



Public Sector Analysis for Human Services in Cuyahoga County

Prepared for United Way of Greater Cleveland
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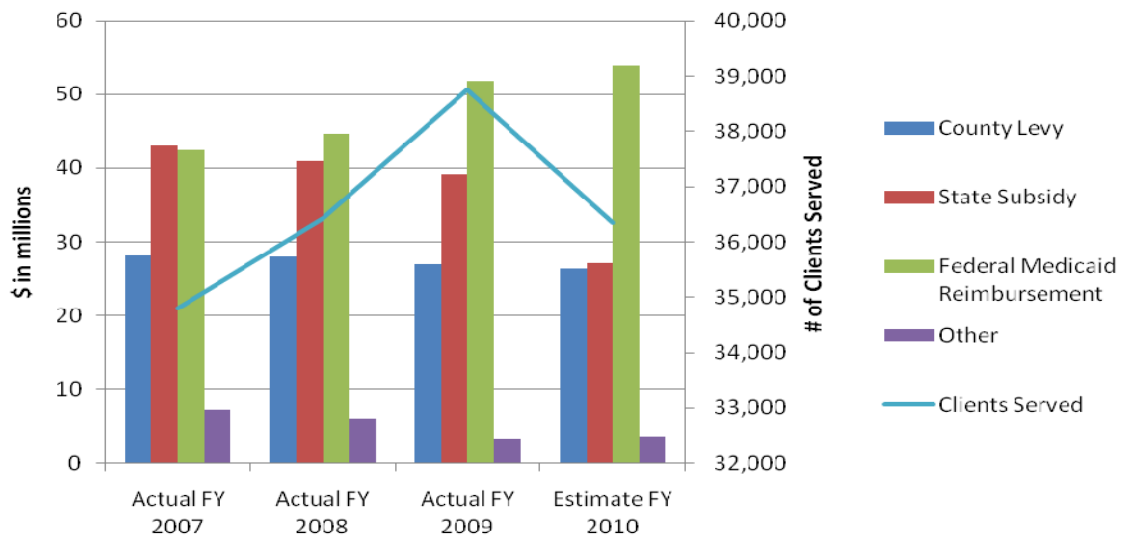
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Mental Health

Highlights:

- State funding has been significantly reduced and is now sufficient to fund only Medicaid services in most counties.
- Cuyahoga County likely will need to rely on local funds to cover Medicaid expenses as early as 2012 if it plans to retain the current package of Medicaid behavioral health benefits for a rising number of beneficiaries. This would make it difficult to provide services to childless adults and other non-Medicaid populations.
- The state has proposed a new subsidy formula to address perceived inequities in the current formula – the proposed formula would reduce Cuyahoga County’s share by \$12.8 million per year (30% reduction). The state has agreed not implement the new formula in FY 2011; however, Franklin County, which has had to use levy dollars to pay for Medicaid benefits, has sued the state over the current formula allocation.

Cuyahoga County MH Spending by Major Source and Number of Clients Served



Major Sources of Funding

- *State Subsidy* – has been declining. Some of the decline during this time period is offset by increasing federal reimbursement for Medicaid.
- *Federal Medicaid Reimbursement* – has been growing due to increased caseloads and higher match rates. Federal stimulus has provided Ohio with up to an extra \$0.10 in federal funds for every dollar spent on Medicaid services, but the enhanced federal

match rate (eFMAP) will drop significantly on January 1, 2011 and will be eliminated on June 30, 2011.

- *Local* – Cuyahoga County has the largest population and the largest population living under the poverty level, but has significantly less levy dollars dedicated to behavioral health services than Ohio's other urban counties. Cuyahoga invests \$36.0 million or \$28.08 per capita per year in behavioral health. Ohio's other urban counties invest between \$36.7 million to \$64.1 million per year, which is a range of \$43.08 to \$70.04 per capita.
- *Other* – a minor category by comparison and includes spending from federal Title XX dollars and other miscellaneous grants. Funding from these sources has been declining.

Major Gaps in Public Funding

- As state funding has decreased, many county contracts for services to non-Medicaid eligible clients have been reduced or eliminated.
- The Medicaid Mental Health benefit does not cover many of the community-based services and supports, such as housing, peer support, and supported employment that are needed to maintain the health of people with severe mental illness in the community.
- Access to care has been decreasing statewide. It takes longer to get an appointment with a behavioral health professional, even for patients with critical needs.

