

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #: 11A

FINAL HOUSE FLOOR ACTION:

SPONSOR(S): Hudson

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**COMPANION SB 2510-A
BILLS:**

GOVERNOR'S ACTION: Approved

SUMMARY ANALYSIS

HB 11A passed the House of Representatives on June 19, 2015 as SB 2510-A, and amends statutes pertaining the equity allocation model, which funds the Community-Based Care Lead Agencies (CBCs), and the authority for which the Department of Children and Families (DCF) can modify the work requirement component of the federal Supplemental Nutrition Assistance Program (SNAP).

Specifically, the bill:

- Removes the provision that allocated 90 percent of each CBCs' recurring core service funds upon the previous year's result, and 10 percent of these funds based on the result of the equity allocation model, so that all distributions made for each CBC will be based upon the prior fiscal year amounts and new funding based 100 percent upon the model;
- Provides that 20 percent of new core services funding for CBCs will be allocated among all lead agencies using the equity allocation model, and 80 percent will be allocated only to those CBCs that have base funding below their equitable share as determined by the equity allocation model;
- Modifies the data elements used within the equity allocation model that distributes recurring core service funds to place greater emphasis on the number of children by each lead agency;
- Requires DCF to obtain legislative authorization before seeking, applying for, or accepting federal waivers to the work requirement for Supplemental Nutrition Assistance Program eligibility.

The bill was approved by the Governor on June 23, 2015, ch. 2015-226, L.O.F., and will become effective on July 1, 2015.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

History of Community-Based Care Lead Agency Funding

Florida's child welfare services are provided through 20 regional organizations known as Community-Based Care lead agencies (CBC). The 1998 Florida Legislature mandated the outsourcing of foster care and related child welfare services, and by July 2005, the Department of Children and Families transitioned the provision of child welfare services from a department-based operation to community-based care. The allocation of funding among the CBCs was intended to be equitable, with equality being based upon statewide, per-child budgeted amounts as prescribed through proviso language in multiple GAAs. Proviso in the General Appropriations Act for FY 2010-11 departed from these previous methodologies by providing an equity allocation model using weighted factors to indicate the need for child welfare resources.

The equity allocation model codified by the 2011 Florida Legislature now appears in 409.991, Florida Statutes. In an effort to transition CBC funding upon the equity allocation model, the statute directs 90 percent of each lead agency's recurring core service funds be based upon the prior fiscal year amount, and the remaining 10 percent be based upon the results of the model. While 90 percent of the funding level is maintained based on the prior year, the equity allocation model allocates 10 percent of each CBC's core service funds using the following four weighted factors:

1. Number of children in poverty (30 percent);
2. Number of reports to the department's abuse hotline (30 percent);
3. Number of children in care (30 percent); and,
4. CBC lead agency contribution in the reduction of out-of-home care (10 percent).

Appropriations for new core service funds are based upon the equity allocation model, and only to those CBCs experiencing a proportional funding level that is less than the proportion of funding based on the model. The statute defines "core services funding" as all funds provided to CBCs with the exceptions of independent living, maintenance adoption subsidies, training for child protective investigators, mental health wrap-around services, nonrecurring appropriations, and those designated for a specific project. For Fiscal Year 2014-15, CBCs received \$587.1 million for core service functions, which is the same amount received for Fiscal Year 2013-14.

Effect of the Bill

The bill removes the provision that directs core service funds be redistributed based on 90 percent of the prior fiscal year's level, and 10 percent upon the equity allocation model. Should this bill become law, each CBC's core service distribution will be maintained based upon the preceding year's amount, and 20 percent of newly appropriated funds will be provided to all CBCs based upon the results of the equity allocation model and the remaining 80 percent will be provided to those lead agencies that are funded below their equitable share. In the latter cases, the new funding amounts are weighted based on each CBC's proportion below the equitable share based on the following factors and weights:

1. Proportion of the child population (5 percent);
2. Proportion of child abuse hotline workload (15 percent); and,
3. Proportion of children in care (80 percent).

The bill prescribes the "children in care" factor to be determined as 60 percent based on children in out-of-home care and 40 percent based on children in in-home care.

The proposed effects are budget neutral in total, but the allocation of core service funds among the CBCs will be modified.

