

Foster funding put to new use

Stark, Medina, Portage in experimental program to assist family services

By John Higgins

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Since joining an experimental program about five years ago, Stark County diverted almost half a million federal dollars earmarked for foster care into programs designed to keep families together.

Most Ohio counties, including Summit, have to use that money for foster care and nothing else. Most states face the same restrictions.

But Stark, Medina and Portage are among 14 Ohio counties that opted for a different payment system under a waiver that allows more flexibility.

Those agencies may spend the money on services that families could receive in their own homes, including parenting education, baby-sitting for special-needs children and mental health counseling.

This week, the federal government extended Ohio's program until Sept. 30. State officials are seeking a five-year extension, and authority to expand it statewide.

Advocates for child welfare reform have long argued that the way the government pays for foster care creates an incentive to pull children from their homes.

A national report released Thursday shows that flexibility in states with similar waiver programs has reduced the number or length of stay of children in foster care, in part by using federal funds to pay for these alternative services.

Ohio is one of 23 states and the District of Columbia that have waived federal funding restrictions, according to the report, issued by the Chicago-based *Fostering Results*, a national, nonpartisan project to raise awareness of foster care issues.

Illinois used a waiver to reinvest more than \$28 million it diverted from foster care payments into other services that helped cut the number of children in foster care from 51,000 to 19,000 in just five years, according to the report.

"We actually have the most flexible waiver in the country," said Barbara Riley, assistant director of the Ohio Department of Job and Family Services.

Riley testified before Congress last June that the Ohio demonstration program had eliminated 682,350 days in foster care during the first five years.

`` Every one of those was a day a child wasn't in foster care," Riley said. `` That would have amounted to \$41.2 million that was available to spend on other services."

Typically, counties place children in foster care and then bill the federal government for a 60 percent reimbursement, which must be spent on paid placement in a licensed home or facility.

Under Ohio's experimental program, test counties received a lump sum each month, based on a formula that can be adjusted on an annual basis. Whatever money is not spent on foster care can be spent on other programs.

`` It's pretty obvious where the incentive is here," said John McCall, deputy director of Stark County Children Services, a division of Job and Family Services.

Over the five-year period, Stark was able to reinvest just under \$500,000 on in-home programs that wouldn't have been available had the agency billed the government for reimbursement.

Medina County had similar success. Officials there were frustrated that the traditional billing system encouraged keeping kids in foster care and didn't do much for their families.

`` You almost got penalized if Johnny was ready to come out of foster care," said Mary Vantz, deputy director of Medina County Job and Family Services. `` These dollars allow us to equally help the child and the family."

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