

# 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: Education Committee

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BILL: CS/SB 1896

INTRODUCER: Education Committee and Senator Wilson

SUBJECT: Adoption Benefits

DATE: April 19, 2006

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

|    | ANALYST        | STAFF DIRECTOR  | REFERENCE | ACTION                  |
|----|----------------|-----------------|-----------|-------------------------|
| 1. | <u>McKay</u>   | <u>Wilson</u>   | <u>GO</u> | <u>Fav/4 amendments</u> |
| 2. | <u>Sanford</u> | <u>Whiddon</u>  | <u>CF</u> | <u>Favorable</u>        |
| 3. | <u>Harkey</u>  | <u>Matthews</u> | <u>ED</u> | <u>Fav/CS</u>           |
| 4. | _____          | _____           | <u>GA</u> | _____                   |
| 5. | _____          | _____           | <u>WM</u> | _____                   |
| 6. | _____          | _____           | _____     | _____                   |

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## I. Summary:

The bill expands the categories of persons who are eligible to receive adoption benefits under s. 110.152, F.S., to include a full or part-time employee of the following:

- The state;
- The State University System;
- A Florida community college; or
- A Florida school district.

The bill adds community college and county school district employees to the list of eligible employees who may receive a \$10,000 benefit if the employee adopts a special needs child or a \$5,000 benefit if the employee adopts a non-special needs child. The bill also clarifies that state university employees are eligible, as well. The bill makes the provisions concerning application for the monetary benefit, the right to receive other statutory adoption expenses, and the six-month parental leave policy applicable to university, community college, and school district employees.

This bill amends sections 110.152 and 110.15201 of the Florida Statutes.

## II. Present Situation:

### Current Adoption Benefit

Section 110.152(1)(a), F.S., provides for adoption benefits for any full-time or part-time employee of the state who is paid from regular salary appropriations, who adopts a special needs

child as defined in s. 110.152(b), F.S. Such state employees are eligible to receive a monetary benefit of \$10,000 per child, payable in equal monthly installments over a one-year period. A “special needs child” is a child whose permanent custody has been awarded to the Department of Children and Family Services or to a Florida-licensed child-placing agency and who is not likely to be adopted because he or she is:

- Eight years of age or older;
- A person with a developmental disability;
- A person with a physical or emotional handicap;
- Of a minority race or of a racially mixed heritage; or
- A member of a sibling group of any age, provided that two or more members of a sibling group remain together for the purposes of adoption.

Any employee of the state who adopts a child whose permanent custody has been awarded to the Department of Children and Family Services (DCF) or to a Florida-licensed child-placing agency, other than a special-needs child, is eligible to receive a monetary benefit in the amount of \$5,000 per child, payable in equal monthly installments over a one-year period. Benefits payable to a part-time employee must be prorated based on the employee's full-time-equivalency status at the time of applying for the benefits.

Section 110.152(2), F.S., provides that an employee of the state who adopts a special-needs child must apply to his or her agency head to obtain the monetary benefit. Applications must be on forms approved by DMS and must include a certified copy of the final order of adoption naming the applicant as the adoptive parent.

Section 110.152(3), F.S., provides that the adoption benefits program does not affect the right of any state employee who adopts a special-needs child to receive subsidies for expenses related to the adoption of a special needs child under s. 409.166, F.S., or any other statute that provides financial incentives for the adoption of children.

Section 110.152(4), F.S., provides that any employee of the state who has a child placed in the custody of the employee for adoption, and who continues to reside in the same household as the child placed for adoption, must be granted parental leave for a period not to exceed six months as provided in s. 110.221, F.S. Under s. 110.221, F.S., the state may not refuse to grant a career service employee parental or family leave without pay for a period not to exceed six months.

Section 110.15201, F.S., provides that the Department of Management Services (DMS) may adopt rules to administer the adoption benefits program and that the rules may provide for an application process that may include an open enrollment period during which employees may apply for monetary benefits provided in s. 110.152(1), F.S. Rule 60L-32.005, F.A.C., establishes the criteria for implementing the adoption benefits program.

