

0The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 414

INTRODUCER: Appropriations Committee; Children, Families, and Elder Affairs Committee; and Senator Perry and others

SUBJECT: Economic Self-sufficiency

DATE: April 22, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Moody</u>	<u>Cox</u>	<u>CF</u>	<u>Fav/CS</u>
2.	<u>Sneed</u>	<u>Kidd</u>	<u>AHS</u>	<u>Recommend: Favorable</u>
3.	<u>Sneed</u>	<u>Sadberry</u>	<u>AP</u>	<u>Fav/CS</u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 414 requires the Florida Office of Early Learning (OEL) to collaborate with the University of Florida Anita Zucker Center for Excellence in Early Childhood Studies (UF) to conduct an analysis of certain federal and state programs. The analysis must review and analyze specified information and data. The bill requires each agency that is responsible for the administration of the program to enter into data-sharing agreements, subject to federal law, with OEL and UF, and provide a program services data file to UF, by specified dates. The bill also requires the Department of Children and Families (DCF) to assist the UF with receiving information on programs that it administers, including assistance with seeking required approvals or waivers from applicable federal agencies.

The UF must provide the OEL with a report by May 31 each year that includes the results of the analysis. The OEL must submit the report to the Governor, President of the Senate, and Speaker of the House of Representatives within 30 days after receiving the report.

The bill amends the list of children who are given priority to participate in the School Readiness program. The bill also removes certain definitions applicable to the School Readiness program.

There is no anticipated fiscal impact on state or local government.

The bill is effective July 1, 2021.

II. Present Situation:

Several Florida government entities are responsible for administering federal and state funded programs to assist low-income families with food, housing, and other services, which are summarized below.¹ Many of these programs are part of the Economic Self-Sufficiency Program that is administered by the DCF and designed to promote economic self-sufficient communities.²

Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) is a federal nutrition program, formerly known as “food stamps,” that offers nutrition assistance to eligible, low-income individuals and families with funds to purchase eligible food and provides economic benefits to communities by reducing poverty and food insecurity.³ The U.S. Department of Agriculture, Food and Nutrition Service (FNS) funds 100 percent of the SNAP benefit amount. However, FNS and states share the administrative costs of the program.⁴

Each state plan must meet the eligibility requirements and may not impose any additional eligibility requirements as a condition for participating in the program.⁵ The Department of Children and Families (DCF) is responsible for determining an individual’s eligibility to receive SNAP benefits.⁶ The amount of benefits, or the allotment, a household qualifies for depends on the number of individuals in the household and the household’s net income.⁷ The program applies a gross income eligibility standard and excludes certain income from the calculation.⁸ If the household’s income is higher than the permitted amount, the household is not eligible for SNAP.⁹ To calculate a household’s allotment, 30 percent of its net income is subtracted from the maximum allotment for that household size.¹⁰ As of November 2020, a total of 3,510,072 Floridians were participating in SNAP.¹¹

The DCF reports that the FNS conducts annual reviews of SNAP to measure the accuracy of state eligibility and benefit determination through the assignment of error rates.¹² The SNAP

¹ The DCF, *Agency Analysis for SB 414*, p. 2, January 11, 2021 (on file with the Senate Committee on Children, Families, and Elder Affairs) (hereinafter referred to as “The DCF Analysis”).

² The DCF, *Program Overview*, available at <https://myflfamilies.com/service-programs/access/overview.shtml> (last visited March 31, 2021).

³ USA Gov, *Food Assistance*, available at <https://www.usa.gov/food-help> (last visited March 31, 2021).

⁴ U.S. Department of Agriculture, Food and Nutrition (FNS), *State Options Report: Supplemental Nutrition Assistance Program*, (11th ed.), Sept. 2013, available at http://www.fns.usda.gov/sites/default/files/snap/11-State_Options.pdf (last visited March 31, 2021).

⁵ 7 U.S.C. §2014(b).

⁶ *Id.* at p. 2.

⁷ FNS, *SNAP Data Tables*, available at <https://www.fns.usda.gov/snap/recipient/eligibility> (last visited March 31, 2021).

⁸ 7 U.S.C. §2014(b) and (c).

⁹ *Id.*

¹⁰ FNS, *SNAP Eligibility*, <https://www.fns.usda.gov/snap/recipient/eligibility> (last visited March 31, 2021).

¹¹ FNS, *SNAP Data Tables*, available at <https://fns-prod.azureedge.net/sites/default/files/resource-files/29SNAPcurrPP-3.pdf> (last visited March 31, 2021).

