

STORAGE NAME: h2125a.hhs

DATE: April 18, 2000

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
HEALTH AND HUMAN SERVICES APPROPRIATIONS
ANALYSIS**

BILL #: HB 2125 (PCB CF 00-03B)

RELATING TO: Department of Children and Families

SPONSOR(S): Committee on Children & Families and Representative Murman

TIED BILL(S):

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

- (1) CHILDREN & FAMILIES YEAS 7 NAYS 4
 - (2) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 1
 - (3) HEALTH AND HUMAN SERVICES APPROPRIATIONS YEAS 11 NAYS 0
 - (4)
 - (5)
-

I. SUMMARY:

This bill reorganizes the Department of Children and Families (DCF or department) to support and continue the move to privatize the administration of services in the department. This bill substantially revises s. 20.19, F.S., and other statutes related to the organization of DCF.

This bill changes the department's mission to include safety, well being, and self-sufficiency of the people served. It recreates the existing requirements for a strategic plan and measurable goals, standards and quality assurance. This bill ensures that the mission of the department is fulfilled in accordance with state and federal laws, rules, and regulations. The current mission of the DCF is to work in partnership with local communities to help people be self-sufficient and live in stable families and communities.

This bill establishes eight program offices: adult services, child care services, developmental services, economic self-sufficiency services, family safety, mental health, refugee services, and substance abuse. This bill allows the Secretary of the DCF, in consultation with the Executive Office of the Governor to consolidate, restructure, or rearrange program offices and support offices. It also allows the Secretary to appoint additional managers and administrators as necessary for the effective management of the department. This bill retains the current district and subdistrict structure of the department. Districts remain headed by a district administrator appointed by the Secretary.

This bill eliminates the current health and human services boards. This bill creates a community alliance in each county with a core membership and delineates the responsibilities of the alliance. The alliance becomes the advisory, coordinating and advocacy body to the department. The members of the alliance then can be expanded to fit the needs of the community.

This bill establishes a prototype region to test the lead agency structure for the counties in the sixth, twelfth, and thirteenth judicial circuits. This prototype region is composed of Pasco, Pinellas, Manatee, Sarasota, DeSoto, and Hillsborough counties.

In the prototype region, this bill creates a lead agency in each county. The department would contract with a lead agency to administer, provide (under certain conditions), and/or subcontract with other agencies for all or any part of the services currently administered by

DCF. It requires the DCF to report to the Legislature on February 1, 2001 regarding the status of the implementation of the prototype region.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

History of The Department of Children & Family Services (formerly the Department of Health & Rehabilitative Services--HRS)

1968 State Constitution

The 1968 adoption of a new state constitution required simplification of the structure of state government through consolidation of overlapping and fragmented functions. The new constitution required a reduction in the number of executive agencies from more than 220 to 25 or less. The pre-1968 configuration of health and human services in Florida included 15 independent agencies. They were administered by various committees consisting of cabinet members or by independent boards or commissions appointed by the Governor. These agencies were as follows:

1. The Division of Corrections
2. The Division of Youth Services
3. The Division of Mental Health
4. The Division of Mental Retardation
5. The Division of Vocational Rehabilitation
6. The Florida Council for the Blind
7. The Commission on Aging
8. The Crippled Children's Commission
9. The State Department of Public Welfare (public assistance and Medicaid)
10. The Division of Community Hospitals and Medical Facilities
11. The State Board of Health (including county health departments)
12. The State Tuberculosis Board
13. The Pest Control Commission
14. Alcoholic Rehabilitation Program
15. Comprehensive Health Planning

Reorganization Act of 1969

The Governmental Reorganization Act of 1969 placed the 15 independent agencies in a loose confederation under a new agency--the Department of Health & Rehabilitative Services (HRS), s. 20.19, F.S. The act created ten program divisions and bureaus. The authority of the Secretary of HRS was relatively weak as the act delegated authority to the Governor to appoint and remove division directors with confirmation by the Senate. The program divisions retained line authority over local program administration and substantial autonomy was retained by the divisions. The ten program divisions and bureaus included:

- ▶ Division of Health
- ▶ Division of Mental Health
- ▶ Division of Retardation
- ▶ Division of Adult Corrections
- ▶ Division of Youth Services
- ▶ Division of Family Services
- ▶ Division of Administrative Services
- ▶ Division of Vocational Rehabilitation
- ▶ Bureau of Alcoholic Rehabilitation
- ▶ Bureau of Blind Services

The Early Years

From 1970 to 1975 more changes were made in the organizational structure to achieve better efficiency in services. Attempts to integrate services and develop cooperation among the quasi-autonomous divisions failed to meet the expectations of the Legislature. Some divisions acted fairly independently and resisted efforts to come under a broader management umbrella. In the course of these five years, there were discussions and bills introduced every session addressing the department's organizational structure. Most efforts failed to gain broad support. However, during this time period several changes did take effect. The Legislature gave the Secretary authority to appoint and remove division directors. A Division of Children's Medical Services and a Division of Aging were added. Dissatisfaction with HRS grew to a point that in 1974 an effort to dismantle HRS failed by less than ten votes on the House floor. The 1974 Legislature directed HRS to conduct a comprehensive review of reorganizational alternatives. Also, that year, the Governor's Management and Efficiency Commission recommended the reorganization of HRS.