Other Issues

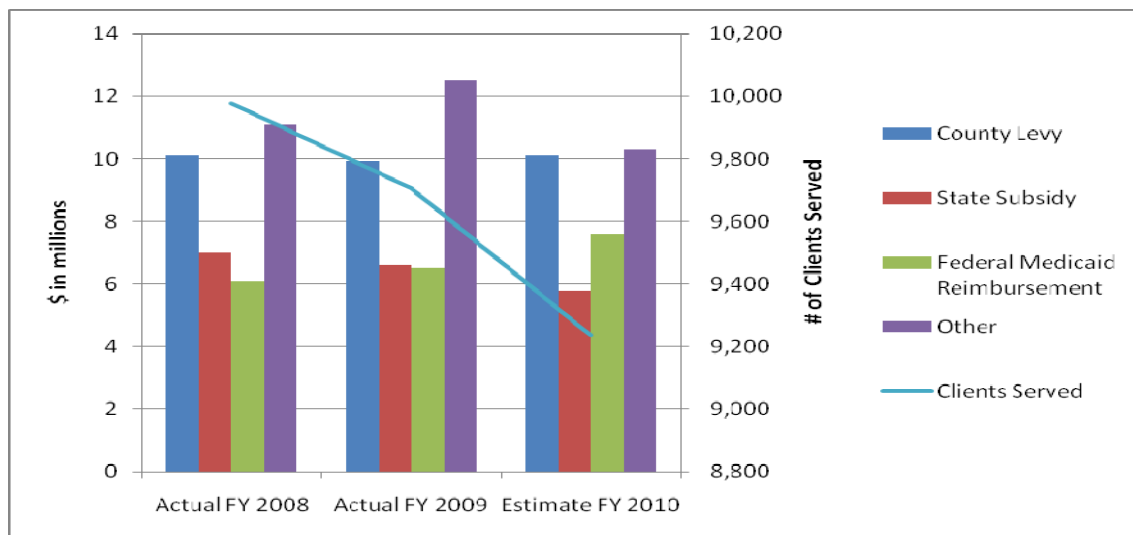
- Ohio's county behavioral health boards are advocating for the state to take full responsibility for Medicaid behavioral health benefits. If this policy is adopted, the role of the county board will fundamentally change.
- The influx of new clients through the federal health reform coverage expansions will further aggravate cracks in the current behavioral health system structure caused by two decades of inadequate funding.
- Comprehensive review and reform of Ohio's behavioral health system is needed to improve how we care for individuals with mental illness.

Alcohol and Drug Addiction (AOD)

Highlights:

- State funding has been significantly reduced.
- Cuyahoga County likely will need to rely on local funds to cover Medicaid expenses as early as 2012 if it plans to retain the current package of Medicaid behavioral health benefits for a rising number of beneficiaries. This would make it difficult to provide services to childless adults and other non-Medicaid populations.

Cuyahoga County AOD Spending by Major Source and Number of Clients Served



*Number of clients for FY 2010 is based on preliminary data from the county board and is subject to revision.

Major Sources of Funding

- *State Subsidy* – has been declining. Some of the decline during this time period is offset by increasing federal reimbursement for Medicaid.
- *Federal Reimbursement for Medicaid* – has been growing due to increased caseloads and higher match rates. Federal stimulus has provided Ohio with up to an extra \$0.10 in federal funds for every dollar spent on Medicaid services, but the enhanced federal match rate (eFMAP) will drop significantly on January 1, 2011 and will be eliminated on June 30, 2011.
- *Local* – Cuyahoga County has the largest population and the largest population living under the poverty level, but has significantly less levy dollars dedicated to behavioral health services than Ohio’s other urban counties. Cuyahoga invests \$36.0 million or

\$28.08 per capita per year in behavioral health. Ohio's other urban counties invest between \$36.7 million to \$64.1 million per year, which is a range of \$43.08 to \$70.04 per capita.

- *Other* – The federal Substance Abuse Block Grant and short term special purpose federal and grants provide most of the funding in this category

Major Gaps in Public Funding

- Many county contracts for non-Medicaid eligible clients have been cut or eliminated.
- Many individuals with alcohol and substance abuse problems – particularly childless adults – do not qualify for health care coverage through Medicaid. In fact, according to the Ohio Department of Alcohol and Drug Addiction Services, currently only 1 in 10 individuals who need AOD services receive them through a publicly funded system.

Other Information

Federal Health Care Reform

- The Medicaid eligibility expansion under federal health care reform coupled with state and federal parity laws will significantly improve access to care for individuals with AOD.
- Ohio's county behavioral health boards are advocating for the state to take full responsibility for Medicaid behavioral health benefits. If this policy is adopted, the role of the county board will fundamentally change.
- Absent substantial system redesign, the federal health reform coverage expansions will further aggravate existing cracks in the current behavioral health system structure.

