

Hamilton County Children's Services Tax Levy Review

Condensed Final Report – v3.1

February 20, 2026

Scope of Work

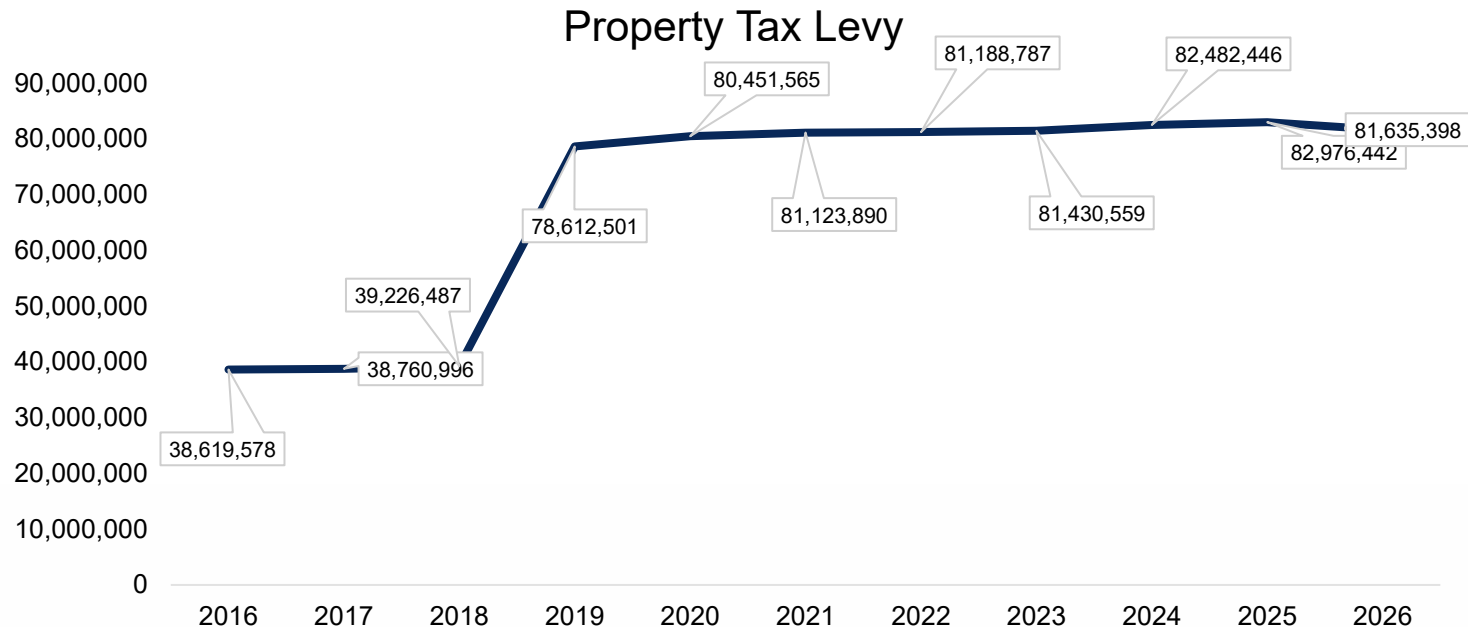
Public Consulting Group (PCG) is contracted to conduct a review of Children's Services of Hamilton County Job and Family Services (JFS) and to complete the following tasks:

1. Provide a summary of prior consultant reviews since 2017
2. Perform a comprehensive financial analysis
3. Develop a comprehensive listing of mandated and non-mandated services and service levels for programming within the levy
4. Review levy purchase service contracts for children in care
5. Review JFS's efforts to increase and retain staff during the current levy period
6. Determine compliance with TLRC recommendations for the current levy cycle from the TLRC recommendation report dated June 29, 2021.
7. Review the development of the JFS Strategic Plan
8. Conduct a comparison of JFS's operations with peer organizations
9. Review levy request and prioritization at different funding levels
10. Develop recommendations for tax levy potential cost savings, revenue enhancements, and organization or program improvements
11. Make recommendations for future JFS requirements upon passage of the levy



Overview of Children's Services Tax Levy

- In 2018, the Children's Services Tax Levy increased from \$39M to approximately \$81M – or from 2.77 mills to 4.75 mills – to support a shrinking levy reserve largely driven by an increase of the number of children in Hamilton County JFS custody, an increase to the length of time children were spending in custody, and the rising cost of out of home placements. The levy increase occurred by adding a second levy to the ballot in 2018, which was approved by a vote of nearly 60%.
- The levy remained at 4.75 mills on the 2021 ballot (Issue 1) and passed with 58% of the vote.
- The tax levy costs the owner of a \$100,000 home ~\$109 annually.



- 2026 is an estimate



Peer County Levy Overview

The table below compares levies and child welfare spending across peer counties.

County	Hamilton	Cuyahoga	Franklin	Montgomery	Lucas
Population (2026)	837,000	1,241,000	1,356,000	537,000	426,000
Children in JFS Custody (as of 7/1/24)	1,936	2,145	1,562	813	806
Est. Child Welfare Spending (Most recent FY)	\$162,300,000	\$172,100,000	\$230,600,000	\$72,700,000	\$63,400,000
Est. Cost per Child in Custody	\$83,800	\$80,200	\$147,600	\$89,400	\$78,600
Voted Millage	4.51	9.50	5.60	3.43	5.15
Effective Millage	2.51	n/a	3.15	n/a	3.39
Est. Cost Per \$100k Home	\$81.15	\$130.55	\$110.16	\$65.65	\$109.88
Total Levy Revenue	\$83.0M	\$279.3M	\$173.4M	\$35.0M	\$41.3M
Most Recent Levy Increase	2018	2020	2024	2014	2024

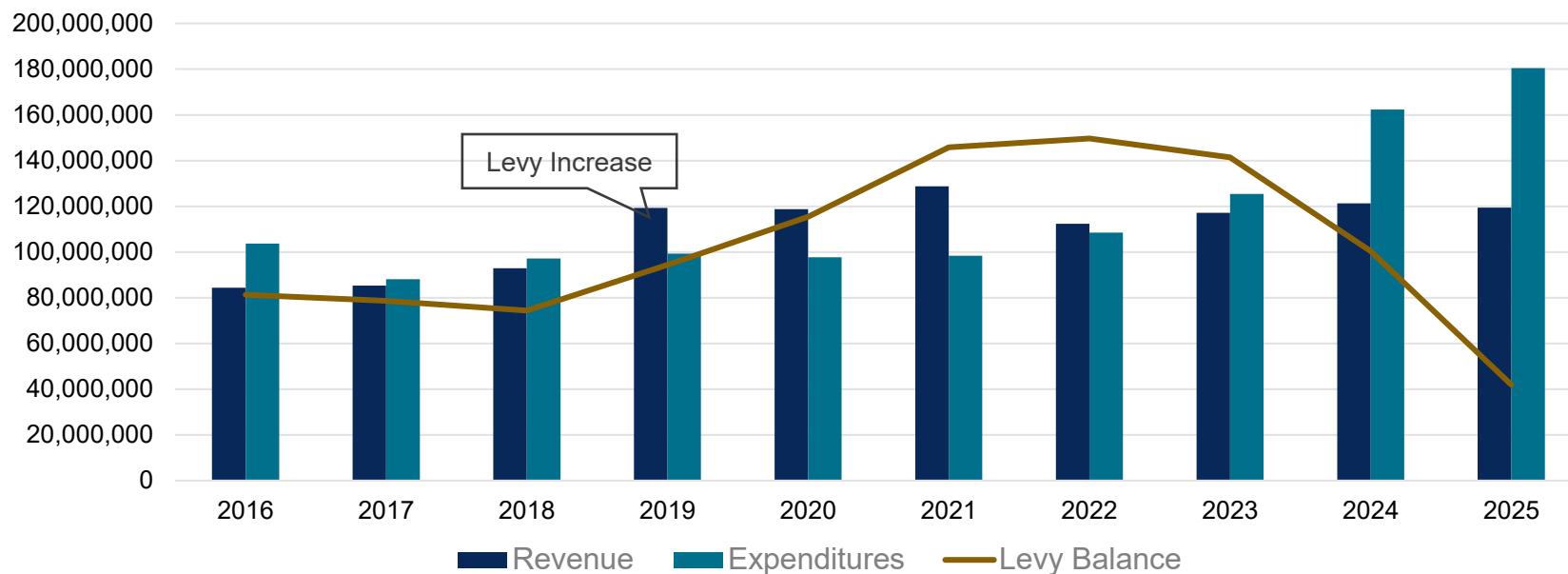
*A mill is equal to \$1 for each \$1000 in assessed property value.



Historical Levy Performance

Over the past decade, expenditures have consistently grown faster than revenues, creating mounting financial pressure on the levy. From 2016 to 2025, expenditures increased by 74%, while revenues grew only 42%, despite the levy increase in 2018. This imbalance has caused the levy balance to decline sharply, dropping by 58% in 2025 alone, signaling that current funding levels are unsustainable without significant corrective action.

Levy Performance



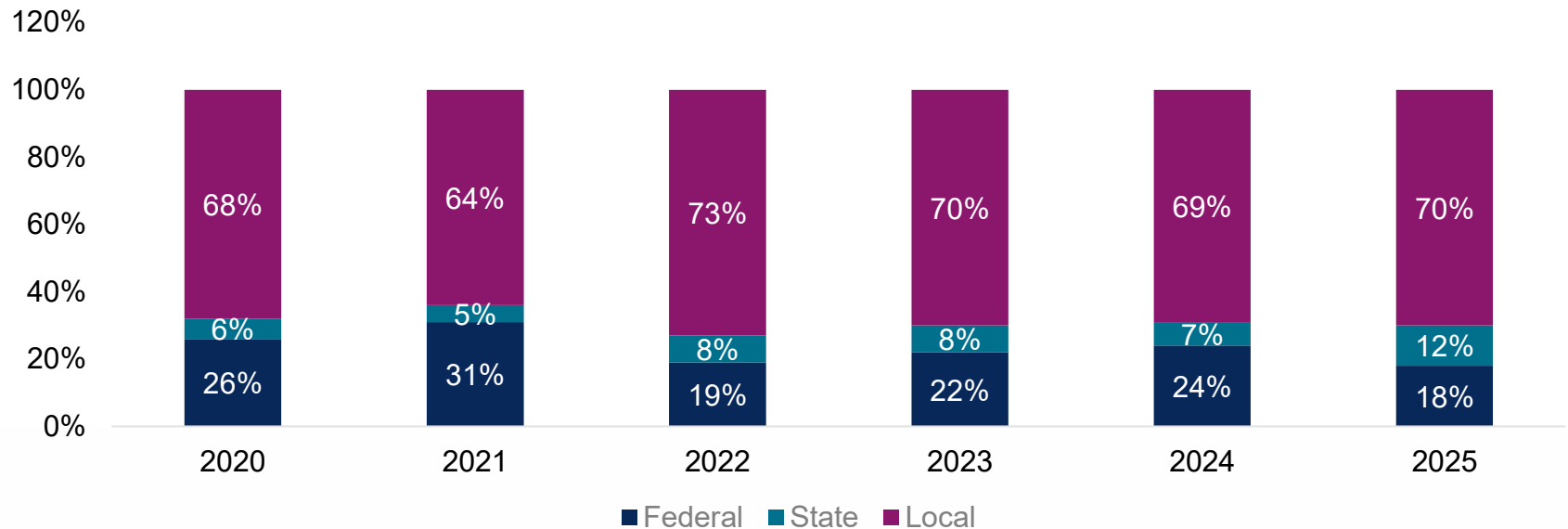
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue YoY % change	1%	9%	28%	0%	8%	-13%	4%	4%	-2%
Expenses YoY % change	-15%	10%	2%	-2%	1%	10%	16%	29%	11%
Levy Balance YoY % change	-3%	-5%	27%	22%	26%	3%	-6%	-29%	-58%

Revenue Overview

Local government remains the primary funding source for Children's Services, contributing an average of 70% of total revenue over the past five years. Federal funding accounts for about 18%, while state contributions remain minimal at 12%.

	Federal	State	Local
2021	\$39,973,770	\$6,919,789	\$81,887,015
2022	\$21,781,048	\$9,026,158	\$81,495,378
2023	\$25,188,983	\$9,725,323	\$82,199,191
2024	\$29,633,371	\$8,347,634	\$83,326,099
2025	\$21,880,222	\$14,560,240	\$82,976,742

Revenue Contribution by Source



State and Local Contributions: National Overview

Ohio is the second lowest state for state-revenue contributions to child welfare. The average state contribution is 42%. This table shows the ten states with the lowest state contributions.

State	State Contribution
North Carolina	17%
Ohio	18%
New Hampshire	19%
Arizona	21%
Arkansas	25%
Minnesota	26%
Nevada	27%
South Carolina	29%
Louisiana	29%
Missouri	31%

Ohio is the third-most reliant state in local funding for child welfare. Of the states who reported local share (typically county supervised states), their contributions are listed below.