The Reorganization Act of 1975

The Reorganization Act of 1975 substantially altered the structure of HRS. Today, almost 25 years since the adoption of the act, many of those organizational elements remain essentially unaltered. Common principles promoted by the Legislature in the 1975 deliberations are the same principles that have been promoted in some form by every Legislature since the 1975 session. These principles were:

- ▶ Program integration
- ▶ A holistic approach to multi-problem individuals and families
- ▶ Decentralization of services
- ▶ Increased efficiency and effectiveness of service delivery
- ▶ Avoidance of fragmentation
- ▶ Co-location of services to promote accessibility to the public and service integration
- ▶ Timely and appropriate responsiveness to the problems and needs of the public
- ▶ Cooperation and coordination with other governmental and community agencies
- ▶ Elimination of service duplication
- ▶ Maximization of people's potential to become independent, taxpaying citizens

The 1975 Reorganization Act of the department reorganized the HRS into its present form. The amended s. 20.19, F.S., created the following organizational structure:

- ▶ A Secretary of the department
- ▶ A deputy secretary
- ▶ Assistant secretaries
- ▶ Program offices
- ▶ Districts

The 1975 Organizational Structure

Headquarters

The central headquarters of HRS were established in Tallahassee. Under the Secretary, there were three assistant secretaries:

1. Assistant Secretary for Administration. This position was responsible for fiscal and personnel management.
2. Assistant Secretary for Operations. This position had line authority over district administrators and district staff.
3. Assistant Secretary for Program Planning and Development. This position was responsible for recommending program policies, standards, performance criteria, and assuring program quality among district programs.

Program Offices

Program offices were to act as staff to the Assistant Secretary for Program Planning and Development. Program offices, headed by a staff director, were delegated the development of policy, program standards, performance criteria, assurance of program quality, and staff development and training. The program offices created by the 1975 act included:

- ▶ Children's Medical Services
- ▶ Social and Economic Services (AFDC, food stamps, SSI, Medicaid, child care, protective services, foster care and other related child welfare programs)
- ▶ Health
- ▶ Retardation
- ▶ Vocational Rehabilitation
- ▶ Aging and Adult Services
- ▶ Youth Services (delinquent children)
- ▶ Mental Health

The Districts

The 1975 act also created the district structure that remains in place today. Eleven districts were created (now 15 districts), and each was managed by a district administrator appointed by the Secretary. The district administrator had line authority over all staff assigned to the district. Districts were organized in a structure that mirrored the structure in Tallahassee headquarters with program offices, operations and administrative components. The primary duty of the district administrator and district staff was to ensure district conformity with statewide policies, procedures and standards. The district administrator

was allowed to transfer up to 10 percent of the total district budget, with the approval of the Secretary, to maximize effective program delivery and to meet unique local needs. However, this authority was rarely, if ever, granted.

Others Component of the 1975 Reorganization Act

District Advisory Councils

Another feature of the reorganization created district advisory councils to assist with coordination of social services at the local level. Members of the district advisory councils were appointed by the Governor. The Secretary also appoints advisory councils for each program office. The Statewide and District Human Rights Advocacy Committee was created to protect client rights.

Budget Entities

The department's budget was organized into four budget entities--Office of the Secretary, Office of the Assistant Secretary for Administration, Office of the Assistant Secretary for Operations and Office of the Assistant Secretary for Program Planning & Development. There are currently still four distinct budget entities:

1. Department Administration
2. Statewide Services
3. Entitlement Benefits and Services
4. District Services

Program Evaluation and Accountability

One of the most innovative aspects of the 1975 Reorganization Act was establishing a program evaluation component in s. 20.19, F.S. These provisions were among the first in the nation to require accountability efforts. The provisions required the department to establish measurable program objectives and performance criteria for every program in the department. It also required the department to evaluate 20 percent of its program annually.

Information Systems

The Secretary was required to implement a priority program aimed at the design testing and integration of automated information systems necessary for effective and efficient management of the department. This included management data, program data, and client data deemed essential for service delivery and management decisions. The act required the department to consolidate eligibility requirements to the extent possible into a single eligibility system.

