

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill expands the categories of persons who are eligible for an adoption benefit when adopting a child whose permanent custody has been awarded to either the Department of Children and Family Services (DCF or department) or a Florida-licensed child-placing agency. It also expands the categories of persons eligible to be granted parental leave for a period of time not to exceed six months.

Empower families – Expanding the categories of individuals eligible to receive adoption benefits for adopting a child might lead to an increase in the number of children adopted.

B. EFFECT OF PROPOSED CHANGES:

Current Adoption Benefit for State Employees

Adoption benefits are currently provided for any full-time or part-time employee of the state who is paid from regular salary appropriations who adopts a child whose permanent custody has been awarded to the department or to a Florida-licensed child-placing agency.

- State employees are eligible to receive a monetary benefit of \$10,000 per child, payable in equal monthly installments over a one-year period if they adopt a special needs child.
- State employees are eligible to receive a monetary benefit in the amount of \$5,000 per child, payable in equal monthly installments over a one-year period if they adopt a non-special needs child.

Benefits payable to a part-time employee must be prorated based on the employee's full-time equivalency status at the time of applying for the benefits.

For purposes of this adoption benefit, a special needs child is defined as a child whose permanent custody has been awarded to the department or to a Florida-licensed child-placing agency and who is not likely to be adopted because he or she is:

- Eight years of age or older;
- A person with a developmental disability;
- A person with a physical or emotional handicap;
- Of a minority race or of a racially mixed heritage; or
- A member of a sibling group of any age, provided that two or more members of a sibling group remain together for the purposes of adoption.¹

An employee of the state who adopts a special-needs child must apply to his or her agency head to obtain the monetary benefit.² Current law does not specify how an employee who adopts a non-special needs child is to apply for the benefit. This adoption benefits program does not affect the right of any state employee who adopts a special-needs child to receive subsidies for expenses related to the adoption of a special needs child under s. 409.166, F.S., or any other statute that provides financial incentives for the adoption of children. Any employee of the state who has a child placed in the custody of the employee for adoption, and who continues to reside in the same household as the child placed for adoption, must be granted parental leave for a period not to exceed six months.³

¹ See s. 110.152(1)(b), Florida Statutes. This definition differs from the definition of "special needs child" in s. 409.166, Florida Statutes.

² See s. 110.152(2), Florida Statutes

³ See s. 110.221, Florida Statutes.

When the adoption benefits program began in October 2000, state university employees were considered state employees for purposes of the adoption program because they were paid from regular salary appropriations. In 2001, when the universities devolved to local control, the board of each university became the employer of the university employees. On January 7, 2003, each board of trustees of a state university became the institution's public employer through resolution of the Board of Governors of the State University System. However, the State of Florida continues to appropriate salary dollars to the universities to pay their employees. Therefore, the Department of Management Services (DMS) has determined that university employees continue to be eligible for this program. In order to provide this benefit to the university employees, DMS has entered into a memorandum of agreement with each university.

Adoption benefits are also available to employees of water management districts, and DMS has mutual agreements with the districts to provide a method for transferring the funds for the adoption benefit.⁴

The Bill

The bill adds community college and county school district employees to the list of eligible employees who may receive a \$10,000 benefit if the employee adopts a special needs child or a \$5,000 benefit if the employee adopts a non-special needs child. The bill also clarifies that state university employees are also eligible.

The bill makes the provisions concerning application for the monetary benefit, the right to receive other statutory adoption expenses, and the six-month parental leave policy applicable to university, community college, and school district employees. It also conforms the definition of "special needs child" for purposes of this benefit to the definition in s. 409.166, Florida Statutes.

The bill transfers the administration of the program from the Department of Management Services to the Department of Children and Family Services and repeals specified sections of the statutes.

C. SECTION DIRECTORY:

Section 1. Creates s. 409.1663, Florida Statutes, relating to adoption benefits for qualifying state employees of state agencies.

Section 2. Provides that participation by employees of a state university, a community college, or school district shall commence with the 2008 open enrollment period for benefits to be funded in the 2008-2009 fiscal year.

Section 3. Repeals ss. 110.152, 110.15201, 215.32(2)(c)5., and 373.6065, Florida Statutes.

Section 4. Transfers the resources to manage the benefits program from the Department of Management Services to the Department of Children and Family Services.

Section 5. Provides an effective date of July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

⁴ See s. 375.6065, Florida Statutes.
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None.

2. Expenditures:

The DMS estimates that the expanded pool of eligible employees would be expected to generate a large increase in applications and the current recurring appropriated amount of approximately \$1.7 million for benefit payments only may need to increase to meet the new demand. Historically:

- Significant benefit funding shortfalls have occurred the past two years. For example, in 2004, although almost \$1.8 million was appropriated, funding proved to be inadequate to fund all 243 eligible applications and, therefore, only 179 were funded. In 2005, \$888,000 was appropriated, but only 89 of 167 eligible applications were funded.
- Total appropriations for the program for years 2000 – 2005 has been \$3,063, 687, however, only 50 percent, or 300 of 602, of the eligible adoptions were funded.

An increase in agency staff would most likely be needed to handle the larger workload.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The amount of fiscal impact on local government is unknown. Nonetheless, the provisions of the bill grant the expanded categories of employees parental leave for a period not to exceed six months pursuant to section 110.221, Florida Statutes and this would potentially impact county school districts.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

To the extent that funding is available, employees of community colleges and school districts would be eligible to receive adoption benefits when they adopt specified children.

D. FISCAL COMMENTS:

To the extent that employees of community colleges and school districts, who were not previously eligible for the monetary benefits, apply for them under the provisions of this bill, cost to the state will increase. If the benefits act as an incentive for employees of community colleges and school districts to adopt children they otherwise may not have, the state could realize a cost savings, by not having to provide direct support for those children. Thus, the net increase or decrease in overall costs to the state is indeterminate.

If universities, community colleges, and school districts do not currently provide parental leave to employees who adopt, they may incur productivity and personnel costs associated with providing the leave. Those costs are indeterminate.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On April 17, 2007, the Healthcare Council adopted a strike all amendment and was reported favorable as a Council Substitute as amended. The analysis reflects the CS.