



Source: Policy Matters Ohio, based on Ohio Legislative Service Commission Historical Expenditures: Table 2: State – Source GRF, LPEF, and LGF Expenditure History. 2018 dollars; deflation based on CPIU-RS. 2020-21 inflated using LSC June forecast to the conference committee. Non-Medicaid human services include agency line items other than the 6500000 series (indicating Medicaid dollars) in the seven sister agencies: Aging, Developmental disabilities, Mental Health and Addiction Services, Job and Family Services, Developmental Disabilities, Opportunities for Ohioans with Disabilities and the Department of Health.

The following sections look at the seven major health and human service agencies:

Medicaid, the Departments of Mental Health and Addiction Services, Health, Aging, developmental disabilities, Opportunities for Ohioans with Disabilities, and Job and Family Services.

MEDICAID

Medicaid is essential to the health of Ohioans. The program covers 3 million people, a quarter of the population. When state, federal and special purpose funds are counted, it is the largest single state program, accounting for 4% of Ohio's economy.[9] It covers just over half of all births in Ohio.[10] Medicaid is the most powerful tool the state has to stem the drug epidemic, funding $1.1 billion in mental health and addiction services in 2018.[11]

Medicaid is paid for by a partnership between the federal government and the state. The federal government covers 68%: $40.6 billion of the $59.8 billion program in the budget for 2020 and 2021. The federal funds are essential to Ohio's health system and economy. State-source GRF Medicaid funds total $11.8 billion. The balance is from special purpose funds.[12]

Across all funds and all agencies, the Medicaid budget will increase by $6.3 billion (12%) compared to the prior, two-year budget period. State GRF dollars make up 25% of the increase. Selected budget highlights are described below.

CHILDREN'S HEALTH INSURANCE PROGRAM: Just over half of Ohio's children under five years old are insured through Medicaid and its program for children called the Children's Health Insurance Program – "CHIP."[13] The Affordable Care Act boosted the federal share of CHIP, but when Congress reauthorized the program for 2020, it reduced that share. The increase in Ohio's share was anticipated to be $200 million over the biennium.[14] Lawmakers covered the increase without cutting eligibility, an investment in Ohio's children.

INFANT MORTALITY: The Department of Medicaid budget includes nearly $90 million in combined state and federal funding to reduce infant mortality, including $47 million for home visiting (this is in addition to Department of Health home visiting program, described below). The chapter on cross-agency initiatives gives more information on efforts across agencies to reduce the state's high rate of infant mortality.

MEDICAID EXPANSION: The federal share of matching funds for Medicaid expansion, which provides health insurance to low-income working-age adults, drops from 93% to 90% over the coming biennium. Lawmakers funded that increased share, protecting health services for 575,699 Ohioans, primarily low-wage workers, disabled people and caretakers.[15] In this budget, lawmakers did not embrace a proposal to charge Medicaid enrollees monthly premiums and reduce services for those too poor to pay, but legislation to do this has cropped up before and will emerge again,[16] a danger to the health of hundreds of millions of Ohioans and to the health care system itself.

WORK REQUIREMENTS: The new budget provides $28 million in combined state and federal dollars to implement a program that links eligibility for Medicaid to monthly hours worked. While those Medicaid enrollees who can work do,[17] low-wage jobs do not always offer enough hours to meet work requirements.[18] Hundreds of thousands of Medicaid enrollees in Ohio could be at risk because of churning work hours or difficulty reporting work hours.[19] Health care should not be dependent on number of hours worked – it's a losing proposition for Ohioans and the Ohio health system. Work requirements do not help people become healthier or more financially stable.[20] In the one state that tried to implement such a program, thousands lost coverage because reporting the weekly hours was an insurmountable barrier.[21]

