

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 5103 PCB HCAS 15-02 Department of Children and Families

**SPONSOR(S):** Health Care Appropriations Subcommittee, Hudson

**TIED BILLS:** **IDEN./SIM. BILLS:**

| REFERENCE   | ACTION    | ANALYST  | STAFF DIRECTOR or<br>BUDGET/POLICY CHIEF |
|---|-----------|----------|--|
| Orig. Comm.: Health Care Appropriations<br>Subcommittee | 12 Y, 0 N | Fontaine | Pridgeon                                 |
| 1) Appropriations Committee                             | 27 Y, 1 N | Fontaine | Leznoff                                  |

### SUMMARY ANALYSIS

The bill conforms statutes to the funding decisions included in the proposed General Appropriations Act (GAA) for Fiscal Year 2015-2016.

The bill amends the equity allocation model provided in section 409.991, Florida Statutes, to modify the percentage allocation of existing, recurring child welfare core service funds to Community Based Care lead agencies. This modification contained in this bill will change the distribution of funds among CBCs beginning with the 2015-16 fiscal year.

The bill creates s. 414.455, F.S. requiring to the Department of Children and Families to obtain legislative authorization before seeking, applying for, or accepting federal waivers to the work requirement for Supplemental Nutrition Assistance Program eligibility.

The effective date of the bill is July 1, 2015.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### *Background*

Florida's child welfare services are provided through 20 regional organizations known as Community-Based Care lead agencies (CBC). The 1998 Florida Legislature mandated the outsourcing of foster care and related child welfare services, and by July 2005, the Department of Children and Families transitioned the provision of child welfare services from a department-based operation to community-based care. The allocation of funding among the CBCs was intended to be equitable, with equality being based upon statewide, per-child budgeted amounts as prescribed through proviso language in multiple GAAs. Proviso in the General Appropriations Act for FY 2010-11 departed from these previous methodologies by providing an equity allocation model using weighted factors to indicate the need for child welfare resources.

The equity allocation model codified by the 2011 Florida Legislature now appears in 409.991, Florida Statutes. It allocates CBCs' core service funds using the following four weighted factors:

- Number of children in poverty (30 percent);
- Number of reports to the department's abuse hotline (30 percent);
- Number of children in care (30 percent); and,
- CBC lead agency contribution in the reduction of out-of-home care (10 percent).

The statute defines "core services funding" as all funds provided to CBCs with the exceptions of independent living, maintenance adoption subsidies, training for child protective investigators, mental health wrap-around services, nonrecurring appropriations, and those designated for a specific project. For Fiscal Year 2014-15, CBCs received \$587.1 million for core service functions.

##### *Effect of the Bill*

The current statute allocates 10 percent of CBC core service funds upon the equity allocation model and 90 percent upon the previous year's distribution. The current formula has the effect of transitioning each CBC lead agency's core service allocation towards full utilization of the equity allocation model. This legislation slows the transition towards the equity allocation model by making 95 percent of CBCs' core service funds based on the previous year's distribution and the remaining five percent based on the equity allocation model. The proposed effects are budget neutral in total, but the allocation of core service funds among the CBCs will be modified.

#### ***Supplemental Nutrition Assistance Program (SNAP)***

##### *History of the Food Stamp Program*

The federal food stamp program began in 1939, providing a discount for surplus food to people on relief. Between 1939 and 1943, those who qualified were able to purchase stamps redeemable for the purchase of food and were given additional stamps redeemable only towards purchasing surplus food.<sup>1</sup> The Food Stamp Act of 1964 expanded the use of food stamps to "all items eligible for consumption, with the exception of alcohol and imported foods."<sup>2</sup> Since then, a number of changes and reforms to the program have taken place including changing the name of the program to SNAP, changing eligibility determinations and the introduction of an Electronic Benefits Transaction card for spending benefits.<sup>3</sup>

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<sup>1</sup> A Short History of SNAP, USDA Food and Nutrition Service, *available at*: <http://www.fns.usda.gov/snap/rules/Legislation/about.htm>. (Last visited 3/4/15).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