Rise of Prescription Drug Abuse

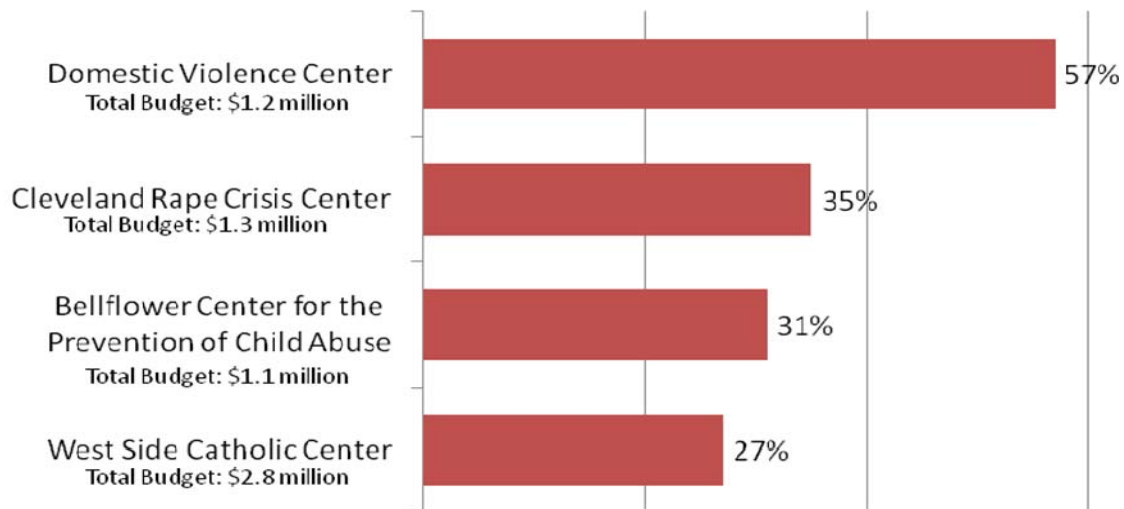
- Prescription drug abuse and related deaths are on the rise. Ohio's southern counties have been hardest hit, but Cuyahoga county death rates from unintentional poisoning are higher than contiguous counties. Emergency room utilization and inpatient hospital admissions for people with AOD have been increasing significantly.

Victim Assistance and Abuse Prevention

Highlights:

- Organizations providing abuse prevention and victim assistance services are heavily reliant on government resources (see Figure 1).
- Funding levels for victim assistance and abuse prevention have remained relatively stable with the exception of one-time ARRA dollars.
- Much of the public funding for these programs originates at the federal level, so these programs are not threatened by state budget shortfalls.
- Substantial support from payments directly to victims of crimes and the protective services programs run by the Cuyahoga County Department of Children and Family Services and Senior and Adult Services is not included in this summary.

Government Grants and Contracts as a Portion of Total Revenues



Major Sources of Funding

Federal – The federal government is the revenue source of much public funding for violence prevention and victim assistance programs, but distribution of dollars is determined by state agencies. See below for detail on specific programs.

- In recent years, groups in Cuyahoga County have been successful in obtaining federal competitive grants for specific projects. These include grants from the U.S. Department of Justice on U.S. Department of Health and Human Services.
- In 2009 and 2010 additional funding for certain federal grant programs was available as a result of the American Recovery and Reinvestment Act. This one-time funding predominately provides additional resources for already existing programs.

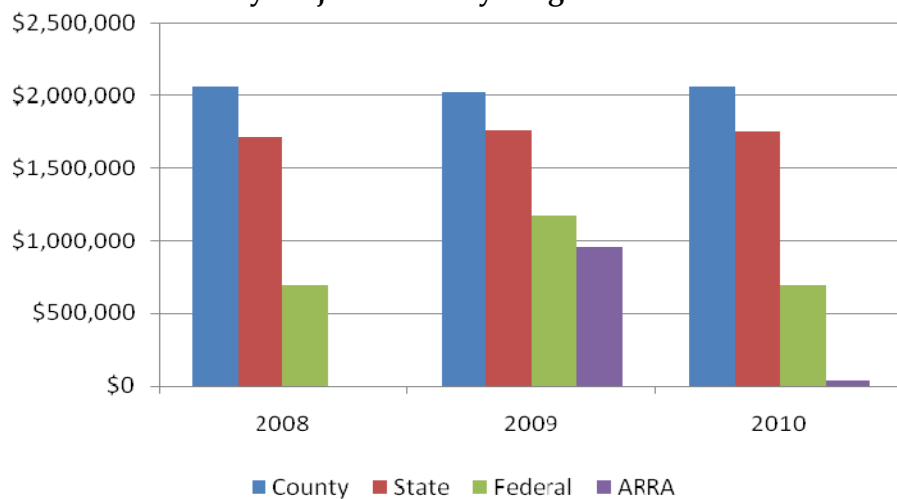
State – The Ohio Attorney General’s Office, Department of Health, Department of Job and Family Services, and Department Public Safety all provide funding to local entities for victim assistance and violence prevention programs. Except where noted, these funds originate at the federal level but are allocated by state departments.

- Victim Assistance programs provide emergency shelter, crisis intervention, temporary financial assistance, and supportive services, and encourage effective law enforcement and prosecution strategies. This includes the federal *Violence Against Women Act (VAWA)* and *Victims of Crime Act (VOCA)* and the *State Victims Assistance Act (SVAA)* which is supported by state funds from the Crime Victims Reparations Fund. Local organizations supported by these programs including rape crisis centers, domestic violence shelters, child abuse treatment facilities, and community-based victim service organizations.
- The primary sources of funding for abuse prevention programs include the *Ohio Children’s Trust Fund*, which distributes revenues from surcharges on birth and death certificates and divorce and dissolution decrees to counties based on a formula, and the federal *Rape Prevention and Education Grant*.
- Two federal programs, the *Family Violence Prevention and Services Act (FVPSA)* and *Edward Byrne Memorial Justice Assistance Grant (JAG)*¹ provide funding for both victim assistance and abuse prevention programs.

County – Cuyahoga County is the recipient of some state and federal funding list above.