Supplemental Nutrition Assistance Program (SNAP)

History of the Food Stamp Program

The federal food stamp program began in 1939, providing a discount for surplus food to people on relief. Between 1939 and 1943, those who qualified were able to purchase stamps redeemable for the purchase of food and were given additional stamps redeemable only towards purchasing surplus food.¹ The Food Stamp Act of 1964 expanded the use of food stamps to “all items eligible for consumption, with the exception of alcohol and imported foods.”² Since then, a number of changes and reforms to the program have taken place including changing the name of the program to SNAP, changing eligibility determinations and the introduction of an Electronic Benefits Transaction card for spending benefits.³

The Florida Department of Children and Families (DCF) administers Florida’s food assistance program.⁴ Benefits for the Food Assistance Program are 100 percent federally-funded with administrative costs being equally split between the state and federal governments.⁵ The United States Department of Agriculture (USDA) determines the amount of food assistance benefits an individual or family receives, based on the families’ income and resources.⁶ Food assistance benefits are supplemental to a family’s food budget. Households may need to utilize their own resources, along with their food assistance benefits, to buy enough food for a month.⁷

Eligibility for SNAP Benefits

A SNAP household is considered a group of individuals who buy and cook their food together.⁸ Eligibility is based on the status of all household members and hinges on three factors: income, assets, and employment.⁹

The USDA has issued waivers to the SNAP eligibility requirements to accommodate various circumstances. A waiver to the employment requirement may be granted only if the state’s unemployment rate exceeds 10 percent, or if there are not enough jobs to employ prospective applicants.¹⁰ Currently, Florida applicants are exempt from the employment requirement pursuant to a waiver implemented by DCF on July 1, 2009. This waiver expires December 31, 2015.¹¹ Once the waiver expires, healthy adults ages 18 to 49 without dependent children are limited to three months of food assistance benefits every three years unless they work an average of 20 hours per week or participate in a work or workfare program.¹²

Effect of the Bill

Once the bill goes into effect, DCF will have to obtain specific legislative authorization before applying for, or renewing, work requirement waivers from the federal government. The waiver currently in effect will not be impacted and will still expire in December 2015. Once the waiver expires, 989,103 persons, including 290,938 able-bodied adults without dependents, will be ineligible for SNAP benefits unless they participate in the work program or show good cause for not participating.¹³ However, a maximum of three months of food assistance

¹ A Short History of SNAP, USDA Food and Nutrition Service, *available at*: <http://www.fns.usda.gov/snap/rules/Legislation/about.htm>. (Last visited 3/4/15).

² *Id.*

³ *Id.*

⁴ s. 414.31, F.S.

⁵ Subcommittee on Healthcare Appropriations Meeting Packet 02/18/2015 available at:

[http://www.myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2834&PublicationType=Committees&DocumentType=Meeting Packets&SessionId=76](http://www.myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2834&PublicationType=Committees&DocumentType=Meeting%20Packets&SessionId=76)

⁶ *Id.*

⁷ DCF Food Assistance Program Fact Sheet, www.dcf.state.fl.us/programs/access/docs/fafactsheet.pdf. (last visited 3/4/15)

⁸ but see note 11 (Children and parents under the age of 22, spouses, and as adults exercising parental control over minors are automatically considered household members)

⁹ *Supra* note 11.

¹⁰ 7 U.S.C.A. §2015(2014)

¹¹ email from Nicole Stookey, Deputy Director, Office of Governmental Affairs, Department of Children and Families, Follow up SNAP Questions (Feb. 24, 2015)

¹² *Id.*

¹³ *Id.*

continues to be available every three years for those who are unemployed or do not participate in a workfare program.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
2. Expenditures:

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
2. Expenditures: The Conference Report on the General Appropriations Act includes \$587.1 million for recurring CBC core service functions, plus an additional \$16.2 million of new funding for recurring core service functions in Fiscal Year 2015-16.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Modifications to the equity allocation model will realign funding distributions to CBC lead agencies. There may be an increase to the state's workforce population should those SNAP beneficiaries who have not been employed due to the waiver exemption are now required to do so to continue receiving food assistance. There may be a decrease in food purchases should those SNAP beneficiaries currently exempt from the work requirement choose to not participate from this requirement upon expiration of the waiver.

D. FISCAL COMMENTS:

This bill is budget neutral. It modifies the equity allocation model that affects the distribution of recurring core service funds among Community-Based Care lead agencies. SNAP benefits are federally-funded, so changes in the number of persons eligible do not impact state revenue or expenditures.