The Florida Department of Children and Families (DCF) administers Florida's food assistance program.<sup>4</sup> Benefits for the Food Assistance Program are 100 percent federally-funded with administrative costs being equally split between the state and federal governments.<sup>5</sup> The United States Department of Agriculture (USDA) determines the amount of food assistance benefits an individual or family receives, based on the families' income and resources.<sup>6</sup> Food assistance benefits are supplemental to a family's food budget. Households may need to utilize their own resources, along with their food assistance benefits, to buy enough food for a month.<sup>7</sup>

### *Eligibility for SNAP Benefits*

A SNAP household is considered a group of individuals who buy and cook their food together.<sup>8</sup> Eligibility is based on the status of all household members and hinges on three factors: income, assets, and employment.<sup>9</sup>

The USDA has issued waivers to the SNAP eligibility requirements to accommodate various circumstances. A waiver to the employment requirement may be granted only if the state's unemployment rate exceeds 10 percent, or if there are not enough jobs to employ prospective applicants.<sup>10</sup> Currently, Florida applicants are exempt from the employment requirement pursuant to a waiver implemented by DCF on July 1, 2009. This waiver expires December 31, 2015.<sup>11</sup> Once the waiver expires, healthy adults ages 18 to 49 without dependent children are limited to three months of food assistance benefits every three years unless they work an average of 20 hours per week or participate in a work or workfare program.<sup>12</sup>

### *Effect of the Bill*

Once the bill goes into effect, DCF will have to obtain specific legislative authorization before applying for, or renewing, work requirement waivers from the federal government. The waiver currently in effect will not be impacted and will still expire in December 2015. Once the waiver expires, 989,103 persons, including 290,938 able-bodied adults without dependents, will be ineligible for SNAP benefits unless they participate in the work program or show good cause for not participating.<sup>13</sup> However, a maximum of three months of food assistance continues to be available every three years for those who are unemployed or do not participate in a workfare program.

#### **B. SECTION DIRECTORY:**

**Section 1:** Amends s. 409.991, F.S., to modify the equity allocation model that affects the distribution of core service funds among Community-Based Care lead agencies.

**Section 2:** Creates s. 414.455, F.S., to require the Department of Children and Families to obtain legislative authorization prior to seeking, applying for, accepting, or renewing any waiver of work requirements established by the federal Supplemental Nutrition Assistance Program.

**Section 3:** Providing an effective date of July 1, 2015.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

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<sup>4</sup> s. 414.31, F.S.

<sup>5</sup> Subcommittee on Healthcare Appropriations Meeting Packet 02/18/2015 available at: <http://www.myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2834&PublicationType=Committees&DocumentType=Meeting Packets&SessionId=76>

<sup>6</sup> *Id.*

<sup>7</sup> DCF Food Assistance Program Fact Sheet, [www.dcf.state.fl.us/programs/access/docs/fafactsheet.pdf](http://www.dcf.state.fl.us/programs/access/docs/fafactsheet.pdf) . (last visited 3/4/15)

<sup>8</sup> but see note 11 (Children and parents under the age of 22, spouses, and as adults exercising parental control over minors are automatically considered household members)

<sup>9</sup> *Supra* note 11.

<sup>10</sup> 7 U.S.C.A. §2015(2014)

<sup>11</sup> email from Nicole Stookey, Deputy Director, Office of Governmental Affairs, Department of Children and Families, Follow up SNAP Questions (Feb. 24, 2015)

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The House proposed General Appropriations Act includes \$587.1 million for recurring CBC core service functions, plus an additional \$15.7 million of new funding for recurring core service functions in Fiscal Year 2015-16.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Modifications to the equity allocation model will realign funding distributions to CBC lead agencies. There may be an increase to the state's workforce population should those SNAP beneficiaries who have not been employed due to the waiver exemption are now required to do so to continue receiving food assistance. There may be a decrease in food purchases should those SNAP beneficiaries currently exempt from the work requirement choose to not participate from this requirement upon expiration of the waiver.

D. FISCAL COMMENTS:

This bill is budget neutral. It modifies the equity allocation model that affects the distribution of recurring core service funds among Community-Based Care lead agencies. SNAP benefits are federally-funded, so changes in the number of persons eligible do not impact state revenue or expenditures.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**