

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

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Prepared By: Health and Human Services Appropriations Committee

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BILL: CS/SB 408

SPONSOR: Health and Human Services Appropriations Committee and Senator Saunders

SUBJECT: Children & Family Services Dept.

DATE: March 23, 2005

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hardy</u>	<u>Peters</u>	<u>HA</u>	<u>Fav/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This bill substantially amends sections 414.065, 414.095, 414.105 and repeals 414.32(2), Florida Statutes, simplifying eligibility determination policies in the Economic Self Sufficiency (ESS) program. This bill also repeals section 114 of Chapter 2004-267, Laws of Florida, revoking the statutory authority to privatize the ESS program.

## II. Present Situation:

### ESS Eligibility Determination Process

The ESS eligibility determination process is unnecessarily complicated, resulting in inefficiency and leading to potentially costly errors. In the appropriation acts for Fiscal Years 2003-2004 and 2004-2005, the legislature reduced this program by a total 750 full time equivalent positions and \$36.8 million, and included proviso language mandating the Department of Children and Families (DCF) to achieve administrative efficiencies in the ESS programs. In compliance with this mandate, DCF has implemented a modernized service delivery system, requiring substantial changes to the eligibility determination process.

### Section 414.065, Florida Statutes

Requires DCF to impose sanctions to recipients who fail to participate in assigned work activities resulting in the loss of Temporary Cash Assistance (TCA) and food stamp benefits. The penalty periods for TCA are different from those imposed by the food stamp program. Because TCA participating families who are subject to work requirements also receive food stamps, the differences between the two programs create a complex and overlapping process that is difficult for staff to administer and recipients to understand.

Section 414.095(2) (a) 4, Florida Statutes

Requires a minor child to reside with a custodial parent(s) or with a relative caregiver(s), or "in a setting approved by the department." The federal Temporary Assistance for Needy Families (TANF) program does not authorize TANF funds for children living with non-relatives unless these children are minor parents caring for their own dependent children. Pursuant to federal regulation 45 Code of Federal Regulation 233.107, minor parents and their children must reside in the household of a parent, legal guardian, other adult relative, or in an adult-supervised supportive living arrangement.

Section 414.095(4), Florida Statutes

Expands TCA eligibility to stepparents through complex requirements that vary according to family composition and income. This statutory provision has never been implemented because implementation would require significant changes to the department's information systems.

Section 414.105, Florida Statutes

Sets limits on the maximum time a family can receive temporary cash assistance. This section also imposes two types of interim time limits: twenty-four cumulative months in any consecutive sixty month period, or thirty-six cumulative months in any consecutive seventy-two month period. It also provides for a maximum lifetime limit of forty-eight months per family, with multiple exceptions and extensions that are confusing for program participants and staff.

Section 414.32, Florida Statutes

Authorizes DCF to deny food stamp eligibility to individuals who are delinquent in court-ordered child support payments by virtue of having arrearages. The department implemented this food stamp option, but rescinded the policy in 2002, when a client successfully appealed the application of this ruling to the USDA Food and Nutrition Services (FNS). FNS notified the department that disqualification for food stamps on the basis of this policy could only apply to the month in which child support payments were not made, and that parents had until the end of each month to be declared delinquent. This federal interpretation meant that food stamp benefits would need to be authorized on a month-by-month basis.

**Privatization of ESS Eligibility Determination**

Section 114 of Chapter 2004-267, Laws of Florida, authorized DCF to privatize the ESS eligibility determination program within certain limitations. This section of law is no longer necessary because DCF has since determined that it would be more efficient to perform this function with in-house staff and modernize the process.

**III. Effect of Proposed Changes:**

The changes to the ESS eligibility determination process proposed in PCS/SB 408 are necessary components of the redesign and modernization of the Economic Self Sufficiency eligibility program. Without these changes, DCF will not be able to implement the cost efficiencies mandated by the 2003 and 2004 legislatures and proposed by the Senate Health and Human Services Appropriations Committee for Fiscal Year 2005-2006.

**Section 1.** Amends section 414.065(1), Florida Statutes, to change the temporary cash assistance sanction requirements to those required by the Food Stamp Program in policy 7 Code of Federal Regulation 273.7. The effect of this amendment is to strengthen Florida's penalties for non-compliance with required work activities.

**Section 2.** Amends section 414.095(2) (a) 4, Florida Statutes, to change the temporary cash assistance eligibility requirements for minor children to match the federal program requirements. This section also amends section 414.095(4), Florida Statutes, to delete the language authorizing stepparents to receive temporary cash assistance. Since DCF has never implemented this statutory provision, this revision resolves the current state of non-compliance with statutory directive.

**Section 3.** Amends section 414.105, Florida Statutes, to remove the language authorizing interim cash assistance time limits and standardize a maximum lifetime limit of forty-eight months, with limited hardship extensions. Streamlining the temporary cash assistance time limits will promote consistent implementation of this policy. This section also removes language allowing a protective payee to receive cash assistance, and removes language mandating the composition of volunteer panels that review hardship exemptions.

**Section 4.** Repeals subsection 414.32(2), Florida Statutes, to remove language disqualifying individuals from receiving food stamps for any month in which the individual is delinquent in court-ordered child support payments. Striking this provision allows the state to forego the federal option and simplify administration. This amendment has no impact on client service dollars because food stamp benefits are 100% federally funded.

**Section 5.** Amends section 409.256, Florida Statutes, conforming cross references.

**Section 6.** Amends section 445.048, Florida Statutes, conforming cross references.

**Section 7.** Repeals Section 114 of Chapter 2004-267, Laws of Florida, authorizing DCF to privatize the ESS eligibility determination program within certain limitations. This section of law is no longer necessary because DCF has determined that it would be more efficient to provide this function with in-house staff and modernize the process.

**Section 8.** Provides an effective date of July 1, 2005

#### **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:

C. Government Sector Impact:

For Fiscal Years 2003-2004 and 2004-2005, the legislature reduced the Economic Self Sufficiency eligibility determination program by 750 full time equivalent positions and \$36.8 million, and included proviso language mandating the Department of Children and Families to achieve administrative efficiencies in the ESS programs.

For Fiscal Year 2005-2006, the Senate Health and Human Services Appropriations Bill proposes a reduction of an additional 245 full time equivalent positions and \$34.1 million

The ESS cumulative reduction is as follows:

	<b>FTE's</b>	<b>GR</b>	<b>TF</b>	<b>TOTAL</b>
FY 03-04		(7,408,886)	(7,408,886)	(14,817,772)
FY 04-05	(750.00)	(21,830,105)	(198,277)	(22,028,382)
FY 05-06	(245.00)	(6,720,040)	(27,411,788)	(34,131,828)
<b>TOTAL</b>	<b>(995.00)</b>	<b>(35,959,031)</b>	<b>(35,018,951)</b>	<b>(70,977,982)</b>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

## **VIII. Summary of Amendments:**

None.

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

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