

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: Children and Families Committee

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BILL: SB 904

SPONSOR: Senator Dockery

SUBJECT: Privatization of Foster Care

DATE: February 28, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sanford</u>	<u>Whiddon</u>	<u>CF</u>	<b>Favorable</b>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

Senate Bill 904 relieves community based care lead agencies and their sub-contractors providing foster care and related services from the obligation of including references to the State of Florida or including the logo of the Department of Children and Families (DCF) in their advertising and descriptions of their programs unless the agency or the sub-contractor receives more than 51 percent of their total funding from the state.

This bill substantially amends section 409.1671 of the Florida Statutes:

## II. Present Situation:

Section 286.25, F.S., enacted in 1977, provides in its entirety that “(a)ny nongovernmental organization which sponsors a program financed partially by state funds obtained from a state agency shall, in publicizing, advertising, or describing the sponsorship of the program, state: ‘Sponsored by (name of organization) and the State of Florida.’ If the sponsorship reference is in written material, the words “State of Florida” shall appear in the same size letters or type as the name of the organization.”

Subsequent to the enactment of this provision, s.409.1671, F.S., was created describing the “privatization” or outsourcing of foster care services from the Department of Children and Families (DCF) to private providers. These services are now provided in all but one district of DCF by private providers. The delivery system generally requires a contract between DCF and a “lead agency” for a particular area. This lead agency in some cases actually provides the services and in others sub-contracts with other agencies to provide the services. Both lead agencies and their sub-contractors are required to be non-profit corporations.

Since many of the non-profit agencies now engaged in providing foster care and related services are affiliated with other organizations, at times the DCF-related services and associated funding provide only a small portion of the agency budget. This circumstance most commonly occurs for faith-based organizations such as Baptist Children's Home, which has provided social services for children long before contracting with DCF and which continues to provide services beyond those for which it contracts with DCF. Under current law, such organizations are required to include the words "State of Florida" in their advertising and descriptions of their programs, even though the amount of funding received from the state amounted to only a small portion of their budgets.

In response to a survey prepared and distributed by the Florida Coalition for Children, those service providers whose budget was less than 50% supported by state dollars uniformly felt that the requirement for the logo was burdensome and unnecessary. At least one respondent feared that inclusion of the logo could hamper their independent fund-raising efforts, since potential donors would perceive the contribution by the state as removing any need for private contributions. Providers whose budget was primarily funded by state dollars reported no issue with the use of the logo.

### **III. Effect of Proposed Changes:**

Senate Bill 904 relieves community based care lead agencies and their sub-contractors from the obligation of including references to the State of Florida or including the DCF logo in their advertising and descriptions of their programs unless the agency or the sub-contractor receives more than 51 percent of their total funding from the state.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

### **V. Economic Impact and Fiscal Note:**

#### **A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Removing the requirement for separate logos for various programs of large charitable organizations, the activities of some of which receive state funding and others do not, will reduce administrative costs for those organizations. Additionally, the perception that the work of the organizations is fully state-funded will be removed, thus potentially enhancing fund raising efforts by those organizations.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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## **VIII. Summary of Amendments:**

None.

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