MEDICAID AND BEHAVIORAL HEALTH: The new budget sets aside $7.5 million for a Medicaid demonstration program that would strengthen community care for substance abuse disorder. Approved on September 23, 2019, this program will waive certain Medicaid rules to permit longer inpatient treatment in certain community health care settings, expanding badly-needed treatment capacity. Ohio lost 152 beds between 2005 and 2010 and was left with just 18% of the public beds considered necessary to meet needs.[22] In 2017 Ohio had 9.7 beds per 100,000 people, 35th among states.[23] The need for more beds was highlighted in a recent report on Montgomery County,[24] known as "ground zero" for the national drug epidemic.[25]

BEHAVIORAL HEALTH CARE COORDINATION: The new budget provides $250 million in GRF ($45.3 million state share) in FY 2021 to implement behavioral health care coordination. People with intensive behavioral health needs will receive case management from a community provider.

BEHAVIORAL HEALTH IN SCHOOLS: The budget bill includes $15 million to provide behavioral health services within schools through telehealth services. Currently, students need to leave their school to receive these services. ODM anticipates better access to behavioral health services could prevent the need for costly emergency room treatment.

PHARMACY BENEFIT MANAGEMENT: Investigative reporting uncovered profiteering by middlemen obtaining prescription drugs for Ohio's privatized Medicaid services.[26] There was considerable debate about solutions, and solutions were presented in the budget sent to the governor for signature, but he vetoed some of them. However, the budget did address fiscal problems in this area, providing $270.6 million over the biennium to support modernization and improvement of the troubled program. In a September 19, 2019 presentation to the Joint Medicaid Oversight committee, Medicaid Director Maureen Corcoran outlined plans that included establishing a single pharmacy benefit manager and preferred drug list, measures to prevent conflicts of interest and new ways of obtaining specialty drugs, implementing a pharmacist appeals process, establishing an annual drug spending growth benchmark and direct manufacturer negotiations with the state to maximize supplemental rebates.[27] Changes were already underway, and a recent report indicates progress in reducing profiteering, but calls for further reform.[28]

MENTAL HEALTH AND ADDICTION SERVICES

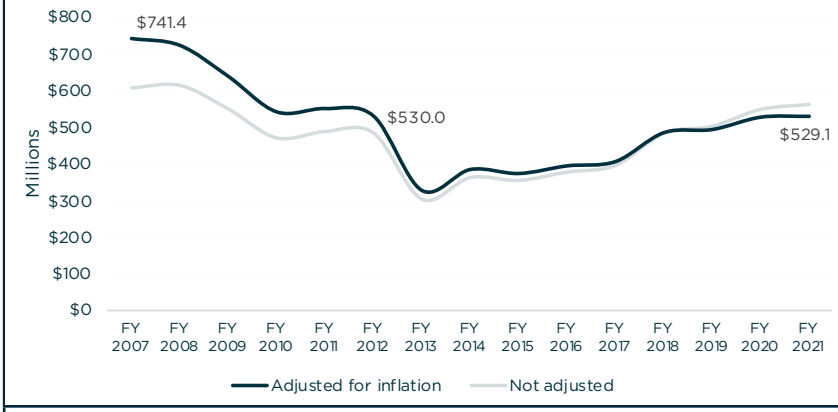
The Ohio Department of Mental Health and Addiction Services (Ohio MHAS) manages a statewide network of care and recovery that includes 51 local behavioral health boards, six regional psychiatric hospitals with 1,065 beds[29] and over 600 community-based mental health and addiction service providers.[30]

In the new budget, lawmakers increased investment in state hospitals, prevention, wellness and recovery and local crisis response. The agency all-funds budget is boosted by $355 million (25.9%) to $1.7 billion. State-source GRF funds rise by nearly $83 million (23% of the increase) to $901 million or 52% of total funding. Federal funds increase by almost $150 million with new grants to stem the drug epidemic.

Experts say drug addiction is a disease of despair, encompassing economic, social and physical elements.[31] Treatment infrastructure can help; lack of such infrastructure can hurt. Ohio's mental health and addiction services infrastructure has declined. Figure 10 shows the trend in GRF funding over the past 15 years, adjusted for inflation.