When the adoption benefits program began in October 2000, state university employees were considered state employees for purposes of the adoption program because they were paid from regular salary appropriations. In 2001, when the universities devolved to local control, the board of each university became the employer of the university employees. On January 7, 2003, each board of trustees of a state university became the institution's public employer through resolution

of the Board of Governors of the State University System. However, the State of Florida continues to appropriate salary dollars to the universities to pay their employees. Therefore, DMS has determined that university employees continue to be eligible for this program. In order to provide this benefit to the university employees, DMS has entered into a memorandum of agreement with each university.

Under s. 375.6065, F.S., adoption benefits are extended to employees of water management districts, and DMS has mutual agreements with the districts to provide a method for transferring the funds for the adoption benefit. The DMS does not have such agreements with community colleges or school districts.

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

The bill expands the categories of persons who are eligible to receive adoption benefits under s. 110.152, F.S., to include a full or part-time employee of the following:

- The state;
- The State University System;
- A Florida community college; or
- A Florida school district.

The bill adds community college and county school district employees to the list of eligible employees who may receive a \$10,000 benefit if the employee adopts a special needs child or a \$5,000 benefit if the employee adopts a non-special needs child. The bill also clarifies that state university employees are eligible, as well. The bill makes the provisions concerning application for the monetary benefit, the right to receive other statutory adoption expenses, and the six-month parental leave policy applicable to university, community college, and school district employees.

The bill amends s. 110.15201, F.S., to conform DMS rule-making authority for the adoption benefits program.

The bill would take effect July 1, 2006.

### **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:**

To the extent the appropriation is sufficient, employees of community colleges and school districts could receive adoption benefits when they adopt certain children. Given that the appropriation for the benefit under current s. 110.152(1), F.S., was insufficient to cover all eligible applications for the benefit in five of the past six years, an increase in the number of persons eligible to receive the benefit, without an accompanying increase in the appropriation, would mean that not all eligible applicants would receive the benefit in the year they first applied. An eligible applicant who applied and did not receive the benefit would have to reapply to be eligible in a subsequent year.

**C. Government Sector Impact:**

According to the DMS Legislative Budget Request for FY 2006-2007:

*Since Fiscal Year 2000-01, the division has administered this program for all branches of government and the water management districts. During the April - May 2005 open enrollment, 167 applications were received from 109 employees representing a \$1,625,192 request for benefits. This amount exceeds the Fiscal Year 2005 - 06 appropriation of \$888,623 by \$736,569. To continue this program, the division is requesting \$847,334 in General Revenue for the Special Category: Special Needs Adoption Incentives. This request reflects \$736,569 in unfunded benefits from the 2005 open enrollment plus \$110,765 as an estimated amount to cover any new requests for benefits that may occur during 2006 open enrollment.*

Senate Bill 2700 provides \$1,735,957 for the special needs adoption benefits program in Specific Appropriation 2911. This appropriation includes the increase of \$847,334 that was requested by DMS.

To the extent that employees of community colleges and school districts, who were not previously eligible for the monetary benefits of s. 110.152, F.S., apply for them under the provisions of this bill, the cost to the state may rise, in both increased demand for the benefit and increased costs to DMS in entering into agreements with community colleges and school districts to transfer funds outside the state payroll system. If the benefits act as an incentive for employees of community colleges and school districts to adopt children they otherwise may not have, the state could realize a cost savings, to the extent that the state would not have to provide direct support of those children. Thus, the net increase or decrease in overall costs to the state is indeterminate.

If universities, community colleges, and school districts do not currently provide the six-month parental leave as provided in s. 110.052, F.S.,<sup>1</sup> they may incur productivity and personnel costs associated with providing the leave. Those costs are indeterminate.

**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 introducer or the Florida Senate.

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<sup>1</sup> Section 110.152(4), F.S., references s. 110.221, F.S., which provides for parental and family medical leave for career service employees.



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

None.

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