- The Health and Human Services levies provide funding for the Witness Victim Center run by the Department of Justice Affairs. This includes both general *Witness Victim Services* and the more targeted *Children Who Witness Violence* program. Both seek to coordinate community programs, provide training for law enforcement, and local matching dollars for public and private funding.
- Marriage license fees and divorce/dissolution filing fees are distributed to community organizations providing shelter and supportive services for victims of domestic violence including the West Side Catholic Center and the Domestic Violence Center through *Domestic Violence Protective Services*.

Public Abuse Prevention and Victim Assistance Funding in Cuyahoga County by Major Source by Program Year



¹ Since only a small portion of this funding is for programs seeking to prevent violence or assist victims, it is not included in the totals presented in the chart.

Early Childhood

Invest in Children: The mission of Invest in Children is to mobilize resources and energy to ensure the wellbeing of all young children in Cuyahoga County, provide supportive services to parents and caregivers, and build awareness, momentum, and advocacy in the community around children and family issues; Funds for major early childhood programs including Help Me Grow, Universal Pre-K (UPK), Healthy Start Outreach, Early Childhood Mental Health, and child care quality and Resource and Referral services flow through Invest in Children (also known as the Cuyahoga Office of Early Childhood.)

Head Start: Head Start is a federally-funded early education program that flows directly from the federal government to Head Start grantees at the local level. The Council for Economic Opportunities in Greater Cleveland (CEOGC) for is the main Head Start grantee in Cuyahoga County.

Highlights:

- State funding for early childhood services in Cuyahoga County's Office of Early Childhood for 2010 is \$13.4 million dollars lower than 2009 because of reductions in state funding.
- The major factor in the decline was the elimination of the TANF earmark for the Help Me Grow program; Help Me Grow funding has been shifted from Temporary Assistance for Needy Families (TANF) to General Revenue Funding to allow for Medicaid billing of services provided, which is slated to begin in SFY 2011 or SFY 2012.
- State child care funding increased by 14 percent in FY 2009 from FY 2010, but eligibility was reduced at the state level from 200 percent of the federal poverty level (FPL) to 150 percent FPL.
- Funding for the Early Learning Initiative, which flowed directly from the state to provider agencies, was also eliminated in the state budget, impacting approximately 2,300 preschool students in Cuyahoga County; some of those students were able to transfer to Head Start or child care.
- Early childhood received over \$1.4 million in private grant funds to supplement existing programs and support general operations.

State Child Care Funding Directed to Cuyahoga County FY2008-2010

	2008	2009	2010
Child Care Funding	\$125,020,931	\$110,211,964	\$128,237,064

Office of Early Childhood Spending by Major Funding Source

Funding Source	% of All Funds	2009 Estimate	% of All Funds	2010 Estimate
HMG TANF Allocation	38.4%	\$7,864,039		
HMG General Revenue Subsidy	3.3%	\$668,412	25.0%	\$3,982,352
HMG Early Intervention - Part C Allocation	5.6%	\$1,143,527	7.3%	\$1,169,450
Quality Child Care Allocation	2.2%	\$445,172	1.8%	\$281,491
County Child Care Allocation	8.3%	\$1,692,051	10.1%	\$1,607,552
Temporary Assistance to Needy Families (TANF) Allocation	10.5%	\$2,160,431	10.1%	\$1,606,908
Total Intergovernmental	68.2%	\$13,973,632	54.2%	\$8,647,753
Private Grants		-		
Miscellaneous		\$325		
Health & Human Services Levy	31.8%	\$6,528,874	45.8%	\$7,310,046
TOTAL	100%	\$20,502,831	100%	\$15,957,799

Major Sources of Funding

- State and Federal Funding-** State TANF and Help Me Grow funds all received funding reductions in 2010 from 2009 levels due to reductions in state general revenue funding and TANF funding caused by increased cash assistance caseloads and the loss of TANF surplus dollars used in SFY 2009. Child care funding was flat over the 2008-2010 funding period and caseloads were controlled by reducing eligibility.
- County HHS Levy-** County HHS levy dollars for The Office of Early Childhood increased in 2010 to offset state funding cuts and made up approximately 45% of the OEC budget.
- Private Grants-** Private grants support evaluation, the medical home initiative, and communications.
- Federal ARRA Funds-** Federal stimulus dollars were used to support 1,200 newborn home visits in FY 2010 after they were eliminated from state funding in SFY 2010; it is unclear whether these will be able to continue.
- Federal Head Start-** Greater Cleveland Council for Economic Opportunity (CEOGC) received grants totaling \$34,760,000 in 2010 for Head Start, similar to previous years.
- Early Head Start ARRA Funds-** Cuyahoga County received \$1,311,000 in federal ARRA funds for Early Head Start services in FY 2010-2011.

Youth Development

The youth development system for youth in Cuyahoga County receives federal, state, and local funding streams. Youth development programs include:

Family & Children First Council - As the planning entity for Cuyahoga County, the Family & Children First Council promotes a collaborative system of care emphasizing coordination across a continuum of family-centered, neighborhood based, and culturally competent services to ensure the well-being of every child, and to preserve and strengthen families in their communities. FCFC has three priority outcome areas: Service coordination, Child-Well Being, and Children's Trust Fund. Key projects of the FCFC include MyCom, the Fatherhood Initiative, child abuse prevention, after-school programs, and Families and Schools Together.

