



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 392 of the 129th G.A.](#)

Date: April 23, 2012

Status: As Introduced

Sponsor: Reps. Grossman and Combs

Local Impact Statement Procedure Required: No

Contents: To prohibit a public children services agency, private child placing agency, private noncustodial agency, or juvenile court from placing an abused, neglected, or dependent child in an out-of-state residential facility that does not comply with Ohio policies regarding client rights, use of restraints and isolation or seclusion, agency reporting requirements, and behavior intervention and discipline policies

State Fiscal Highlights

- The Ohio Department of Job and Family Services will incur a minimal increase in administrative costs to adopt the required rules and issue an annual report on the out-of-state placement of children.

Local Fiscal Highlights

- Local public children services agencies and juvenile courts may incur a minimal increase in administrative costs to find suitable placement for a child if options are limited as a result of the bill.
- Placement costs may increase or decrease depending on the per diem rates of compliant facilities, the overall impact of which is likely to be minimal.

Detailed Fiscal Analysis

The bill prohibits a public children services agency, private child placing agency, private noncustodial agency, or juvenile court from placing an abused, neglected, dependent, unruly, or delinquent child in an out-of-state residential facility that does not comply with Ohio laws and rules.

Ohio Department of Job and Family Services

The bill requires the Ohio Department of Job and Family Services (ODJFS) to adopt rules governing core standards for client rights, use of restraint and isolation or seclusion, agency reporting requirements, and behavior intervention and discipline policies. The new rules would be required to incorporate certain rules already adopted by the departments of Alcohol and Drug Addiction Services, Developmental Disabilities, and Mental Health.

Additionally, the bill requires ODJFS to report annually on statistics regarding the out-of-state placement of children. These statistics include the number of children who have been placed in other states, the names of the Ohio agencies and courts that placed children in other states, and the names of the residential facilities in other states in which the children have been placed.

Fiscal effects

ODJFS will incur an initial minimal increase in administrative costs under the bill to adopt the required rules described above. In addition, ODJFS will incur a minimal increase in administrative costs to issue the annual report each year.

Local agencies and courts

The bill requires public and private entities responsible for placing a child in an out-of-state facility to ensure the child is sent to a facility that is in compliance with Ohio standards. To accomplish this, the bill requires agencies and juvenile courts to include the following in each placement contract with an out-of-state facility:

- (1) Core standards governing client rights, the use of restraints and isolation or seclusion, agency reporting requirements and behavior intervention and discipline policies;
- (2) A requirement that the facility report annually to the Ohio agency or court to demonstrate how it maintains compliance with core standards; and
- (3) A requirement that the facility notify the Ohio agency or court when its licensure or certification status changes or if it is subject of a substantiated finding or penalty.

The new requirements on placement contracts would take effect for all new contracts entered into on or after the date that is 120 days after the effective date of the bill. For existing contracts entered into before then, the new requirements would apply

on the date when the contract is renewed or the date that is 450 days after the effective date of the bill, whichever is earlier.

Fiscal effects

If the bill results in fewer options for placement than are currently available, local public children services agencies (PCSAs) and juvenile courts may experience a minimal increase in costs to find a suitable placement for a child. Furthermore, placement costs may increase or decrease depending on the per diem rates of facilities that are compliant with Ohio standards. The impact of any increase or decrease in placement costs on the child welfare system as a whole is likely to be minimal. Regardless of the facility chosen for placement currently or under the bill, placement costs generally vary widely since children have different care needs and per diem rates vary depending on those needs.

PCSAs and juvenile courts may incur additional administrative costs if existing placements are not in compliance with the new rules. For existing contracts, the PCSA or court would be required to ensure compliance with Ohio's rules in placement contracts either when the contract is up for renewal or within 450 days from the effective date of the bill, whichever is earlier. If the out-of-state facility is not in compliance, and is not willing to agree to a new contract requiring its compliance with Ohio's rules, the Ohio agency or court would need to find a new placement in a facility that would agree to the contract terms. However, the number of cases to which this scenario would apply would likely be few. Therefore, the overall fiscal impact of finding new placements would likely be minimal.