State	Local Contribution
Minnesota	43%
North Carolina	41%
Ohio	38%
Nevada	35%
Wisconsin	26%
New York	24%
Virginia	21%
Pennsylvania	18%
Colorado	13%
Michigan	2%
Georgia	1%



Possible Revenue Changes – Next 5 Years

Social Security Income

- Beginning in FY26, Ohio is no longer to use Social Security Income (SSI) toward room and board for children in JFS custody.
- JFS estimates the financial impact of this will be ~\$900,000 annually.

Rate Cards:

- H.B 96 established statewide 'rate cards' for Ohio Department of Children and Youth (DCY). These allow DCY to issue a request for proposal to establish statewide rate cards for placement and care of children eligible for foster care maintenance payments, which is currently done through each county PCSA.
- Ohio DCY would review the rate cards submitted by providers and approve rates, if in alignment with the states market rate analysis. All approved rates would be Title IV-E reimbursable.
- This process is anticipated to go live on July 1, 2026.
- There is still uncertainty surrounding the provision of rate cards. While this process will go into effect for providers licensed by DCY, it may not affect providers licensed by Ohio Department of Behavioral Health (ODBH – formerly OHMAS). Additionally, it is unsure whether foster care agencies will have to follow this process.
- It is unknown how this will affect the rising cost of care. According to PCSAO, they believe that rate cards will not yield a significant decrease in cost, at least initially.



Possible Revenue Changes – Next 5 Years (Cont.)

Additional Family First Prevention Services Act (FFPSA) Evidence Based Practices

- It was indicated that the state plans to work with counties to identify the additional service needs of families to determine additional evidence-based practices (EBPs) to add to the state prevention plan.
- To add additional EBPs, the state will have to amend its current state prevention plan and submit to the Administration for Children and Families (ACF) for approval.

CFSR Review Process

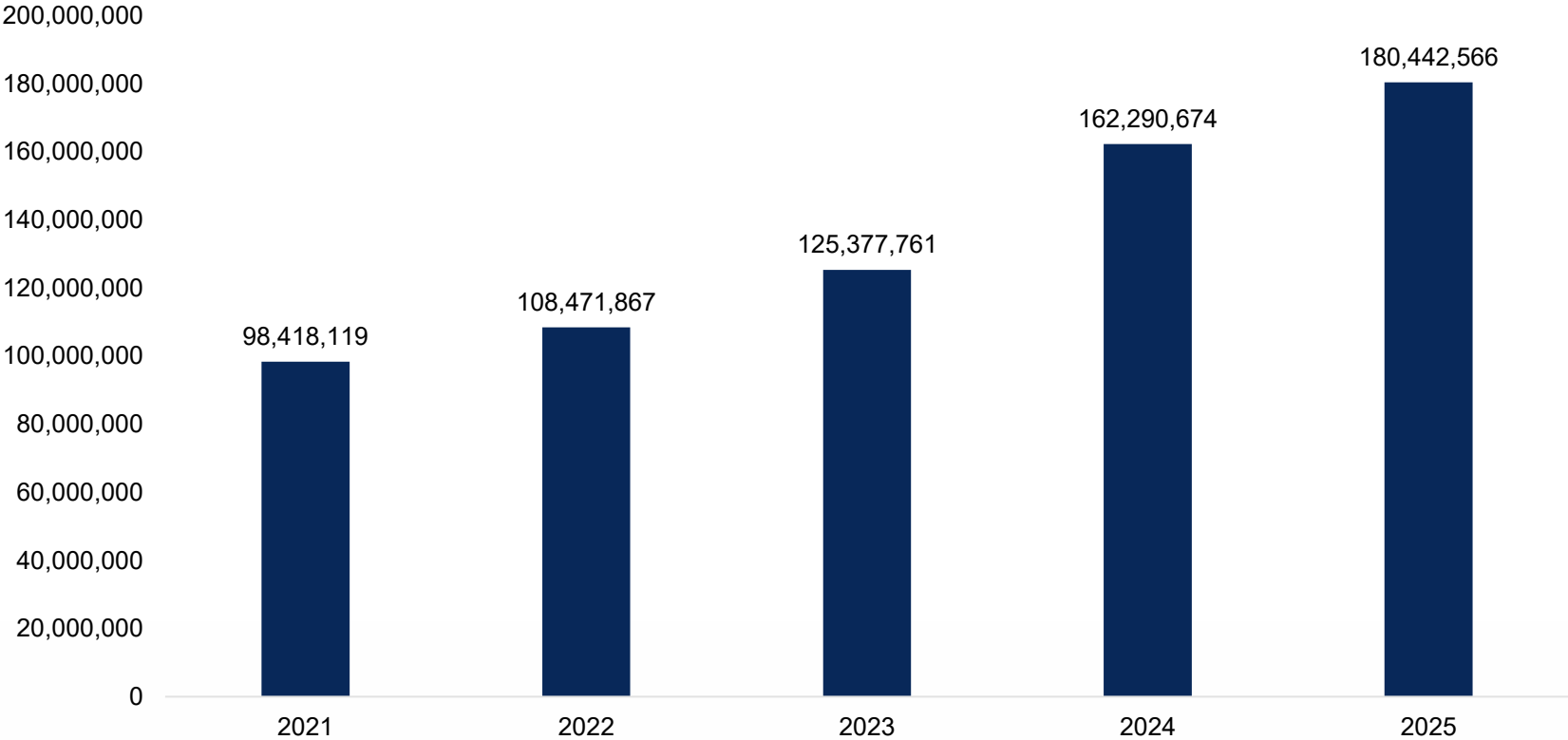
- The state is currently preparing for a federal Child and Family Services Review (CFSR). As part of this process, there is potential for financial penalties over the next five years if the state is found noncompliant with federal requirements under Title IV-B and IV-E. These penalties may result in reduced federal revenue to counties. Process includes:
 - Initial noncompliance → PIP required.
 - Failure to complete PIP → Withholding of a portion of Title IV-B and IV-E funds.
 - Continued noncompliance in future reviews → Increased penalties (up to 2% per unmet outcome/systemic factor).



Expenditure Overview

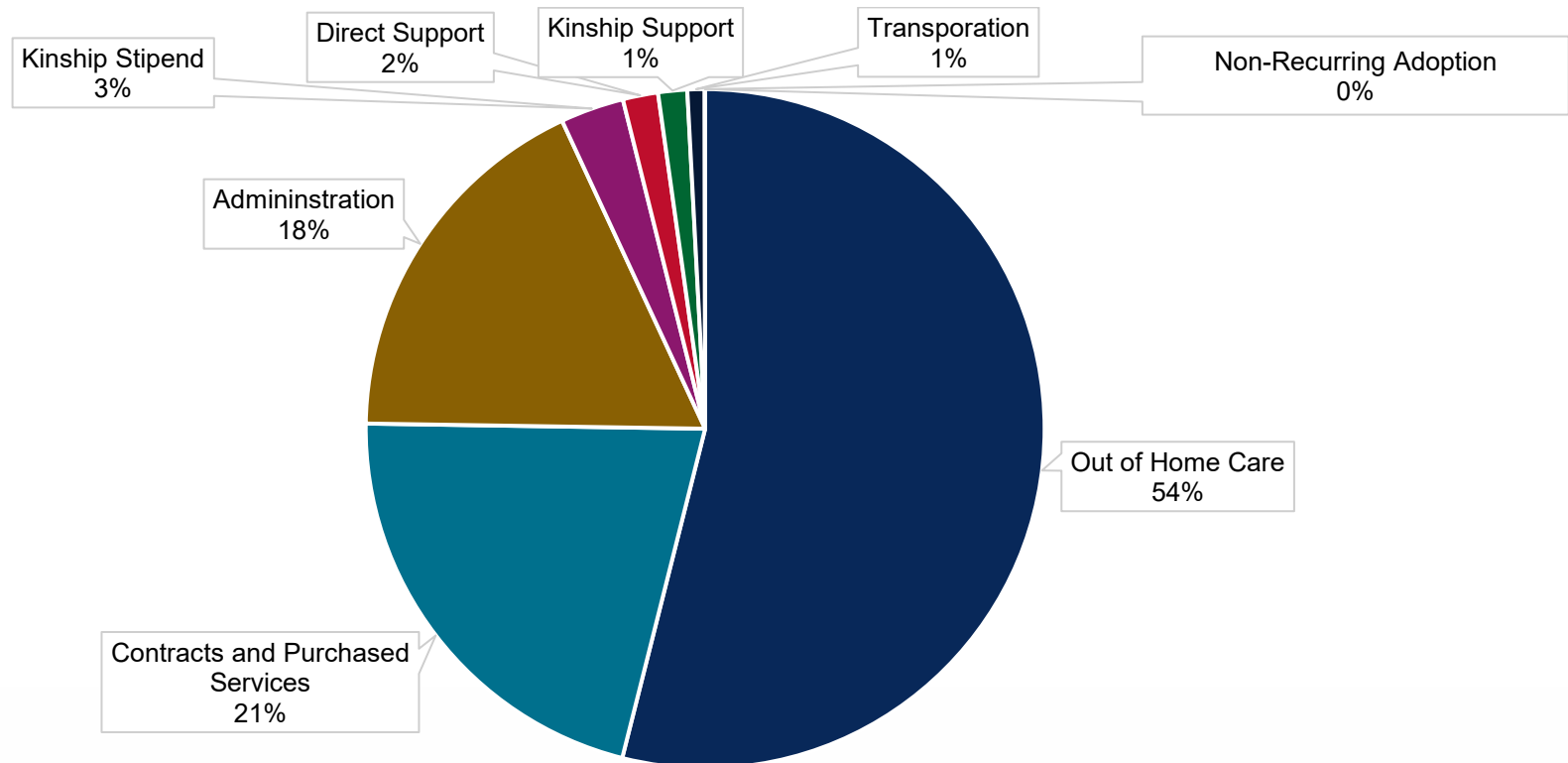
Expenditures have risen sharply over the past five years, climbing from \$98.4M in 2021 to a \$180 million in 2025. Spending remains significantly above pre-2024 levels, largely due to the rising cost of out of home care.

Total Expenditure



Expenditure Categorization

The pie chart shows the breakdown of expenditures by category for 2025, with out of home care comprising the largest bucket of expenditures, followed by contracted services, then administration (which includes personnel).



Expenditure Categorization Over Time

The table below shows how expenditures by major category have changed from 2021 to 2025.

Expenditure	2021 Totals	2021 Percent	2025 Totals	2025 Percent
Administration	\$28,185,323	29%	\$32,175,757	18%
Adoption	\$3,549,726	4%	\$4,316,098	2%
Contracts and Purchased Services	\$12,944,027	13%	\$38,462,217	21%
Direct Support	\$2,167,453	2%	\$3,026,187	2%
Kinship	\$2,269,550	2%	\$7,954,265	4%
Out of Home Care	\$48,056,866	49%	\$97,308,759	54%
SS Dollars Returned	\$176,092	0%	\$0	0%
Transfer	\$694,640	1%	\$0	0%
Transporation	\$374,442	0%	\$1,474,570	1%

- Most adoption expenditures were moved to out of home care in 2025

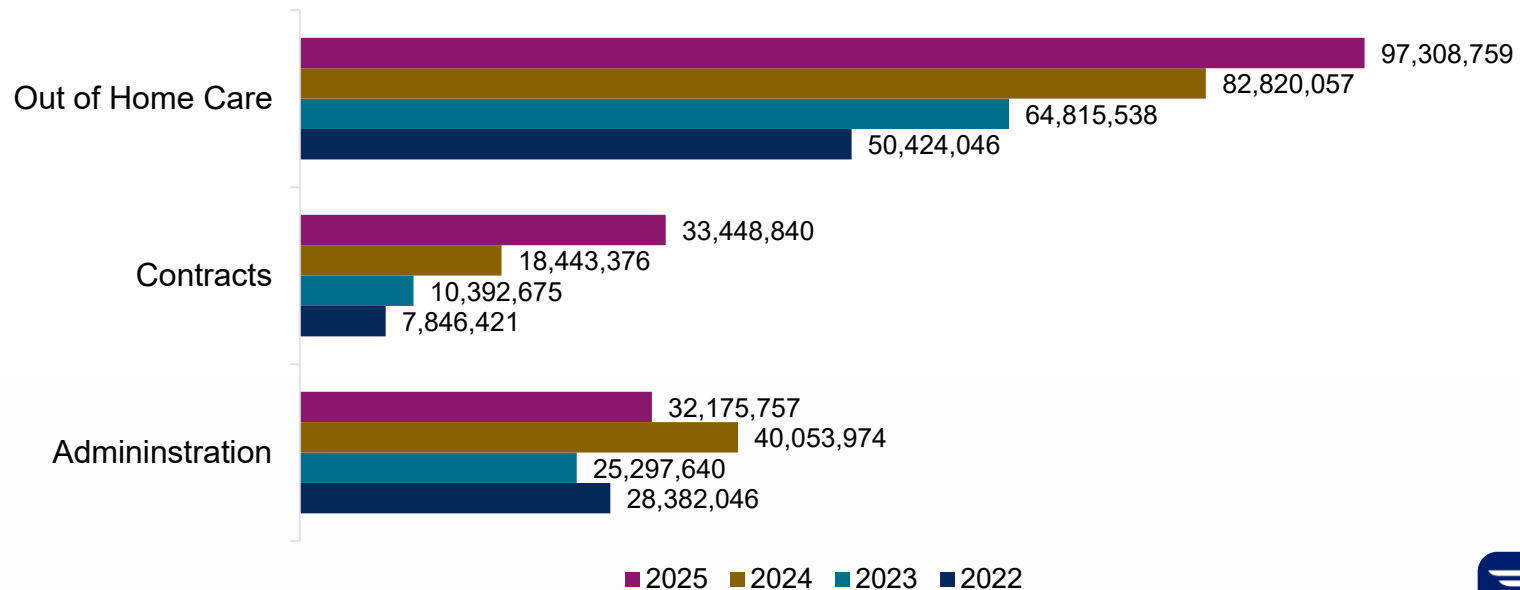


Large Expenditure Areas

The chart below looks at the three largest expenditure areas for JFS from 2022 – 2025.