Privatization

The beginning of privatization was also encouraged by the act. It required, whenever possible, the department to contract for the provision of services by counties, municipalities, nonprofit corporations, and other entities capable of providing needed services, if the services provided were more cost efficient than those provided by the department. Twenty-five years later, services in mental health, substance abuse, child care, and community developmental services are all provided by private providers. Other services, including child welfare and public assistance, are becoming privatized.

Down sizing of HRS

The 1975 Reorganization Act also made the department smaller by removing the Division of Corrections and creating a separate Department of Offender Rehabilitation (now the Department of Corrections). The down sizing of HRS would gain momentum again in the 1990s.

Size

In the 1980s, HRS kept growing and, by 1990, the department's size was considered its biggest drawback. At its peak, HRS had more than 37,000 employees (FY 90/91) and a budget approaching \$10 billion (FY 92/93) or about 33% of the state's budget. Throughout the 1990s, the Legislature removed programs and functions from the department and created other departments or agencies. The department is now much smaller in scope and size with 26,854 employees and a budget of \$3.4 billion (FY 98/99) or about 7.5% of the state's budget.

Changes Continue: 1975 - To Present

As significant as the 1975 Reorganization Act was, it would only signify the beginning of the struggle to shape the department into the original efficient and effective vision cast by the 1969 and 1975 reorganizations.

Since 1975, s. 20.19, F.S., has been changed numerous times; and every year since 1975 a change has been made, or proposals to change it have been introduced in the Legislature. Significant changes in this period include:

- 1986 Transferred Vocational Rehabilitation from Department of Health & Rehabilitative Services(HRS) to the Department of Labor.
- 1991 The Department of Elder Affairs was created and related programs in HRS were transferred to the new department.
- 1992 The Agency for Health Care Administration (AHCA) was created and health regulation functions were transferred from HRS to AHCA.
- 1992 Health & Human Service Boards were created in each district and other district advisory councils were eliminated.
- 1993 Medicaid was transferred from HRS to AHCA.
- 1994 The child support enforcement program was transferred from HRS to the Department of Revenue.
- 1994 Programs for delinquent youth transferred to a new Department of Juvenile Justice.
- 1996 All health-related programs and functions in HRS transferred to a new Department of Health.
- 1996 What remains of HRS is recreated in a new Department of Children & Family Services. The Department of Children & Family Services is now responsible for child welfare, child care, social & economic services, developmental services, mental health, substance abuse, services for disabled adults, and adult protective services.

Current Organizational Structure

The central headquarters of DCF are in Tallahassee. Under the Secretary, there is a deputy and assistant secretaries. Program offices are responsible for the development of policy, program standards, performance criteria, assuring program quality, and staff development and training. The program offices included:

- ▶ Developmental Services
 - Persons in the community with developmental disabilities
- ▶ Economic Self-Sufficiency
 - Adults and their families who need assistance to become economically self-sufficient (WAGES participants)

- Persons who are indigent, and aged, disabled, or incapacitated, or who have insufficient income to meet basic needs
- ▶ Family Safety
 - Families with children needing child care
 - Families known to the department with children at risk of abuse and neglect
 - Children who have been abused or neglected by their families
 - Child victims of abuse or neglect who become eligible for adoption
 - Victims of domestic violence
- ▶ Mental Health
 - Children with mental health problems
 - Children incompetent to proceed to juvenile justice
 - Adults with mental illness (community)
- ▶ Substance Abuse
 - Adults with substance abuse problems
 - Children with or at serious risk of substance abuse problems

The Districts

The DCF plans, administers, and delivers most of its services to target groups through the 15 service district offices. District offices are responsible for ensuring that services are delivered in accordance with state and federal laws and for coordinating district office services with other public or private agencies that offer services for clients in the target populations. The district offices work with the district health and human service boards to establish district goals and objectives, conduct needs assessments, develop district plans, and provide budget and policy oversight.

Resources

For Fiscal Year 1999-2000, the Department of Children and Families was appropriated \$3.7 billion. In Fiscal Year 1999-2000, the department received funding for 26,760 positions. The majority of staff, 91 percent, works directly with clients. The other 9 percent work in administration (5 percent in district administration and 4 percent in central office administration). The department provides services to more than 2.6 million Floridians. The majority of the department's budget is used to buy services through contracts or other agreements, to provide direct services through department operated programs, and for direct payments to clients who qualify for such payments. Administration comprises the other portion of the department's budget and includes evaluation and quality assurance, statewide information systems, budget and financial management, personnel services, and district administration.

Pervasive issues

Since the 1975 reorganization, certain issues have consistently presented each administration with considerable challenges. Several major studies of the department have been conducted including studies by the National Academy of Public Administration in 1977 and 1986, the Child Welfare League of America in 1990, a major interim study by the House Committee on Health & Rehabilitative Services in 1990, and several House interim studies. All of these studies have all identified similar issues.

