

STORAGE NAME: h3217z.flc

****FINAL ACTION****

DATE: May 28, 1998

****SEE FINAL ACTION STATUS SECTION****

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
Family Law and Children
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3217

RELATING TO: Privatization of foster care and related services.

SPONSOR(S): Representative Murman and others

COMPANION BILL(S): CS/CS/SB 352

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) Family Law and Children YEAS 8 NAYS 1
- (2) HEALTH AND HUMAN SERVICES APPROPRIATIONS YEAS 11 NAYS 1
- (3)
- (4)
- (5)

I. FINAL ACTION STATUS:

Amended on second reading and passed the House on 4/21/98. The Senate substituted HB 3217 for CS/CS/SB 352, and passed the bill on 4/29/98. REFER TO CH. 98-180.

II. SUMMARY:

Provides for the privatization of foster care and related services. Requires the Department of Children and Family Services to develop a plan to accomplish statewide privatization, through a competitive process, phased in over a 3-year period beginning January 1, 2000, and to submit the plan by July 1, 1999. Requires the state attorney or the Office of the Attorney General to provide child welfare legal services under specified circumstances, in Sarasota, Pinellas, Pasco, and Manatee counties beginning in fiscal year 1999-2000. Provides requirements for eligible lead community-based providers. Requires the department to establish a statewide quality assurance program. Requires the department to privatize all foster care and related services in district 5 beginning January 1, 1999, while continuing to contract with the current model programs in districts 1, 4, and 13, and expanding the subdistrict 8A pilot program to include Manatee County. Requires the department to transfer all responsibility for child protective investigations for Pinellas, Manatee, and Pasco counties to the respective sheriffs of those counties by the end of fiscal year 1999-2000. Provides requirements and program performance evaluation for the sheriffs.

Effective July 1 of the year in which enacted.

III. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Privatization of Services - F.S. 409.1671 provides Legislative intent that encourages the Department of Children and Family Services to contract with competent community-based agencies to provide foster care and related services. It is the intent that by privatizing these services, the support and commitment of communities to the reunification of families and care of children and their families will be strengthened, and efficiencies as well as increased accountability will be gained.

Model Privatization Projects - F.S. 409.1671(5) requires the Department of Children and Family Services to establish a minimum of five model programs in fiscal year 1996-1997. These models must be established in districts 1, 4, 13, 8A, and a fifth district to be determined by the department; Palm Beach County has been identified as the fifth site. Providers of these model programs may be selected from a single source and must be established, community-based organizations within the district or subdistrict. Each district that participates in the model program effort must thoroughly analyze and report the complete costs of delivering these services, including the cost of monitoring and evaluating the contracted services.

The following pilot projects have been established as required by F.S. 409.1671:

- (1)Homeward Bound Project in District 1 (Escambia and Santa Rosa counties). Serves children from birth to age 18 in substitute care for the first time, and children previously in the program who have returned due to placement disruption. A total of 142 children are being served. The contract is for 12 months. This program has been in effect since 1992, and the length of stay of children in Homeward Bound is 41% less than children in the department's care in District 1.
- (2)Family Services Coalition in District 4 (Nassau, Duval, Clay, St. Johns, and Baker counties). Serves children in foster care aged 12 to 17, and youth over 18 who are in independent living. A total of 318 children are receiving services; the contract is for 9 months. The coalition is made up of the Baptist Home for Children, the Boys Home Association, the Children's Home Society and the Jacksonville Youth Sanctuary. The program was implemented in January of 1997.
- (3)Sarasota County Coalition for Families and Children in District 8 (Sarasota County). The program serves all children in Sarasota county needing protective services, foster care, and adoption services. Legal services are provided by the department. A total of 376 children are receiving services. The contract is for 18 months. The Youth and Family Services arm of the local YMCA in Sarasota County serves as the administrative support/home to the Coalition. The program was implemented in January of 1997.
- (4)Bridges Program in District 13 (Lake and Sumter counties). The program serves all children entering care for the first time through the department's shelter care system. Legal services are provided by the department. A total of 88 children are being served. The contract is for 2 and ½ years with a periodic renegotiation clause to address rate and services. The Program operates out of the Lake County Boys Ranch, and was implemented on January 1, 1997.

Other Privatization Projects - The Manatee County Sheriff and the department have been developing a model for child protective investigations since the onset of the Family Service Response System in 1993. In 1996, the department and the Manatee County Sheriff entered into an agreement to transfer the responsibility for child abuse investigations to the sheriff. The department retained the investigation of child neglect cases. The Manatee Sheriff's office hires and supplements training of child protective investigators who operate under the auspices of the Sheriff, though they are not sworn law enforcement officers. Many of the department's investigators were hired by the Sheriff's Office in the same capacity but augmented with access to law enforcement for criminal investigations.