Justice Affairs – Provides treatment services for youth through Juvenile Court's residential placement and shelter care expenditures; strengthens support for families and children who are exposed to violence; optimizes community service delivery by leveraging enhanced services through a Family Justice Center and oversight of the Neighborhood Reentry Resource Center.

Juvenile Court – To administer justice, rehabilitate juveniles, support and strengthen families, and promote public safety. Juvenile Court is organized into four departments – Detention Services, Court Services, Probation Services, and Administration.

Cuyahoga Tapestry System of Care - Cuyahoga Tapestry System of Care exists to enhance the lives of children with significant behavioral needs who are involved in multiple systems through family-focused, child centered, strength-based and culturally competent care in their community.

Youth Development Funding Highlights:

- **FCFC**- The Family and Children First Council is the main Youth Development initiative in Cuyahoga County; the FCFC budget for 2010 included increased HHS levy funding and increased private funding for the MyCom initiative.
- **Tapestry**- The Cuyahoga Tapestry System of Care received a \$9.5 million grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) for the development of "Project Tapestry." The grant covered a six year period beginning September 30, 2003, and ending September 29, 2009. SAMHSA approved the extension of the program thru December 2009. HHS Levy dollars are supporting the final operation in 2010.

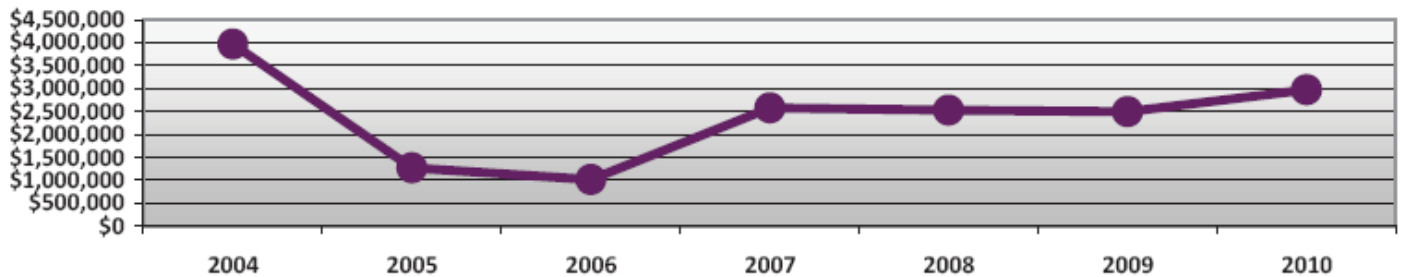
- Juvenile Court-** Juvenile Court is challenged by the reduction in the allocation from the Ohio Department of Youth Services (ODYS) in FY 2011, which began July 1, 2010; the court's FY 11 allocation did increase from FY10, although that year was down \$792,773 from FY2007 and \$3.4 million from FY2004.

Total Funding for Major Youth Development Programs in Cuyahoga County by State Fiscal Year (SFY) 2008-2010 - All Funds

Program	FY 2008	FY2009	FY2010
FCFC	\$2.5M	\$2.7M	\$2.5M
Justice Affairs	\$23.6M	\$16.9M	\$15.5M
Juvenile Court	\$56.4M	\$53.4M	\$54.2M
Tapestry	\$8.6M	\$9M	\$9.4M

Family and Children First Council Expenditure History

Total Expenditures History



Workforce Development and Training

The workforce development system for adults and older youth in Cuyahoga County receives federal, state, and local funding streams. Major federal funding streams include:

Adult Basic Literacy and Education (ABLE) – This program helps individuals 16 and over achieve a GED and also provides English as a second language services. It is funded by the Ohio Board of Regents using a mix of U.S. Department of Education and state funds. Local partners, which include some school districts, Cuyahoga Community College (CCC), and Polaris Career Center, can provide a voluntary match. CMSD is no longer a provider, and instead transfers local match funding to Tri-C.

Adult Workforce Education – The Ohio Board of Regents provides state GRF funding to Cuyahoga Valley Career Center and Polaris Career Center for occupational skills training leading to certificates or industry credentials. The Ohio Department of Education also provides funding for these sites because they also serve secondary education students. In a major change, as of this year, CMSD no longer participates in the Board of Regents' adult workforce education program.

Carl D. Perkins Career & Technical Education Training – The Ohio Board of Regents provides funding to CCC for postsecondary students who enroll in career and technical training. Funds originate from the U.S. Department of Education.

Cuyahoga Community College local levy – The property tax levy to support Tri-C is one of the most important sources of funding for workforce development. Tri-C uses the funding to support both credit and non-credit courses, and to keep tuition lower than the state average.

Temporary Assistance for Needy Families (TANF) – The County Department of Employment and Family Services administers the Ohio Works First program. Families with limited incomes at 90% of the poverty line who are living with minor children can receive cash assistance for up to 36 months and may be eligible for training, employment readiness, and job search assistance, or subsidized employment. These funds are provided by the Ohio Department of Job and Family Services using the federal TANF block grant and a state GRF match.