Figure 10

State GRF Dollars supporting Mental Health and Addiction Services, (adjusted for inflation, millions of dollars)



Source: Policy Matters Ohio, based on Ohio Legislative Service Commission appropriation spreadsheets. 2018 dollars; inflation adjusted using CPIU-RS.2018 $$; 20-21 adjusted using inflation forecasts at the LSC revenue briefing to the Conference Committee, June 25, 2019.

According to the Ohio Association for County Behavioral Health Authorities, lawmakers cut non-Medicaid funding for community mental health services by 70% between 2002 and 2012. Figure 10 shows GRF funding for mental health and addiction services falling off the cliff in 2013. By 2021 it will almost regain the 2012 level – but cuts in prior years are not restored.[32] Two state psychiatric hospitals were closed in 2008.[33] Supply of public beds today remains below need.[34] Seventy-eight percent of in-patient beds in the state psychiatric hospitals are used for people in the criminal justice system.[35]

The 2014 expansion of Medicaid to low-income working adults has been essential to slowing drug deaths, providing $1.1 billion in behavioral health treatment in 2018.[36] Yet both psychiatric hospital capacity and community mental health infrastructure have not been fully restored.

The list below highlights some of the bigger initiatives in the Ohio MHAS budget for 2020-21.

PSYCHIATRIC HOSPITALS: Lawmakers appropriated $567 million in all-funds dollars for the psychiatric hospitals administered by Ohio MHAS, which serve as a safety net for Ohio's most challenging patients.[37] This is an increase of $55.5 million or 10.9%. This function is primarily funded by GRF dollars, which make up 83% of the total appropriation.

COMMUNITY MENTAL HEALTH: Community and recovery funds in Ohio MHAS cover crisis intervention; hospital prescreening; counseling-psychotherapy; drug, alcohol, and gambling addiction treatment services; community support program services; diagnostic assessment; consultation and education; and residential housing. Within that category of services, the Continuum of Care line item (336421) funds local boards to meet locally determined needs. The item will provide $166.9 million over the 2020-21 biennium, an increase of 14.4 million or 9.4% over the prior, two-year budget. The new dollars are to be used primarily to expand the Ohio Sobriety, Treatment, and Reducing Trauma (OhioSTART) program, which provides services to children (who have a parent with substance abuse) and parents toward their recovery. The program is currently in 34 counties and this funding increase will expand the program to another 30 counties.

THE DEPARTMENT OF MEDICAID REMAINS THE BEST TOOL IN THE TOOLBOX TO STEM THE DRUG EPIDEMIC

The 2020-21 Medicaid budget supports many initiatives for behavioral health, including:

- **Medicaid funds to catch up on payment of claims to behavioral health providers, a residual problem from the prior administration that drove some providers out of business.[38]**
- **$250 million ($45.3 million state share) in 2021 to implement behavioral health care coordination for those with intensive behavioral health needs;**
- **$15 million to provide behavioral health services in schools through telehealth services, and**
- **$18 million over the biennium to prevent parents from forced custody relinquishment to gain services for children with severe, multiple symptoms that may cut across agencies: Ohio MHAS, under the Family and Children First Council, will work with Medicaid to develop an action plan.**
- **$7.5 million in state funds will set up a program that allows Medicaid patients to remain in certain community facilities for longer treatment stays, expanding the capacity for in-patient treatment.**

The new initiatives and enhanced funding in the budget are important to restoring and strengthening the infrastructure around mental health and addiction treatment and in particular, supporting those in recovery. Recovery can take a long time, and a continuum of care through community mental health services will remain an important component of Ohio's health care system.

TREATMENT AND PREVENTION: $72.2 million is appropriated for statewide treatment and prevention initiatives, including $18 million to support K-12 prevention education initiatives in FY 2020, $18 million to support prevention, treatment, and stigma reduction multi-media campaigns, and $5 million to expand those trained in mental health first aid and to expand the number of law enforcement trained in de-escalation techniques.

