

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 7063 PCB CFS 20-02 Child Welfare

**SPONSOR(S):** Ways & Means Committee, Children, Families & Seniors Subcommittee, Ponder

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Children, Families & Seniors Subcommittee	13 Y, 0 N	Woodruff	Brazzell
1) Ways & Means Committee	17 Y, 1 N, As CS	Berg	Langston
2) Health & Human Services Committee			

### SUMMARY ANALYSIS

Chapter 39, F.S., creates the dependency system charged with protecting child welfare. Florida's child welfare system identifies children and families in need of services. DCF remains responsible for a number of child welfare functions, including operating the central abuse hotline (hotline), performing child protective investigations, and providing children's legal services. DCF is responsible for program oversight and the overall performance of the child welfare system.

DCF must conduct a child protective investigation if a hotline report meets the statutory definition of child abuse, abandonment, or neglect. DCF conducts child protective investigations in 60 counties; sheriff's offices perform child protective investigations in the remaining seven. Child protective investigators (CPIs) must investigate and determine whether abuse, abandonment, or neglect of a child occurred and, if so, to identify the individual responsible for the maltreatment. CPIs must investigate an allegation reported to the hotline immediately or within 24 hours. Currently, the turnover rate for CPIs is 48 percent. High turnover impacts outcomes for children and can result in them being unsafe.

In 2014, the Legislature established the Florida Institute for Child Welfare (FICW) at the Florida State University College of Social Work to perform research on child welfare initiatives contributing to a more effective child welfare system.

The bill addresses ongoing issues affecting the child welfare workforce, increases opportunities for community-based and faith-based organizations to work with those in need, and expands the functions of the FICW to develop professional supports for child welfare workers. Additionally, the bill ensures that all of DCF's partners who provide the same services as agency staff are held to the same standards, processes, and outcome measures.

Specifically, the bill:

- Directs DCF, in collaboration with the FICW, to develop an expanded career ladder for CPIs. Also, DCF must implement programs to prevent and mitigate the impact of secondary traumatic stress and burnout among CPIs.
- Expands the functions of the FICW to inform, train, and engage social work students for a successful career in child welfare. The FICW and the FSU College of Social Work will work together to redesign the social work curriculum to include opportunities for students to learn from real-world child welfare cases.
- Requires the FICW to design and implement a career long professional development curriculum for child welfare professionals at all levels and from all disciplines.
- Requires the sheriffs providing child protective services and contracted attorneys providing children's legal services to adopt the child welfare practice model and be held to the same standards, processes and outcome measurements as those employed by DCF. Additionally, the bill provides a sunset provision for the grant or contract of these services on July 1, 2023, unless saved from repeal by the Legislature.
- Requires the local community alliances to include an individual representing faith-based organizations and to work with these organizations to encourage their involvement in the community system of care. It also directs CBCs to have a liaison to community- and faith-based organizations and have a process for ensuring CBCs are aware of the services offered by these organizations.
- Creates a tax credit program capped at \$5 million total annually for businesses that make monetary donations to certain eligible charitable organizations that provide services focused on child welfare and well-being.

The bill will have a negative impact on state revenues and will result in additional costs to state government. See Fiscal Analysis section.

The bill has an effective date of July 1, 2020.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h7063a.WMC

**DATE:** 2/13/2020

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background**

##### Florida's Child Welfare System

Chapter 39, F.S., creates the dependency system charged with protecting child welfare. Florida's child welfare system identifies children and families in need of services through reports to the central abuse hotline (hotline) and child protective investigations. The Department of Children and Families (DCF) and community-based care lead agencies (CBCs) work with those families to address the problems endangering children, if possible. If the problems cannot be addressed, the child welfare system finds safe out-of-home placements for these children.

DCF's practice model is based on the safety of the child within his or her home, using in-home services such as parenting coaching and counseling to maintain and strengthen that child's natural supports in his or her environment. DCF contracts for case management, out-of-home services, and related services with CBCs. The transition to outsourced provision of child welfare services is intended to increase local community ownership of service delivery and design.<sup>1</sup> CBCs contract with a number of subcontractors for case management and direct care services to children and their families. There are 17 CBCs statewide, which together serve the state's 20 judicial circuits.

DCF remains responsible for a number of child welfare functions, including operating the hotline, performing child protective investigations, and providing children's legal services.<sup>2</sup> Ultimately, DCF is responsible for program oversight and the overall performance of the child welfare system.<sup>3</sup>

##### *Overall Performance*

##### Federal Measures

Federal and state measures assess Florida's child welfare system. The federal Department of Health and Human Services assesses the performance of a state's child welfare system on seven key measures of safety and permanency. The following table includes these measures, Florida's statewide performance and the federal target during the second quarter of FY 2019-20. Florida exceeded the federal target on four of the seven measures.<sup>4</sup>

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<sup>1</sup> The Department of Children and Families, *Organizational Chart*, [www.dcf.state.fl.us/admin/docs/orgchart.pdf](http://www.dcf.state.fl.us/admin/docs/orgchart.pdf) (last visited Jan. 6, 2020)

<sup>2</sup> OPPAGA, report 06-50.

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

<sup>4</sup> The Department of Children and Families, Office of Child Welfare, *Federal Indicators*, <https://www.myflfamilies.com/programs/childwelfare/dashboard/overview.shtml?Select%20Measures%20to%20Display=Federal%20Measures> (last visited Jan. 26, 2020).

Federal Measure	Statewide Performance <sup>5</sup>	Federal Target
Rate of abuse/neglect per 100,000 days in foster care	7.59 days	8.50 or lower
Percent of children with no recurrence of maltreatment within 12 months	92.97%	90.90 or higher
Percent of children exiting to a permanent home within 12 months of entering care	38.47%	40.50 or higher
Percent of children exiting to a permanent home within 12 months for those in care 12-23 months	53.16%	43.60 or higher
Percent of children exiting to a permanent home within 12 months for those in care 24+ months	48.25%	30.30 or higher
Percentage of children achieving permanency who do not re-enter care within 12 months	90.41%	91.70 or higher
Rate of placement moves per 1,000 days in out-of-home care	4.48 moves	4.12 or lower

### State Measures

Section 409.997, F.S., requires DCF to assess and share information about statewide and regional performance based on statistically valid measures addressing the full system of care. The following table includes the state measure, current performance, and the state target during the second quarter of FY 2019-2020. The current performance indicates the overall health of Florida's child welfare system.

State Measure	Current Performance <sup>6</sup>	State Target
Child protective investigations commenced within 24 hours	99.45%	No state target but higher percentage is better performance
Victims seen within 24 hours of central abuse hotline report	92.06%	
Child protective investigative consultations with supervisor within 5 days	97.04%	
Child Protective Investigators with social work degrees	13.30%	
No abuse during in-home services	95.07%	
Child protective investigators with 20+ Cases	4.28%	No state target but lower percentage is better performance.
Siblings placed together	63.70%	99.5% or higher
Children seen by a case manager every 30 days	99.3%	99.5% or higher
Dental services provided in the last 7 months	91.15%	95% or higher
Medical services provided within last 12 months	95.99%	95% or higher

### Community Alliances

In 2000, the Legislature amended s. 20.19, F.S., to include community alliances as an element of the state's community-based care child welfare system. Section 20.19(5), F.S., requires DCF to work with local communities to establish a community alliance or similar group of stakeholders, community leaders, client representatives and funders of human services in each county to provide a focal point for community participation and governance of community-based services.

Community alliances:

- Plan resource utilization in the community, including DCF and local funding;

<sup>5</sup> Current performance is as of FY 2019-20, Quarter 2.