Quality Assurance - F.S. 409.1671(3)(a) requires the department to establish a quality assurance program for the privatization of services. The quality assurance program must include standards for each specific component of these services. Each program operated must be evaluated annually by the department or by an objective competent entity designated by the department. The department is required to submit an annual report regarding quality performance, outcome measure attainment, and cost efficiency to the President of the Senate, the Speaker of the House of Representatives, the Minority leader of each house, and the Governor no later than January 31 of each year, beginning in 1998. The quality assurance program must be funded through administrative cost savings generated by the act.

Interim Evaluation of the Child Welfare Privatization Projects - An implementation study report has been conducted for the Department of Children and Families by Brian Peacock, MSW/CPA, Management and Evaluation Consultant. The report, published in January, 1998, sets forth several recommendations:

- (5) Give the current privatization projects sufficient time to demonstrate strengths/shortcomings before passing broader implementation of privatization.
- (6) Privatization projects should strongly emphasize resource development.
- (7) Department oversight for privatization projects is essential. The oversight function should be more of a quality assurance/improvement function than a traditional monitoring function.
- (8) Ensure that adequate training is made available to staff of the privatization projects on an on-going basis.
- (9) Ensure that a process is in place for continually updating/refining the outcomes.

B. EFFECT OF PROPOSED CHANGES:

Privatization of Services - HB 3217 amends subsection (1) of F.S. 409.1671 to delete language requiring the encouragement of privatization, and instead requires statewide privatization of foster care and related services. Defines "privatize" as contracting with competent, community-based agencies. Requires the Department of Children and Family Services to develop a plan to accomplish privatization statewide over a 3-year period, beginning January 1, 2000. The plan is to be submitted by July 1, 1999, to the Speaker of the House of Representatives, the President of the Senate, the Governor, and the Minority leaders of both houses. Requires the department to state in its plan the reasons the time frame can't be met, and the efforts the department will take to

remediate the obstacles with respect to any district in which privatization cannot be accomplished in the 3-year time frame.

HB 3217 requires the state attorney or the Office of the Attorney General to provide child welfare legal services, pursuant to chapter 39 and other relevant provisions, in Sarasota, Pinellas, Pasco, and Manatee Counties. Such legal services shall commence and be effective as soon as determined reasonably feasible by the respective state attorney or Office of the Attorney General, after the privatization of associated programs and child protective investigations has occurred. Allows specified agencies to act as a child's guardian for the purpose of registering a child in school and seeking emergency medical attention in specified circumstances.

HB 3217 sets forth eligibility requirements for agencies to compete for privatization projects:

- (a) the ability to coordinate, integrate, and manage all child protective services in the designated community in cooperation with child protective investigations.
- (b) the ability to ensure continuity of care from entry to exit for all children referred from the protective investigation and court systems.
- (c) the ability to provide directly, or contract through a local network of providers, all necessary child protective services.
- (d) the willingness to accept responsibility for meeting the outcomes and performance standards related to child protective services established by the Legislature and the Federal Government.
- (e) the capability and the willingness to serve all children referred to it from the protective investigation and court systems, regardless of the level of funding allocated to the community by the state, provided all related funding is transferred.
- (f) the willingness to ensure that each individual who provides child protective services complete the training required of child protective service worker by the Department of Children and Family Services.

Quality Assurance - HB 3217 requires the department to establish a quality assurance program for privatized services. The quality assurance program may be performed by a national accrediting organization, and must be developed and administered on a statewide level. The department may transfer specified funds to provide for these services, but the total amount of such transferred funds may not exceed \$300,000 in any fiscal year. Requires an annual report regarding each project in operation during the preceding fiscal year.

Model Privatization Projects - HB 3217 amends F.S. 409.1671(5) to delete language that established the five model programs. The bill requires the department to privatize all foster care and related services in district 5 (Pasco and Pinellas counties) beginning January 1, 1999 and continuing at least through December 31, 1999. The lead provider of the program shall be competitively selected, and must demonstrate the ability to provide necessary comprehensive services through a local network of providers. The department is required to continue to contract with the current model programs in districts 1, 4, 13, and in subdistrict 8A, and shall expand the subdistrict 8A pilot program to incorporate Manatee County.