¹² The DCF Analysis at p. 5.

Management Evaluation conducts ongoing assessments of the DCF's compliance with responsibilities for the administration of the program as required under federal law.¹³

Housing Choice Voucher Program

The Housing Choice Voucher Program (HCVP) “is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.”¹⁴ The U.S. Department of Housing and Urban Development (HUD) oversees the HCVP,¹⁵ but the program “is generally administered by State or local governmental entities called public housing agencies (PHAs).”¹⁶ HUD provides funding to the PHAs, which then contract with a landlord to subsidize rent on behalf of the program participant.¹⁷ Housing units receiving HCVP funding must meet and maintain certain housing quality standards.¹⁸

Generally, a family's income may not exceed 50 percent of the median income for the county or metropolitan area in which they live.¹⁹ Seventy-five percent of the voucher provided to PHAs must be allocated to families whose income does not exceed 30 percent of the median income in the area.²⁰ If eligible, the PHA will provide a housing voucher if available or place the family on a waiting list.²¹

The Florida Housing Finance Corporation administers the Housing Choice Voucher Program.²² On February 25, 2021, the HUD announced that it awarded Florida \$281.5 million in grants to local communities for affordable housing.²³

Temporary Cash Assistance Program

The DCF administers the Temporary Cash Assistance (TCA) program²⁴, which is intended to help families become self-supporting.²⁵ TCA is a state program that provides cash assistance to families with children under the age of 18 or under 19 for full time secondary school students that meet the specified requirements.²⁶ Applicants must meet a number of technical, income, and resource requirements.²⁷ The statute provides for cash assistance based upon the family size and

¹³ *Id.*; 7 U.S.C. §275.5.

¹⁴ The U.S. Department of Housing and Urban Development (HUD), *Housing Choice Vouchers Fact Sheet*, available at https://www.hud.gov/topics/housing_choice_voucher_program_section_8 (last visited March 24, 2021).

¹⁵ See 42 U.S.C. s. 1437.

¹⁶ 24 C.F.R. § 982.1.

¹⁷ *Id.*

¹⁸ See 24 C.F.R. § 982.401.

¹⁹ The U.S. Department of Housing and Urban Development (HUD), *Housing Choice Vouchers Fact Sheet*, available at https://www.hud.gov/topics/housing_choice_voucher_program_section_8 (last visited March 24, 2021).

²⁰ *Id.*

²¹ *Id.*

²² The DCF Analysis at p. 2.

²³ The HUD, *Florida*, available at <https://www.hud.gov/states/florida> (last visited March 24, 2021).

²⁴ The DCF Analysis at p.2.

²⁵ DCF TCA.

²⁶ The DCF, *Temporary Cash Assistance (TCA)*, available at <https://www.myflfamilies.com/service-programs/access/temporary-cash-assistance.shtml> (last visited March 24, 2021) (hereinafter cited as “DCF TCA”).

²⁷ Section 414.095, F.S.

amount the family has to pay, if any, for shelter.²⁸ The TCA program has no time limit for child only cases, but does have a set time limit of 48 months for adult recipients.²⁹

Medicaid Program

Title XIX of the Social Security Act provides for medical assistance including eligible prescriptions for qualified individuals.³⁰ States that have an approved Medicaid state plan are eligible to receive a percentage of reimbursement of specified sums.³¹ State plans must meet certain criteria that requires the state to contribute not less than 40 percent of the non-federal share of the expenses authorized under the plan and federal law.³² States are required to provide information to permit monitoring of the program performance.³³ The Improper Payments Information Act³⁴ requires federal agencies to conduct annual reviews of the program to identify significant erroneous payments.³⁵ This is done by the Payment Error Rate Measurement (PERM) program conducting a 17-state three-year rotation process, which means that each state is reviewed once every three years.³⁶

The DCF is responsible for the Medicaid program eligibility requirements, and has authority to develop rules and the agreement with Social Security Administration.³⁷ Medicaid program payments are made only for services included in the program which are made on behalf of eligible individuals to qualified providers in accordance with federal and state law.³⁸ As of September 2020, Florida had enrolled 4,006,720 individuals in Medicaid and Children's Health Insurance Program.³⁹ When states are not under PERM review, the state is required to conduct Medicaid Eligibility Quality Control activities which are ordinarily based on the PERM findings to reduce or eliminate the identified deficiencies by the next PERM review.⁴⁰

School Readiness Program

Part VI of ch. 1002, F.S., provides for Florida's School Readiness program. The OEL is the designated lead agency that must comply with the responsibilities under federal law, including the Child Care and Development Block Grant Trust Fund pursuant to 45 C.F.R. parts 98 and 99.⁴¹ Early Learning Coalitions (ELC) are vested with powers and tasked with duties to operate

²⁸ Section 414.095(10), F.S.