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

- Assess needs and establish community priorities for service delivery;
- Determine community outcome goals to supplement state-required outcomes;
- Serve as a catalyst for community resource development;
- Provide community education and advocacy on delivery of services; and
- Promote prevention and early intervention services.<sup>7</sup>

Initially, community alliances must include members from:

- DCF;
- County government;
- The school district;
- The county United Way;
- The county sheriff's office;
- The circuit court corresponding to the county; and
- The county children's board, if one exists.<sup>8</sup>

After the initial meeting of the community alliance, it may increase its membership to include the state attorney for the judicial circuit, the public defender, and other individuals who represent funding organizations, are community leaders, have knowledge of community-based service issues, or represent perspectives that will enable them to accomplish the duties of the community alliances.<sup>9</sup>

The community alliances are a central point for community input and collaboration and build on the community-based care model of building partnerships in the community to affect the outcomes, quality effectiveness, and efficiency of services. The role of the community alliances is to encourage community involvement to influence outcomes for children and their families.<sup>10</sup>

### *Community-Based and Faith-Based Organizations*

Community-based and faith-based organizations have a history of providing assistance for those in need in their local communities. Florida has recognized these organizations could assist the work of the state. In 2004, Governor Bush signed an Executive Order<sup>11</sup> creating the Governor's Faith-Based and Community-based Advisory Board, and, in 2006, the Legislature codified the advisory board in statute as the Florida Faith-based and Community-based Advisory Council (council). The purpose of the council is to advise the Governor and the Legislature on policies, priorities, and objectives for the state's effort "to enlist, equip, empower, and expand the work of faith-based, volunteer, and other community organizations to the full extent permitted by law."<sup>12</sup> Past activities of the council have included promoting Florida's efforts to strengthen systems to better recruit families to meet the needs of children and youth awaiting adoption by providing information to and assisting faith-based and community-based groups in their efforts to match families with children and youth awaiting adoption.

Currently, the community alliances are not statutorily mandated to identify existing programs and services delivered by community-based and faith-based organizations, nor are they encouraged to develop and make available such programs and services by these organizations. Additionally, current law does not mandate that the initial membership of the community alliances include a representative of a faith-based organization involved in providing services to strengthen families and protect child-welfare.

### Child Protective Investigations

<sup>7</sup> S. 20.19(5)(b), F.S.

<sup>8</sup> S. 20.19(5)(d), F.S.

<sup>9</sup> *Id.*

<sup>10</sup> Department of Children and Families, *Community Alliances Resource Handbook*, (Dec. 2000).

<sup>11</sup> Executive Order No. 04-245, November 18, 2004. This Executive Order was amended by Executive Order No. 05-24, February 1, 2005, which incorporated by reference all of the first order, extended the time for a written report of the advisory board, and provided a January 1, 2007, expiration date for the order.

<sup>12</sup> Ch. 2006-9, L.O.F.; codified as s. 14.31, F.S.

DCF must conduct a child protective investigation if a hotline report meets the statutory definition of child abuse, abandonment, or neglect. An investigation must be commenced immediately or within 24 hours after the report is received, depending on the nature of the allegation.<sup>13</sup> The child protective investigator assesses the safety and perceived needs of the child and family, and if services are needed, whether the child should receive in-home or out-of-home services.

### *Child Protective Investigators*

Child protective investigators (CPIs) must investigate and determine whether abuse, abandonment, or neglect of a child occurred and, if so, to identify the individual responsible for the maltreatment. CPIs must respond to an allegation reported to the hotline immediately or within 24 hours to determine if the allegation of child abuse, abandonment, or neglect is true. CPIs must conduct and complete an assessment to identify danger threats to the child and whether the parent can protect the child. The CPI must consider if services would allow the child to remain safely in the home. If not, the CPI must remove the child and place the child in a safe alternative placement. CPIs make critical decisions on child safety by investigating dangerous environments. CPIs must respond to a hotline report no less than 24 hours after its receipt, resulting in CPIs working nights and weekends. Due to the aspects of the job, high turnover is common among CPIs. Currently, 30 percent of CPIs have been in their position more than two years. High turnover affects outcomes for children, because newly hired CPIs lack the knowledge gained from on the job experience. This may result in potential risk to child safety due to the lack of experience in a majority of CPIs.

Child protective investigations are conducted by DCF in 60 counties. Sheriff's offices perform child protective investigations in the remaining seven counties.<sup>14</sup> Currently, there are five field positions. The following table provides information on the class title, base pay, and minimum qualifications for each.

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<sup>13</sup> S. 39.301(1), F.S.

<sup>14</sup> Broward, Hillsborough, Manatee, Pasco, Pinellas, Seminole, and Walton.

Class Title	Base Pay	Minimum Qualifications
CPI	\$39,600	<ul style="list-style-type: none"> <li>Bachelor's degree (preferred degree in social work, behavioral science, nursing, or education field).</li> <li>Must complete a Child Protection Certification exam with a score of at least 80% and attain provisional certification within 3 months of hire.</li> <li>Preference is given to individuals completing DCF's Child Protection Internship.</li> </ul>
Senior CPI	\$41,500	<ul style="list-style-type: none"> <li>Bachelor's degree (preferred degree in social work, behavioral science, nursing, or education field).</li> <li>Two years of child protection-related experience.</li> <li>Current Florida Child Protective Investigator certification.</li> </ul>
CPI – Field Support Supervisor	\$46,900	<ul style="list-style-type: none"> <li>Bachelor's degree (preferred degree in social work, behavioral science, nursing, or education field)</li> <li>Two years of child protection related experience.</li> <li>Current Florida Child Protective Investigator certification.</li> </ul>
CPI Supervisor	\$49,200	<ul style="list-style-type: none"> <li>Bachelor's degree (preferred degree in social work, behavioral science, nursing, or education field).</li> <li>Three years of child protection related experience.</li> <li>One year of coordinating the work of CPIs or supervisory/managerial experience.</li> <li>Current Florida Child Protective Investigator certification.</li> </ul>
Critical Child Safety Practice Expert	\$55,000	<ul style="list-style-type: none"> <li>Successful completion of the Level 1 and Level 2 Critical Child Safety Practice Proficiency.</li> <li>Bachelor's degree (preferred in social work, behavioral science, nursing or education field).</li> <li>One-year experience as a Florida Child Welfare Professional.</li> </ul>

### Career Advancement for CPIs

Organizations that provide pathways for career advancement help employees see potential for career progression. A career ladder is a formal process within an organization for an employee to advance.<sup>15</sup> Career ladders contribute to a well-trained and motivated workforce and a higher retention rate.<sup>16</sup>

DCF attempted to create a type of career advancement incentive in 2017 with the implementation of the Child Protection Glide Path. The Glide Path was to increase recruitment and retention of critical staff positions.<sup>17</sup> It allowed CPIs to demonstrate specific skills and core competencies associated with their class title to achieve a competency-based increase in salary.<sup>18</sup>

The Child Protection Glide Path divided CPI positions into five class titles with CPI class title having three salary levels based on skills and core competencies achieved. However, in June 2019, DCF discontinued the Child Protection Glide Path for a new Career Path initiative designed to increase employee satisfaction and retention.

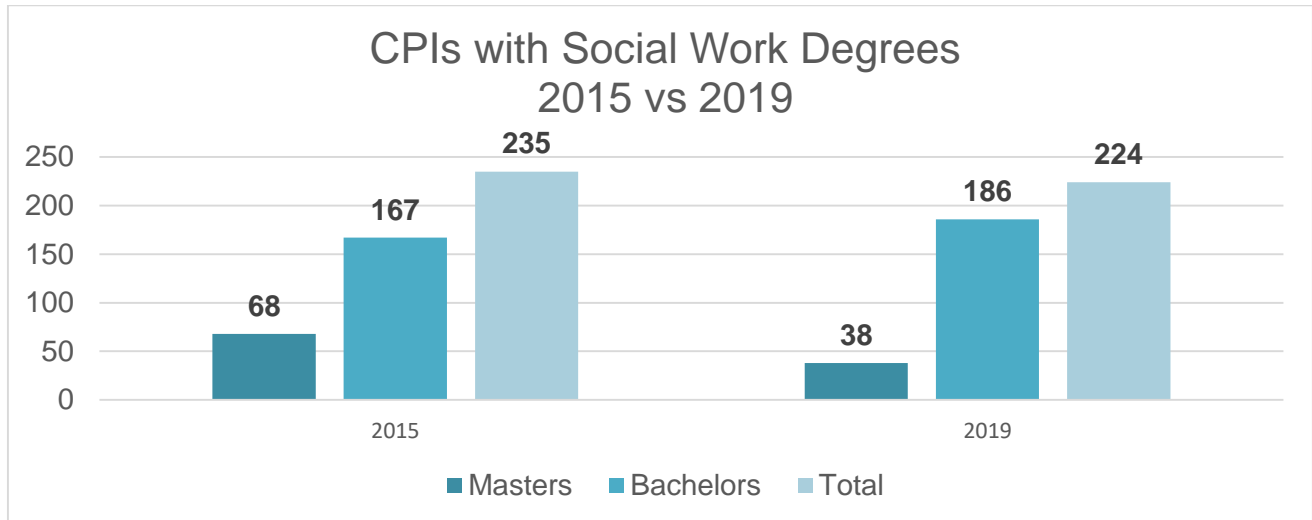
### Education Qualifications for CPIs

<sup>15</sup> The Balance Careers, *The Benefits of Career Ladders*, <https://www.thebalancecareers.com/how-career-ladders-benefit-organizations-1669368> (last visited Jan. 21, 2019).

