

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 2250

SPONSOR: Committee on Children and Families and Senator Diaz-Balart

SUBJECT: Privatization of Foster Care and Related Services

DATE: March 30, 1999 **REVISED:** _____

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

I. Summary:

Committee Substitute for Senate Bill 2250 modifies the duties of the child welfare estimating conference by specifying that forecasts may be developed for the placements in which abused, neglected, or abandoned children may be placed such as emergency shelter, foster care, residential group care, adoptive services, or other appropriate care and specifies that factors other than the actual reports made to the abuse hotline may be considered in projecting the future number of initial and additional reports of abuse, abandonment, or neglect made to the abuse hotline.

The bill specifies that the department’s employees who provide foster care and related services whose positions are being privatized be given hiring preference by the private providers if those persons meet the provider’s qualifications.

The bill specifies that a licensed family foster home under contract with a lead agency may also be licensed as a family day care home if certain requirements are met. These homes would be able to receive the subsidized child care rate which would increase their monthly income from the state of Florida by approximately \$260 per child.

The bill adds Broward County to those designated counties that either the state attorney or the Office of the Attorney General shall provide child welfare legal services and the bill changes the date for the department to privatize foster care and related services in District 5 (Pinellas and Pasco Counties) from December 31, 1999, to June 30, 2000.

The bill authorizes the Agency for Health Care Administration, in consultation with the Department of Children and Family Services, to establish a targeted case management pilot project in those counties identified by the department, and for the community-based child welfare project in Sarasota and Manatee Counties as authorized under s. 409.1671, F.S., 1998 Supp. The group of persons eligible to receive targeted case management would be Medicaid eligible children, ages 0-21, who are under protective or post placement supervision, foster care supervision or who are in shelter or foster care. These children eligible under the Medicaid

program to receive targeted case management services will be limited to the group for whom the department has available match to cover the costs. The general revenue required for match for services provided by the community-based child welfare projects is limited to funds available for services described under s. 409.1671, F.S., 1998 Supp.

This bill substantially amends sections 216.136, 409.1671, and 409.912, Florida Statutes.

II. Present Situation:

Consensus Estimating Conference

Section 216.136, F.S., 1998 Supp., establishes an estimating conference process to provide an estimate and forecast of future caseloads for the purpose of providing information for planning and budgeting. A Child Welfare System Estimating Conference was established in 1990 to develop information relating to the child welfare system of the state to include forecasts of child abuse and neglect reports. The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff who have forecasting expertise from the Department of Children and Family Services, the Senate, and the House of Representatives, or their designees, are the principals of the Child Welfare Estimating Conference.

The department or its contracted community-based providers must serve all abused and neglected children with the funds that are appropriated by the Legislature and federal funds earned under titles IV-B and IV-E of the Social Security Act. The department reports that when there are dramatic increases in caseloads, the amount of resources available to abused children and their families is not sufficient. According to the department, there is particularly a shortage of funds for the community-based lead agencies that are assuming responsibility for services to abused and neglected children in their area as part of the privatization of foster care and related services under s. 409.1671, F.S., 1998 Supp.

Privatization of Foster Care and Related Services

The Department of Children and Family Services began privatizing child welfare services in several Florida communities in the early 1990s by purchasing an extensive array of services from private sector providers such as Florida Sheriff's Youth Association and the Children's Home Society. Of Florida's \$373 million child protection budget, \$240 million or 63 percent are spent on services provided by the private sector.

Chapter 96-402, L.O.F., amended s. 409.1671, F. S., 1998 Supp., to include provisions for the department to contract with competent community based agencies for the provision of foster care and related services. As expressed in the legislation, the Legislature believed that privatizing child welfare services would strengthen the support and commitment of communities to the reunification of families and that privatized care of children and families would result in efficiencies and increased accountability. Privatized "related services" specified in statute include family preservation, independent living, emergency shelter, residential group care, foster care, therapeutic foster care, intensive residential treatment, foster care supervision, case management, permanent foster care, and family reunification. Pursuant to this legislation, the department established privatization model programs during FY 1996-97 in Districts 1, 4, 13, Subdistrict 8A.

Chapter 98-180, L.O.F., provided direction to the department and the communities on the privatization of foster care and related services through contracts with eligible lead community-based providers. The term “eligible lead community-based provider” is defined in s. 409.1671(1)(b), F.S., 1998 Supp., as a single agency that contracts with the department for the provision of child protective services in a community that is no smaller than a county. The law provided that either the state attorney or the Office of the Attorney General shall provide child welfare legal services under ch. 39, F.S., and other legal provisions in Sarasota, Pinellas, Pasco, and Manatee Counties, beginning in fiscal year 1999-2000. The law directed the department to privatize all foster care and related services in District 5 (Pinellas and Pasco Counties), beginning January 1, 1999, and continuing at least through December 31, 1999; to continue the current model programs in Districts 1, 4, and 13; and to incorporate Manatee County into the Subdistrict 8A program. The department is directed to submit a plan by July 1, 1999, to phase in privatization statewide over a 3 year period beginning January 1, 2000.