Workforce Investment Act (WIA) – WIA funds originate in the U.S. Department of Labor. The Cuyahoga/Cleveland Workforce Investment Board sets policy guidelines. WIA services can provide job search, job readiness, and job training assistance to low-income adults, dislocated workers, and older youth. In addition to WIA services, at any given time the US DOL provides workforce development funding through grants to help specific populations such as veterans, workers laid off due to foreign trade, disabled persons, youth, or to develop skills in specific occupations. These specialized funding streams are not included in the table below.

Workforce Development Funding Highlights:

- **Career Centers** - Ohio Board of Regents' state GRF funding for career centers has fallen by nearly 39 percent since FY 2008, in part because the Cleveland Municipal School District no longer participates as of FY 2011. Polaris and Cuyahoga Valley Career Centers are the only providers.
- **Tri-C levy** --The replacement property tax levy for Cuyahoga Community College, passed in 2009, is projected to lead to an increase in funding of \$6 million over the previous year.
- **TANF** – The county reduced its support for subsidized employment, job retention, and job readiness services for individuals receiving TANF cash assistance by more than half in recent years, a trend that is likely to continue as the federal TANF block grant comes under pressure from increasing cash assistance caseloads. A special subsidized employment program supported by the federal recovery act that provided jobs for approximately 200 individuals expired September 30.¹
- **WIA** – Through the Recovery Act, the county received a one-time grant of \$12.7 million (WIA) funding for low-income adults, summer youth employment, and dislocated worker programs, in addition to the regular annual allotment. Most of these funds were spent in SFY 2010.
 - Current year WIA annual funding is 39 percent below the level of two years ago due to a reduced distribution to Ohio from the U.S. Department of Labor.

Funding for Major Workforce Development Programs in Cuyahoga County by State Fiscal Year (SFY)

Program	SFY 2008	SFY 2009	SFY 2010	SFY 2011*
ABLE	\$ 3,569,960	\$ 3,475,022	\$ 4,188,453	\$ 3,111,354**
WIA	\$ 13,021,366	\$ 18,367,632	\$ 27,069,419	\$ 11,179,827
TANF	\$ 4,725,374	\$ 5,112,934	\$ 2,201,921	***
Tri-C levy	\$ 77,391,669	\$ 75,943,083	\$ 74,079,306	\$ 80,924,888
Perkins Funding @ Tri-C	\$ 599,000	\$ 346,000	\$ 484,000	\$ 495,000
Adult Career Centers (OBOR)	\$ 817,585	\$ 738,095	\$ 625,538	\$ 499,668
Vocational Education (ODE)#	\$ 5,312,478	\$ 5,761,113	\$ 6,222,446	\$ 3,964,171

* FY 2011 amounts are planned or estimated.

** Amount reflects state funding only. Local match amounts are not yet known.

*** Current year funding for TANF employment services has not been reported.

Combined amount for Polaris Career Center and Cuyahoga Valley Career Center; funding is shared between programs for adults and secondary education students.

¹ Funding for this program is not reflected in the table.

Aging

Highlights:

- State funding for senior safety net programs has decreased.
- Federal Older Americans Act dollars that flow through the state to area agencies on aging to support elderly nutrition service programs have been static over the last two decades.
- Federal stimulus funding received in 2010 supported congregate and home-delivered meals (\$744,063) and independent living services for older individuals who are blind (\$79,560). These are one-time resources that allowed entities to leverage dollars for other programs.

Major Sources of Funding

Federal Senior Community Services Block Grant Funds and Older American Act Title III dollars are funneled through the state. The Department of Aging administers these funds and state GRF funds.

- Programs funded include OAA services such as congregate and home delivered program; Senior Community Services such as transportation and home care; and Alzheimer’s Respite.

State and Federal Support for Senior Services Funding in Cuyahoga County

	2009	2010
Older Americans Act Title III B, C1, C2	\$4,694,394	\$4,717,441
State Senior Community Services Grant	\$1,036,441	\$627,047
NSIP (Nutrition)	\$675,363	\$674,647
National Family Caregiver Support	\$396,560	\$371,828
Alzheimer’s Respite	\$604,793	\$637,330

*As reflected, WRAAA funding formula - Cuyahoga County receives 71.88% of available funding

The most significant decrease in funding is the Senior Community Services while quality improvements to services result in increasing costs. Quality improvements include continuous training of staff, nutritious meals, and better administrative coordination of programs.

Ombudsman: Funds passed through WRAAA to Greater Cleveland LTC Ombudsman.

- Services funded include handling complaints regarding nursing homes, advocating for improvement in quality of care and investigating and resolving complaints for community dwelling seniors receiving social services.

State and Federal Support for LTC Ombudsman Funding in Cuyahoga County

	2007	2008	2009	2010
LTC Ombudsman	\$574,840	\$589,157	\$579,188	\$579,188

*Represents funding for five counties. Cuyahoga County makes up around 70% of funding.

State funding has been relatively static; however, caseloads and in-take calls have increased over the last two years while staffing levels have remained the same.

County: senior and adult services are supported by Public Assistance linkage, Health and Human Services Levies, and fees for services.

- Programs funded include community social service programs such as adult day and chore; home care skilled services such as skilled nursing and rehabilitative services; Options Program that provides medical transportation, personal care, and home-delivered meals.