FEDERAL GRANTS TO STEM THE OPIOID EPIDEMIC: Two federally funded grants (Opioid State Targeted Response and State Opioid Response) provide $141.9 million to increase access to medication-assisted treatment and naloxone, provide training to improve crisis response, and develop job opportunities for people recovering from opioid addiction.

COMMUNITY JUSTICE: Lawmakers boost funding for the courts in the OMAS budget (line item 336422) by $6.6 million (23.9%) to $34.2 million. Elements of the Criminal Justice Innovation programs are merged into this funding stream. This line item, and others within the category, will use $12 million for drug courts (down from $16 million in 20181-9) and $17.5 million for all specialized dockets (up from $10 million in 2018-19). These specialized court functions help non-violent offenders remain in the community rather than going to jail.[39]

OHIO DEPARTMENT OF HEALTH

The mission of the Ohio Department of Health (DOH) is to protect and improve the health of Ohioans by preventing disease, promoting good health, and assuring access to quality health care. The all-funds budget for DOH over the 2020-21 biennium is $1.4 billion, an 18.8% increase over the prior two-year budget period. The $215 million increase includes $64.8 million in state GRF dollars, 30% of the total agency increase.

Almost half ($30 million or 45%) of the boost in state GRF funding will expand the "Help Me Grow" home visiting program, an evidence-based approach to lowering infant mortality. In addition, screening for breast and cervical cancer, important to lowering infant mortality,[40] is expanded to reach more women. The budget bill also expands DOH's role in recording and monitoring infant and maternal mortality. Cross-agency initiatives to reduce Ohio's high rate of infant mortality are presented in the section below on such initiatives.

Lawmakers added new provisions to address lead poisoning in children by stiffening legal regulation and providing $5 million a year through tax credits for rehabilitation of lead-blighted properties. Two new line items were created for local property rehabilitation programs: $150,000 for a Toledo program and $2,000,000 for a Cleveland program. The section on cross-agency initiatives gives detail on funding to reduce lead poisoning.

AGING

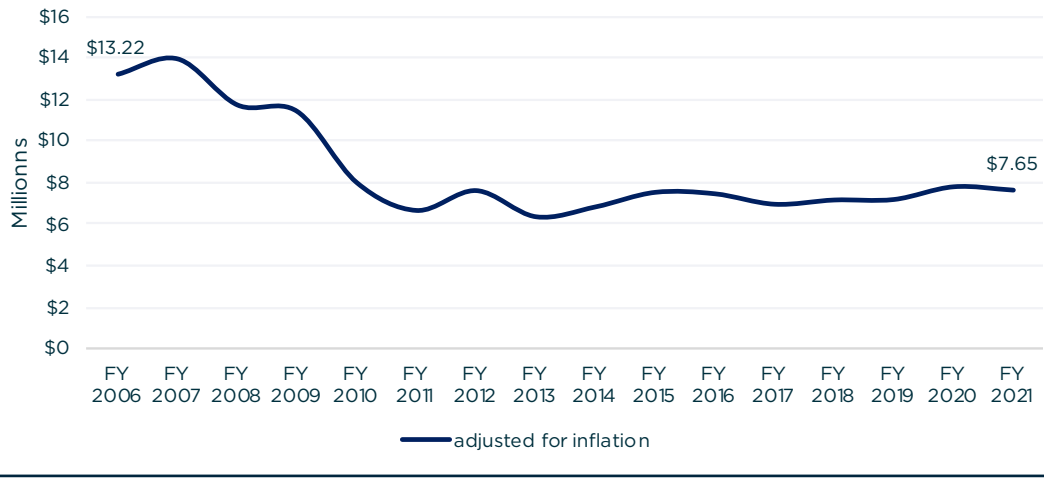
Across all funds in the new biennium, the Ohio Department of Aging will get $197.1 million, a boost of $36 million (22.5% increase, not adjusted for inflation) compared to the prior budget period. State GRF dollars make up just 20.3% of the budget; these increase by $10.9 million or 37.1% over the two years. The new budget boosts the Senior Community Services program, long-term care ombudsman program, personal care services and home-delivered meals.

