

FINAL BILL ANALYSIS

BILL #: SB 2146

FINAL HOUSE FLOOR ACTION:

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SPONSOR: Budget (Rep. Hudson)

GOVERNOR'S ACTION: Approved

COMPANION BILLS: HB 5307

SUMMARY ANALYSIS

SB 2146 passed the House on May 7, 2011. The bill was approved by the Governor on May 26, 2011, chapter 2011-62, Laws of Florida, and becomes effective July 1, 2011. The bill modifies the distribution of state and federal funds provided to community-based care lead agencies under contract with the Department of Children and Families to provide foster care and child welfare related services. The bill:

- Creates definitions and establishes the methodology for funding for community-based care lead agencies under contract with the Department of Children and Families for the provision of foster care and related services;
- Defines "equity allocation model" as an allocation model that is based on the following factors: proportion of children in poverty; proportion of child abuse hotline workload; proportion of children in care; and proportion of contribution in the reduction of out-of-home care.
- Defines "core service funds" and establishes that the allocation of core service funds provided to community-based care lead agencies shall be calculated based on the following weights: proportion of children in poverty 30 percent, proportion of child abuse hotline workload 30 percent, proportion of children in care 30 percent and proportion of contribution to the reduction in out-of-home care 10 percent of the total;
- Requires that for Fiscal Year 2011-12, 75 percent of recurring core service funding for each community-based care lead agency shall be allocated based on the prior year recurring base core service funds and 25 percent shall be allocated based on an equity allocation model; and
- Requires that for Fiscal Year 2011-12 that any new core service funds shall be allocated based on the equity allocation model. Such allocations shall be proportional to the proportion of funding based on the equity model and allocated only to the community-based care lead agency contracts where the current funding proportion is less than the proportion of funding based on the equity model.

The bill has no direct fiscal impact but provides statutory changes that are necessary to implement the budgetary changes contained in the General Appropriations Act for Fiscal Year 2011-12.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Community-Base Care Lead Agency Equity Funding

Florida Statutes currently do not require the Department of Children and Families to allocate recurring or new funds to community-base care lead agencies based upon an equity model. Section 409.1671, F.S., which directs the outsourcing of foster care and related services, does not specifically address the equitable distribution of state and federal funds to community-based care lead agencies. Section 409.1671(7), F.S., allows the development and implementation of a risk pool to mitigate financial risk to lead agencies due to changes in the number of clients eligible to receive services; changes in the services that are eligible for reimbursement; the failure, discontinuance of service, or financial misconduct by a lead agency; or changes in the mix of available funds. In the past, the allocation of new state or federal funds to lead agencies was based primarily on the number of children in care with direction to the department through proviso language in the General Appropriations Act. In Fiscal Year 2010-11, the allocation was based on four weighted factors: number of children in poverty (30 percent); number of reports to the Abuse Hotline that are either referred for investigation or whose findings have been verified (30 percent); number of children in out-of-home care (30 percent); and contribution to a safe reduction in out-of-home care (10 percent).

The bill creates s. 409.16713, F.S., establishing the allocation of funds for community-based care lead agencies. The bill creates definitions for the following terms:

Core Services Funding – defined as all funds allocated to community-based care lead agencies with the exception of funding for the following programs and services: independent living, maintenance adoption subsidies, protective investigations training, nonrecurring funds, mental health wrap-around services, special projects designated to a community based care lead agency.

Equity Allocation Model – defined to establish the factors that will be used to determine the allocation of funds to community based care lead agencies. The factors include: proportion of children in poverty, proportion of child abuse reports made to the abuse hotline, proportion of children in care and proportion of contribution in the reduction of children in out-of-home care.

Proportion of Children in Poverty – defined as the average number of children served by a community based care lead agency in a geographic area. The following subcomponents are established to determine proportion of children in poverty: the number of children up to age 18 who are below poverty based on the Small Area Income and Poverty Estimates from the United States Census Bureau, children eligible for free or reduced meals based on the latest published survey from the Department of Education, the number of children receiving Supplemental Nutrition Assistance Program (previously known as food stamps) as reported by the Department of Children and Families.

Proportion of Child Abuse Hotline Workload – defined to be based on the following subcomponents: the average number of initial and additional child abuse reports received during a month (weighted at 20 percent), the average number of children in investigations in the past 12 months based protective investigations trend reports (weighted at 40 percent) and the

average count of children in investigations with a most serious finding of verified abuse in the recent 12 months based on child protection investigations trend reports (weighted at 40 percent). The reports will be provided by the Department of Children and Families.

Proportion of Children in Care – defined as the number of children in care receiving either in-home or out-of-home services based on trend reports provided by the Department of Children and Families.

Proportion of Contribution in the Reduction of Out-Of-Home Care – defined to be the number of children in out-of-home care on December 31, 2006, minus the number of children in out-of-home cares at the end of the most recent month as determined by the Department of Children and Families.

The bill creates s. 409.16713 (2), F.S., establishing that the equity allocation of core services funds shall be calculated based on the following weights: proportion of children in poverty 30 percent, proportion of child abuse hotline workload 30 percent, proportion of children in care 30 percent and proportion of contribution to the reduction in out-of-home care 10 percent of the total.

The bill creates s. 409.16713 (3), F.S., establishing that at the beginning of Fiscal Year 2011-2012, 75 percent of the recurring core services funding for each community-based care lead agency shall be allocated based on the prior year recurring base core services funds and 25 percent shall be allocated based on the equity allocation model.

The bill creates s. 409.16713 (4), F.S., establishing in Fiscal Year 2011-2012 that new core services funds shall be allocated based on the equity allocation model. Such allocations shall be proportional to the proportion of funding based on the equity model and allocated only to the community-based care lead agency contracts where the current funding proportion is less than the proportion of funding based on the equity model.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

C. FISCAL COMMENTS:

Community-Based Care lead agencies under contract with the Department of Children and Families will receive funding based on an equity allocation model. Beginning in Fiscal Year 2011-2012, a multi-year process of moving toward full equity by allocating 25% of the core funding through the equity model with 75% of the core funding based on last year's proportion of the allocation. All new funding will be allocated based on the equity model and only to lead agencies where the current funding proportion is less than the proportion of funding based on the model.

There are currently 21 lead agencies under contract with the Department of Children and Families. It is anticipated that a total of \$584,159,044 in funding will be distributed to the lead agencies in Fiscal Year 2011-12. Based on a preliminary analysis of the legislation 11 of the lead agencies will experience an increase in funding from their Fiscal Year 2010-11 core funding. The increase in funding ranges from a two to thirteen percent increase or total dollar increase ranging from \$349,494 to \$2,790,310. Ten of the lead agencies will experience a decrease in the funding when compared to the Fiscal Year 2010-11 Core funding from a range of -6% to -1% or a total dollar reduction of (\$3,224,410) to (\$58,993).