The community-based provider selected in District 5 to operate the child welfare programs in Pinellas and Pasco Counties is Devereux Florida Treatment Network. According to the department, the contract with Devereux will not be effective until July 1, 1999, which is insufficient time for transitioning services by December 31, 1999.

The department estimates that by January 1, 2003, the privatization of child welfare services will result in 2,114 career service employees being adversely affected because they provide services to abused and neglected children and families for the department. Many of these persons are long-term employees who have a strong desire to continue their professional work with this population. They possess the training and certification to perform the services that are being transferred to the community-based agencies. Most of these employees will not be able to exercise their “bumping rights” under the traditional lay-off procedures because they do not have career service status in positions that will remain available in the department’s organizational structure.

Substitute Care Providers

Children who are placed in family foster homes licensed under s. 409.175, F.S., 1998 Supp., who qualify for subsidized child care may receive day care services in any contracted child care facility licensed under s. 402.308, F.S., or in a family day care home licensed under s. 402.313, F.S. Currently, there is no statutory provision for family foster homes to be licensed as family day care homes. Foster families who work outside the home must transport these children daily to a licensed child care facility. Preschool children with behavior problems need a stable environment and moving that child to a different environment for day care could be very disruptive to the child as well as to other children in the day care facility. According to the department, the average child care expenditure is \$3,125 per year.

Medicaid Services

The General Appropriations Act for FY 1998-99 included proviso language authorizing that no more than \$1,470,921 from the special category, Therapeutic Services for Children, be used for the establishment of a targeted case management program in Sarasota County for children who have been victims of abuse and neglect. Proviso language directed the department to transfer up to \$650,000 from the Family Safety and Preservation Program to cover state costs.

III. Effect of Proposed Changes:

Consensus Estimating Conference

CS/SB 2250 amends s. 216.136, F.S., 1998 Supp., specifying that the child welfare system estimating conference would include forecasts of child welfare caseloads for state planning and budgeting purposes. The bill provides for estimates and projections to be developed for the placements in which the children alleged to be victims of child abuse, abandonment, or neglect may be placed such as emergency shelter, foster care, residential group care, adoptive services, or other appropriate care. The bill specifies that factors other than the actual number of reports made to the abuse hotline may be considered in projecting the number of future reports of abuse, abandonment, or neglect made to the abuse hotline.

Privatization of Foster Care and Related Services

The bill requires that the department's employees who provide foster care and related services whose positions are being privatized be given hiring preference by the private providers if those persons meet the provider's qualifications.

The bill amends s. 409.1671, F.S., 1998 Supp., by: adding Broward County to those designated counties for either the state attorney or the Attorney General to provide child welfare legal services and changing the date from December 31, 1999, to June 30, 2000, for the department to privatize foster care and related services in District 5 (Pinellas and Pasco Counties).

Substitute Care Providers

The bill amends s. 409.1671, F.S., 1998 Supp., allowing a family foster home licensed under s. 409.175, F.S., 1998 Supp., and under contract with a lead agency pursuant to s. 409.1671, F.S., 1998 Supp., to also be licensed under s. 402.313, F.S., as a family day care home if consistent with federal law and other requirements are met. Dual licensure under the provisions of this bill would allow licensed family foster homes to receive the subsidized child care rate which would increase their monthly state income for this purpose by approximately \$260 per child. These homes could be dually licensed only if care is provided 24 hours per day. The bill provides no cap regarding the number of children in a foster home for whom the subsidy may be earned, however a foster home may have no more than five minors in the home which includes the children of the foster parents.

The department does not have written approval from the federal Health Care Financing Administration that a home licensed as a foster family home and as a family day care home may receive two payments from the federal government (the foster care board rate and the subsidized child care rate). The bill does not specify that the implementation of this provision must be consistent with federal law.

Medicaid Services

CS/SB 2250 authorizes the Agency for Health Care Administration, in consultation with the Department of Children and Family Services, to establish a targeted case management pilot project in those counties identified by the department, and for the community-based child welfare project in Sarasota and Manatee Counties as authorized under s. 409.1671, F.S., 1998 Supp. These projects would be established for the purpose of determining the impact of targeted case management on the child welfare program and the earnings from the child welfare program. Results of the pilot projects would be reported to the Child Welfare Estimating Conference and the Social Services Estimating Conference established under s. 216.136, F.S., 1998 Supp. The number of projects could not increase until requested by the department, recommended by the Child Welfare Estimating Conference and the Social Services Estimating Conference, and approved by the Legislature. The covered group of persons eligible to receive targeted case management would be children who are eligible for Medicaid, between the ages of birth through 21 years of age, and who are under protective or post placement supervision, under foster care supervision, or in shelter or foster care. The number of children eligible to receive targeted case management will be limited to the number for whom the department has available match to cover the costs. The general revenue required for match for services provided by the community-based child welfare projects is limited to funds available for services described under s. 409.1671, F.S., 1998 Supp.

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:

If the child welfare estimating conference shows an increase in caseloads, the department's future legislative budget request for child welfare services could increase.

The provision relating to designated community-based agencies providing child welfare targeted case management services would not require any new general revenue funds as existing general revenue funds in the department would be used to match federal Medicaid funds.

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.