New funds are helpful, but insufficient to restore years of program erosion and cuts. Figure 11 shows how the one program – the Senior Community Services Program - has eroded and even with the boost, remains 42% below the level of 2006 (adjusted for inflation).

The state encourages older people who need help with the activities of daily living to continue living at home, in the community, with help from home health workers, instead of going to a nursing home. The federal government has 'waived' certain Medicaid rules to facilitate this. When people live in the community they must feed and care for themselves. The Senior Community Services program can help them meet nutrition, transportation and other needs. Lawmakers have dramatically reduced the program even as the state has encouraged people to age at home.[41]

Figure 11

Senior Community Services Program remains 42% below 2006, adjusted for inflation, despite growth in seniors and need



Source: Policy Matters Ohio, based on Ohio Legislative Service Commission appropriation spreadsheets. Deflated using 2018 $$; CPIU-RS.

This year, there is an increase in the Senior Community Services program, but it is very broadly available, narrowly focused and for any one individual or family, provides a very small benefit. The $2.8 million increase in the Senior Community Services program will fund expansion of the federal Senior Farmers Market Nutrition Program, which gives older Ohioans $50 a year in vouchers for farmers market produce.[42]

As Ohio's population ages, more people want to stay in their homes, but there are barriers to getting the supports they need. Ohio's Medicaid reimbursement for home health care has been so low that services are inadequate in some places. Lawmakers agreed to increase reimbursement beginning in 2022, but the governor vetoed the provision. The administration has committed to providing some increase, but likely not for the full list of services in the vetoed budget language.[43]

DEVELOPMENTAL DISABILITIES

Total funding for the Ohio Department of Developmental Disabilities will be $6.9 billion over 2020-21, an increase of $1.2 billion or 20.8%. Most of that money is federal Medicaid funds. State GRF dollars account for $1.5 billion of the total and increase by $133 million (9.8%) compared to the prior budget period.

Ohio has been working to meet federal requirements that allow people with developmental disabilities to live in the community instead of institutions. The 2020-21 budget increases Medicaid funding to support more people in their own homes (with special permission from Medicaid, or a waiver of rules, to serve people in their home and community).

Because policymakers keep Medicaid reimbursement rates too low, home health care companies don't pay their workers enough. Therefore, the jobs don't attract the skilled medical professionals needed to do this vital work. Lawmakers appropriated money to boost their pay to $12.82 per hour in 2020 and $13.23 by the second half of 2021. The governor vetoed the provision. Getting reimbursement rates to a living wage remains a substantial, unmet need.[44]

OPPORTUNITIES FOR OHIOANS WITH DISABILITIES

This agency, formerly the Rehabilitation Services Commission, serves physically disabled people. It works with the federal Social Security system, processes applications for Social Security Disability status, and administers employment services in partnership with the federal vocational rehabilitation program. Total GRF funding for this agency rises by 16.1% over the prior, two-year budget to $37.3 million in the 2020-21 budget. The all-funds budget of $548.1 million rises by $84.3 million or 18.2%; state GRF accounts for 6% of the increase.

In 2019 Ohio policymakers didn't appropriate enough matching funds to draw in an additional $32 million in federal vocational rehabilitation dollars that could have provided employment services to people with a serious physical or mental health disability. Ohio left the most federal vocational rehabilitation dollars on the table of all states and territories.[45]

In the 2020-21 budget, lawmakers boosted the state's investment in vocational rehabilitation by $2.9 million, which will bring in $10.5 million in additional federal funds for employment services. Disability Rights Ohio estimates Ohio will continue to forgo federal vocational rehabilitation money, however, estimating the amount foregone will be $25 million in 2020 and around $20 million in 2021.[46] Employment services is a vitally important part of the continuum of care in recovery. Lawmakers should allocate the full match to better address the addiction crisis hurting so many Ohio families and communities.

