



Ohio Family and Children First Formal Guidance for the Family and Children First Flexible Funding Pool June 2011

On the heels of the Summit on Children held on November 2008 and based on surveys of local public agencies, 66 agencies cited the most pressing barrier for serving their community was a need for increased flexibility in funding. The counties specifically requested that there be a reduction in restrictions, strings, and earmarks as funds are in “silos” which only allows for a narrow provision of services; not focused on local needs. Local agencies report that it is a struggle to meet a family’s needs due to the restrictions placed on funding streams. When agencies are working across systems they still struggle as it is often challenging and impossible to identify possible funding streams and pool funding. Counties requested flexible funding that can be used based upon each county's determination of the most urgent needs of children, their families and adults in their community.

To respond to the counties’ pressing challenge of needing more flexible funding, the Ohio Family and Children First (OFCF) Cabinet Council and Deputy Directors agreed to include flexible funding as part of their strategic plan. The OFCF Cabinet Council formed the Flexible Funding Workgroup in January 2010. The purpose of the OFCF Flexible Funding Workgroup was to identify opportunities and provide flexible funding to local public agencies in order to better meet the needs of children, families and adults. The group included staff from OFCF Cabinet Agencies (ODA, ODADAS, ODODD, ODE, ODH, ODJFS, ODMH, ODYS, ODRC, and ORSC). Based on the work of this group, feedback from county agencies and approval from Deputies and the Cabinet Council, the concept of pooled funding is now a reality.

Local public agencies now have the flexibility to transfer allocated State General Revenue Funds (GRF) to a flexible funding pool. Although State GRF allocated to various local public agencies has requirements on what the funds can be spent on, the State GRF transferred to the flexible funding pool sheds those requirements. Funds transferred to the flexible funding pool can be used to meet the specific needs of children, families and adults in the community by providing any needed services. The following guiding principles have been established to assist county agencies who desire to pool funds to meet their local need.

General

1. Pooling State GRF funds is optional. Any public entity receiving State GRF allocated funds may choose to transfer these funds to the Family and Children First Council (FCFC) Flexible Funding Pool. (The allowable State GRF line item number and name that can be transferred are found in Appendix A)

2. The amount of funds a public agency chooses to transfer is also optional and at the discretion of the public agency.
3. The Director of each public agency must approve whether to transfer and the amount to transfer to the pool.
4. The Director of each agency approving the transfer of funds shall notify the FCFC of the transfer and the amount of the transfer.
5. The Administrator of the pooled funds is the FCFC in the county. Therefore, it is recommended that the FCFC establishes a separate fiscal account with its Administrative Agent to manage the pooled funds.
6. The Director/Coordinator of the local FCFC receiving the transfer of funds shall report to the OFCF Cabinet the amount of each transfer and transferring agency within 30 days of receipt of the funds.
7. Counties may also pool funds across counties or regionally. When pooling funds across counties or regionally, one county FCFC shall be named as the Administrator of the pooled funds.
8. The expenditure of the pooled funds shall be made in collaboration and agreement between all local public agencies transferring the funds, the other local FCFC members and the FCFC administrative agency.
9. The transfer and expenditure of the funds are subject to audit by the Auditor of State. Any non-compliance with expenditures of the funds in accordance with applicable regulations and guidance are subject to findings for recovery and subject to recoupment. Refer to #5 regarding the need to establish a separate fiscal account for these funds.

Fiscal

1. The budget period for the pooled funds is based on a State Fiscal Year. (July 1 – June 30)
2. The amounts transferred annually to the pool shall be limited to the amounts that can be redirected without impairing the achievement of the objectives for which the initial allocation is designated.
3. For reporting purposes, upon the transfer of funds from the local public agency to the FCFC administrative agent, the transferred amount shall be considered spent by the local public agency.
4. The pooled funds must be designated to meet the needs of children, families and adults and can only be used for services with the following exception.
5. Up to 10% of the annual amount of pooled funds transferred can be used by the FCFC to cover related administrative costs. Administrative costs are defined as those activities

common to the fund in general, such as financial management, related audit costs, types and frequency of reports, and retention of records.

6. Where possible, the pooled funds shall be used as match for federal funds to the extent that the funds are not currently being used as match for other federal programs.
7. Any unspent pooled funds at the end of the budget period shall be carried over to the next budget period and used only to provide services to children, families and adults. Refer to #5(under fiscal) regarding administrative costs allowable only for what is pooled that year.
8. Pooled funds may **not** be used for capital projects.
9. Pooled funds may **not** be used to supplant other federal, state or local funds.

Reporting and Evaluation

1. Each FCFC administering a pooled fund shall provide an annual report and evaluation to the OFCF Cabinet Council no later than ninety days from the end of the each budget period.
2. The report and evaluation shall be completed in accordance with the attached report and evaluation format.
3. Upon receipt, the OFCF Cabinet Council shall establish a meeting with staff from the original state agencies to review and evaluate the benefits of and any needed changes to the pooled funding program.