Sheriffs to Provide Child Protective Investigative Services - HB 3217 creates F.S. 415.5071 to require the department to transfer by the end of fiscal year 1999-2000, all responsibility for child protective investigations for Pinellas County, Manatee County, and Pasco County to the sheriff of that county in which the child abuse, neglect, or abandonment is alleged to have occurred. Individuals who provide these services are required to complete the training provided to and required of protective investigators employed by the department. During fiscal year 1998-1999, the department and each sheriff's office shall enter into a contract for the provision of these services. Funding will be appropriated to the department, which shall transfer the funds to the respective sheriffs. The sheriffs may either conduct the investigations themselves, or may subcontract with law enforcement officials or with properly trained employees of private agencies to conduct investigations related to neglect cases only. During the initial year, the department is responsible for quality assurance. By January 15, 1999, the department shall submit a report that describes any remaining barriers to transferring child protective investigations to the sheriffs. The sheriffs are required to operate in accordance with the performance standards established by the Legislature for protective investigations conducted by the department. Funds for child protective investigations may not be integrated into the sheriffs' regular budgets, and must be maintained separately from all other records of the sheriffs' offices. Program performance evaluation shall be based on criteria mutually agreed upon by the respective sheriffs and a committee of seven persons appointed by the Governor and selected from those persons serving on the Health and Human Services Boards in Districts 5 and 6. The committee is required to submit an annual report regarding quality performance, outcome-measure attainment and cost efficiency.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The sheriffs of Pasco, Manatee, and Pinellas counties would be responsible for child protective investigations relating to all child abuse reports in their respective counties.

Requires the Department of Children and Family Services to submit a strategic plan to accomplish privatization statewide over a 3-year period, beginning January 1, 2000. The plan is to be submitted by July 1, 1999.

Either the state attorney or the Office of the Attorney General would be required to provide child welfare legal services in Sarasota, Pinellas, Pasco, and Manatee counties under specified circumstances.

Requires the Department of Children and Family Services to privatize all foster care and related services in district 5 beginning January 1, 1999.

Requires the Governor to appoint a committee of seven persons who shall develop criteria for program performance evaluation of the sheriffs who perform child protective investigation duties. Such committee is responsible for submitting an annual report.

Requires the department to submit a report by January 15, 1999, which identifies any barriers to transferring responsibility for child protective investigations to the sheriffs' offices, and must pursue avenues to remove those barriers.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

Not applicable.

(2) Who makes the decisions?

Not applicable.

(3) Are private alternatives permitted?

The bill requires privatization statewide over a 3-year period, beginning January 1, 2000.

(4) Are families required to participate in a program?

Not applicable.

(5) Are families penalized for not participating in a program?

Not applicable.

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

No.

(2) service providers?

The bill requires the Department of Children and Family Services to contract with competent, community-based agencies for the privatization of foster care and related services. Service providers may have control of specific functions by contract.

(3) government employees/agencies?

The bill requires the Department of Children and Family Services to contract with competent, community-based agencies for the privatization of foster care and related services. In Pasco, Manatee, and Pinellas counties, the sheriffs would have control of the initial calls and subsequent investigations related to all child abuse reports, through contract or grant with the department.

D. STATUTE(S) AFFECTED:

HB 3217 amends F.S. 409.1671, and creates F.S. 415.5071.

E. SECTION-BY-SECTION RESEARCH:

Section 1: Amends F.S. 409.1671. Amends paragraph (1)(a) to state legislative intent to privatize the provision of foster care and related services statewide. Defines "privatize" as contracting with competent, community-based agencies. Requires the Department of Children and Family Services to develop a plan to accomplish statewide privatization over a 3-year period, beginning January 1, 2000. The plan is to be submitted by July 1, 1999 to the President of the Senate, the Speaker of the House of Representatives, the Governor, and the Minority leaders of both houses. Defines "related services." Requires the state attorney or the Office of the Attorney General to provide child welfare legal services in Sarasota, Pinellas, Pasco, and Manatee counties beginning in fiscal year 1999-2000, under specified conditions.

Creates paragraph (1)(b) to define the term "eligible lead community-based provider," and to delineate requirements in order for agencies to compete for privatization projects.

Amends paragraph (3)(a) to require the quality assurance program to be developed at a statewide level. Gives the department limited flexibility to use funds for improving quality assurance. Requires the department to collaborate with community-based agencies that are undertaking privatization to establish minimum thresholds for each component. Requires the department to submit an annual report regarding quality performance, outcome measure attainment, and cost efficiency for each project in operation during the preceding fiscal year.

