

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL 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: The Professional Staff of the Committee on Appropriations

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BILL: SB 2510-A

INTRODUCER: Senator Lee

SUBJECT: Allocation of Funds for Community-based Care Lead Agencies

DATE: May 28, 2015

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

ANALYST

Shettle

STAFF DIRECTOR

Kynoch

REFERENCE

ACTION

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**I. Summary:**

SB 2510-A amends the core services funding allocation methodology for community-based care lead agencies (CBC). Beginning in Fiscal Year 2015-2016 the methodology will include no adjustment to the base core services funding for each CBC. Twenty percent of new core services funding will be allocated to all CBCs, and 80 percent will be allocated only to CBCs that have base funding below their equitable share as determined by the equity allocation model. The bill also amends the equity allocation model.

The bill is budget neutral to the state; however, the amount of new core services funding allocated to each CBC will be affected.

The bill has an effective date of July 1, 2015.

**II. Present Situation:**

**Community-Based Care Lead Agencies**

Section 409.986, F.S., expresses legislative intent for the Department of Children and Families (DCF) to contract with community-based care lead agencies (CBC) to provide child protection and child welfare services. Services provided by the CBCs are intended to facilitate a child remaining safely in his or her home, returning safely to his or her home if removed, or obtaining an alternative permanent home if he or she cannot remain at home or be returned home. The Legislature further intends that communities have responsibility for and should participate in ensuring safety, permanence, and well-being for all children in the state.<sup>1</sup>

The Legislature has found that when private entities assume responsibility for the care of children in the child protection and child welfare system, comprehensive oversight of the programmatic, administrative, and fiscal operation of those entities is essential. The Legislature has also found that the appropriate care of children is ultimately the responsibility of the state

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<sup>1</sup> See s. 409.986, F.S.

and that outsourcing such care does not relieve the state of its responsibility to ensure that appropriate care is provided.<sup>2</sup>

CBCs are procured by the DCF through a competitive process as required under ch. 287, F.S. In order to serve as a CBC, an entity must meet a series of qualifications and be governed by a board of directors or board committee whose membership must be composed of at least 75 percent Florida residents. Of the state residents, at least 51 percent must also reside within the service area of the lead community-based provider.<sup>3</sup>

CBCs serve all children referred to the DCF as a result of a report of abuse, neglect, or abandonment, or who are at risk of abuse, neglect, or abandonment. CBCs, under certain conditions, may act as guardian for a child for the purpose of registering a child for school or seeking emergency medical attention. CBCs must be licensed as a child-caring or child-placing agency by the DCF, and each foster home, therapeutic foster home, emergency shelter, or other placement facility must be licensed by the DCF under ch. 402, F.S.<sup>4</sup>

In 1996, the Legislature required the DCF to create pilot projects for the provision of foster care and related services through established community-based care organizations. In 1998, the Legislature required the DCF to outsource the provision of all foster care and related services statewide. The transition was completed in Fiscal Year 2004-2005. The DCF has 20 CBC contracts. For Fiscal Year 2014-2015, a total of \$587.1 million was provided to the CBCs for core services.

### **Allocation of Funds for Community-based Care Lead Agencies**

Section 409.991, F.S., requires that the DCF allocate funds for CBCs according to an equity allocation model. This model was designed to allocate funds among CBCs depending to some degree on the differing needs and services required by specific populations being served by each CBC. The equity allocation model includes “core services funding,” which is defined as all funds allocated to CBCs operating under contract with the DCF under s. 409.987, F.S., with a number of exceptions.<sup>5</sup>

Ninety percent of the recurring core services funding for each CBC is based on the prior-year recurring base of core services funds and 10 percent is based on the equity allocation model.

The equity allocation model includes 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.

The equity allocation of core services funds is calculated based on the following weights:

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<sup>2</sup> See s. 409.986 (1)(b), F.S.

<sup>3</sup> See s. 409.987, F.S.

<sup>4</sup> See s. 409.988, F.S.

<sup>5</sup> See s. 409.991(1)(a), F.S.

- Proportion of children in poverty is weighted as 30 percent of the total;
- Proportion of child abuse hotline workload is weighted as 30 percent of the total;
- Proportion of children in care is weighted as 30 percent of the total; and
- Proportion of contribution to the reduction in out-of-home care is weighted as 10 percent of the total.

Unless otherwise specified in the General Appropriations Act (GAA), any new core services funds are allocated based on the equity allocation model. Such allocations are proportional to the proportion of funding based on the equity model and allocated only to the CBC contracts, if the current funding proportion is less than the proportion of funding based on the equity model.<sup>6</sup>

### III. Effect of Proposed Changes:

**Section 1** amends s. 409.991, F.S. to provide that, beginning in the 2015-2016 fiscal year, the base core services funding for each community-based care lead agency (CBC) will be based fully on the recurring core services funding from the prior year. No adjustments will be made to the base core services funding; under current law, 10 percent of recurring base core services funding is redistributed based on the equity allocation model.

Unless otherwise provided in the GAA, any new core services funds will be allocated to each CBC based on an equity allocation model as follows:

- 20 percent of new funding, allocated among all CBCs; and
- 80 percent of new funding, allocated only among CBCs that are funded below their equitable share, as determined by the equity allocation model, based on their relative proportion of the total amount of funding below the equitable share.

The equity allocation model is revised to include the following factors.

- Proportion of the child population;
- Proportion of child abuse hotline workload; and
- Proportion of children in care, weighted as 60 percent based on children in out-of-home care and 40 percent based on children in in-home care.

The equity allocation of core services funds must be calculated based on the following weights:

- Proportion of the child population, weighted as five percent of the total;
- Proportion of child abuse hotline workload, weighted as 15 percent of the total; and
- Proportion of children in care, weighted as 80 percent of the total.

**Section 2** provides an effective date of July 1, 2015.

### IV. Constitutional Issues:

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

None.

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<sup>6</sup> See s. 409.991(4), F.S.

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

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

SB 2510-A will alter the allocation of new core services funding to each community-based care lead agency.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following section 409.991 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.