Attempts to address these issues have fallen short of closure, and many of these issues have very little to do with the organizational structure. However, the organizational structure is judged in part on how effective management is in addressing these issues. Even with a smaller programmatic scope, as compared to HRS at its peak, these issues still

affect the Department of Children & Family Services, and the resolution will have a great bearing on the success of future administrations. These issues were also imbedded in a rapidly changing policy environment as government reinvented itself in the 1990s from the traditional welfare state of the 1960s, 1970s and early 80s.

Among the most pervasive issues facing the department are the following:

- ▶ An organizational structure that diffuses responsibility and accountability.
- ▶ Demands for services that exceed program capacity.
- ▶ An insufficient front-line workforce as reflected by caseloads that exceed recognized standards.
- ▶ Unacceptably high front-line staff turnover.
- ▶ Inadequate salary compensation in some critical positions.
- ▶ Inadequate level of professionalism of the workforce and an inadequate infrastructure that supports continual workforce development.
- ▶ Poor staff morale due to frequent public criticism and negative publicity. Thousands of Floridians receive needed services every day from the department and its providers without fanfare. However, little recognition is given to the yeomen effort of staff that meet these needs.
- ▶ Critical deficiencies in administrative support capacity including insufficient fiscal staff for budget monitoring and contract management staff for program oversight and quality assurance.
- ▶ Categorical funding that limits flexibility to blend funds to address complex cases.
- ▶ District allocations of dollars that are based more on history rather than current demographic or demand for services.
- ▶ Inadequate information systems that cannot yield consistently valid and reliable program and cost data necessary for the effective management of the department.
- ▶ District variation in program quality and cost per service.
- ▶ Inadequate or no price level funding of annual increases for contract providers for existing programs, which challenge providers to keep up with inflation and make investments to improve programs.
- ▶ The explosive nature of the child welfare system (child abuse investigations, protective services, foster care and related services) including the periodic tragic deaths of children under the supervision of the state has hampered every administration since the mid-eighties. The death of a child always requires the full attention and energy of the administration to investigate, explain and take corrective measures to avoid a similar recurrence. No other program in the department is more responsible for the negative public perception of the ability of the department to fulfill its mission and address the problems of the state with competency.

Future Trends

As the department approaches the new century, several trends have emerged that will have a bearing on how the department conducts its business and the success it will have in achieving its mission.

Privatization

Child care, mental health, substance abuse and developmental services are privatized. The continued movement to privatize the remaining elements of the department will shape the kind of agency that the department will become. The department will be as effective as its contract service providers. With diminished or no responsibility for direct services, the department must shift its focus to contract management, monitoring compliance with

contract requirements, and assuring fiscal integrity and quality in the service provided by private entities.

Accountability

The department has made progress in developing performance indicators and outcome measures. The requirements of PB² have forced rapid evolution and acceptance of program outputs, performance measures, and performance outcomes throughout the department's in-house and contracted programs. This effort should continue to evolve, expand and improve. Still unresolved is the incentive and disincentive system that needs to be in place to address performance success and failure.

Information systems and the Internet

Considerable investments of state and federal dollars have been made to develop and improve information systems in the department. The return on this investment has been disappointing. The department will need to continue development of distributed information networks that link the provider community. The use of the Internet and intranet systems has unlimited potential in management, customer services, program assessment, program support, and staff training.

Budget and program restructure

The department's introduction of target groups shifted the focus and discussion from programs to people who need services. If the new administration supports the continuation of this approach, the budget which is constructed primarily around budget entities and program categories will need to be restructured to fund target groups.

Collaborative partnerships

The break up of the department into several agencies does not abrogate the need to eliminate duplication of services, to avoid fragmentation of policy, and to increase efficiency and effectiveness of service delivery. Collaboration is an acknowledgment that no single agency solution or strategy can by itself effectively meet the complex needs of children and families. The department will have to continue to emphasize collaborative partnerships with public, private, and community agencies to fulfill its mission.

Chapter 99-219, Laws of Florida

Committee Substitute for Senate Bill 1902 was approved by the Governor on May 26, 1999 and became ch. 99-219, Laws of Florida. The bill waived certain provisions under s. 20.19, F.S., until July 1, 2000, in order for the Secretary of the Department of Children and Family Services to organize programs, districts, and functions of the department to achieve a more effective and efficient service delivery system and to improve accountability. The law required the Secretary to submit a report by August 1, 1999, describing actions that have been taken and additional plans for operating the department's programs and services under those provisions waived in CS/SB 1902. It also directs the Secretary of the Department of Children and Family Services to submit a comprehensive plan for department reorganization to the Governor and the Legislature by January 1, 2000 and for a plan to realign the districts of the department so that the district boundaries are consistent with the boundaries of the judicial circuits. The plan was delivered on schedule to the Legislature.

The Current Framework of s. 20.19, F.S.