²⁹ Benefits Application, *Florida Temporary Cash Assistance (TCA & TANF) Application Information*, available at http://benefitsapplication.com/program_info/FL/Temporary%20Cash%20Assistance#:~:text=Florida%20Temporary%20Cash%20Assistance%20%28TCA%20%26%20TANF%29%20Application.of%20the%20society%20and%20contribute%20to%20it%20positively (last visited March 24, 2021).

³⁰ 42 U.S.C. §1396a.

³¹ 42 U.S.C. §1396b.

³² 42 U.S.C. §1396a.

³³ 42 C.F.R. §431.954(a)(1).

³⁴ Pub. L. 107-300.

³⁵ 42 C.F.R. §431.954(a)(2).

³⁶ The DCF Analysis at p. 5.

³⁷ Section 409.963, F.S.

³⁸ *Id.*

³⁹ Medicaid.gov, *Medicaid & CHIP in Florida*, available at <https://www.medicaid.gov/state-overviews/stateprofile.html?state=Florida> (last visited March 24, 2021).

⁴⁰ The DCF Analysis at p. 5.

⁴¹ Section 1002.82(1), F.S.

the program under Florida law including, in part, providing parents with information about available community resources, determining childrens' and providers' eligibility, and establishing a sliding fee scale.⁴²

The ELC determines the sliding fee scale based on the family's income. "Family income" is defined as the combined gross income, whether earned or unearned, that is derived from any source by all family or household members who are 18 years of age or older who are currently residing together in the same dwelling unit with specified exclusions.⁴³

"Earned income" means gross remuneration derived from work, professional service, or self-employment and includes commissions, bonuses, back pay awards, and the cash value of all remuneration paid in a medium other than cash.⁴⁴ "Unearned income" means income other than earned, which includes but is not limited to, in part, documented alimony and child support received, social security and other specified benefits.⁴⁵

The program provides assistance, for instance, with applying for various subsidies, negotiating discounts with child care providers, and identifying summer camp programs.⁴⁶ A child who is younger than 13 years old and who has a parent receiving temporary cash assistance under ch. 414, F.S., and subject to federal work requirements is given priority to participate in the program.⁴⁷ The OEL reports that approximately 62 percent of the 1.1 million children who are younger than six years old in Florida are enrolled in the School Readiness program.⁴⁸ Over 200,000 children received school readiness services from over 7,600 providers in the 2017-18 fiscal year.⁴⁹

Preschool Development Grant

Florida's OEL is one of 20 states that receives the Preschool Development Birth to Five Renewal Grant (PDG-R).⁵⁰ It provides Florida with \$13.4 million in funding each year for a total of three years.⁵¹ The PDG-R will be used to improve Florida's programs and services to support young children and their families.⁵² This is being done, in part, by analyzing data to determine whether the programs operate efficiently.⁵³

⁴² Section 1002.84(3) and (7), F.S.

⁴³ Section 1002.81(8), F.S.

⁴⁴ Section 1002.81(6), F.S.

⁴⁵ Section 1002.81(15), F.S.

⁴⁶ Section 1002.92(3)(e) to (g), F.S.

⁴⁷ Section 1002.87(1), F.S.

⁴⁸ The OEL, *School Readiness*, available at <http://www.floridaearlylearning.com/school-readiness> (last visited March 24, 2021).

⁴⁹ *Id.*

⁵⁰ The OEL, *Preschool Development Birth through Five Renewal Grant (PDG-R)*, available at <http://www.floridaearlylearning.com/statewide-initiatives/preschool-development-grant-birth-through-five> (last visited March 24, 2021) (hereinafter cited as "OEL PDG-R").

⁵¹ *Id.*

⁵² Florida's State Advisory Council, *Florida Early Childhood Strategic Plan*, p. iii, July 2019, available at http://www.floridaearlylearning.com/Content/Uploads/floridaearlylearning.com/images/Strategic_Plan_FINAL_FINAL_10.1_6.19.pdf (last visited March 24, 2021).

⁵³ OEL PDG-R.