County Support for Senior Services Funding in Cuyahoga County

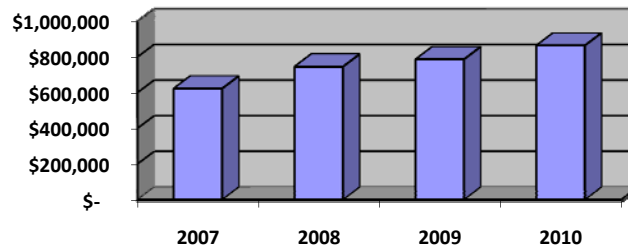
	2007	2008	2009	2010
Community Social Service Program	\$1,182,954	\$1,461,221	\$1,467,292	\$1,416,579
Home Support	\$2,076,881	\$2,116,898	\$1,888,983	\$1,787,236
Information & Outreach	\$565,064	\$588,231	\$587,955	\$478,083
Home Care Skilled Services	\$874,854	\$829,223	\$834,325	\$728,652
Options Program	\$5,167,730	\$5,752,535	\$5,546,731	\$4,530,447

County support has declined since 2008. Kinship Care was completely eliminated in 2009. Clients served have slightly decreased since 2008 but growth might have been curtailed by a decrease in staffing levels across Department of Senior and Adult Services.

City of Cleveland: support through general fund and small fee for services.

- Programs funded include supportive services such as meals, personal care, and chores. A homelessness prevention program provides case management and linkage to social services, and “Access your Benefits” screens seniors for eligibility for public programs.

City of Cleveland’s Department of Aging Budget



The Department’s budget, though increased since 2007, supports new hires and responds to increases in cost of employee benefits. Home repair and supportive services’ clients have increased since 2006 as have numbers of seniors screened for “Access your Benefits”.

Major gaps in funding

- The operational costs of providing senior safety net services are increasing but the public federal and state funding have steadily been static or declining. This results in programs not able to meet all of the needs of their older clients.
- As funding has decreased for direct services, agencies are utilizing scarce funds to assist seniors and their families to navigate the aging system and connect to various programs to support them remaining in the community. One strategy has been to increase education and information outreach about how to utilize personal resources and make better planning decisions for retirement. An example is the county-wide education and enrollment of seniors in Access your Benefits program.

Foreclosure Prevention

Homeowners who face foreclosure can be helped in a variety of ways, including financial counseling and education, mediation with the lender or servicer, and financial assistance. Unfortunately, programs aimed specifically at foreclosure prevention have been poorly funded at the state and local levels. The federal government has been the largest funder to date, and is set to make a major new investment in the final half of 2010 through the “Hardest Hit Fund.”

NeighborWorks America – This organization is a national nonprofit established by Congress to provide funding to community organizations for revitalization efforts. To date, NeighborWorks is the largest public funder of foreclosure prevention counseling activities through its National Foreclosure Mitigation Counseling Program. Funding is for counseling only, not to pay lenders or servicers. The local partner for this program is Neighborhood Housing Services of Greater Cleveland, Inc., which does most of its work in Cuyahoga but serves a five-county area. Funding has dropped significantly since 2008 due to Congressional decisions and increasing demands on the program nationwide.

National Foreclosure Mitigation Program Distributions to NHSGC*

2008	2009	2010
\$1,228,426	\$102,780	\$120,000

Source: NeighborWorks; NHSGC.

* Includes \$195,000 designated specifically for legal assistance.

Separately, the Ohio Housing Finance Authority received grants totaling \$10.1 million over the 2008-2010 time period for foreclosure counseling and legal assistance. A portion of these grants were distributed to organizations that work in Cuyahoga County, including Empowering and Strengthening Ohio’s People (ESOP), Community Housing Solutions, Housing Advocates, and Mustard Seed Development. It should be noted that ESOP now works statewide.

U.S. Department of Housing and Urban Development (HUD) -- In general, HUD is not a major funder of foreclosure prevention, but the HUD “Housing Counseling Assistance Program” can be used for foreclosure assistance as well as counseling for other housing issues. Community Housing Solutions (formerly the Lutheran Housing Corporation) has been the local grantee for this program and receives approximately \$40,000 per year

U.S. Department of the Treasury – The “Hardest-Hit Fund” is a major new federal initiative announced this year, focused on unemployed and underemployed homeowners. Services will be delivered by the network of HUD counseling agencies and reimbursed through the Ohio Housing Finance Authority. Ohio will receive a total of \$570.4 million that can be used for:

- Rescue payment assistance to bring the homeowner current on mortgage payments;
- Partial mortgage payments while the homeowner looks for a job or engages in training
- Modification assistance with principal reduction to provide an incentive servicers to reduce principal;
- Transitional Assistance to provide an incentive for servicers to allow the homeowner to exit in a negotiated process.

The program uses TARP (Troubled Asset Relief Program) funds so most of the resources must go to a financial institution. Counseling agencies cannot receive more than 7.5 percent of the total funds. Cuyahoga is a target county based on its level of need. Up to \$15,000 may be available for each foreclosure case.

