

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1902

SPONSOR: Committee on Children & Families
and Senator Clary

SUBJECT: Reorganization Plans

DATE: March 17, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Barnes</u>	<u>Whiddon</u>	<u>CF</u>	<u>Favorable/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 1902 waives certain provisions under s. 20.19, F.S., 1998 Supp., until July 1, 2000, in order for the Secretary of the Department of Children and Family Services to organize programs, districts, and functions of the department to achieve a more effective and efficient service delivery system and to improve accountability. The provisions of s. 20.04, F.S., will not affect the implementation of this authority. The Secretary must submit a report by August 1, 1999, describing actions that have been taken and additional plans for operating the department's programs and services under those provisions waived by this bill in s. 20.19, F.S., 1998 Supp.

The bill directs the Secretary of the Department of Children and Family Services to submit a comprehensive plan for department reorganization to the Governor and the Legislature by January 1, 2000.

II. Present Situation:

In 1975, ch. 75-48, L.O.F., reorganized the Department of Health and Rehabilitative Services transferring operational responsibilities to a local service district level under a single administrator in an effort to resolve the problems associated with providing and coordinating health and human services to the "multi-problem" client. Prior to the program divisions were abolished and program offices were created, and eleven service districts were established with a district administrator having line authority over all programs and services within that district.

Since 1975, other major organizational changes or program divestitures have occurred that include:

- 1986 • Vocational Rehabilitation transferred to the Department of Labor.

- 1991 • Programs relating to elderly services transferred to the newly created Department of Elderly Affairs.
- 1992 • Health regulation functions transferred to the newly created Agency for Health Care Administration.
 - Four additional service districts created for a total of 15.
- 1993 • Medicaid transferred to the Agency for Health Care Administration.
- 1994 • Child support enforcement program transferred to the Department of Revenue.
- 1996 • All health-related programs and functions transferred to the new Department of Health.
 - Renaming the department as the Department of Children and Family Services with responsibility for: child welfare, child care, economic services, developmental services, mental health, substance abuse, disabled adults, and adult protective services.

Currently, subsections of s. 20.19, F.S., 1998 Supp., address the following major areas relating to the department's organizational structure and programs: mission and purpose; secretary of children and family services and deputy secretary; office of standards and evaluation; certification program for department employees; program offices; assistant secretary for administration; service districts; health and human services boards; district nominee qualifications review committees; district administrator; statewide health and human services board; departmental budget; conformity with federal statutes and regulations; information services; eligibility requirements; purchase of services; contracting and performance standards; headquarters and service facilities; procurement of health services; consultation with counties on mandated programs; outcome evaluation and program effectiveness; and innovation zones.

Rule making provisions are included in s. 20.19(4), F.S., 1998 Supp., for certification programs for family safety and preservation employees and agents and in s. 20.19(17), F.S., 1998 Supp., for contracted services. All other rules pertaining to the programs and services of the department are included in other sections of Florida's laws.

Since 1975, there have been many discussions and debates on the organizational structure of the department's programs and services. In 1977, the National Academy of Public Administration (NAPA), upon the request of the Secretary, completed an independent evaluation of the department's 1975 reorganization and concluded that the department's management had failed in implementing the decentralization of many administrative support systems. In 1986, the National Academy of Public Administration again evaluated the extent to which the department had met its mission of effective and efficient delivery of health, rehabilitative, and social services stating in a report that to a significant extent, operations of the department had not been transformed as intended by the reorganization's supporters. With respect to the integration of services, the panel found that many gaps remained in the service delivery system that impacted negatively on service delivery.

More recent discussion of the department's problems are focused on the lack of accountability and inconsistent program planning and policy implementation. The current arrangement which provides for program planning and policy development activities and the operation of the department's services and programs to be carried out by separate organizational entities results in a bifurcated organizational structure. This structure has created problems in assuring that

programs and policies passed by the Legislature are implemented consistently throughout the state. Except for the secretary, there is no single program leader who is accountable for the implementation of policies and the operation of programs within a program area. The existence of 15 district offices and layers of management between the department’s leadership and the community-based workers are examples of cost inefficiencies, particularly hard to justify when fiscal resources for client services are so scarce.

The recent tragic child deaths have raised many questions and issues about the child protection system that is operated by the department such as the high turnover of front line staff, inadequate level of professionalism, lack of effective training and job expertise, weak supervision, poor staff morale due to frequent public criticism and negative publicity, and inadequate salary compensation in critical staff positions.

Other issues impacting the department’s performance and accountability include: inequitable statewide distribution of program resources, categorical funding through 105 budget categories, deficiencies in administrative support resulting in poor management and monitoring of provider contracts, lack of program oversight and quality assurance, and inadequate or no price level funding or annual increases for contract providers to assist with inflation and improve programs.