<sup>16</sup> *Id.*  
<sup>17</sup> Florida Department of Children and Families, *Child Protective Investigator and Child Protective Supervisor Educational Qualifications, Turnover, and Working Conditions Status Report*, Oct. 1, 2019, <http://www.centerforchildwelfare.org/kb/LegislativeMandatedRpts/CPI%20SuperCPI%20and%20CPI%20Supervisor%20%20Workforce%202019%20.docx.pdf> (last visited Jan. 26, 2020).

<sup>18</sup> *Id.*

In 2014, the Legislature passed a bill mandating DCF to recruit qualified professional staff and required DCF to make every effort to recruit and hire social workers. DCF was required to set a goal of having at least half of all CPIs and CPI supervisors with a bachelor’s degree or master’s degree in social work from a college or university social work program accredited by the Council on Social Work Education by July 1, 2019. Florida has made little, if any, progress in achieving this goal. In 2018, 15 percent of CPIs held a degree in social work; that number has decreased to 13 percent as of June 30, 2019. The following graph shows the total number of CPIs with a social work degree, and how many of those have a bachelor’s degree or a master’s degree, in 2015 compared to those in 2019.<sup>19</sup>



#### Turnover and Vacancies of CPIs

A high rate of turnover in the child welfare workforce is common across the nation. An estimated national average turnover rate is around 30 percent; with individual agency rates as high as 65 percent.<sup>20</sup> DCF has had a high turnover for CPIs for a number of years. The turnover rate for all CPI positions over the past two years has averaged around 37 percent.<sup>21</sup>

High staff turnover puts vulnerable children at risk for recurrence of abuse, neglect, or abandonment and hinders timely intervention and permanency. For example, inexperienced investigators may not recognize indicators of abuse and may leave children in dangerous situations. Alternatively, they may not be aware of services that prevent removal and choose to place children in out-of-home care unnecessarily. When investigator positions are vacant or newly-hired investigators have reduced caseloads, the remaining staff must carry higher caseloads, which leads to burnout from workload and reduces the time and attention they can give to each case, diminishing the quality of their work. Additionally, staff turnover costs the state money because of the associated expenses of training and onboarding new staff. For example, after hire, staff enter a multi-week training program and then carry a minimal number of cases, so the investment in new hires from salary and training costs is significant before they begin carrying a full caseload.

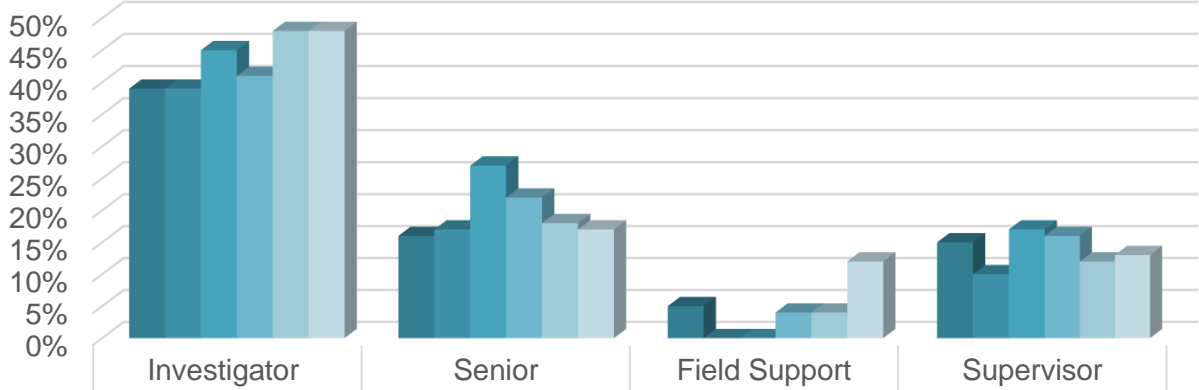
The following graph shows CPI turnover by position from FY 2013-14 through FY 2018-19. The highest turnover is in the entry-level child protective investigator position, which was 48% during FY 2018-19.

<sup>19</sup> Florida Department of Children and Families, Office of Child Welfare, *Child Protective Investigators and Supervisors with a Social Work Degree – Statewide*, <https://www.myflfamilies.com/programs/childwelfare/dashboard/education.shtml> (last visited Jan. 27, 2020).

<sup>20</sup> Casey Family Programs, *How Does Turnover Affect Outcomes and What Can be Done to Address Retention?*, [https://caseyfamilypro-wpengine.netdna-ssl.com/media/HO\\_Turnover-Costs\\_and\\_Retention\\_Strategies-1.pdf](https://caseyfamilypro-wpengine.netdna-ssl.com/media/HO_Turnover-Costs_and_Retention_Strategies-1.pdf) (last visited Jan. 26, 2020).

<sup>21</sup> *Supra* note 19.

### DCF CPI Turnover by Position FY 2013-14 - FY 2018-19



	Investigator	Senior Investigator	Field Support Supervisor	Supervisor
■ FY 2013-14	39%	16%	5%	15%
■ FY 2014-15	39%	17%	0%	10%
■ FY 2015-16	45%	27%	0%	17%
■ FY 2016-17	41%	22%	4%	16%
■ FY 2017-18	48%	18%	4%	12%
■ FY 2018-19	48%	17%	12%	13%