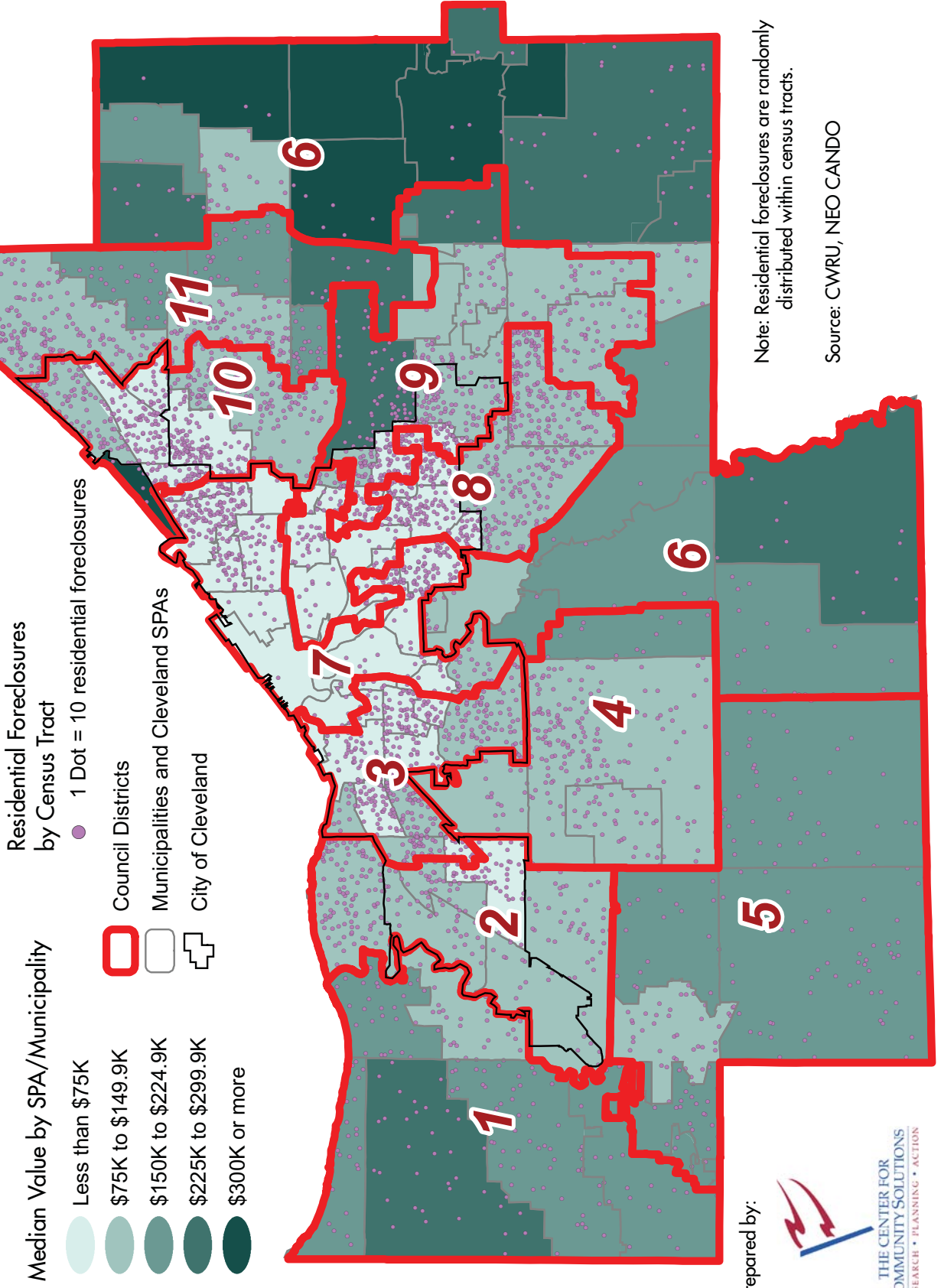
An existing federal program, Making Home Affordable, did not have a major impact in Ohio because most of the options were unavailable to unemployed homeowners. Ohio ranked 48th in the nation in the number of the homeowners assisted by Making Home Affordable.¹

State of Ohio - The state of Ohio's "Save the Dream" initiative is a network of referral services comprised of HUD-approved counseling agencies, legal aid societies, and credit counseling organizations. Attorneys are also offering pro bono services. Save the Dream, which is coordinated through the Ohio Department of Commerce, does not have a regular source of state support. The initiative received a one-time, statewide \$2 million contribution from the Ohio Housing Finance Authority that expired in 2009.

Cuyahoga County - At the local level, the county supports three staff members in the Treasurer's office for the "Don't Borrow Trouble" initiative. These staff do not provide direct services, but rather coordinate referral services and pursue private and federal funding for local non-profit service providers. The Court of Common Pleas used an increase in filing fees to handle the increase in foreclosure cases, and also established a foreclosure mediation program.

¹ Ohio Housing Finance Agency, *Ohio Hardest Hit Fund*, Final submission to the U.S. Department of the Treasury. July 23, 2010, p. 5.

Median Value of Single-Family Homes, 2008 And Residential Foreclosures, 2006-June, 2010 With Cuyahoga County Council Districts



Note: Residential foreclosures are randomly distributed within census tracts.

Source: CWRU, NEO CANDO

Prepared by:

