



## MEMORANDUM

**TO:** Trudy Rammon, Ohio Department of Job and Family Services

**FROM:** Danielle Dillard, Regulatory Policy Advocate

**DATE:** January 14, 2019

**RE:** **CSI Review – Title IV-E FCM: Reimbursement, Fiscal Accountability, and Cost Reports (OAC 5101:2-47-11, 5101:2-47-26, 5101:2-47-26.1, and 5101:2-47-26.2)**

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On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) § 107.54, CSI has reviewed the abovementioned administrative rules and associated Business Impact Analysis (BIA). This memo represents CSI's comments to the Agency as provided for in ORC § 107.54.

### Analysis

This rule package consists of four amended rules submitted by the Ohio Department of Job and Family Services (Department) as part of the statutorily required five-year rule review. The rules were submitted on December 19, 2018 and the CSI public comment period closed on December 26, 2018. No comments were received during this time.

The rules in this package outline the reimbursement criteria for children eligible for Foster Care Maintenance (FCM), list the penalties for failure to comply with fiscal accountability procedures, detail the cost report filing requirements, and outline the requirements for creating an annual cost report. The rules are being amended to update references and clarify language.

As part of early stakeholder outreach, the Department worked closely with public children service agencies, private non-custodial agencies, county prosecutors, Ohio Children's Alliance, and Public Children Services Agencies of Ohio to revise the rules. The Department also conducted an additional clearance comment process for feedback prior to submitting the rule package to CSI. One comment was received during early outreach in support of the rule package. No comments were received during the CSI public comment period.

The rules impact private child placing agencies, private noncustodial agencies, and residential providers in the state of Ohio. They also impact group homes licensed by the Department or the Ohio Department of Mental Health and Addiction Services. Private agencies are required by rule to hire a certified public accountant to perform an “Agreed upon Procedure Engagement” as part of their cost reporting. The cost report requirement and rate setting process ensures fiscal accountability as well as appropriate rates for foster care placement costs and allows for proper claiming of federal funding. In a previous survey to agencies regarding the cost for the accountant to perform the “Agreed upon Procedures Engagement” they report their annual cost to be between \$5,000 and \$10,000 depending on the size of the agency. The Department justifies any adverse impact because without the costs being reported annually the private agency charges the public agency rates for placing children, and those rates are not in line with their expenditures.

### **Recommendations**

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

### **Conclusion**

Based on the above comments, the CSI Office concludes that the Ohio Department of Job and Family Services should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.