Refer to Appendix B for temporary statute language.

Attachment A: State GRF Funding Streams Allowable for Transfer

GRF Line Item #	GRF Line Item Name	Local Recipient of Identified GRF Funding Stream
322501	County Board Subsidies	County Boards of DD
200540	Special Education Enhancements	Local Education Agencies (LEAs)
200550	Foundation Funding	Local Education Agencies (LEAs)
600523	State Child Protection Allocation and Fiesel Allocation	County Children Services Agencies
600523	Social Services Operating Allocation	County Job and Family Services Agencies
600533	Child, Family, and Adult Community and Protective Services Allocation	County Job and Family Services Agencies
470401	RECLAIM Ohio	County Juvenile Court
470510	Youth Services Grant	County Juvenile Court

Appendix B: Temporary Statute Language for Family and Children First Flexible Funding Pool

Section 337.30.70. FAMILY AND CHILDREN FIRST FLEXIBLE FUNDING POOL

A county family and children first council may establish and operate a flexible funding pool in order to assure access to needed services by families, children, and older adults in need of protective services. The operation of the flexible funding pools shall be subject to the following restrictions:

(A) The county council shall establish and operate the flexible funding pool in accordance with formal guidance issued by the Family and Children First Cabinet Council;

(B) The county council shall produce an annual report on its use of the pooled funds. The annual report shall conform to a format prescribed in the formal guidance issued by the Family and Children First Cabinet Council;

(C) Unless otherwise restricted, funds transferred to the flexible funding pool may include state general revenues allocated to local entities to support the provision of services to families and children;

(D) The amounts transferred to the flexible funding pool shall be limited to amounts that can be redirected without impairing the achievement of the objectives for which the initial allocation is designated; and

(E) Each amount transferred to the flexible funding pool from a specific allocation shall be approved for transfer by the director of the local agency that was the original recipient of the allocation.

Section 263.10.40. STATE SUBSIDY TO COUNTY DD BOARDS

(A) Except as otherwise provided in the section of this act titled "Nonfederal Share of New ICF/MR Beds," the foregoing appropriation item 322501, County Boards Subsidies, shall be used for the following purposes:

(1) To provide a subsidy to county boards of developmental disabilities in quarterly installments and allocated according to a formula developed by the Director of Developmental Disabilities in consultation with representatives of county boards. Except as otherwise provided in section 5126.0511 of the Revised Code, or in division (B) of this section, county boards shall use the subsidy for early childhood services and adult services provided under section 5126.05 of the Revised Code, service and support administration provided under section 5126.15 of the Revised Code, or supported living as defined in section 5126.01 of the Revised Code.

(2) To provide funding, as determined necessary by the Director of Developmental Disabilities, for residential services, including room and board, and support service programs that enable individuals with developmental disabilities to live in the community.

(3) To distribute funds to county boards of developmental disabilities to address economic hardships and promote efficiency of operations. The Director shall determine, in consultation with representatives of county boards, the amount of funds to distribute for these purposes and the criteria for distributing the funds.

(B) In collaboration with the county's family and children first council, a county board of developmental disabilities may transfer portions of funds received under this section, to a

flexible funding pool in accordance with the section titled FAMILY AND CHILDREN FIRST FLEXIBLE FUNDING POOL.

Section 267.50.80. FLEXIBLE FUNDING FOR FAMILIES AND CHILDREN

In collaboration with the County Family and Children First Council, a city, local, or exempted village school district, community school, STEM school, joint vocational school district, educational service center, or county board of developmental disabilities that receives allocations from the Department of Education from appropriation item 200550, Foundation Funding, or appropriation item 200540, Special Education Enhancements, may transfer portions of those allocations to a flexible funding pool authorized by the Section of this act entitled "FAMILY AND CHILDREN FIRST FLEXIBLE FUNDING POOL." Allocations used for maintenance of effort or for federal or state funding matching requirements shall not be transferred unless the allocation may still be used to meet such requirements.

Section 309.50.20. FLEXIBLE FUNDING FOR FAMILIES AND CHILDREN

In collaboration with the county family and children first council, a county department of job and family services or public children services agency that receives an allocation from the Department of Job and Family Services from the foregoing appropriation item 600523, Children and Families Services, or 600533, Child, Family, and Adult Community & Protective Services, may transfer a portion of either or both allocations to a flexible funding pool as authorized by the section titled FAMILY AND CHILDREN FIRST FLEXIBLE FUNDING POOL.

FLEXIBLE FUNDING FOR CHILDREN AND FAMILIES

In collaboration with the county family and children first

council, the juvenile court of that county that receives allocations from one or both of the foregoing appropriation items 470401, RECLAIM Ohio, and 470510, Youth Services, may transfer portions of those allocations to a flexible funding pool as authorized by the section titled FAMILY AND CHILDREN FIRST FLEXIBLE FUNDING POOL, of this act.