Recent legislative initiatives designed to address the problems associated with accountability and improving the delivery of programs and services include performance based program budgeting and the privatization of additional programs and services under the department’s jurisdiction. As the implementation of privatization progresses, it is essential that the department focus on improving the process of contract management and compliance monitoring to assure fiscal integrity and the achievement of performance outcomes by the private entities.

III. Effect of Proposed Changes:

CS/SB 1902 waives certain provisions in s. 20.19, F.S., 1998 Supp., until July 1, 2000, so that the Department of Children and Family Services may organize programs, districts, and functions to achieve a more effective and efficient service delivery system and to improve accountability. (The provisions of s. 20.04, F.S., will not apply in these areas during this reorganization activity.) Provisions in s. 20.19 F.S., 1998 Supp., that are waived include the following:

Subsection/Paragraph /Subparagraph Waived	Substantive Provision
s. 20.19(2)(b)	Appointment of a deputy secretary by the Secretary who performs duties as assigned by the Secretary.
s. 20.19(2)(f)	Establishment of regional processing centers.
s. 20.19(3)	Office of Standards and Evaluation and specified responsibilities.

Subsection/Paragraph /Subparagraph Waived	Substantive Provision
s. 20.19(5)(a)	Program Offices with each office headed by an assistant secretary and specified responsibilities.
s. 20.19(6)(a)	Appointment of an Assistant Secretary for Administration and specified responsibilities.
s. 20.19(6)(c)	Annual evaluation by the Assistant Secretary for Administration on the methods used by each program to ensure fiscal accountability of each contracted provider of services with a report to the Legislature.
s. 20.19(6)(d)	Evaluation by the Assistant Secretary for Administration on the administrative operations of the service districts.
s. 20.19(8)(l)	Responsibility of the health and human services boards for local family services planning with all local plans being submitted to the board for their review.
s. 20.19(8)(m)	Annual operating agreement between the Secretary and the health and human services boards.
s. 20.19(8)(n)	Dispute resolution provisions included in the annual agreement between the board and secretary.
s. 20.19(8)(o)	Responsibilities of the health and human services boards.
s. 20.19(9)	District nominee qualifications review committees.
s. 20.19(10)(a)	Appointment of a district administrator for each service district by the Secretary.
s. 20.19(10)(b)	Screening applicants for vacant district administrator positions by the health and human services boards, upon notification of the secretary, and submitting the names of 3 to 5 qualified candidates to the secretary.
s. 20.19(10)(c)(1-7)	Duties of the district administrators.
s. 20.19(10)(d)	Consolidation of administrative functions in two or more districts by the district administrators in order to achieve more efficient and effective performance of service delivery and support functions.
s. 20.19(10)(e)	Program consolidation at the district level.
s. 20.19(10)(f)	Functions of the district manager for administrative services.

Subsection/Paragraph /Subparagraph Waived	Substantive Provision
s. 20.19(10)(g)	Establishment of an interdisciplinary contract evaluation team to by each district administrator to assess district contracts and contractor performance.
s. 20.19(12)(d)	Development of the annual district budget request by the district administrator, in conjunction with the health and human services board.

The bill requires that the Secretary of the department submit a report to the Governor and the Legislature no later than August 1, 1999, describing actions that have been taken and additional plans for implementing the provisions that are being waived under this bill.

Provisions under s. 20.19, F.S., 1998 Supp., that are not waived by this bill include: the mission of the department, responsibilities of the Secretary, certification program for family safety and preservation employees and agents, service districts, the composition of the district health and human services boards, the Statewide health and human services board, most departmental budget provisions, conformity with federal statutes and regulations, information systems, contracting and performance standards, outcome evaluation and program effectiveness, consultation with counties on mandated programs, procurement of health services, and innovation zones.

The CS/SB 1902 requires that the Secretary of the Department of Children and Family Services submit a comprehensive reorganization plan to the Governor, Speaker of the House of Representatives, and President of the Senate no later than January 1, 2000. The comprehensive reorganization plan must: 1) describe the organizational and program restructuring activities that have occurred since the act's effective date, including indications of department's improved ability to carry out the statutory mission in s. 20.19, F.S., 1998 Supp., and any organizational efficiencies; 2) what strategies proved to be ineffective or inefficient; 3) any recommendations for reorganization, including program and organizational restructuring; and 4) any statutory revisions.

The CS/SB 1902 specifies that the provisions of this bill do not impair the operation of any other statutory responsibility or the rules promulgated under their authority.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