- Out-of-home care is the largest expenditure driver and increased from \$50.4M in 2022 to \$97.2M in 2025—a rise of nearly \$47M driven by increased provider rates.
- Contract spending rose from \$7.8M in 2022 to \$33.4M in 2025 – an increase of over \$25M. This was driven largely by increased vendor costs, increase in service utilization, new contracts, and invoicing timing.
- Administration costs grew from \$28.4M in 2022 to \$32.2M in 2025 – driven by staff wage increases and filling previously vacant positions.

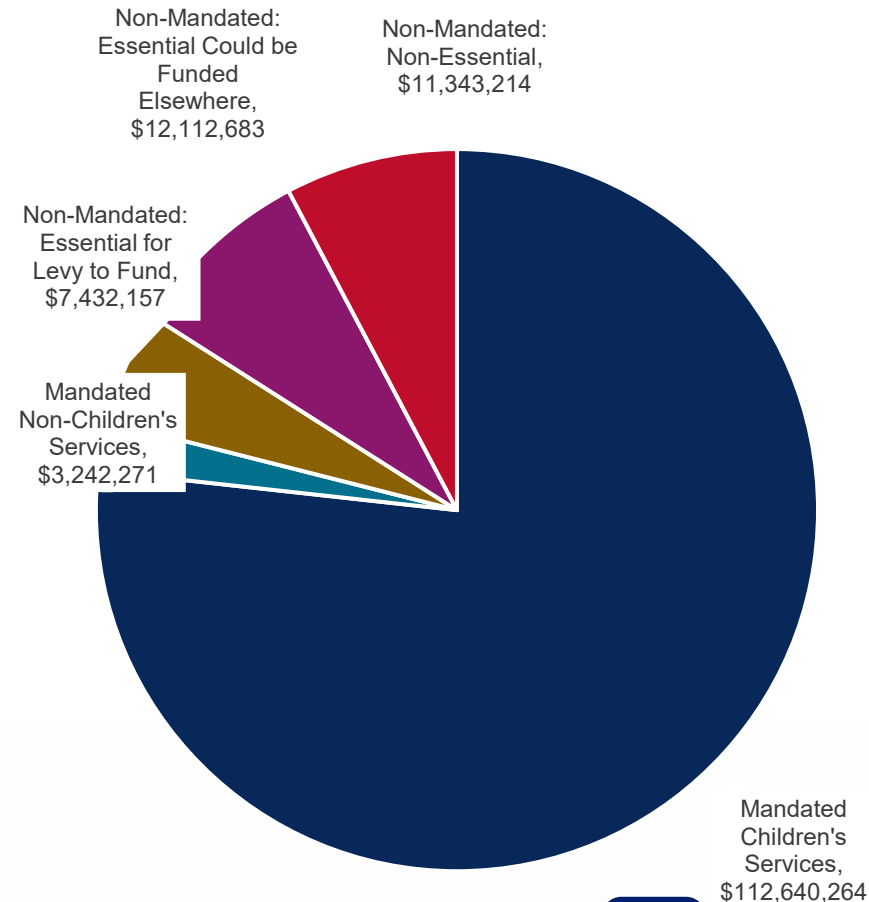
2022-2025 Large Expense Trend



Contracted Spending Overview

- The majority (79%) of children's services contracted spending is on mandated services.
- Approximately \$26.5M could be removed from the Children's Services Tax Levy (either funded elsewhere or remove service).

Expenditure Type	Estimated Annual Contract Value
Mandated – Children's Services	\$112,640,263.67
Mandated – Other County Services	\$3,242,271.11
Non-Mandated – Children's Services	\$12,684,103.77
<i>Essential (could be funded elsewhere)</i>	\$5,682,683.33
<i>Essential (levy-funded)</i>	\$6,349,470.44
<i>Non-essential</i>	\$641,250.00
Non-Mandated – Other County Services	\$18,214,650.74
<i>Essential (could be funded elsewhere)</i>	\$6,430,000.00
<i>Essential (levy-funded)</i>	\$1,082,687.00
<i>Non-essential</i>	\$10,701,963.74
TOTAL	\$146,781,289.29



Statewide Rising Placement Costs

Ohio's foster care system is facing rapidly rising placement costs in nearly every county.

- **Statewide Surge in Costs:** Ohio's annual foster care placement spending increased by **~68% in five years**, despite a slight decrease in the foster care caseload. This trend translates to a **much higher cost per child** in care – increasing from ~\$23,800 per child in 2018 to ~\$35,350 in 2024.
- **Metro Counties Spending Tens of Millions:** Large counties like **Cuyahoga, Franklin, and Hamilton** each spent on the order of **\$60–\$70 million** on foster placements in FY23. These figures are up 25–30% from 2018.
- **Key Cost Drivers:** The **2018 federal Family First Prevention Services Act (FFPSA)** limited federal funds for group homes/residential care, shifting more costs to state and counties. At the same time, **more children in care have serious behavioral or medical needs**, requiring expensive therapeutic placements that foster families often cannot provide. A limited supply of specialized care providers has allowed rates to increase across the board. Together, these factors have **sharply increased the cost per foster child** in every county.
- **Budget Implications:** Ohio's child welfare funding relies heavily on local property tax levies. The spike in placement costs has **strained county budgets**. Several counties have sought **emergency levy increases** or faced deficits. For instance, Lucas County had to propose a new levy after cost overruns of ~\$9 million/year, and Coshocton County's levy failure forced the county commissioners to cover shortfalls from general funds. The state has increased its funding (nearly **doubling the State Child Protection Allocation to \$152M in FY2024**), which has provided some relief, however, local agencies still bear the brunt of rising costs and continue to advocate for additional state support to ensure they can meet mandates without cutting services.

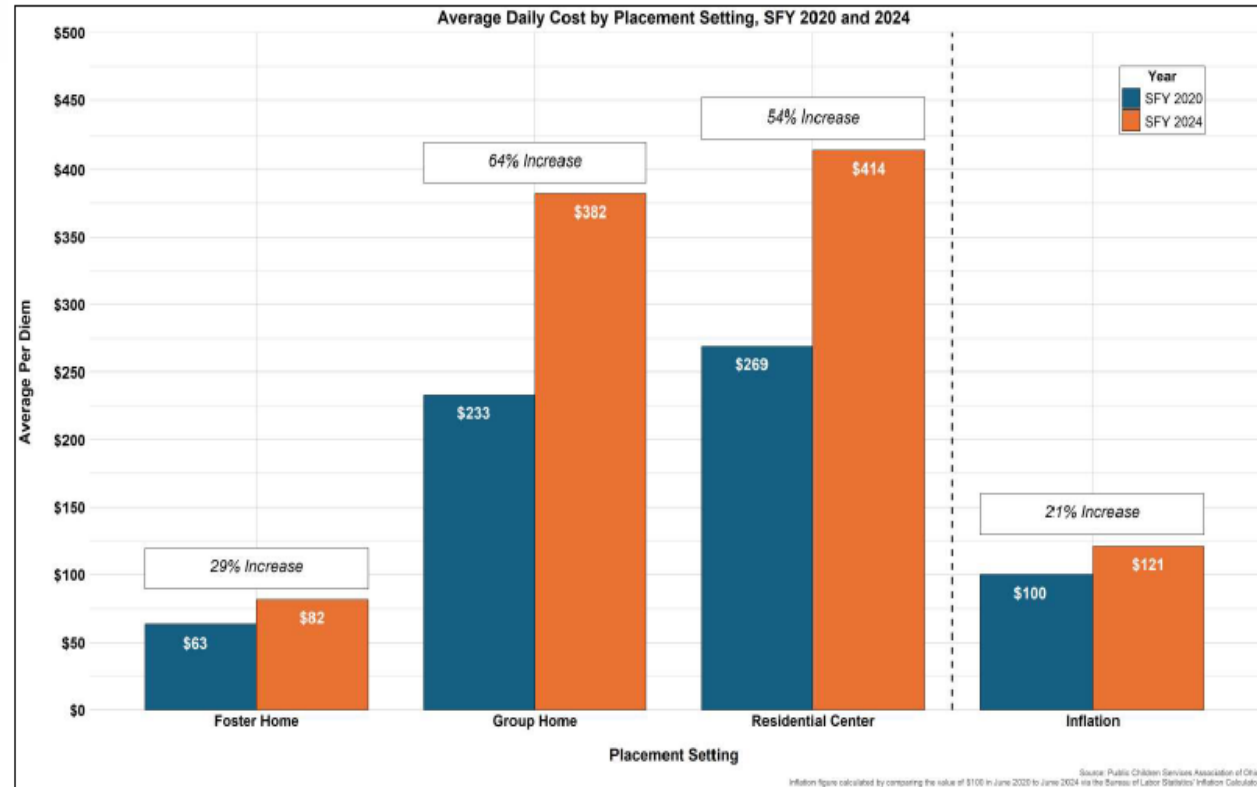


Rising Cost of Care Across Ohio

Placement costs have increased across all placement types in Ohio and outpaces inflation.

Key drivers of increasing placement costs include:

- Shortage of placement options, especially for high-acuity youth
- Provider's ability to negotiate reimbursement above the state "ceiling" and failure to provide a cost report*
- Declining federal Title IV-E reimbursement due to Family First implementation.



- ↑ Foster Homes: 29% Increase
- ↑ Group Homes: 64% Increase
- ↑ Residential Center: 54% Increase



Placement Overview

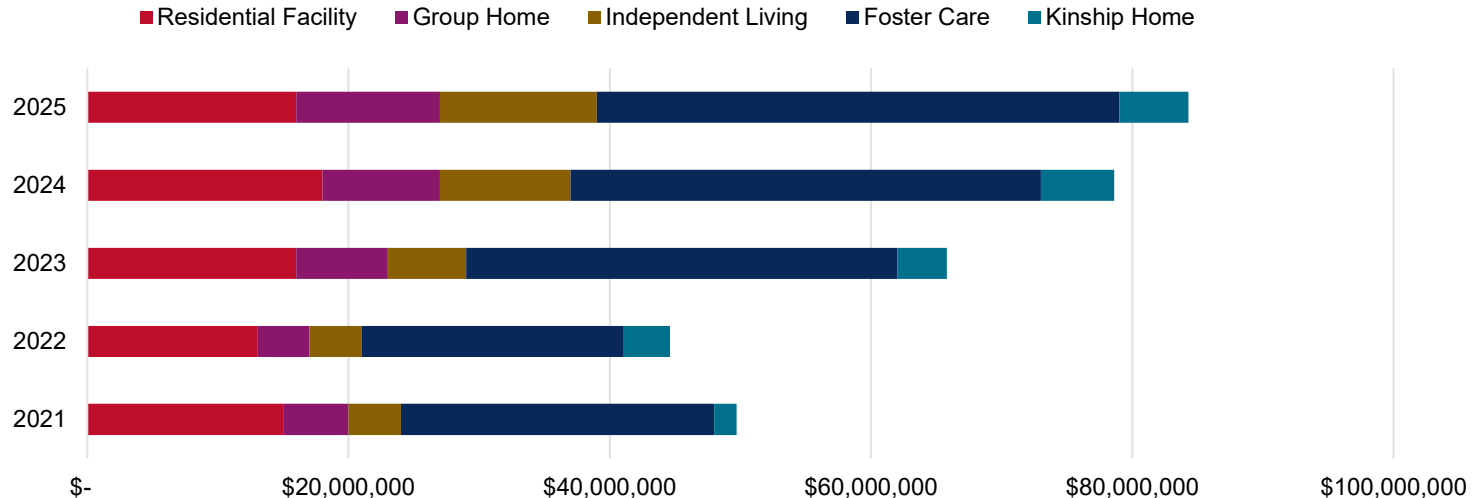
The table below provides a high-level summary about out of home care placements in Hamilton County.