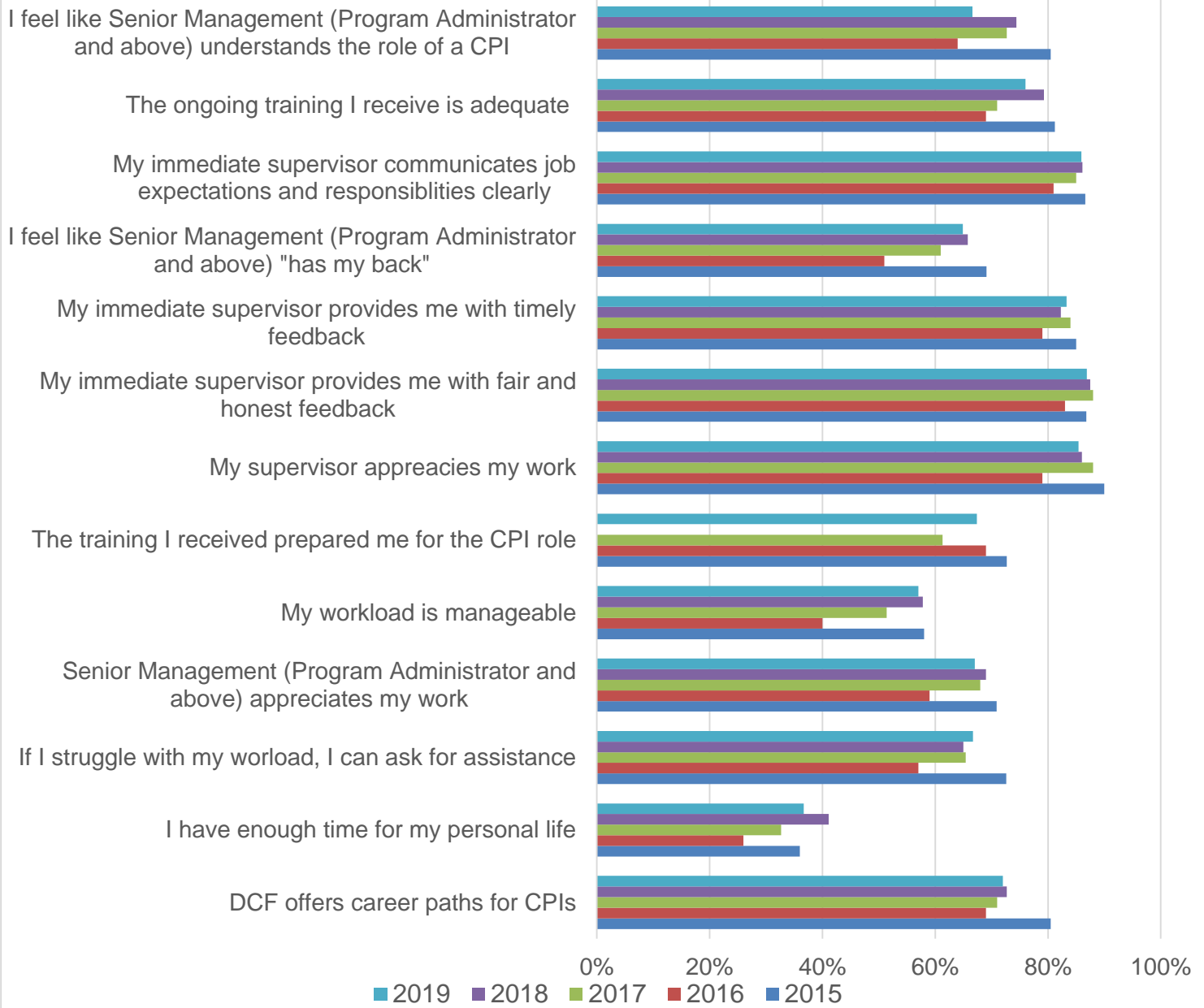
#### Annual CPI Survey Results

DCF emails an annual survey to CPIs for their input on current work conditions. The survey includes numerical scaling as well as the opportunity to provide written feedback on which factors most directly affect morale and the overall work environment.<sup>22</sup> The 2019 survey had a 39 percent participation rate with an even distribution related to time spent on the job.<sup>23</sup> Survey results consistently report that working as a CPI can be overwhelming, with many respondents disagreeing they have time for a personal life and their workload is manageable. CPIs also consistently disagree that training provided by DCF prepared them for the job as a CPI,<sup>24</sup> this is important because pre-service training retains child welfare workers and promotes positive child outcomes.<sup>25</sup> The following graph compares survey results from FY 2015 through FY 2019.

<sup>22</sup> *Id.*  
<sup>23</sup> Of the 641 respondents, 36 percent had less than one year on the job, 36 percent had one to two years' experience, 16 percent had two to four years' experience, and 12 percent had five or more years' experience.  
<sup>24</sup> *Supra* note 19.  
<sup>25</sup> Mandell, D., Stalker, C., de Zeeus Wright, M. Frensch, K., & Harvey, C. (2013), Sinking, swimming and sailing: Experiences of job satisfaction and emotional exhaustion in child welfare employees, *Child & Family Social Work*, 18, 181-393.



## Percent of Child Investigations Workforce who Agree or Strongly Agree with Statement, by Year



### *Sheriffs Providing Child Protective Investigation Services*

Since 1998, statute has authorized DCF to enter into contracts with county sheriffs for the provision of child protective investigations.<sup>26</sup> Sheriff's offices in seven counties are currently responsible for performing child protective investigations: Broward, Hillsborough, Manatee, Pasco, Pinellas, Seminole, and Walton. Services for child protective investigations are funded via grants from DCF to the sheriff. While statute specifically tasks only four sheriff's office to provide these services, all seven receive funding through the General Appropriations Act (GAA) to conduct child protective investigations. The following table provides information on the funding each county sheriff received to conduct child protective investigations through the FY 2019-20 GAA.

<sup>26</sup> S. 39.3065, F.S.  
**STORAGE NAME:** h7063a.WMC  
**DATE:** 2/13/2020

Sheriff Office	Appropriations through the FY 2019-20 GAA
Broward County	\$15,201,864
Hillsborough County	\$13,738,700
Manatee County	\$4,855,360
Pasco County	\$6,466,825
Pinellas County	\$11,915,854
Seminole County	\$4,633,803
Walton County	\$860,607

The ability of county sheriffs' offices to provide child protective investigations can be traced to a pilot program that was initiated in Manatee County in the mid-1990s. Beginning in fiscal year 1998-1999, Manatee, Broward, Pasco, and Pinellas Counties were given statutory authority to conduct child protective investigations. Seminole County was funded beginning in 2000; Hillsborough County in 2005; and Walton County in 2018. Since 2000, DCF has had full authority to contract with any county sheriffs' office that wishes to assume responsibility for conducting child protective investigations.

Section 39.3065(3)(b), F.S., requires sheriffs' offices to operate in accordance with performance standards and outcome measures established by the Legislature. Section 409.986(2), F.S., establishes child protection and child welfare outcome measures. The annual report for fiscal year 2017-18 included three primary measures, which are specified in the grant agreements between DCF and the sheriffs' offices:

1. One hundred percent of investigations commenced within 24 hours. The DCF average was 99.42%, with the sheriffs' offices averaging 99.75%.
2. Eighty-five percent of victims seen within 24 hours of receiving a report. The DCF average was 86.87%, with the sheriffs' offices averaging 90.04%.
3. One hundred percent of Child Safety Assessment (CSA) reports reviewed by supervisors are in accordance with DCF's timeframes. The DCF average was 94.04%, with the sheriffs' offices averaging 95.99%.

The 2017-18 annual report includes information on cost efficiency. The following tables provide information on expenditures and costs per report received for FY 2016-17 and FY 2017-18. The first table provides information on the expenditures and costs per report for sheriff's offices conducting child protective investigations, while the second table provides information for DCF.

Cost and Expenditures Per Report for Sheriffs						
Fiscal Year 2016-2017				Fiscal Year 2017-2018		
AGENCY	Total Cost	Reports	Average Cost Per Report	Total Cost	Reports	Average Cost Per Report
Broward	\$14,122,421	13,368	\$1,056	\$14,333,970	12,914	\$1,110
Hillsborough	\$13,502,257	12,355	\$1,093	\$13,210,040	12,055	\$1,096
Manatee	\$4,719,787	4,107	\$1,149	\$4,855,360	3,857	\$1,259
Pasco	\$6,629,008	6,164	\$1,075	\$6,448,093	6,107	\$1,056
Pinellas	\$11,828,667	9,154	\$1,292	\$11,923,160	8,740	\$1,364
Seminole	\$4,537,152	4,078	\$1,113	\$4,716,152	3,986	\$1,183
All Sheriffs	\$55,339,292	49,226	\$1,124	\$55,486,775	47,659	\$1,164

Cost and Expenditures Per Report for DCF						
Fiscal Year 2016-2017				Fiscal Year 2017-2018		
AGENCY	Total Cost	Reports	Average Cost Per Report	Total Cost	Reports	Average Cost Per Report
Northwest	\$19,404,689	19,454	\$997	\$21,288,262	19,068	\$1,116
Northeast	\$33,389,932	33,958	\$983	\$34,203,185	32,135	\$1,064
Suncoast	\$13,917,462	15,384	\$905	\$14,781,643	14,311	\$1,033
Central	\$47,740,436	47,696	\$1,001	\$49,852,577	46,981	\$1,061
Southeast	\$16,569,244	16,745	\$990	\$16,683,183	15,797	\$1,056
Southern	\$14,669,903	14,504	\$1,011	\$15,033,107	13,478	\$1,115
DCF	\$145,691,666	147,741	\$986	\$151,841,957	141,770	\$1,094

The overall number of reports decreased 3.8 percent from FY 2016-17 to FY 2017-18 statewide, whereas expenditures increased 3.13%.<sup>27</sup> During FY 2017-18, the range of costs per report for sheriffs' offices was from \$1,056 to \$1,364.<sup>28</sup> The average cost per report for sheriffs' was \$1,164.<sup>29</sup> Comparably, DCF, comparing by region, costs ranged from \$1,033 to \$1,116. DCF spends an average of \$1,071 per report.<sup>30</sup>

DCF has limited involvement in the quality assurance process for sheriff-provided child investigative services, despite DCF remaining ultimately responsible for that function. For instance, the sheriff's offices performing child protective investigations themselves report metrics and provide data through the central system of record.<sup>31</sup> While s. 39.3065(3)(d), F.S., requires a peer review for the sheriffs' program performance evaluation that involves both DCF and the sheriffs, the team's membership is largely sheriff's office representatives (composed of five or six sheriff's representatives and two DCF representatives<sup>32</sup>). This peer review team identifies closed investigations for the review and develops the approach for the review, which assesses compliance with statutory requirements, quality of investigations, safety decisions, and safety actions implemented throughout the life of the case.<sup>33</sup>

Although sheriffs providing child protective investigations are required by the grant agreement to act in accordance with state and federal law, there is not a statutory mandate that the same procedures, policies, and outcomes are imposed on the sheriffs as are imposed on DCF CPIs. DCF tracks the work

<sup>27</sup> Florida Department of Children and Families, *Florida Sheriffs Performing Child Protective Investigations, Annual Program Performance Evaluation Report, Fiscal Year 2107-2018*, [https://www.myflfamilies.com/service-programs/child-welfare/docs/2018LMRs/SO%20Annual%20Peer%20Review%20DCF%20Report%202017\\_2018.pdf](https://www.myflfamilies.com/service-programs/child-welfare/docs/2018LMRs/SO%20Annual%20Peer%20Review%20DCF%20Report%202017_2018.pdf) (last visited Jan. 26, 2020).

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> Florida Department of Children and Families, Agency Analysis of 2020 Senate Bill 1326, p. 3 (Jan. 21, 2020).

<sup>32</sup> *Supra* note 27.

<sup>33</sup> *Id.*

of its CPIs through a CPI scorecard on its Child Welfare Dashboard.<sup>34</sup> The CPI scorecard is used to measure the standards of the child protective investigations across the state, considering six measures<sup>35</sup> to ensure investigations are providing successful outcomes for children and families.<sup>36</sup> The information on the sheriffs providing child protective investigations is limited on DCF's CPI scorecard due to limitations of data collection specified in their grant agreements.<sup>37</sup> Because the Legislature allocates grant funding directly through the GAA to sheriff's offices, DCF does not receive designated resources to provide adequate monitoring of these areas.<sup>38</sup>

### Children's Legal Services

DCF directly or through contract provides attorneys to prepare and present cases in dependency court and ensures attorneys provide the court with adequate information for informed decision-making in dependency cases.<sup>39</sup> Children's Legal Services (CLS) represents the state during dependency cases governed by Chapter 39, F.S. CLS advocates for the safety, well-being, and permanency of Florida's abused, abandoned, and neglected children.<sup>40</sup> CLS attorneys often become involved in the case when a CPI seeks to remove a child from an unsafe home. The attorneys then work with case management services to ensure families receive necessary services to alleviate unsafe conditions in the home so a child can be reunited with his or her parents. CLS attorneys carry multiple cases and must ensure state and federal legal requirements are met.<sup>41</sup>

Statutorily, DCF must contract with the state attorney in the Sixth Judicial Circuit for the provision of CLS services.<sup>42</sup> The Attorney General provides CLS services in Hillsborough and Broward Counties.<sup>43</sup>

Currently, where contracted attorneys deliver CLS, there is little qualitative oversight by DCF.<sup>44</sup>

### Florida Institute for Child Welfare

In 2014, the Legislature established the Florida Institute for Child Welfare (FICW) at the Florida State University College of Social Work. The Legislature created the FICW to provide research and evaluation that contributes to a more sustainable, accountable, and effective child welfare system. The purpose of the FICW is to advance the well-being of children and families by improving the performance of child protection and child welfare services through research, policy analysis, evaluation, and leadership development.<sup>45</sup> The FICW is statutorily mandated to:

- Maintain a program of research contributing to the scientific knowledge related to child safety, permanency, and child and family well-being.
- Advise DCF and other organizations about scientific evidence regarding child welfare practice, as well as management practices and administrative processes.
- Assess performance of child welfare services based on specified outcome measures.
- Evaluate training requirements for the child welfare workforce and the effectiveness of training.
- Develop a program of training and consulting to assist organizations with employee retention.

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<sup>34</sup> Florida Department of Children and Families, Office of Child Welfare, *CPI Scorecard*, <https://www.myflfamilies.com/programs/childwelfare/dashboard/cpi-scorecard.shtml> (last visited Jan. 24, 2020).

<sup>35</sup> These measures include alleged victims seen within 24 hours, child protective investigations and supervisors with social work degrees, child protective investigators with more than 20 open investigations, investigations commenced within 24 hours, investigations that had an initial supervisory consultation within 5 days, and retention of child protective investigators.

<sup>36</sup> *Supra* note 34.

<sup>37</sup> *Id.*

<sup>38</sup> *Supra* note 31.

<sup>39</sup> S. 409.996(17), F.S.

<sup>40</sup> Florida Department of Children and Families, *Children's Legal Services*, <https://www.myflfamilies.com/service-programs/childrens-legal-services/about-us.shtml> (last visited Jan. 25, 2020).

<sup>41</sup> *Id.*

<sup>42</sup> *Supra* note 38.

<sup>43</sup> Florida Department of Children and Families, *A Comprehensive, Multi-Year Review of the Revenues, Expenditures, and Financial Position of All Community-Based Care Lead Agencies with System of Care Analysis*, [http://www.centerforchildwelfare.org/kb/LegislativeMandatedRpts/Comprehensive\\_Review\\_of\\_Revenues\\_Expenditures\\_...pdf](http://www.centerforchildwelfare.org/kb/LegislativeMandatedRpts/Comprehensive_Review_of_Revenues_Expenditures_...pdf) (last visited Jan. 28, 2020).

<sup>44</sup> *Supra* note 31.

<sup>45</sup> S. 1004.615, F.S.

- Identify and communicate effective policies and promising practices.
- Recommend improvements in the state's child welfare system.
- Submit annual reports to the Governor and Legislature.

The FICW sponsors and supports interdisciplinary research projects and program evaluation initiatives that contribute to a knowledge relevant to enhancing Florida's child welfare outcomes.

Additionally, the FICW establishes new partnerships and strengthens existing relationships with research and policymakers around the state through an affiliate network, CBCs, service providers, and other entities. The affiliate network is made up of 14 public and private universities with accredited degrees in social work. In 2017, the FICW expanded its affiliate network to include research affiliates, and there are now over 50 research faculty affiliates.

#### *Research on the Child Welfare Workforce*

The FICW has focused its research on factors affecting retention of the child welfare workforce. The FICW is conducting a five-year longitudinal study of the child welfare profession, known as the Florida Study of Professionals for Safe Families (FSPSF). The study follows a cohort of newly-hired case managers and CPIs for five years to learn about individual, organizational, and community influences on child welfare employee retention.

The FSPSF study is in year three. During an 18-month period, FICW recruited new case managers and CPIs from across the state during pre-service training to participate in the study. FICW surveys the participants every 6-7 months to determine how many employees are leaving and why. The study is examining worker personal characteristics (e.g., educational background, family history, self-esteem), worker beliefs and behaviors (e.g., stress and burnout, work and family balance, social support and coping), organizational characteristics (e.g., physical environment, supervisory and management practices, vacancy rate), and worker characteristics (e.g., caseload size and severity, prevalence of child deaths, and exposure to threats and violence).

The following tables show results from year three of the study, which is approximately two years after pre-service training. The first table shows the percentage of employees among the initial cohort who have left their positions by this point in the study and the second table shows their reasons for departure. By two-years, 68 percent of those in the initial cohort have left the agency.

Percentage of Employees Who Have Left Position Two Years After Pre-Service Training				
	All Workers (1241)	Case Managers (727)	DCF CPIs (407)	Sheriff CPIs (107)
Employees in the same role since pre-service training	27%	23%	30%	46%
Employees in a different role but with the same agency since pre-service training	5%	7%	3%	2%
Employees who have left the agency	68%	70%	67%	52%

Reasons for Departure				
	All Workers (114)	Case Managers (72)	DCF CPIs (31)	Sheriff CPIs (107)
Job responsibilities	24%	21%	31%	27%
Supervision	4%	3%	4%	9%
Agency environment	29%	28%	31%	27%
Family circumstances	12%	10%	17%	9%
Other career opportunities	22%	22%	17%	27%
Involuntary departure	9%	15%	0%	0%

### Secondary Traumatic Stress in Child Welfare Professionals

Secondary traumatic stress and burnout from job-related activities is a leading cause for high turnover in the child welfare profession. Secondary traumatic stress is the emotional duress when an individual hears about firsthand trauma in the experiences of another.<sup>46</sup> Child welfare professionals engage daily with people who have experienced trauma. Case managers and CPIs hear about the abuse and neglect children have suffered, and the act of listening to traumatic stories can take an emotional toll that compromises a worker's professional and personal life.<sup>47</sup> Given the nature of the work in which child welfare professionals engage, they are at a high risk of developing secondary traumatic stress. Studies have shown that secondary traumatic stress predicts whether a professional will leave the field for another line of work. Symptoms and conditions associated with secondary traumatic stress can include:

- Hypervigilance.
- Hopelessness.
- Inability to listen
- Avoidance of clients.
- Anger and cynicism.
- Sleeplessness.
- Fear.
- Chronic exhaustion.
- Guilt.
- Minimizing.
- Physical ailments.<sup>48</sup>

Evidence shows that a way to mitigate secondary traumatic stress is to provide a supportive work environment that encourages self-care activities and supervisors who know how to help with secondary

<sup>46</sup> The National Child Traumatic Stress Network, *Secondary Traumatic Stress: A Fact Sheet for Child-Serving Professionals*, [https://www.nctsn.org/sites/default/files/resources/fact-sheet/secondary\\_traumatic\\_stress\\_child\\_serving\\_professionals.pdf](https://www.nctsn.org/sites/default/files/resources/fact-sheet/secondary_traumatic_stress_child_serving_professionals.pdf) (last visited Jan. 24, 2020).

<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

traumatic stress in their employees.<sup>49</sup> Organizations should also inform workers about secondary traumatic stress so they know when to seek assistance.<sup>50</sup>

The FICW analyzed data from their FSPSF study of child welfare workers at 12 months into the job to examine how the frequency of self-care activities impacts job satisfaction, burnout, stress, time pressure, secondary traumatic stress, work self-efficacy, and work/family balance.<sup>51</sup> FICW asked workers how frequently they engaged in physical, emotional, and spiritual health activities in the last month. Overall, about half of the child welfare workers indicated they engaged in some type of self-care activity. Weekly activities supporting emotional health improved work-related outcomes, and engaging in physical self-care improved all outcomes except secondary trauma.<sup>52</sup> Based on its analysis, FICW found that weekly self-care activities focusing on physical and emotional health improves employment outcomes that are often associated with turnover. The FICW recommended that agencies should support the importance of self-care and develop a culture of promoting self-care in the child welfare profession.<sup>53</sup>

## State Revenue Sources

Described below are select taxes imposed by Florida on certain businesses and products within the state.

### *Corporate Income Tax*

Florida imposes a 5.5 percent tax on the taxable income of certain corporations and financial institutions doing business in Florida.<sup>54</sup> Corporate income tax is remitted to the Department of Revenue (DOR) and distributed to General Revenue. Net collections of corporate income tax in FY 2019-20 are forecast to be \$1.974 billion.<sup>55</sup>

### *Insurance Premium Tax*

Florida imposes a 1.75 percent tax on most Florida insurance premiums.<sup>56</sup> Insurance premium taxes are paid by insurance companies under ch. 624, F.S., and are remitted to DOR. These revenues are distributed to General Revenue with additional distributions to the Insurance Regulatory Trust Fund, the Police & Firefighters Premium Tax Trust Fund, and the Emergency Management Preparedness & Assistance Trust Fund. Net collections of insurance premium taxes are forecast to be \$900.7 million in FY 2019-20 with distributions to General Revenue of \$683.9 million.<sup>57</sup>

### *Severance Taxes on Oil and Gas Production*

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<sup>49</sup> The National Child Traumatic Stress Network, *Secondary Trauma and Child Welfare Staff: Guidance for Supervisors and Administrators*, [https://www.nctsn.org/sites/default/files/resources/secondary\\_trauma\\_child\\_welfare\\_staff\\_guidance\\_for\\_supervisors.pdf](https://www.nctsn.org/sites/default/files/resources/secondary_trauma_child_welfare_staff_guidance_for_supervisors.pdf) (Jan. 24, 2020).

<sup>50</sup> *Id.*

<sup>51</sup> The Florida Study of Professionals for Safe Families, *Examining the Impact of Self-Care on Work Related Outcomes*, <https://ficw.fsu.edu/sites/g/files/upcbnu1106/files/Research%20Briefs/FSPSF-Examining%20the%20Impact%20of%20Self-Care%20on%20Work-related%20Outcomes-190924.pdf> (last visited Jan. 24, 2020).

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> Ss. 220.11(2) and 220.63(2), F.S.

<sup>55</sup> *General Revenue Consensus Estimating Conference Comparison Report*, p.27, <http://edr.state.fl.us/Content/conferences/generalrevenue/grpackage.pdf> (last visited Jan. 23, 2020).

<sup>56</sup> S. 624.509, F.S. (Different tax rates apply to wet marine and transportation insurance, self-insurance, and annuity premiums.)

<sup>57</sup> *General Revenue Consensus Estimating Conference Comparison Report*, p.34, <http://edr.state.fl.us/Content/conferences/generalrevenue/grpackage.pdf> (last visited Jan. 23, 2020).

Oil and gas production severance taxes are imposed on persons who sever oil or gas in Florida for sale, transport, storage, profit, or commercial use.<sup>58</sup> These taxes are remitted to the DOR and distributed to General Revenue with additional distributions to the Minerals Trust Fund and to the counties where production occurred. Receipts from the severance taxes on oil and gas are estimated to be \$2.3 million in FY 2019-20<sup>59</sup> with distributions to General Revenue of \$1.9 million.

#### *Sales Taxes Paid by Direct Pay Permit Holders*

Section 212.183, F.S., authorizes DOR to establish a process for the self-accrual of sales taxes due under ch. 212, F.S. The process involves DOR granting a direct pay permit to a taxpayer, who then pays the taxes directly to DOR.<sup>60</sup> As of January 24, 2020, there were 589 taxpayers holding direct pay permits. Sales tax due as a result of the direct pay permits totaled approximately \$145 million in 2016.<sup>61</sup>

#### *Alcoholic Beverage Taxes*

Florida imposes excise taxes on malt beverages, wines, and other beverages.<sup>62</sup> The taxes are due from manufacturers, distributors and vendors of malt beverages, and from manufacturers and distributors of wine, liquor, and other specified alcoholic beverages. Taxes are remitted to the Division of Alcoholic Beverages and Tobacco (Division) in the Department of Business and Professional Regulation. The Division is responsible for supervising the conduct, management, and operation of the manufacturing, packaging, distribution, and sale of all alcoholic beverages in Florida.<sup>63</sup> Distributions of the excise taxes on alcoholic beverages are made to the General Revenue Fund, the Alcoholic Beverage and Tobacco Trust Fund, and Viticulture Trust Fund. Collections of alcoholic beverage taxes are forecast to be \$738.9 million in FY 2019-20 with distributions to General Revenue of \$300.0 million.<sup>64</sup>

### **Effect of Proposed Changes**

#### Child Protective Investigators

The bill directs DCF, in collaboration with the FICW, to develop an expanded career ladder for child protective investigator (CPI) professionals. The career ladder must include multiple levels of CPI classifications, corresponding milestones and professional development opportunities necessary for advancement, and compensation ranges. DCF must develop and submit a proposal for the expanded career ladder to the President of the Senate, the Speaker of the House of Representatives, and the Governor no later than October 1, 2020. The expanded career ladder is to provide clear pathways for career advancement for CPI professionals.

Additionally, the bill directs DCF to implement policies and programs that prevent and mitigate the impact of secondary traumatic stress and burnout among CPIs. The policies and programs include:

- Initiatives to encourage and inspire investigations staff, including posting material recognizing their achievements on a recognition wall within their unit's office.
- Formal procedures for providing support to relevant CPI staff after a critical incident such as a child fatality.

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<sup>58</sup> Ss. 211.02(1) and 211.025, F.S.

<sup>59</sup> *General Revenue Consensus Estimating Conference Comparison Report*, p.38, <http://edr.state.fl.us/Content/conferences/generalrevenue/grpackage.pdf> (last accessed Jan. 23, 2020).

<sup>60</sup> Section 212.183, F.S., and Rule 12A-1.0911, F.A.C. Direct pay permit holders include: dealers who annually make purchases in excess of \$10 million per year in any county; dealers who annually purchase at least \$100,000 of tangible personal property, including maintenance and repairs for their own use; dealers who purchase promotional materials whose ultimate use is unknown at purchase; eligible air carriers, vessels, railroads, and motor vehicles engaged in interstate and foreign commerce; and dealers who lease realty from a number of independent property owners.

<sup>61</sup> Emails from Department of Revenue staff, on file with the House Ways & Means Committee. Note that remittance data from 2016 is the most recent data available as of January 24, 2020.

<sup>62</sup> Ss. 563.05, 564.06, and 565.12, F.S.

<sup>63</sup> S. 561.02, F.S.

<sup>64</sup> *General Revenue Consensus Estimating Conference Comparison Report*, p.31, <http://edr.state.fl.us/Content/conferences/generalrevenue/grpackage.pdf> (last visited Jan. 23, 2020).



- Initial training upon appointment to a supervisory position and annual continuing education for all supervisors on preventing secondary traumatic stress and burnout among employees they supervise.
- Monitoring levels of secondary traumatic stress and burnout among individual employees and intervening as needed. DCF must closely attend to the levels of secondary traumatic stress and burnout among employees during the first two years after hire.
- Ongoing training in self-care for all CPI staff.

The programs may also include elements such as formal peer counseling and support programs. These policies and programs will address the secondary traumatic stress and burnout CPIs experience on the job, which can lead to a high turnover rate.

### Florida Institute of Child Welfare

The bill expands the functions of the FICW to inform, train, and engage social work students for a successful career in child welfare. The FICW and the FSU College of Social Work will work together to redesign the social work curriculum using interactive and interdisciplinary approaches and include opportunities for students to engage more with child welfare cases. The bill directs the FICW to disseminate the curriculum to other interested state universities and colleges and provide implementation support. Additionally, by November 1, 2020, the FICW will execute a contract for an evaluation of the curriculum. The FSU College of Social Work is to implement the curriculum during the 2021-2022 school year.

Additionally, the bill directs the FICW to design and implement a career-long professional development curriculum for child welfare professionals at all levels and from all disciplines. The professional development curriculum must enhance the performance of the current child welfare workforce, address issues related to retention, complement the redesigned social work curriculum and be developed using social work principles. Through the FICW, the professional development curriculum will provide career-long coaching, training, certification, and mentorship. The FICW must provide the professional support on a continuous basis through online and in-person services.

Finally, the bill requires the FICW to establish a consulting program for child welfare organizations to enhance workforce culture, supervision, and related management processes to improve retention, effectiveness, and overall staff well-being. The FICW will select child welfare interested child welfare organizations through a competitive application process and provide support from a team of experts on a long-term basis to address operational workforce challenges. This will create positive workplace environments for the child welfare staff who have engaged in the FICW's other workforce development efforts under the bill.

These efforts may lead to better retention of the child welfare workforce and improve service quality.

### Accountability

The bill directs the sheriffs providing child protective services and contracted attorneys providing children's legal services to adopt the child welfare practice model and be held to the standards, processes and outcome measurements as those employed by DCF. The bill directs DCF to conduct an annual program performance evaluation that is standardized statewide and used with random cases selected by DCF. The annual report will also include data and information on sheriffs or contracted attorneys providing services and those performed by DCF. Additionally, the bill directs sheriffs and contracted attorneys to work in collaboration on monitoring performance on an ongoing basis. The bill directs the sheriffs and contracted attorneys and DCF to meet at least quarterly to collaborate on federal and state quality assurance and quality improvement initiatives.

The bill provides a sunset provision for the grant or contract of these services on July 1, 2023, unless saved from repeal by the Legislature. After this date, if not saved from repeal, DCF would perform all child protective investigative services and children's legal services, and DCF will not have the authority to grant or contract with others to provide these services.

This will ensure that DCF's partners who provide the same services as DCF staff will be held to the same standards, processes, and outcome measures and that performance information will be more readily available.

### Community- and Faith-Based Organizations

The bill requires the local community alliances to include as a member an individual representing faith-based organizations involved in efforts to prevent child maltreatment, strengthen families, or promote adoption. The bill also includes as an alliance duty to work with community- and faith-based organizations to encourage their involvement in the community system of care and connect them with CBCs. The bill requires the community alliance to ensure the CBCs are aware of programs provided by community- and faith-based organizations, and assist and work to facilitate the CBCs' appropriate use of such resources.

Additionally, the bill directs CBCs to name a staff member as a liaison to community- and faith-based organizations and have a process for ensuring CBCs are aware of the services these organizations offer.

### Tax Credit

#### *Tax Credits for Contributions to Eligible Charitable Organizations*

The bill creates s. 402.60, F.S., known as the Children's Promise Tax Credit Program. This program provides tax credits for businesses that make monetary donations to certain eligible charitable organizations that provide services focused on child welfare and well-being. The tax credits are a dollar-for-dollar credit against certain tax liabilities.

The tax credit can be taken against the business's liability for several state taxes, including:

- Corporate income tax,
- Insurance premium tax,
- Severance taxes on oil and gas production,
- Alcoholic beverage tax on beer, wine, and spirits, or
- Self-accrued sales tax liability of direct pay permit holders.

New sections are created in each of the applicable tax chapters to create the credit authorized in s. 402.60, F.S., as discussed further below.

#### *Certification and Responsibilities of Eligible Charitable Organizations*

To qualify for the program, an eligible charitable organization must be exempt as a 501(c)(3) organization under the Internal Revenue Code, must be a Florida entity with its principal office in the state of Florida, and must provide services to:

- Prevent child abuse, neglect, abandonment, or exploitation;
- Enhance the safety, permanency, or well-being of children who have child welfare involvement;
- Assist families who have children with a chronic illness or physical, intellectual, developmental, or emotional disability; or
- Provide workforce development services to families of children eligible for a federal free or reduced-price meals program.

An eligible charitable organization cannot:

- Provide abortions, pay for or provide coverage of abortions or financially support any other entity that provides, pays for or provides coverage of abortions, or
- Receive more than 50% of its total annual revenue from DCF or the Agency for Persons with Disabilities, either directly or indirectly.

In addition, to participate in the program, the organization must:

- Have a contract or written referral agreement with, or reference from, DCF, a CBC, a managing entity, or the Agency for Persons with Disabilities to provide the services listed above;
- Apply to DCF for designation as an eligible charitable organization; and
- Provide one-time and ongoing information as requested by DCF.

An eligible charitable organization must spend 100% of the funds received under this program on direct services for Florida residents for an approved purpose under the Children's Promise tax credit. It must also conduct background screenings on all volunteers and staff working with children in any programs funded by the program. In addition, the organization must annually provide a copy of its most recent IRS Return of Organization Exempt from Income Tax form (Form 990), hire an independent certified public accountant to conduct an audit of the organization, and provide the audit report to DCF within 180 days after completion of the organization's fiscal year.

### *Responsibilities of the Department of Children and Families*

DCF would be responsible for reviewing and approving or denying applications from potential eligible charitable organizations. It must also review and designate eligible charitable organizations each year. DCF is also responsible for creating and maintaining a section of their website dedicated to this tax credit program and providing information on the process for becoming an eligible charitable organization, a list of current eligible charitable organizations, and the process for a taxpayer to select an eligible charitable organization as the recipient of funding through the tax credit program.

### *Revenue Sources*

#### Corporate Income Tax

The bill creates s. 220.1876, F.S., which, beginning January 1, 2021, authorizes a credit of 100% of an eligible contribution to an eligible charitable organization against any tax due under ch. 220, F.S., for corporate income tax.

#### Insurance Premium Tax

The bill creates s. 624.51056, F.S., which, beginning January 1, 2021, authorizes a credit of 100% of an eligible contribution to an eligible charitable organization against any tax due under s. 624.509(1), F.S.

#### Severance Taxes on Oil and Gas Production

The bill creates s. 211.0252, F.S., which, beginning July 1, 2021, authorizes a credit of 100% of an eligible contribution to an eligible charitable organization against any tax due under ss. 211.02 or 211.025, F.S., for oil or gas production. However, the credit may not exceed 50% of the tax due on the return the credit is taken, and this credit may be used only after any credit under s. 211.0251, F.S., has been used, up to a total of 50% of the liability on the return. The bill directs DOR to disregard tax credits under this section for purposes of the distributions of tax revenue under s. 211.06, F.S., so that only amounts distributed to the General Revenue Fund are reduced.

#### Sales Taxes Paid by Direct Pay Permit Holders

The bill creates s. 212.1833, F.S., which, beginning July 1, 2021, authorizes a credit of 100% of an eligible contribution to an eligible charitable organization against any state sales tax due from a direct pay permit holder as a result of the direct pay permit held pursuant to s. 212.183, F.S. The bill directs DOR to disregard tax credits under this section for purposes of the distributions of tax revenue under s. 212.20, F.S., so that only amounts distributed to the General Revenue Fund are reduced. Any taxpayers claiming a tax credit against this tax must file returns and pay taxes by electronic means.

## Alcoholic Beverage Taxes

The bill creates s. 561.1212, F.S., to authorize a credit of 100% of an eligible contribution to an eligible charitable organization against tax due under ss. 563.05, 564.06, or 565.12, F.S., except for taxes imposed on domestic wine production, beginning January 1, 2021. Further, the credit is limited to 90% of the tax due on the return the credit is taken. The division is directed to disregard tax credits under this section for purposes of the distributions of tax revenue under ss. 561.121 and 564.06(10), F.S., so that only amounts distributed to the General Revenue Fund are reduced.

### *Application and Approval of Tax Credits by DOR*

Businesses that wish to participate in the program by making a donation to an eligible charitable organization must apply to DOR beginning October 1, 2020, for an allocation of tax credit. The taxpayer must specify in the application each tax for which the taxpayer requests a credit, the applicable taxable year for a credit under ss. 220.1876 or 624.51056, F.S., relating to the corporate income and insurance premium tax credits, and the applicable state fiscal year for a credit under ss. 211.0252, 212.1833, or 561.1212, F.S., relating to oil and gas production, direct pay permit sales, and alcoholic beverage tax credits, respectively. The DOR is required to approve the tax credits on a first-come, first-served basis and must obtain the approval of Division of Alcoholic Beverages and Tobacco in the Department of Business and Professional Regulation's prior to approving an alcoholic beverage tax credit under s. 561.1212, F.S.

Any unused credit may be carried forward up to ten years. The bill generally does not allow a taxpayer to convey, assign, or transfer the credit to another entity unless all of the assets of the taxpayer are conveyed, assigned, or transferred in the same transaction. Upon approval of the DOR, transfers may be made between members of an affiliated group of corporations if the credit transferred will be taken against the same type of tax.

### *Rescinding Tax Credits*

A taxpayer may apply to the DOR to rescind all or part of an approved tax credit. The amount rescinded becomes available for that state fiscal year to another eligible taxpayer as approved by the DOR if the taxpayer receives notice that the rescindment has been accepted.

### *Cap on Annual Tax Credit Approvals*

The annual tax credit cap for all credits under this program is \$5 million per state fiscal year.

### *Provisions Specific to Corporate Income Tax*

The bill amends two additional corporate income tax provisions related to the ordering and administration of tax credits to:

- Specify the order that credits for contributions to eligible charitable organizations are to be claimed relative to other credits authorized under Ch. 220, F.S., and
- Add tax credit amounts claimed under s. 220.1876, F.S., back to taxable income for the purpose of determining a taxpayer's "adjusted federal income."

The bill provides rulemaking authority to the DOR, DCF, and DBPR. In addition, the DOR is granted emergency rulemaking authority for purposes of implementing the act. An appropriation of \$208,000 is provided to DOR for implementation costs.

The bill directs the FICW to perform an analysis of the tax credit and the use of the funds and submit a report to the Governor, the Speaker of the House of Representatives, and President of the Senate by October 31, 2024.

The bill takes effect July 1, 2020.

**B. SECTION DIRECTORY:**

**Section 1:** Providing a short title.

**Section 2:** Amending s. 20.19, F.S., relating to Department of Children and Families.

**Section 3:** Amending s. 39.3065, F.S., relating to sheriffs of certain counties to provide child protective investigative services; procedures; funding.

**Section 4:** Creating s. 211.0252, F.S., relating to credit for contributions to eligible charitable organizations.

**Section 5:** Creating s. 212.1833, F.S., relating to credit for contributions to eligible charitable organizations.

**Section 6:** Amending s. 220.02, F.S., relating to legislative intent.

**Section 7:** Amending s. 220.13, F.S., relating to “adjusted federal income” defined.

**Section 8:** Amending s. 220.186, F.S., relating to credit for Florida alternative minimum tax.

**Section 9:** Creating s. 220.1876, F.S., relating to credit for contributions to eligible charitable organizations.

**Section 10:** Creating s. 402.60, F.S., relating to the Children’s Promise Tax Credit.

**Section 11:** Amending s. 402.402, F.S., relating to child protection and child welfare personnel; attorneys employed by the department.

**Section 12:** Amending s. 409.996, F.S., relating to duties of the Department of Children and Families.

**Section 13:** Amending s. 409.988, F.S., relating to lead agency duties; general provisions.

**Section 14:** Creating s. 561.1212, F.S., relating to credit for contributions to eligible charitable organizations.

**Section 15:** Creating s. 624.51056, F.S., relating to credit for contributions to eligible charitable organizations.

**Section 16:** Amending s. 1004.615, F.S., relating to Florida Institute for Child Welfare.

**Section 17:** Authorizes DOR to adopt emergency rules.

**Section 18:** Requires the Florida Institute of Child Welfare to perform an analysis of the tax credit.

**Section 19:** Directs the Department of Children and Families to create a career ladder for child protective investigators.

**Section 20:** Provides an appropriation to the Department of Revenue.

**Section 21:** Provides an effective date of July 1, 2020.

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

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

The Revenue Estimating Conference, on January 31, 2020, estimated that the bill will reduce state General Revenue by \$5 million annually.

2. Expenditures:

There will be non-recurring operational impacts of approximately \$208,000 on DOR. Ongoing operational impacts on DOR will be accommodated within current resources.

The fiscal impact on the FICW for its expanded duties is indeterminate.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

The sheriffs providing child protective services may have additional expenditures due to the expanded quality assurance duties in the bill; however, this may be absorbed through the existing resources provided through their grants for the purpose of conducting investigations.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

To the degree a community-based care lead agency is not currently working with community-based and faith-based organizations, it will need to make an effort to form relationships and inform staff of the services offered. However, this may reduce the CBC's expenditures on services if the services provided by community-based and faith-based organizations reduce the number of families needing CBC services or the amount of time families need services paid for by the CBC. Additionally, increasing the services provided to children and families may lead to better outcomes for children, such as achieving permanency for children more quickly.

D. FISCAL COMMENTS:

The proposed General Appropriations Act for FY 2020-21 includes \$8,000,000 to fund a quality assurance program for all providers and clients within DCF. The program will consist of two units that will conduct case reviews and on-site reviews across the child welfare and behavioral health systems of care. Additionally, it includes \$10,000,000 to expand the functions of the FICW at FSU to implement the provisions in the bill.

An appropriation of \$208,000 to DOR is included for one-time implementation costs.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable, This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill provides rulemaking authority to the DOR, DCF, and DBPR. In addition, DOR is granted emergency rulemaking authority for purposes of implement the tax credit program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 11, 2020, the Ways and Means Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Adjusts implementation of the tax credit program so that it is staggered over the course of a year.
  - Under the revised implementation timeline, taxpayers can begin requesting allocations on October 1, 2020.
  - Credits can be taken against corporate income tax, insurance premium taxes, or alcoholic beverage taxes on returns beginning January 1, 2021.
  - Credits can be taken against severance taxes or self-accrued sales tax beginning July 1, 2021.
- Clarifies how the tax credit is to be calculated and applied against severance taxes if the taxpayer also has a credit against those taxes from the existing Florida Tax Credit Scholarship Program.

- Requires taxpayers who wish to use their credit against self-accrued sales tax to file their returns and pay sales tax electronically.
- Clarifies that the Department of Revenue and Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation are authorized to share taxpayer information related to the administration of the program.
- Updates cross-references to correct drafting errors and adds a definition to clarify the tax credit cap amount for the credit program.
- Adds an appropriation for the Department of Revenue to help with one-time implementation costs.

This analysis is written to the committee substitute as reported favorably by the Ways and Means Committee.