Amends subsection (4) to require the department to coordinate inspections required pursuant to licensure of agencies under this section.

Amends subsection (5) to require the department to privatize all foster care and related services in district 5 beginning January 1, 1999, and continuing at least through December 31, 1999. Requires the department to continue to contract with the current model programs in districts 1, 4, and 13, and in subdistrict 8A expand the pilot to incorporate Manatee County. Planning for the district 5 privatization shall be done by providers already under contract with the department. A lead provider shall be competitively selected and shall meet criteria established in this section. Allows the department to use funds for contract management only after obtaining written approval from the Executive Office of the Governor.

Creates F.S. 415.5071: Sheriffs of Pasco, Manatee, and Pinellas Counties to provide child protective investigative services; procedures; funding. Subsection (1) requires the department, by the end of fiscal year 1999-2000, to transfer all responsibility for child protective investigations for Pinellas, Manatee, and Pasco counties to the sheriff of that county in which the child abuse, abandonment, or neglect is alleged to have occurred. Each sheriff is responsible for the provision of all child protective investigations in his or her county. Requires individuals who provide these services to complete the training provided to and required of protective investigators employed by the department.

Subsection (2) requires the department to contract with the sheriffs of Pinellas County, Manatee County, and Pasco County, during fiscal year 1998-1999, for the provision of all protective investigative services. Funding for the provision of these services will be appropriated to the department, and the department shall transfer the funding to the respective sheriffs for the investigative responsibilities assumed by the sheriffs. Specifies the types of funds to be transferred. Allows the sheriffs to conduct the investigations themselves or subcontract to conduct investigations related to neglect cases only. Provides requirements if the sheriff subcontracts. During the initial year, the department is responsible for quality assurance. The department is required to identify any barriers to transferring the entire responsibility for child protective investigations to the sheriffs' offices and must pursue avenues to remove those barriers. By January 15, 1999, the department shall submit a report that describes any remaining barriers.

Paragraph (3)(a) gives the responsibility for providing all child protective investigations in their respective counties, to the sheriffs of Pasco, Pinellas, and Manatees counties beginning in fiscal year 1999-2000.

Paragraph (3)(b) requires the sheriffs to operate, at a minimum, in accordance with the performance standards established by the Legislature for child protective investigations conducted by the department.

Paragraph (3)(c) provides for the funds for providing child protective investigations in Pasco, Pinellas, and Manatee counties to be identified in the annual appropriation made to the department, which shall award grants for the full amount identified to the respective sheriff's offices. Funds may not be integrated into the sheriffs' regular budgets, and must be maintained separately from all other records of the sheriffs' offices.

Paragraph (3)(d) requires program performance evaluation to be based on criteria mutually agreed upon by the respective sheriffs and a committee of seven persons appointed by the Governor and selected from those persons serving on the Health and Human Services Boards in districts 5 and 6. The committee is required to submit an annual report regarding quality performance, outcome-measure attainment and cost efficiency no later than January 31 of each year the sheriffs are receiving general appropriations to provide child protective investigations.

Section 3: Provides an effective date of July 1 of the year in which enacted.

IV. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Once this bill is fully implemented, the Department of Children and Family Services reports that to conduct annual quality assurance reviews of each project in operation statewide, would require an additional 15 specialists which would cost \$1,050,237.

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Private entities that contract with the Department of Children and Family Services for the provision of foster care and related services may experience indeterminate costs.

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

It is unknown whether this bill will create jobs or transfer positions from the public sector to the private sector.

D. FISCAL COMMENTS:

Federal funds constitute 84% of the money supporting the protective investigation function. According to the department, in the absence of adequate procedures to ensure compliance, the department could be liable for any disallowances found in future

federal audits. In Pasco and Pinellas Counties, federal funds amount to about \$3.4 million of the estimated \$4 million supporting this function.

If protective investigation staff are terminated when these functions are transferred to the Sheriffs, those employees would be eligible for reimbursement of unused annual and sick leave. There are 101 Protective Investigators who would be potentially adversely affected. There are 201.5 additional staff associated with foster care and related services which is to be privatized in District 5. There is no way of knowing how many would be hired by the Sheriffs and have their leave transferred. Assuming all were terminated, total leave payments required would be \$2,000,000 according to the department.

V. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

VI. COMMENTS:

N/A

VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

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VIII. SIGNATURES:

COMMITTEE ON Family Law and Children:

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AS REVISED BY THE COMMITTEE ON HEALTH AND HUMAN SERVICES

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