Placement Setting	Overview	% of Children in Placement*	Approx. Cost**	Approx. Annual Cost per Child
Kinship Home	Relatives, or any nonrelative adult who has a long-standing relationship or bond with the youth, who is providing care in their home.	36%	\$6,000,000	\$7,000
Foster Home	Licensed adults (foster parents) providing care in their home.	45%	\$40,000,000	\$41,000
Group Home	A licensed facility which provides placement services in the community for a maximum of 7 youth who are supervised by 1 trained staff.	5%	\$11,000,000	\$109,000
Residential Care	A licensed facility offering care, treatment, and services in an institutional or campus-style setting, often serving 10 plus children and with more specialized programming.	4%	\$16,000,000	\$168,000
Independent Living	Supervised or semi supervised independent living environment or arrangement designed to assist older youth to make the transition from foster care to adulthood.	9%	\$12,000,000	\$65,000
Other	Includes educational and medical facilities, detention facilities, non-custodial parents, and emergency shelter care.	1%	Not provided	Not calculated

Placement Costs

Overall, placement costs have **increased by over 50% since 2021** in Hamilton County. Costs have increased across all placement types, even as the number of children in placements has remained relatively stagnant for the same timeframe.

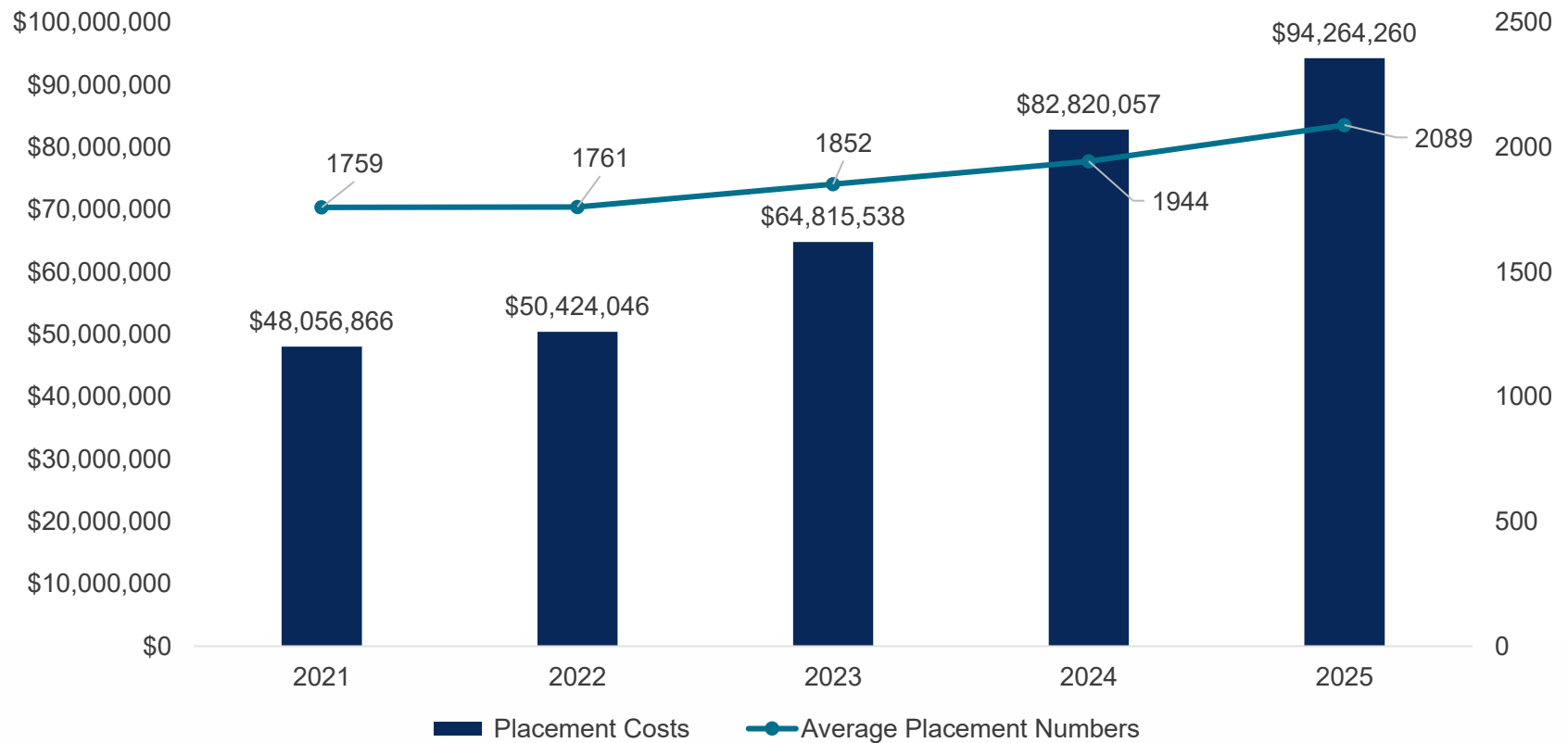
Placement Costs 2021 - 2025



	2021	2022	2023	2024	2025
■ Residential Facility	\$15,000,000	\$13,000,000	\$16,000,000	\$18,000,000	\$16,000,000
■ Group Home	\$5,000,000	\$4,000,000	\$7,000,000	\$9,000,000	\$11,000,000
■ Independent Living	\$4,000,000	\$4,000,000	\$6,000,000	\$10,000,000	\$12,000,000
■ Foster Care	\$24,000,000	\$20,000,000	\$33,000,000	\$36,000,000	\$40,000,000
■ Kinship Home	\$1,700,000	\$3,600,000	\$3,800,000	\$5,600,000	\$5,300,000

Placement Cost Compared to Children in Care

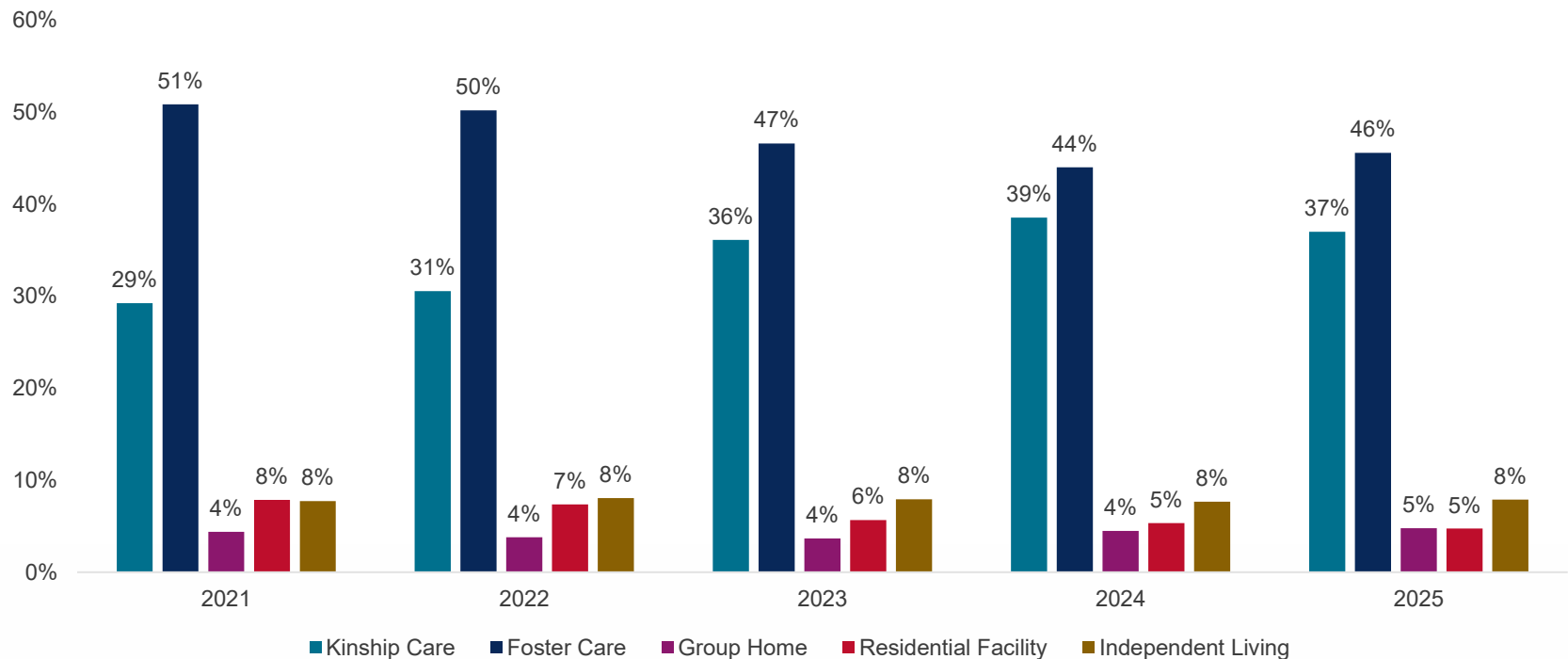
While the average number of children in care increased 19% from 2021 to 2025, the cost of out of home care increased by 92% for the same timeframe.



Placement Changes Over Time

Over the previous five-year timeframe, the overall proportion of youth in kinship placements has increased while the proportion of youth in foster homes and congregate care settings (residential and group homes) has decreased.

Placement Utilization

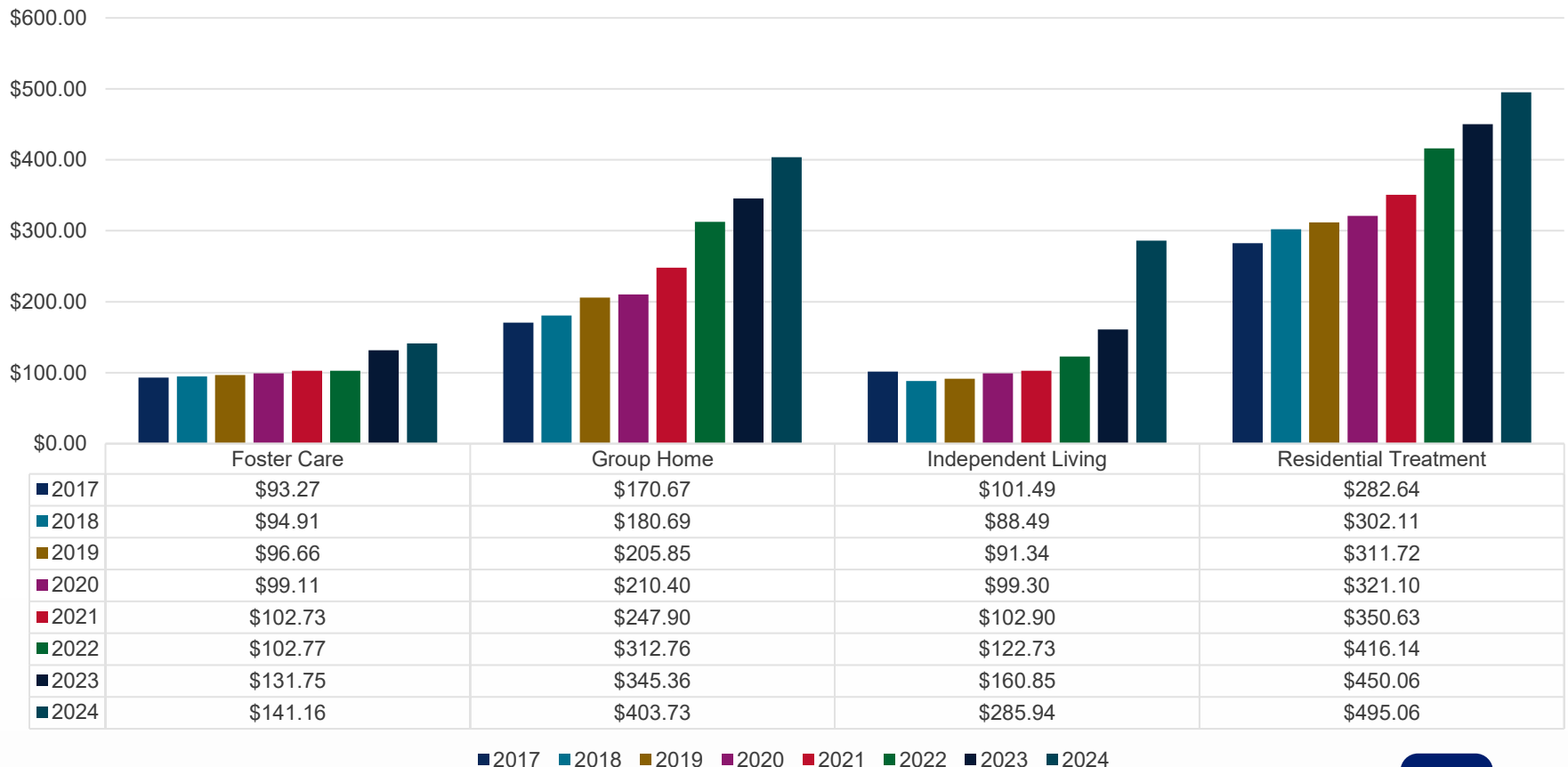


Hamilton County Rates

Average daily rates have increased across all placement types since 2017.

- Foster Care: 51% increase
- Group Homes: **137%** increase
- Independent Living: **182%** increase
- Residential Treatment: 75% increase

Average Daily Rate by Placement Type



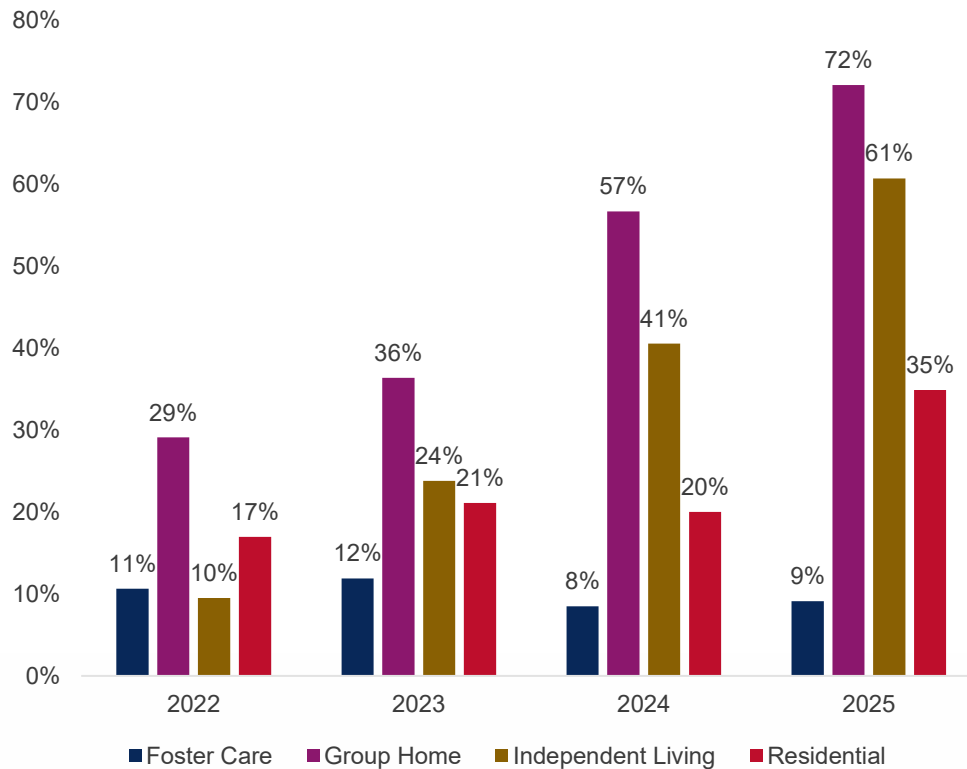
Rate Setting Process

- Hamilton County seeks contractual agreements with private placement agencies through open RFPs.
- In the state, custodial agencies can request reimbursement from the state for placement costs of Title IV-E eligible children.
- Reimbursement is capped at the lower of either the actual costs incurred or the agency's approved Title IV-E cost ceiling and is paid based on the applicable federal match rate.
- Ohio uses the DCY 02911 Single Cost Report, which must be completed by all public and private providers of residential and foster care services to determine these reimbursement ceilings.
- The cost report sets the maximum reimbursement limits (called Title IV-E ceilings) for maintenance and administrative costs related to placing eligible children in residential or foster care settings.
- An agency must report at least 90 days of operations in order to submit a cost report for a new agency or existing agencies offering a new service.
- A provider may still be contracted with Hamilton county but may not complete DCY 02911 to determine the reimbursable ceiling, in these cases Hamilton county is NOT able to seek state reimbursement from the state for placement costs of Title IV-E eligible children.
- Additionally, providers may choose not to respond to an open RFP and instead are contracted through a single source contract.
- Notably, rates for group homes have increased, often due to single-source contracts for high-acuity youth, sometimes due to the need for additional staff for supervision.

Placement Setting	RFP	Single Source	Total Placements
Foster Care	91%	9%	230
Group Home	28%	72%	104
Independent Living	39%	61%	28
Residential	65%	35%	86

Increase in Single Source Contracts

Percentage of Contracts that are Single Source Contracts



Since 2022, the use of single source contracts to place children has increased drastically among most placement setting types.

- Foster Care: 11% → 9%
- Group Homes: 29% → **72%**
- Independent Living: 10% → **61%**
- Residential: 17% → 35%

Shortage of Placement Options

Hamilton County aims to utilize the least restrictive placement for children in care, prioritizing kinship homes and foster homes, when possible.

Limited Foster Home Capacity & Gaps in Quality Residential Care

- JFS Children's Services reports that there is a shortage of both foster homes and residential beds within Hamilton County.
 - While there is a small uptick in the number of statewide foster homes, in Hamilton County, JFS reports that there is a decreased number of qualified foster homes who can take high-acuity youth.
 - Many residential providers are at full capacity or have developed selective admission criteria for youth due to capacity limitations and risk level.

Implications of Group Home Growth for High-Acuity Youth Placements

- Statewide increase in group homes has led JFS to rely more heavily on them for placing high-acuity youth.
- Group homes must be QRTP-certified, intended to provide services comparable to residential treatment centers.
- Challenges reported by stakeholders:
 - Many group homes are new and inexperienced with high-acuity populations.
 - Quality of care varies, with concerns about stability and treatment effectiveness.
 - Behavioral health services are often outsourced in the group homes, limiting on-site support and contributing to placement disruptions.

Increase in Acuity: Growing Complexity of Needs Among Youth Entering Care

- Children and youth entering foster care often have pre-existing trauma related to abuse, neglect, instability, and separation.
- Over recent years, the needs of families involved with Children's Services have become more complex, and the subset of youth presenting with high-acuity behavioral and mental health needs has increased.
- While the COVID-19 pandemic may have contributed to these trends, it is not the sole cause, and the precise drivers are multifactorial and still emerging.

Observed Trends

- Greater complexity in family systems, including:
 - ✓ Co-occurring substance use, mental health, and housing instability
 - ✓ Multi-system involvement (child welfare, juvenile court, behavioral health, education)
- A growing subset of youth entering care with:
 - ✓ Higher intensity behavioral health needs
 - ✓ Increased difficulty stabilizing in traditional family-based placements
 - ✓ Greater need for specialized services and supports

Note: Increased acuity reflects broader system and family-level complexity and does not characterize all youth entering foster care.

Common Trauma-Related Behavioral Patterns (for a subset of youth)

- Emotional dysregulation (e.g., aggression, defiance, withdrawal)
- Difficulty forming or maintaining trust with adults
- Self-harm or other safety-related behaviors
- Running away or placement instability
- School disengagement or truancy
- Substance use or other high-risk coping behaviors
- Social isolation and limited peer connection

Increased acuity among a subset of youth has resulted in:

- Fewer placement options able to safely meet needs
- Greater reliance on intensive and congregate care settings
- Higher per-child costs and longer stabilization timelines
- These trends reflect increasing service intensity, not changing expectations of youth.



Feedback on Service Array

JFS staff and system partners were asked to describe the current service array, quality, and availability of services. They shared the following:

Service Gaps for Families and Youth

- The needs of youth have changed, but services have not evolved to meet the needs of youth.
- The standard array of services often fails to address the specific needs of families in complex cases.
- Lack of services for youth not in acute crisis or early in JFS involvement.
- Limited outpatient therapy capacity
- Gaps in services for youth not meeting OhioRISE criteria.
- Need more domestic violence Services both for victims and perpetrators
- Specialized support for families with language or cultural barriers
- Need services to address complex trauma, including education for caregivers to understand behaviors related to trauma

High Acuity Barriers

- High-acuity youth remain in hospital stays longer due to lack of appropriate step-down options and adequate community-based supports.
- Limited intensive and specialized community services, lead to group home placements with high turnover and inadequate training.
- Shortage of service providers willing or able to offer creative, non-traditional solutions for high-acuity cases
- Need for increase access to high level case management/1:1 services/ parenting coaching for kids who have significant behaviors.

Lack of Prevention Services

- Families need better connection to community resources to avoid opening cases.
- Post-reunification and preventative services to prevent re-entry.
- Housing support and financial assistance to prevent removals.
- Centralized referral processing and more time for assessors to identify preventative supports to eliminate opening a case

System Complexity and Access Issues

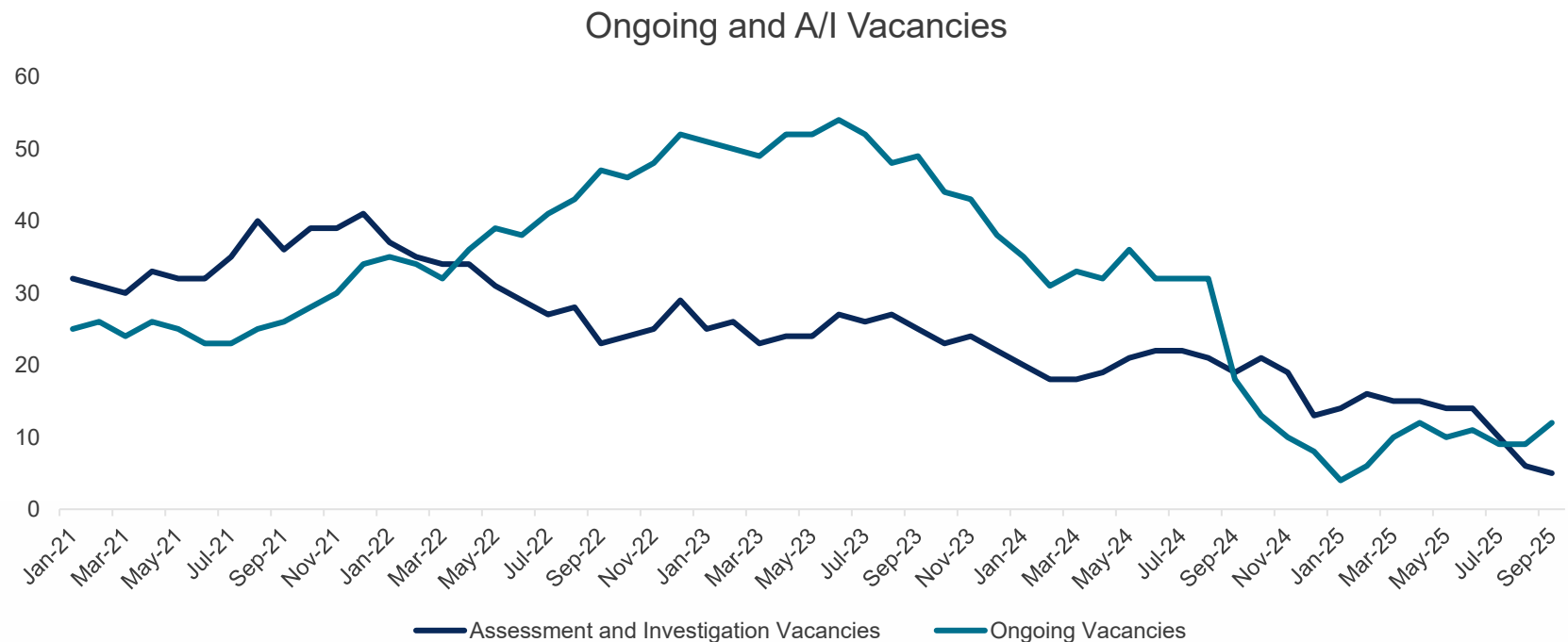
- New services (IHBT, MRSS) promising but not widely accessible. OhioRISE services are often not available to youth in congregate care.
- OhioRISE rollout caused confusion and duplication with HOPE and FAIR. Unclear eligibility criteria; some youth fall through gaps.
- OhioRISE adds heavy documentation and coordination demands.
- Tools like the DAF (diagnostic assessment form) do not always identify actionable needs, especially in cases where parental choices, rather than mental health issues, are the primary concern, leaving gaps in service provision.



Staff Vacancy Over Time

Children's Services has greatly reduced the number of staff vacancies for frontline caseworkers over the five-year levy period.

- Assessment and Investigation (A/I) vacancies have decreased from an average of 35 in 2021 to 12 in 2025.
- Ongoing vacancies have decreased from an average of 26 in 2021 to 9 in 2025.