Section 20.19, F.S., delineates the organizational structure of the Department of Children and Families. The following subsections are found in s. 20.19, F.S.:

- 1) MISSION AND PURPOSE
Establishes the mission of the department and purpose of department services.
Requires a five-year strategic plan, and allows appointment of ad-hoc committees.
- (2) SECRETARY OF CHILDREN AND FAMILY SERVICES; DEPUTY SECRETARY.
Establishes the Secretary and Deputy Secretary of the department and the responsibilities of the Secretary. Requires needs assessment methodology and permits regional processing centers.
- (3) OFFICE OF STANDARDS AND EVALUATION.
Establishes office to evaluate department programs, performance, and quality assurance systems.
- (4) CERTIFICATION PROGRAMS FOR DEPARTMENT EMPLOYEES.
Allows certification for family safety employees and agents.
- (5) PROGRAM OFFICES.
Creates and establishes responsibilities for four program offices: Economic Self-Sufficiency, Developmental Services, Children and Families, and Alcohol, Drug Abuse and Mental Health.
- (6) ASSISTANT SECRETARY FOR ADMINISTRATION.
Requires Secretary to appoint assistant secretary for administration and establishes responsibilities for budget and administrative support, including fiscal accountability.
- (7) SERVICE DISTRICTS.
Creates and establishes county composition of fifteen service districts and eight subdistricts for administering department programs.
- (8) HEALTH AND HUMAN SERVICES BOARDS.
Creates at least one health and human services board in each service district to support interagency collaboration, their required membership and joint responsibilities with district administrators, including planning and funding priorities.
- (9) DISTRICT NOMINEE QUALIFICATIONS REVIEW COMMITTEES FOR HHSB.
Creates health and human services board member nominee review committees and their composition and duties.
- (10) DISTRICT ADMINISTRATOR.
Requires Secretary to appoint a district administrator for each service district.
Establishes program and administrative duties, and joint responsibilities with health and human services boards.
- (11) STATEWIDE HEALTH AND HUMAN SERVICES BOARD.
Creates statewide board composed of chairs of district health and human services boards to advise Secretary.
- (12) DEPARTMENTAL BUDGET.
Requires Secretary submit budget by budget entity, district and program, and establishes responsibilities of assistant secretary for administration and district administrators.
- (13) CONFORMITY WITH FEDERAL STATUTES AND REGULATIONS.
Requires conformity to federal statute and regulation and permits Secretary to change state service plans to conform to federal program requirements when there are conflicts. Creates districts as local agencies for administering programs.
- (14) INFORMATION SYSTEMS.
Requires Secretary to appoint chief information officer and establishes duties.
- (15) ELIGIBILITY REQUIREMENTS.
Requires department review of eligibility requirements of programs and consolidate them into a single system to the extent possible.
- (16) PURCHASE OF SERVICES.
Requires the department to contract for provision of services to the extent possible.

- (17) **CONTRACTING AND PERFORMANCE STANDARDS.**
Requires the department to establish performance standards for all contracted client services. Requires penalties and competitive contracting when a provider fails to achieve established standards. Permits contracts for multiple years and for systems of treatment. Requires controls to ensure financial integrity and service quality.
- (18) **HEADQUARTERS; SERVICE FACILITIES.**
Requires department to maintain its headquarters in Tallahassee.
- (19) **PROCUREMENT OF HEALTH SERVICES.**
Provides that competitive bids are not required for health service examinations, diagnosis and treatment.
- (20) **CONSULTATION WITH COUNTIES ON MANDATED PROGRAMS.**
Requires department to consult with county governments on policy and service plans when county governments are required by law to participate in funding programs
- (21) **OUTCOME EVALUATION AND PROGRAM EFFECTIVENESS.**
Establishes intent and requires reporting in conformity with performance-based budgeting.
- (22) **INNOVATION ZONES.**
Provides for experimental, pilot or demonstration projects and responsibilities.

Section 20.04, F.S.

Section 20.04, F.S., provides that the head of a department may not reallocate duties and functions specifically assigned by law to a specific unit of the department. However, those functions or agencies assigned generally to the department without specific designation to a unit of the department may be allocated and reallocated to a unit of the department at the discretion of the head (Secretary) of the department. Additional offices in the Department of Children & Family Services may be established only by specific statutory enactment.

C. EFFECT OF PROPOSED CHANGES:

The key elements of the new organizational structure for DCF as delineated in this bill:

- ▶ Eliminates very descriptive language regarding the organizational structure and related functions.
- ▶ Focuses on essential organizational components and removes substantive provisions from s. 20.19, F.S., that are unrelated to structure to substantive chapters.
- ▶ Creates the framework to allow the department to test the lead agency concept in a prototype region. The department would contract with a lead agency to administer, provide (under certain conditions), and/or subcontract with other agencies for all or any part of the services currently administered by DCF.
- ▶ The bill eliminates the current health and human services boards and replaces them with a community alliance in each county. The alliance becomes the advisory, coordinating and advocacy body to the department.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends subsection (4) of s. 20.04, F.S.

Eliminates the use of "assistant secretaries" and replaces it with "program directors."

Section 2. Amends s. 20.19, F.S., relating to the Department of Children and Family Services.

Creates the department. This section is substantially rewritten. See s. 20.19, F.S., for current text. Changes to the subsections are explained below.

(1) MISSION AND PURPOSE

Changes the department mission to include safety, and requires a strategic plan and measurable goals, standards, and quality assurance requirements. To the extent possible, requires services by contract through private providers.

(2) SECRETARY OF CHILDREN AND FAMILY SERVICES; DEPUTY SECRETARY

Similar to current law. This subsection specifies the duties of the Secretary and deputy secretary. Ensures that the mission of the department is fulfilled in accordance with state and federal laws, rules, and regulations. Unlike the current law, this subsection does not reference needs assessment and regional processing centers.

(3) PROGRAM DIRECTORS

Requires the Secretary to appoint program directors and delegate duties and responsibilities to them. Current assistant secretaries are eliminated by the bill.

(4) PROGRAM OFFICES AND SUPPORT OFFICES.

Current law creates and establishes responsibilities for four program offices: Economic Self-Sufficiency, Developmental Services, Children and Families, and Alcohol, Drug Abuse and Mental Health. This bill establishes eight program offices: adult services, child care services, developmental services, economic self sufficiency services, family safety, mental health, refugee services, and substance abuse. This bill allows the secretary, in consultation with the Executive Office of the Governor to consolidate, restructure, or rearrange program offices and support offices.

(5) SERVICE DISTRICTS

This bill retains the current district and subdistrict structure of the department. Districts remain headed by a district administrator appointed by the Secretary.

(6) COMMUNITY ALLIANCE

This bill eliminates the current health and human services boards. This bill creates a community alliance in each county with a core membership and delineates the responsibilities of the alliance. The members of the alliance can be expanded to fit the needs of the community. The responsibilities of an alliance are delineated. The alliance becomes the advisory, coordinating and advocacy body to the department.

(7) PROTOTYPE REGION

This bill establishes a prototype region to test the lead agency structure for the counties in the sixth, twelfth, and thirteenth judicial circuit. This prototype region is composed of Pasco, Pinellas, Manatee, Sarasota, DeSoto, Hillsborough County. In the prototype region, this bill creates a lead agency in each county. The department would contract with a lead agency to administer, provide (under certain conditions), and/or subcontract with other agencies for all or any part of the services currently administered by DCF.

(8) CONSULTATION WITH COUNTIES ON MANDATED PROGRAMS.

Requires the department to consult with county governments on policy and service plans when county governments are required by law to participate in funding programs. This provision is in current law.

(9) PROCUREMENT OF HEALTH SERVICES.

Provides that competitive bids are not required for health service examinations, diagnosis and treatment. This provision is in current law.

Subsections of current s. 20.19 eliminated in this bill.

- (3) OFFICE OF STANDARDS AND EVALUATION
Establishes office to perform and coordinate evaluation activities. The functions of this office are already included in other provisions of law and PB² (s. 216.0166, F.S.).
- (6) ASSISTANT SECRETARY FOR ADMINISTRATION.
Requires Secretary to appoint assistant secretary for administration and establishes responsibilities for budget and administrative support, including fiscal accountability.
- (8) HEALTH AND HUMAN SERVICES BOARDS.
Creates at least one health and human services board in each service district to support interagency collaboration, their required membership and joint responsibilities with district administrators, including planning and funding priorities.
- (9) DISTRICT NOMINEE QUALIFICATIONS REVIEW COMMITTEES FOR HHSB.
Creates health and human services board member nominee review committees and their composition and duties.
- (11) STATEWIDE HEALTH AND HUMAN SERVICES BOARD
Creates statewide board composed of chairs of district health and human services boards to advise Secretary.
- (12) DEPARTMENTAL BUDGET
Requires the Secretary to submit budget by budget entity, district and program, and establishes the responsibilities of assistant secretary for administration and district administrators. This function is included in substantive law in ch. 216, F.S.
- (13) CONFORMITY WITH FEDERAL STATUTES AND REGULATIONS
Requires conformity to federal statutes and regulations, and permits the Secretary to change state service plans to conform to federal program requirements when there are conflicts. Creates districts as local agencies for administering programs. Functions are already in substantive law and federal requirements, and the conformity provision is included in section (2) Secretary of Children and Family Services; Deputy Secretary.
- (14) INFORMATION SYSTEMS.
Requires the Secretary to appoint chief information officer and establishes duties. Functions are already in other provisions of substantive law and federal requirements.
- (15) ELIGIBILITY REQUIREMENTS
Requires the department to review eligibility requirements of programs and consolidate them into a single system to the extent possible. Functions are already in other provisions of substantive law and federal requirements.
- (16) PURCHASE OF SERVICES
Requires the department to contract for provision of services to the extent possible. Functions are already in other provisions of substantive law and federal requirements.
- (18) HEADQUARTERS; SERVICE FACILITIES
Requires the department to maintain its headquarters in Tallahassee. The department could not move without legislative authority.
- (21) OUTCOME EVALUATION AND PROGRAM EFFECTIVENESS
Establishes intent and requires reporting in conformity with performance-based budgeting. These functions are already included in substantive law and PB² requirements.
- (22) INNOVATION ZONES.

Provides for experimental, pilot or demonstration projects and responsibilities. The purpose of the proposed innovation zone is to demonstrate that specific statutory goals can be achieved more effectively by using procedures that require modification of existing rules, policies, or procedures, the proposal may request the secretary to waive such existing rules, policies, or procedures or to otherwise authorize use of alternative procedures or practices. Waivers of such existing rules, policies, or procedures must comply with applicable state or federal law. This provision was seldom used.

Subsections of current s. 20.19 recreated in other sections of the bill.

(4) CERTIFICATION PROGRAMS FOR DEPARTMENT EMPLOYEES

Recreated in s. 402.731, F.S. (See section 8 of this bill).

(17) CONTRACTING AND PERFORMANCE STANDARDS

Requires the department to establish performance standards for all contracted client services. Requires penalties and competitive contracting when a provider fails to achieve established standards. Permits contracts for multiple years and for systems of treatment. Requires controls to ensure financial integrity and service quality. Recreated in s. 402.73, F.S. (See section 7 of this bill).

Section 3. Requires the DCF to report to the Legislature on February 1, 2001 regarding the status of the implementation of the prototype region.

Section 4. Amends s. 39.3065, F.S., relating to child protective investigation conducted by sheriffs.

- ▶ Adds Broward County sheriff to the county sheriffs that DCF must transfer protective investigations to by the end of FY 1999/2000.
- ▶ Allows the DCF to enter into grant agreements with sheriffs of other counties (in addition to Pasco, Manatee, Broward and Pinellas that are already specified) to perform child protective investigations beginning in FY 2000/2001.
- ▶ Requires that sheriffs must meet performance standards and outcome measures as well as complete the training that is required of protective investigators employed by the department.
- ▶ Allows the department to advance payments to the sheriffs for child protective investigations.
- ▶ Requires program performance evaluation to be conducted by a team of peer reviewers from the respective sheriffs' offices that perform child protective investigations and representatives from the department.
- ▶ Deletes provisions regarding a committee appointed by the Governor to establish criteria to evaluate child protective investigations conducted by the sheriff.

Section 5. Amends s. 393.502, F.S., relating to family care councils.

- ▶ Requires the family care council to develop bylaws for recommending members to the council to be appointed by the Governor.
- ▶ Increase the number of family care council members from 9 to 10.

- ▶ Removes the health and human service boards from recommending members to the council and changes the purpose of the councils from advising the boards to advising the department.

Section 6. Amends s. 393.503, F.S., relating to respite and family care subsidy expenditures.

- ▶ Removes the health and human service boards and adds the department as the recipient of recommendations from the family care councils.

Section 7. Creates s. 402.73, F.S., relating to contracting and performance standards for contracted client services. (Recreates s. 20.19(17) with deletion of obsolete dates.)

- ▶ Requires the department to establish performance standards for all contracted client services, and to competitively procure services when a provider fails to achieve established standards.
- ▶ Requires rules for incremental penalties in contracts if the provider fails to comply with a required corrective action.
- ▶ Allows the Secretary of the department to defer the competitive process under certain circumstances.
- ▶ Requires the department to execute multi year contracts to the extent practicable, and provides for contracts for systems of treatment with multiple providers rather than contracting separately for services from each provider.
- ▶ Requires the department to implement systems and controls to ensure financial integrity and service quality.
- ▶ Requires the standard contract to include a provision for a lien against property constructed or renovated through state funds.
- ▶ Requires standards of conduct and disciplinary actions for department employees related to contracting responsibilities.
- ▶ Provides for cost-neutral, performance-based incentives. Provides for the department to adopt rules and procedures for competitive procurement of contracts that are alternatives to current RFP (request-for-proposal) and invitation-to-bid.

Section 8. Creates s. 402.731, F.S., relating to certification program for employees and transitional employment provisions. (Includes provisions of current 20.19(4).)

- ▶ Allows the department to create certification programs for employees and agents to ensure that only qualified persons provide client services. The department is authorized to develop rules for certification requirements that include training, testing, continuing education, and decertification procedures when an individual no longer meets the qualifications.
- ▶ Requires the department to implement employment programs to attract and retain competent staff for the transition to privatized community-based care. Employment

programs shall include lump-sum bonuses, salary incentives, relocation allowances, severance pay, out placement services, and time-limited exempt positions that have salaries and benefits as if they were career service employees.

Section 9. Amends s. 409.1671, F.S., relating to foster care and related services.

- ▶ Deletes language allowing the department to distribute excess federal earnings based on a methodology approved by EOG.
- ▶ Allows the department to contract with more than one lead agency within a single county when it results in more effective delivery of foster care and related services.
- ▶ Requires quality assurance standards for privatized services be based on standards of a national accreditation organization.
- ▶ Allows the department to establish a risk pool to reduce service provider financial risk from unanticipated growth in caseloads.
- ▶ Requires a three-year program to distribute excess earned federal funds to department entities and community-based agencies that contributed to the excess earnings under privatization contracts as of July 1, 1999. Provides for methodology and review of program.

Section 10. Creates s. 409.1675, F.S., relating to a receivership procedure for lead community-based providers.

- ▶ Authorizes the Department of Children and Family Services to petition a court of competent jurisdiction for the appointment of a receiver to take over operation of a lead community-based provider that experiences certain safety and financial problems.
- ▶ Establishes certain judicial time frames and procedures to be followed in the consideration of such a petition.
- ▶ Specifies the powers and duties of the receiver focusing on the safe and efficient continuation of services provided to clients.
- ▶ Provides procedures regarding payment, compensation and liability issues, and termination of receivership.

Sections 11 through 46 amend ss 20.43, 39.001, 39.0015, 39.01, 39.201, 39.302, 216.136, 381.0072, 383.14, 393.064, 393.13, 394.462, 394.4674, 394.67, 394.75, 397.311, 397.321, 397.821, 397.901, 400.435, 402.17, 402.3015, 402.40, 402.47, 409.152, 409.1673, 410.0245, 411.01, 411.223, 411.224, 414.028, 414.105, 414.36, 916.107, 985.223, and 985.413, F.S., to provide changes to conform with the provisions of the act, including references to service areas and program names.

Section 47. Repeals s. 402.185(2), F.S., relating to funding for staff of the Office of Standards and Evaluation of the department, and s. 409.152(6), F.S., relating to designation of family preservation programs by health and human service boards.

Section 48. Specifies this act shall take effect on July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

According to the department, reorganization will be accomplished within the existing budget. Some administrative savings are anticipated over a multi year period through reorganization.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

According to the department this bill does not require expenditures by local government.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

According to the department there will be some impact on the private, nonprofit sector from expansion of business opportunities that result from redirecting activities previously done by state government.

D. FISCAL COMMENTS:

N/A

IV. 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 expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce revenue raising authority.

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.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

Requires the DCF to develop rules for incremental penalties in contracts when a provider fails to comply with a required corrective action to correct a contract deficiency.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 18, 2000, the Committee on Health & Human Services Appropriations adopted the following amendments and amendment to an amendment and reported the bill favorably:

Amendment 1 - The amendment prohibits an appointed member of a Family Care Council from being employed by or being a contract provider to the program in the department to which it makes recommendations.

Amendment 2 - The amendment exempts an entity that falls under 768.28 F.S. (sovereign immunity) from the \$1 million/ \$3 million liability insurance requirement in contracting. This is mostly for local government entities.

Amendment 3 - The amendment deletes a provision allowing a lead agency to provide core services in a service district under certain circumstances.

Amendment 4 - The amendment requires utilization management of mental health and substance abuse services in the Dade County sub-district (11-A) under certain circumstances. Provides for an evaluation of this process.

Amendment 5 - The amendment provides for an incentive for counties to establish Children's Service Councils or Juvenile Welfare Boards. Provides for a grant application process of accessing funds for these councils or boards.

Amendment 6 - The amendment requires the Department of Children and Families to privatize a state mental health hospital. It sets the parameters for what the agreement with a private corporation should contain. It requires a continuum of care and a primary goal of the privatized treatment program to return residents to the community as quickly as possible. It requires any savings from privatization to be directed to the catchment area of the hospital that is privatized.

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Amendment to amendment 6 - The amendment to the amendment removes the specific designation of G. Pierce Wood Memorial Hospital as the recipient of privatization and allows for any state mental health hospital to be the recipient.

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILIES:

Prepared by:

Bob Barrios

Staff Director:

Bob Barrios

AS REVISED BY THE COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Amy K. Tuck

Staff Director:

Jimmy O. Helms

AS FURTHER REVISED BY THE COMMITTEE ON HEALTH AND HUMAN SERVICES
APPROPRIATIONS:

Prepared by:

Robert Wagner

Staff Director:

Lynn Dixon