DEPARTMENT OF JOB AND FAMILY SERVICE

This agency oversees programs that help struggling families, like food assistance and Temporary Assistance for Needy Families; it administers the unemployment insurance program. It provides work supports, including public child care and employment training programs. In many programs, operations are carried out in through county departments of job and family services. Total funding for the Ohio Department of Job and Family Services (ODJFS) will be $7.4 billion over the two-year budget period, boosted by 22.5% (not adjusted for inflation). GRF in the budget rises by 21.3% over the prior, two-year budget to $1.8 billion, accounting for less than a quarter of the overall increase in funding. A selection of new investments are highlighted below.

PROTECTIVE SERVICES: During the recession, lawmakers cut funding for child protective services, like many social services. Thereafter, they did not increase funding to cover inflation, which allowed the value of appropriated dollars to be eroded by inflation. Ohio's contribution of funding to this service has historically been the smallest among all the states: localities depended on property tax levies.[47] With the drug epidemic, need for child protective services soared.[48] In this budget, lawmakers more than doubled the state's formula allocation to counties (from $60 million to $125 million per year) and overall added more than $200 million over the biennium, an historic contribution to a critically important service.

While the new funding allows Ohio's counties to stabilize, it does not yet support the development of new infrastructure needed to take advantage of the system transformation opportunity presented by the federal Family First Prevention Services Act. Changes in federal law will allow flexibility in the use of funds for prevention. A similar but more flexible approach has been effective in 15 Ohio counties that took advantage of a waiver opportunity (Ashtabula, Portage, Lorain, Stark, Medina, Belmont, Muskingum, Richland, Crawford, Hardin, Clark, Green, Franklin, Fairfield, and Hamilton). However, the federal waiver under which these pilot programs operated expired on September 30. Those 15 counties have lost flexible funding: in some counties, this amounts to millions of dollars. Even the new state funding won't replace the losses in some places.[49]

Although the new state funding to respond to the drug epidemic was badly needed to stabilize a system in serious crisis, funding is now needed to build infrastructure to take advantage of the new federal program, to shore up programs where federal aid expired, and to increase the state's capacity for services and supports for families and caregivers.

KINSHIP CARE: Families that take in the children of relatives often do not know where to turn for help. This budget provides $8.5 million to build a kinship care navigator program to help family members caring for relatives' children. In addition, $30 million will be provided through the TANF block grant to help with a kinship childcare program.

ADULT PROTECTIVE SERVICE FUNDING was increased from $2.7 million a year to $4.2 million, split evenly among all counties. The increased funding is needed, but does not provide each county with enough for just one professional social worker.[50] Estimates of the annual number of elders at risk of abuse and neglect in Ohio range from 105,000 to 250,000; estimates of funding needed to provide adequate protection range from $10 million to $22 million a year.[51]

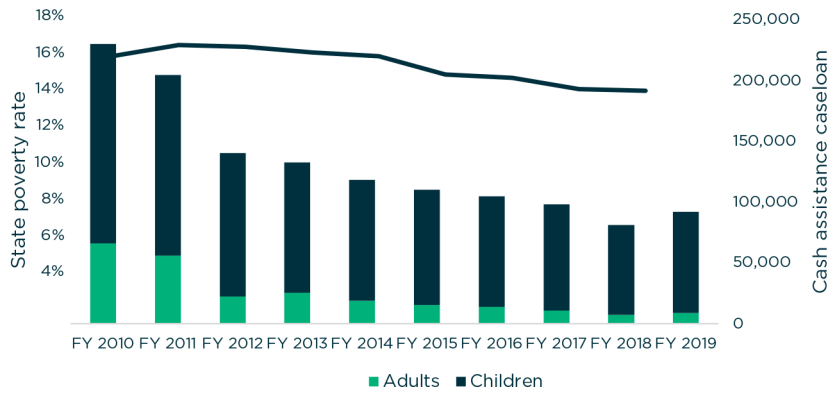
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF): TANF is a federal program that helps low-income parents earning less than 50% of poverty. Most TANF expenditures are allocated to: publicly funded child care, cash assistance payments to families, and to Ohio's 88 county Job and Family Service entities that administer supportive services. TANF replaced the eligibility-based "Aid to Families with Dependent Children" in 1996 as a federal block grant. Today the program helps far fewer people than it should: Nationally, less than a quarter of eligible families are helped.[52]