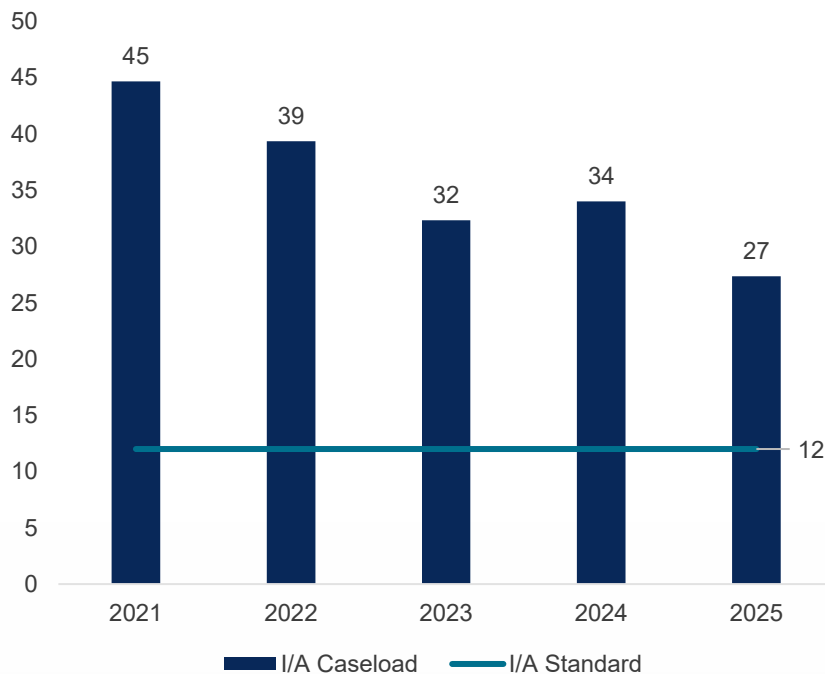


Caseload Sizes

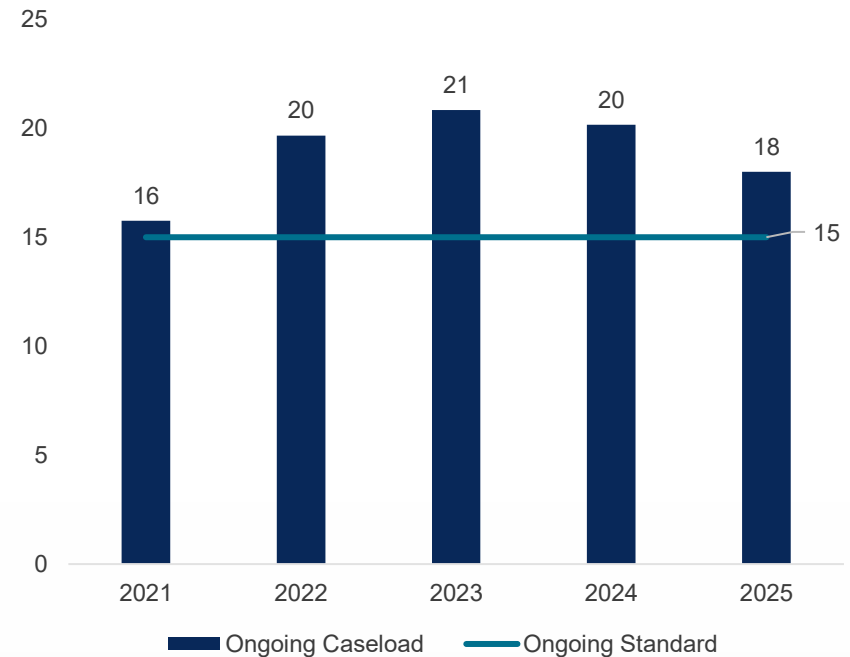
During the five-year levy period, average caseload sizes for both ongoing caseworkers and Assessment/Investigation (A/I) caseworkers have decreased, though still not to the recommended standard set by COA, the accrediting body.

Caseworkers described workloads as barely manageable, with caseworkers working ~50 hours/week. Preventative work and support for families doing well is often neglected due to crisis management.

I/A Average Caseload Size



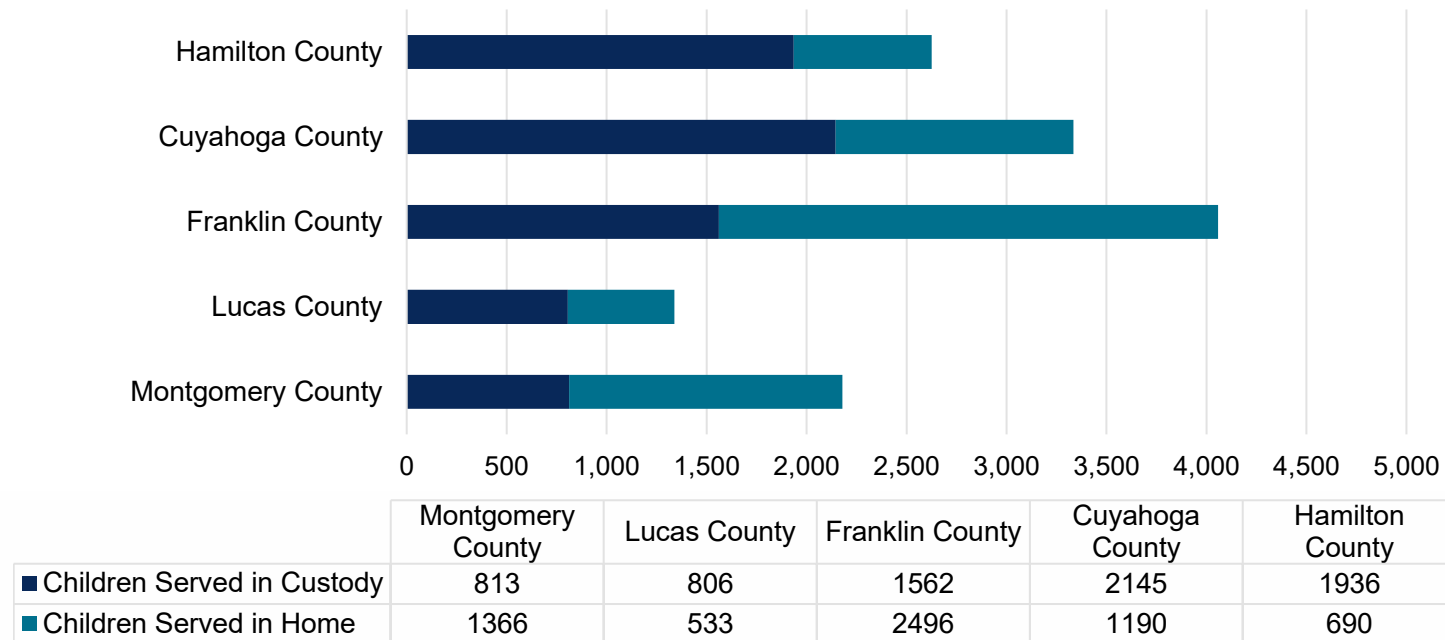
Ongoing Average Caseload Size



Children Served

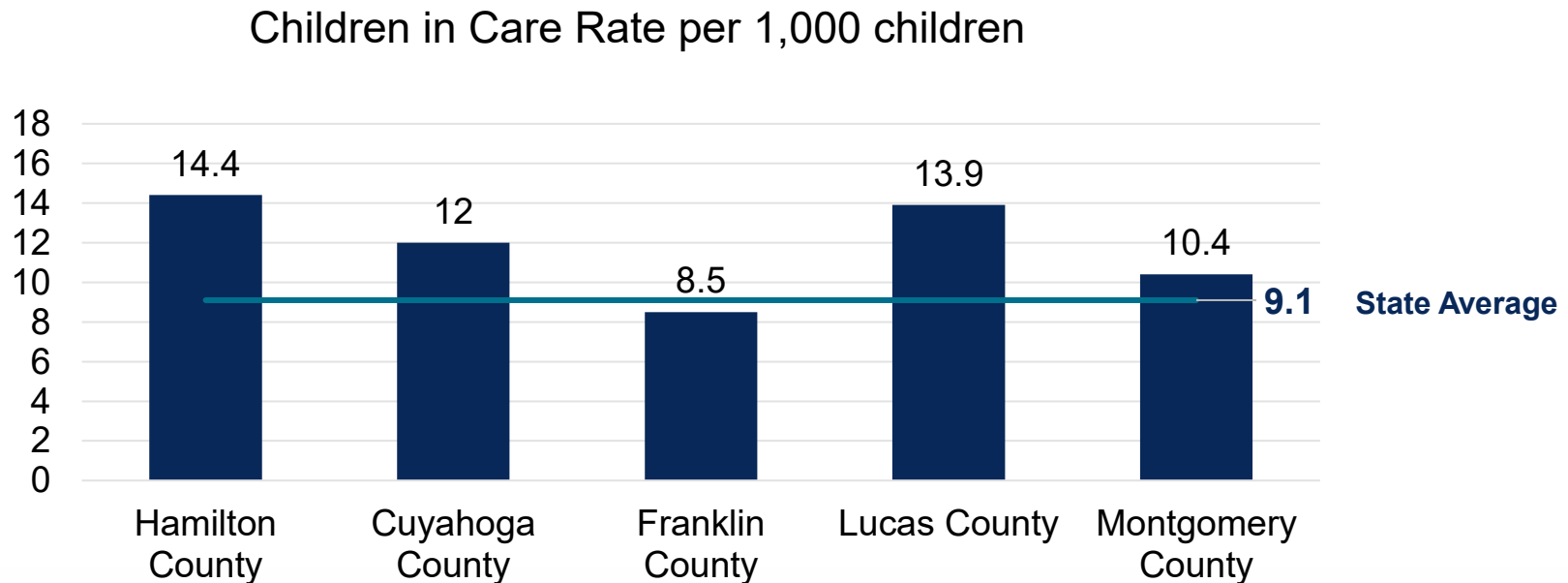
- Fifty-one percent of Ohio youth who receive Children's Services are in the care of their local PCSA.
- Both Hamilton and Cuyahoga counties have higher prevalence of youth being served in care (74% and 64% respectively).
- Montgomery and Franklin counties serve more youth in home than the peer counties.

Children Served in Home and in Care



Children in Care Rate

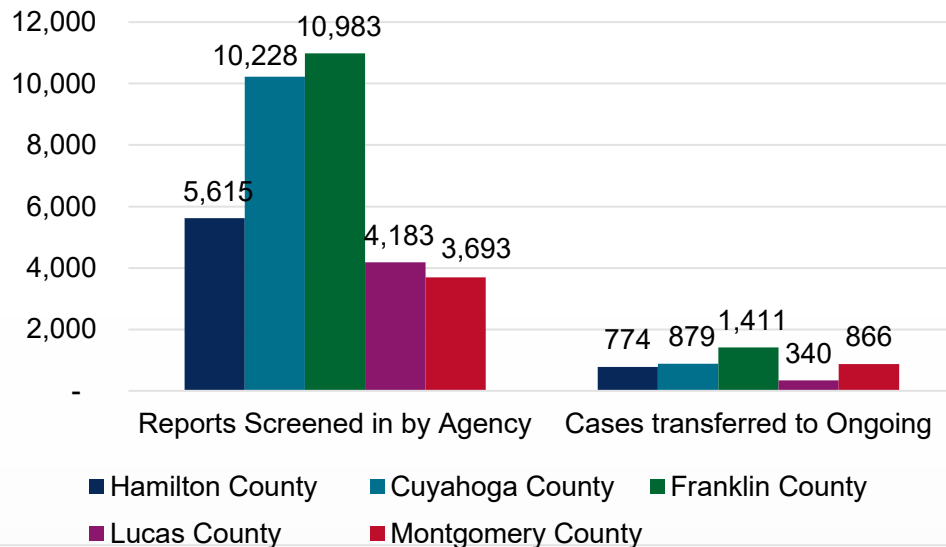
- The rate of children in care is the highest in Hamilton County (14.4 per 1,000) followed by Lucas County (13.9 per 1,000) and exceeds the state average (9.1).



Reports to 241-KIDS

- Hamilton County operates a 24-hour hotline for reporting suspected cases of child abuse and neglect called 241-KIDS. The screener gathers details about the child, family, and concerns using a six-domain intake protocol. They assess if the report meets state criteria by evaluating child's age & vulnerability, presence of safety threats, acts of maltreatment, and jurisdiction of report. The screener then makes a preliminary recommendation to a supervisor concerning their assessment of information gathered.
- The supervisor evaluates the thoroughness and accuracy of the report, providing consultation and direction on follow-up information collection as needed. The supervisor then makes a final screening decision and assigns a response priority if the report is accepted for assessment.
- Hamilton County uses state screening guidelines, supplemented by HCJFS policy & procedure, for structured decision making on screening decisions and priority response of reports.
- In 2024, Hamilton County screened-in 5,615 referrals/reports. Nearly 14% of the reports resulted in an ongoing case where a HCJFS caseworker would continue to engage the family in services.

Intake and Ongoing Cases

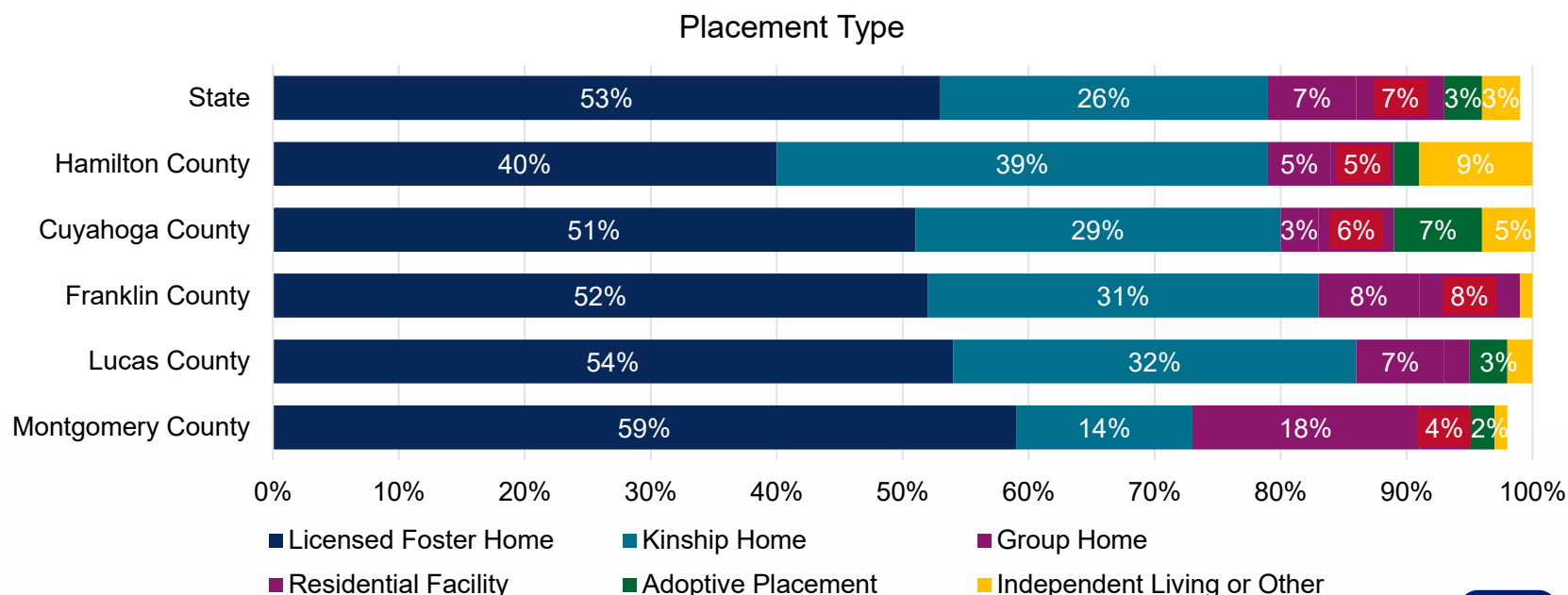


Location	Rate of Intake Reports that are Transferred to Ongoing Cases
Ohio	11%
Hamilton County	14%
Cuyahoga County	9%
Franklin County	13%
Lucas County	8%
Montgomery County	23%



Placement Type

- On average, most youth in Ohio (53%) are placed in **licensed foster homes**. Hamilton County's peers have similar rates for youth in licensed foster homes ranging from 51% to 59%, Hamilton County's rate is less than the state average and its peers (40%).
- Twenty-six percent of the state's youth in care are placed in **kinship homes**. **Hamilton County has more youth placed in kinship homes than its peers (39%)**.
- More youth in Hamilton County's care are living in **independent living settings** (9%) than the state average (3%) and peers.
- Hamilton County has fewer youth (40%) placed in **foster care settings** than peer counties.



State-Supervised, County-Operated System: Limited Local Control

Ohio Department of Job and Family Services and other State Agencies

(Supervisory Authority)

- Develops and submits Title IV-E claiming plan to Administration of Children and Families (ACF) and State Medicaid Plan to the Centers for Medicare and Medicaid Services (CMS)
- Sets eligibility rules and reimbursement ceilings
- Controls SACWIS system logic for reimbursement
- Approves provider certification for Title IV-E
- Manages Medicaid waivers and other policies



Hamilton County Job and Family Services

(Operational Role)

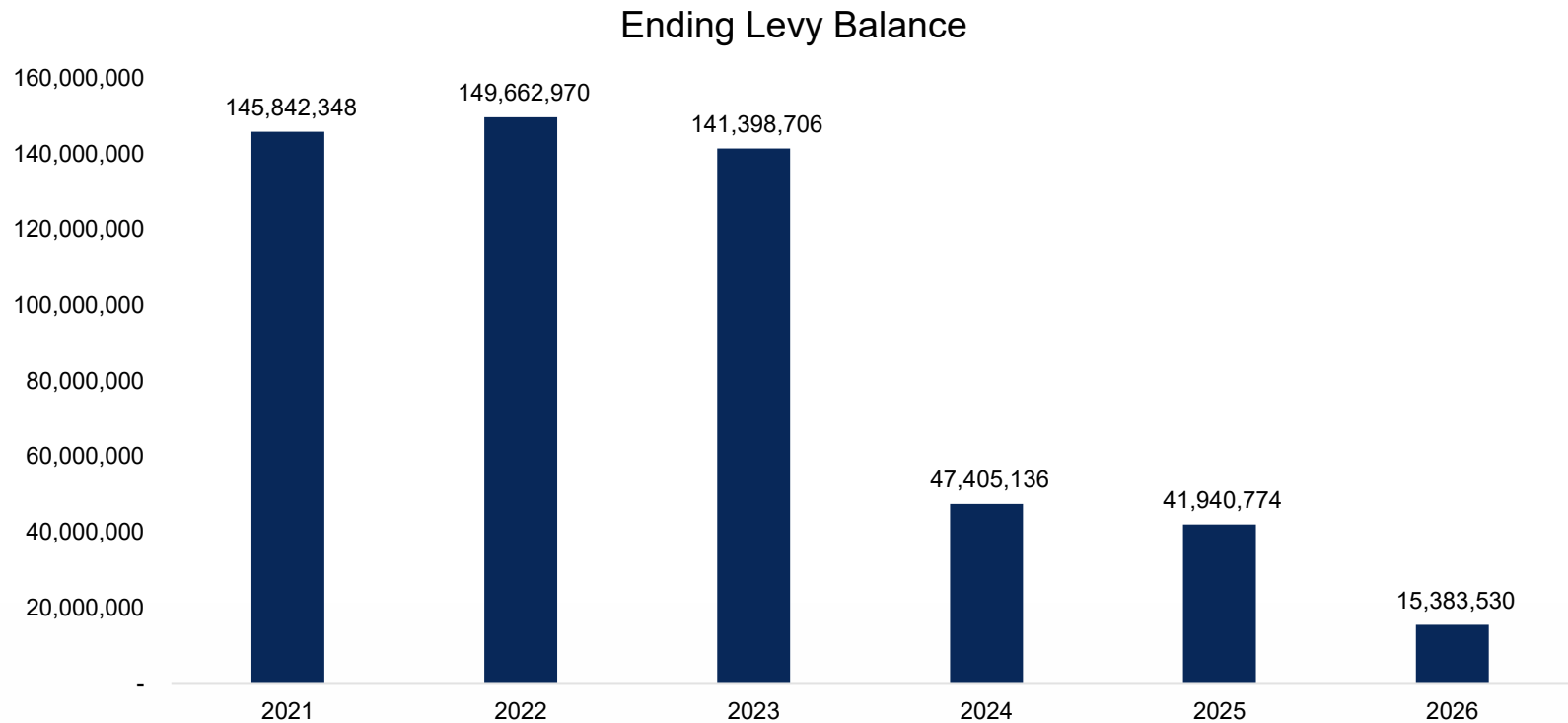
- Enters per diem costs and placement data into SACWIS
- Follows state-mandated training and assessment protocols
- Contracts with providers (but not all are Title IV-E eligible)
- Contracts with providers to implement programs (e.g., congregate care providers, Family Access to Integrated Recovery (FAIR), HOPE for Children and Families (HOPE) within state guidelines
- Has no control over claiming logic or eligibility determinations

JFS operates under state-defined constraints, with limited control over Title IV-E and Medicaid claiming. The state also imposes unfunded mandates (due to low state contributions to counties for child welfare), further straining local resources.



Estimated 2026 Levy Balance

Because of the rising costs of out of home care, steps are being taken to prevent a levy deficit going into 2027. The current estimated levy balance for 2026 is shown below. This reflects budget cuts and numbers provided by JFS, which are further outlined on the next slide.



Estimated 2026 Expenditure Reductions

Because of the rising costs of out of home care, steps are being taken to balance JFS's budget to prevent a levy deficit. This includes ~\$36,000,000 in budget cuts for 2026, outlined below. **This will result in decreased services to JFS children's and families.**

Reduction Type	#	Item	Total
Service Reduction	1	Reduce independent living contracts for youth 18-21	\$8,000,000
	2	Reduction in payments to kinship families	\$1,000,000
	3	Reduction of vouchers for Children's Services families	\$300,000
	4	Reduction in caseworker reimbursement	\$114,000
	5	Reduction in service contracts (KISR, Family Success Network)	\$200,000
	6	Hiring slowdown	\$5,000,000
	7	Reduction in budget support to Child Support Enforcement (CSEA)	\$500,000
	8	Youth Employment Program – reduce to federally funded service level	\$6,400,000
	9	Women Helping Women (DVERT and School Domestic Violence)	\$600,000
Transferred to General Fund	10	General Fund assumption of TANF match	\$3,531,838
	11	General Fund assumption of Juvenile Court placement costs	\$5,000,000
	12	General Fund assumption of Guardian ad Litem costs	\$1,082,681
Transferred to Different Levy	13	Payments to Complex Medical Help Program (move to Indigent Care Levy)	\$2,873,328
	14	DVERT – Countywide response (move to Family Services and Treatment Levy)	\$400,000
	15	Juvenile Court Medical Cost (move to Indigent Care levy)	\$1,600,000
			\$36,601,847

Spending Scenario Overview

PCG has developed the three (3) scenarios below to model forecasted spending for the next five-year levy cycle.

- **Scenario 1 – Fixed Service Levels (\$123M increase):** This is reflective of keeping all services at 2025 levels, without a reduction to services.
- **Scenario 2 – Reduced Service Levels (\$74M increase):** This scenario is reflective of keeping ~\$36,000,000 of spending cuts that were approved at a Commissioner's meeting in December 2025 in order to balance the budget.
- **Scenario 3 – Minimum Service Levels (\$65M increase):** This scenario is reflective of doubling the levy, which would result in even further service cuts than what is shown in Scenario 2.

Historically, the levy has included a carry-over fund balance sufficient to cover approximately one quarter of annual expenditures. This provides the required local match and working capital to bridge timing differences until reimbursable revenues are drawn down.

Overview: Scenario 1 – Fixed Service Levels

	2027	2028	2029	2030	2031
Projected Revenue	\$119,893,260	\$120,510,135	\$121,910,402	\$122,528,871	\$123,930,598
Levy Revenue Needed	\$123,417,635	\$123,417,635	\$123,417,635	\$123,417,635	\$123,417,635
Projected Expenditures	\$198,502,279	\$223,166,568	\$228,325,514	\$253,043,893	\$258,258,551
Ending Levy Balance	\$44,808,616	\$65,569,819	\$82,572,342	\$75,474,955	\$64,564,638

In order to have a balance of one-quarter's expenditures at the end of the five-year levy cycle, an additional **\$123,417,635** is needed per year. This scenario is based on the assumption of a \$0 balance going into the 2027 levy-cycle, which would be likely without spending cuts. If there is a \$15M balance in this scenario, the additional levy funding needed would be \$120,417,635.

Details: Scenario 1 – Fixed Service Levels

	2027	2028	2029	2030	2031
EXPENDITURES	\$198,502,279	\$223,166,568	\$228,325,514	\$253,043,893	\$258,258,551
Administration	\$37,873,064	\$50,408,595	\$43,412,137	\$55,947,668	\$48,951,210
Contracts	\$44,233,325	\$46,233,604	\$48,260,527	\$50,314,896	\$52,397,531
Adoption	\$42,685	\$43,255	\$43,825	\$44,394	\$44,964
Out of Home Care	\$110,181,436	\$119,743,492	\$129,305,547	\$138,867,602	\$148,429,657
Kinship	\$6,171,769	\$6,737,624	\$7,303,479	\$7,869,334	\$8,435,189

Overview: Scenario 2 – Reduced Service Levels

	2027	2028	2029	2030	2031
<i>Levy Revenue</i>	\$154,315,206	\$154,927,502	\$155,539,798	\$156,152,095	\$156,152,095
<i>Other Revenue</i>	\$35,000,000	\$36,050,000	\$37,131,500	\$38,988,075	\$40,841,077
Total Revenue	\$189,315,206	\$190,977,502	\$192,671,298	\$195,140,170	\$196,993,172
Ending Levy Balance	\$1,309,113	\$22,774,319	\$38,079,321	\$46,751,304	\$49,027,025

This scenario is based on the adoption of the 2026 budget outlined on slide 119 and assumes 2027 will begin with a ~\$15,000,000 levy balance. In order to have a balance of one-quarter's expenditures at the end of the five-year levy cycle, an additional **\$74,044,169** is needed per year.

Details: Scenario 2 – Reduced Service Levels

	2027	2028	2029	2030	2031
EXPENDITURES	\$169,348,582	\$167,850,000	\$175,672,500	\$183,999,315	\$192,864,449
Administration	\$35,000,000	\$36,050,000	\$37,131,500	\$38,245,445	\$39,392,808
Contracts	\$34,848,582	\$27,000,000	\$27,000,000	\$27,000,000	\$27,000,000
Adoption	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Out of Home Care	\$90,000,000	\$96,300,000	\$103,041,000	\$110,253,870	\$117,971,641
Kinship	\$6,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

Overview: Scenario 3 – Minimum Service Levels

	2027	2028	2029	2030	2031
<i>Levy Revenue</i>	\$145,340,804	\$145,917,912	\$146,495,020	\$147,072,129	\$147,649,237
<i>Other Revenue</i>	\$35,000,000	\$36,050,000	\$37,131,500	\$38,988,075	\$40,841,077
Total Revenue	\$180,340,804	\$181,967,912	\$183,626,520	\$186,060,204	\$188,490,314
Ending Levy Balance	\$13,657,695	\$30,693,499	\$42,580,261	\$48,846,557	\$48,730,575

In order to support a **\$65M** levy increase with one-quarter of expenditures remaining at the end of the levy cycle, services need to be drastically cut in all areas. While total cuts will be at the discretion of JFS, an example of a balanced budget is on the next slide which illustrates areas where cuts will be made. These include hiring slow downs, reduced kinship support, reduced services, and the gradual elimination of placements for youth 18+. This scenario is based on the adoption of the 2026 budget outlined on slide 119 and assumes 2027 will begin with a ~\$15,000,000 levy balance.

Details: Scenario 3 – Minimum Service Levels

	2027	2028	2029	2030	2031
EXPENDITURES	\$163,305,000	\$170,081,150	\$177,360,225	\$186,176,186	\$195,565,337
Administration	\$34,505,000	\$35,540,150	\$36,606,355	\$37,704,545	\$38,835,681
Adoption	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Contracted Services	\$24,000,000	\$24,000,000	\$24,000,000	\$24,000,000	\$24,000,000
Kinship Support	\$5,000,000	\$4,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Out of Home Care	\$96,300,000	\$103,041,000	\$110,253,870	\$117,971,641	\$126,229,656

Scenario Comparison

The table below compares 2025 actual spending to projected 2027 spending across all three (3) scenarios.

	2025 Actuals	Minimum Service Levels	Reduced Service Levels	Fixed Service Levels
Total Expenditures	\$180,442,566	\$163,305,000	\$167,850,000	\$198,502,279
Administration	\$32,176,002	\$34,505,000	\$36,050,000	\$37,873,064
Contracts	\$42,962,740	\$24,000,000	\$27,000,000	\$44,233,325
Adoption	\$4,316,098	\$3,500,000	\$3,500,000	\$42,685
Out of Home Care	\$93,033,472	\$96,300,000	\$96,300,000	\$110,181,436
Kinship	\$7,954,265	\$5,000,000	\$5,000,000	\$6,171,769

Note: in the minimum and reduced service level scenario, all adoption costs are included in the adoption line whereas in the fixed service level scenario, only non-occurring adoption costs are listed on this line, and the others are included in out of home care.

Overview of Findings and Recommendations

Hamilton County is facing sharply rising costs for out of home placements, especially congregate care placements, driven by increased rates and a growing number of high-acuity youth requiring these settings. Because of the structure of the child welfare system in Ohio, counties have very limited ability to control out of home placement costs. To address these immediate financial pressures, the county is planning to cut funding for other services and supports. These reductions may include scaling back independent living contracts, kinship family payments, service vouchers, and slowing hiring for frontline staff. While these budget cuts may temporarily balance the levy, this approach is not sustainable and risks leading to worse outcomes for children and families. Reducing investments in prevention, family supports, and staffing can increase the likelihood that more children will enter care, stay longer, or experience placement disruptions.

In the long term, Hamilton County must focus on strategies that decrease the number of children entering care and reduce reliance on costly congregate care placements. This includes:

- Expanding family-based placement options, such as recruiting and supporting more relative and foster families.
- Investing in prevention and early intervention services to keep families together and safely reduce entries into care.
- Advocating for state-level reforms and funding to support kinship care and community-based alternatives.

By prioritizing family-based care and prevention, Hamilton County can improve outcomes for children and families while containing costs over time.



Findings

Financial and Budget

- The Current budget template utilized by JFS and the TLRC does not allow for crosswalk to actual revenue and expenditures.
- Provider expenditures related to out of home care are not being tracked in a way that allows for JFS to determine which services each provider is being paid for at a granular level.
- The rising cost of out of home care, increases in contracted expenditures, and increases in staff costs have created a projected budget shortfall for 2025 and 2026.
- Expenditures have grown faster than revenue for the previous 10 years.
- Most of the levy funds mandated services (79%), and within that bucket most are for placement services.
- Based on current levy balance and spending levels, as well as projected spending levels, the Children's Services Levy will need to be increased for the next levy cycle

State and Federal Funding

- The majority of Hamilton County's revenue comes from County sources. JFS receives a limited amount of state and federal funding compared to welfare agencies nationally.
- JFS is not claiming independent living placement costs to Title IVE, because the state's extended foster care policy doesn't allow counties to claim IV-E for older youth who remain in custody.
- There have been improvements to meeting the Q RTP claiming requirements, especially the 60-day court approvals.
- A provider may still be contracted with Hamilton county JFS but may not complete DCY 02911 to determine the reimbursable ceiling. In these cases, Hamilton county JFS is not able to seek state reimbursement from the state for placement costs of Title IV-E eligible children.
- New providers can not complete a DCY 02911 to determine the reimbursement ceiling because they are required to be in operation for at least 90 days before they do so, which would require the provider to go back and complete the process after the have already secured a contract with the county.
- JFS is not claiming for any FFPSA prevention services at this time due to the limited number of community providers offering prevention services in Ohio's Prevention State Plan.
- Hamilton County's Title IV-E reimbursement rate appears to be lower than their peer counties and the statewide average reimbursement rate.



Findings

Out of Home Care and Services

- Placement costs across all settings are increasing due to placement shortages, Ohio's rate setting process, and declining federal reimbursement and increasing provider costs due to FFPSA.
- Placement costs are increasing across the state at a similar rate to increases in Hamilton County, showing this is a statewide issue, not just a problem for Hamilton County.
- Rates for all setting types are high in Hamilton County compared to other jurisdictions across the country.
- Congregate care setting costs are increasing more than foster care setting costs, especially in group homes, who frequently use add-on rates and single source contracts for high-acuity kids.
- Placement rates for settings that utilize higher rates of single source contracts (group homes and independent living) are increasing more than rates for settings who utilize more RFP contracts and rates.
- Hamilton County has increased the utilization of kinship homes while decreasing the use of congregate care settings, even as acuity in children has increased.
- Due to a significant shortage of foster homes and residential treatment beds, the demand for placements has surged. In response, many group homes have opened to fill this gap. However, these homes often lack the specialized resources and clinical expertise required to meet the high-acuity needs of the youth being placed there, leading to frequent placement disruptions. Stakeholders have reported group homes do not offer the same quality of care as residential providers, as treatment is often delivered in the community rather than as part of their model. Group homes frequently use 1:1 staffing to support high-acuity youth, driving up their already high rates.
- State Rate Cards will be in effect as of July 2026. While this is anticipated to streamline the RFP and rate setting process, it is unknown how this will affect the rising cost of care. According to PCSAO, they believe that rate cards will not yield a significant decrease in cost, at least initially.
- Counties have no leverage under the current system to help ameliorate or curb the rising cost of out of home care. Under the current system, counties compete against one another for placements, which drive costs.
- Stakeholders have reported that kinship placements are not given the same level of support and resources as foster family homes, which can lead to placement disruptions.
- Services haven't kept pace with youth needs, leaving gaps for non-crisis cases and those outside OhioRISE eligibility.
- High-acuity youth face extended hospital stays and unstable placements due to shortages of intensive community services and trained providers.
- Preventive and post-reunification supports are insufficient, including housing, financial aid, and referral processes, increasing risk of removals and re-entry.

Findings

Organizational Practice

- Staff retention and vacancy rates have improved over the previous five years due to numerous staffing initiatives as well as sizable salary increases for all positions.
- Caseload sizes have decreased over the previous five years, but are still above COA standards.
- JFS has made progress on all recommendations from previous levy.
- JFS created a youth advisory board led to elevate the youth voice in system improvements.
- Hamilton County is transferring a larger number of cases to ongoing than peer counties.

Peer County Comparisons

- Hamilton County has the highest share of youth being served in care and the highest rate of youth in care per 1,000 youth across peer counties.
- A significant portion of child maltreatment reports reference multiple allegations in Hamilton County. Multiple allegations is defined as more than one allegation, such as physical abuse, sexual abuse, and neglect, that are all included in one report.
- Of youth in care, Hamilton County has a larger share of youth living in kinship homes. Fewer youth are placed in licensed foster homes.
- More youth in care are spending a year or more in care in Hamilton County.
- Hamilton County serves the most youth who are 18 or older.

Recommendations – *Financial, Budget, and Funding*

Short-Term

- Increase levy funding to account for the rising cost of out of home care while working to increase capacity of family-based settings, services and supports that improve outcomes for children and families.
- Increase Title IV-E eligibility case reviews to decrease errors and develop a workgroup to improve Title IV-E eligibility rates by conducting in-depth reviews of ineligible and/or non-reimbursable cases
- Establish provider monitoring protocols that enable detailed tracking of out-of-home care expenditures, allowing them to analyze spending patterns across all providers, assess the reasonableness of costs, identify the frequency of sole-source requests, evaluate the duration of service requests, and monitor overall spending at the case, provider and service level.
- Establish a case-level administrative process to track and approve sole-source requests. Each request should be supported by provider-submitted justification demonstrating documented need and reasonableness. The process should also include periodic extension reviews, such as every 30 days, that require the provider to submit updated justification for continued services, along with documentation of all approval decisions.
- Prioritize placement in Title IV-E eligible placements when appropriate.

Long-Term

- Advocate for removal of the Ohio state policy requirement that new providers cannot complete DCY02911, as this prevents Title IV-E claiming.
- Monitor state rate card process as a mechanism for controlling costs and advocate to state when necessary. This may include:
 - Advocating for establishment of a transparent and standardized cost analysis methodology.
 - Requesting periodic review and adjustment of rate cards to control costs
 - Advocating for a formal appeals process when rates are deemed excessive
 - Recommending the state establish a cost-containment task force
 - Advocating for alternative placement strategies
- Advocate for state to engage in rate setting process to standardize rates across the state.
- Convene a review panel to assess justification for *single source contracts* when above local ceiling and approve only if provider performance and need criteria are met.



Recommendations – *Out of Home Care and Services*

Short-Term

- Strengthen Quality Standards and Accountability: Implement clear performance benchmarks for group homes (e.g., staff training completion, youth outcomes, incident reduction) and enforce them through regular audits and transparent reporting.
- Embed Clinical and Support Resources: Ensure compliance of group homes to already existing standards including integration of trauma-informed practices and access to mental health professionals or behavioral specialists to improve care quality and reduce reliance on restrictive settings.
- Provide kinship placements quick and easy access to services and supports to prevent placement disruptions and ensure children's needs are met.

Long-Term

- Shift more resources to supporting foster and kinship placements, which will ultimately improve outcomes and drive down cost of out of home care placements. This could include:
 - Higher per diem rates for kinship (comparable to foster care)
 - Increase number of family based settings
 - More training for kinship families, especially for high-acuity children
 - More services and supports (i.e. wraparound, crisis intervention, respite, prevention)
- Conduct more frequent assessments for children in congregate care to determine ongoing necessity of placement.

Recommendations – *Organizational Practice*

Short-Term

- Update budget template used for next audit so it's easier to delineate revenue and expenditures.
- Continue working to reduce caseloads to COA standards to improve workload for caseworkers by continuing to hire frontline staff.
- Use data to compare Hamilton County's screening-in rates to similar counties across the state. Use these comparisons to determine whether Hamilton County is screening in more families, and if so, identify the underlying factors contributing to those differences.

Long-Term

- Expand FFPSA-Funded Prevention: Create a low-level prevention pathway using FFPSA-approved evidence-based programs to link families to services without opening a case.
- Expand the FFPSA EBP list based on local data: Partner with the state to add evidence-based programs aligned to Hamilton County's identified family needs, using screening and other data to prioritize gaps and ensure Title IV-E eligibility.





Solutions that Matter