Ohio's TANF program is funded by an annual federal block grant of $725.7 million. Because the TANF line item in the Department of Job and Family Services budget rises and falls from year to year, it appears there is variation in the federal funding, but that is not the case: it has not changed since 1996. In some years not all of the money is spent and is placed in savings, for use in later years.

Ohio's lawmakers appropriated $2.1 billion for TANF over the next two years. Of that total, 86.2% is federal funds. The main TANF lines, for the block grant itself (agency line item 600689) and for the required state match, called "Maintenance of Effort" (agency line item 600410) will together expand by $452.1 million (27.5%) as funds built up over the past decade are used up. All of the increase is in federal dollars. The expansion of funds will be used for public child care.

Figure 12

Cash assistance fell but poverty didn't; state needs to use more TANF funds to help struggling families



Source: Policy Matters Ohio, based on memorandum provided by the Ohio Department of Job and Family Services to the House Finance Subcommittee on Health and Human Services, ("Temporary Assistance for Needy Families (TANF) Program." Services Framework for SFY 2020-21)

Ohio's poverty rate remains higher today than before the recession, but use of TANF dollars for cash assistance or one-time emergency assistance dropped over the past decade.[53] Federally-mandated work requirements posed insurmountable barriers to many, who were dropped from the program because they were not able to satisfy the work requirement.[54] Figure 12 shows TANF caseload plummeted – particularly for parents – while poverty remained high.

TANF is supposed to help families struggling to make ends meet, but the Kasich Administration allowed funds to build up in savings (referred to as a "sustainability fund" in one spreadsheet distributed during the budget discussion).[55] TANF funds are meant to bring stability to low-income families in a crisis and to protect children. Funding should fully address these needs.

Advocates asked the legislature to increase the grant to families by $100 a month, but they did not. More TANF funds should be used to reduce eviction and homelessness; and provide transportation,[56] meaningful job training, and meaningful work experience in areas with high unemployment. Ultimately, we need more sustainable revenue outside of the TANF program to expand access to housing, transportation, job training and childcare assistance.

PUBLICLY FUNDED CHILD CARE: Ohio served 118,000 children through the public child care program in August 2018, the last month for which there is an unduplicated count.[57] Families with income below 130% of the federal poverty level (about $27,000 for a family of three) are accepted into the public child care program. Only two states, Michigan and Indiana, make it harder to get public child care aid than Ohio.[58]

Initial eligibility for public child care should be set at 200% of poverty to make child care affordable for more working families. This would also support early learning by aligning childcare eligibility with of the state's public preschool program. While Governor DeWine pledged to raise initial childcare eligibility from 130% to 150% of the federal poverty level in his campaign, policymakers failed to allocate funds to support this goal in the two-year state budget. It remains a stated priority of the Administration.

Nevertheless, policymakers took steps to improve child care quality by increasing payments to public providers who meet certain benchmarks. Progress is measured through the Step Up To Quality (SUTQ) program, a five-star quality rating system administered by the Ohio Department of Education and the Ohio Department of Job and Family Services that aims to ensure children become kindergarten-ready by early care quality.

Table 2

Publicly funded childcare appropriations (millions of dollars, not adjusted for inflation)

Agency	Line item	Program source and name	FY 2018-19	FY 2020-21	Change	% change
JFS	600617	Federal - Childcare & Development block grant	$515.8	$663.2	$147.4	28.6%
JFS	600689	Federal - TANF block grant*	$443.8	$717.3	$273.5	61.6%
JFS	600413	GRF - State Childcare Maintenance of Effort	$166.8	$166.9	$0.1	0.1%
JFS	600535	GRF - Early Care & Education	$281.9	$282.6	$0.6	0.2%
JFS	600555	GRF - Quality Infrastructure Grants	$0.0	$10.0	$10.0	100.0%
		Total	$1,408.4	$1,840.0	$431.7	**30.7%**

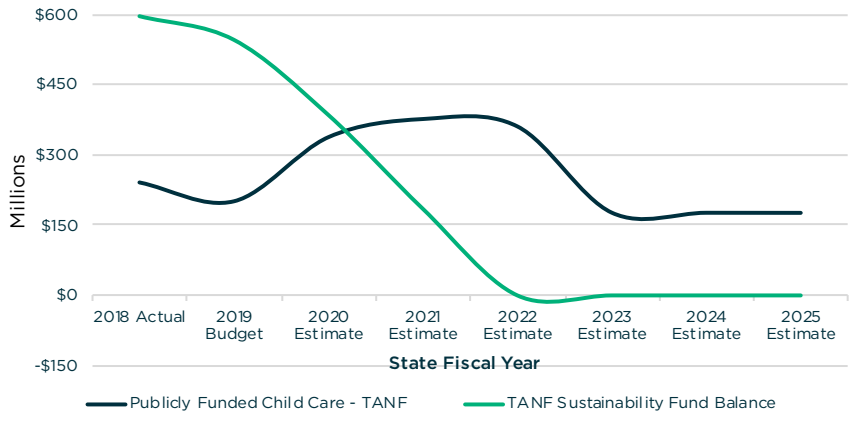
*Source: Policy Matters Ohio, based on agency line items provided by the Ohio Legislative Service Commission appropriations spreadsheet for the 2020-21 budget (with 2019 actuals). *Note: TANF figure for public childcare (600689) is taken from the "Temporary Assistance for Needy Families (TANF) Program Services Framework for SFY 2020-21," A memorandum prepared by the Ohio Department of Job and Family Services and provided to the House Finance Subcommittee on Health and Human Services, April 2019.*

The budget increases funding for public child care by $431.7 million over the 2020-21 biennium (Table 2). All of the increase in funding for the state child care program is from federal sources to support the SUTQ mandates and much-needed increases in child care provider funding. State dollars are used in line item 600555, which provides $10 million in one-time grant funds to help providers participate in SUTQ and improve quality.

The increase in TANF funding for public child care is needed for provider reimbursement, but TANF is an unsustainable source. The TANF savings that allow the increase are projected to run out after 2022.[59] Figure 13 highlights how the TANF 'surplus' boosts funding for child care between fiscal year 2020 and 2022. When the projected surplus runs out in 2022, overall spending for publicly funded child care in TANF decreases.

Figure 13

Surplus spending on public child care runs out after FY 2022; then what?



Source: Policy Matters Ohio, based on memorandum provided by the Ohio Department of Job and Family Services to the House Finance Subcommittee on Health and Human Services, ("Temporary Assistance for Needy Families (TANF) Program." Services Framework for SFY 2020-21)

Legislators need to find a sustainable source of state funding to both support sufficient child care payments and raise initial eligibility to 200% of the federal poverty level to make care affordable for more families. Years of under-investment require substantial investment now.

Endnotes

1. "Ohio Poverty Report 2019," Ohio Development Services Agency, Op. Cit.
2. Drug Overdose Deaths, Centers for Disease Control and Prevention at https://bit.ly/2aowy2C
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