The OEL collaborates with the UF to perform certain work required under the Strategic Plan, which drives how the grant funds will be used.⁵⁴ UF is currently conducting an analysis of state programs to determine needs and an unduplicated count of children within the programs and developing reporting capacity of the current needs assessment portal (ECENA).⁵⁵

III. Effect of Proposed Changes:

The bill requires the OEL, in coordination with UF, to analyze the following programs:

- Supplemental Nutrition Assistance Program;⁵⁶
- Temporary Cash Assistance program;⁵⁷
- Medicaid program;⁵⁸
- School Readiness program;⁵⁹ and
- Housing Choice Voucher Program.⁶⁰

The analysis must include the following information:

- The program eligibility criteria;
- The manner by which each program establishes and documents eligibility and disbursement policies;
- The frequency of eligibility determinations; and
- The number and size of families receiving multiple program services compared to all eligible families.

The UF must develop participation profiles based on the number of families receiving multiple program services including the family composition and the most frequent program services or combination of services the families are receiving in each county or region.

Each agency who is responsible for administering the programs must enter into data-sharing agreements, subject to federal law, with the OEL and the UF by September 1, 2021. Upon execution of such agreements, each agency must provide a program service data file to the UF by November 1, 2021, with data for the proceeding 10 years and submit a supplemental program data file each November 1 thereafter, if applicable. The DCF must assist the UF with receiving program information which is required to be analyzed for those programs it administers, including assisting with seeking any required approvals or waivers from applicable federal agencies.

The UF must provide a report with the results of the analysis to the OEL by May 31 of each year, and within 30 days of receiving the report, the OEL must submit the report to the Governor, the

⁵⁴ *Id.*; University of Florida, *Preschool Development Grant University of Florida Anita Zucker Center for Excellence in Early Childhood Studies Scope of Work*, available at https://education.ufl.edu/research/files/2019/06/Preschool-Development-Grant_07-31-19.pdf (last visited March 24, 2021) (hereinafter cited as “UF Scope of Work”).

⁵⁵ UF Scope of Work.

⁵⁶ 7 U.S.C. ss. 2011 et seq.

⁵⁷ Section 414.095, F.S.

⁵⁸ Section 409.963, F.S.

⁵⁹ Ch. 1002, F.S.

⁶⁰ 42 U.S.C. s. 1437f.

President of the Senate, and the Speaker of the House of Representatives. The bill provides for a sunset clause of June 30, 2023.

The bill removes the definitions of “earned income” and “unearned income” in s. 1002.81, F.S. This means that the statute will no longer specify how family income is calculated for purposes of eligibility for the School Readiness program, allowing the OEL to establish income eligibility requirements for the school readiness program⁶¹ without the limitations included in the definitions and, in particular, will permit the OEL to exclude stimulus funds received by families that may otherwise cause them to be deemed ineligible for the program. Income eligibility requirements must be established in accordance with s. 1002.87, F.S., and federal law.⁶²

The bill amends the list of children who receive priority to participate in the School Readiness program to include a parent who has an Intensive Service Account or an Individual Training Account under s. 445.009, F.S.⁶³

The bill is effective July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

⁶¹ Section 1002.82(2)(z), F.S.

⁶² See 45 C.F.R. § 98.21.

⁶³ These accounts are used to provide funds for intensive services and training provided pursuant to Pub. L. No. 113-128. Individual Training Accounts must be expended on programs that train people to enter high-wage occupations.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The OEL will absorb costs for the additional responsibilities related to audit requests.⁶⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1002.81 and 1002.87.

The bill creates an undesignated section of law.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations on April 21, 2021:

The committee substitute:

- Requires the DCF to assist the UF with receiving information on programs that it administers, including assistance with seeking required approvals or waivers from applicable federal agencies;
- Modifies the UF's deadline to provide the OEL with a report of its findings from June 30th to May 31st of each year;
- Modifies the provision that each agency which must enter into a data-sharing agreement with the OEL and the UF to be subject to federal law; and
- Requires each agency to provide a supplemental program data file to UF by November 1, 2022 and each year thereafter only if it is applicable.

CS by Children, Families, and Elder Affairs on March 23, 2021:

The committee substitute:

- Removes the requirement for the Auditor General to conduct an audit once every three years of certain state and federally funded programs;
- Provides for the OEL in collaboration with the UF to conduct an analysis of the state and federally funded programs annually;

⁶⁴ The DOE Analysis at p. 4.

- Removes the requirement to analyze the data related to families who claim the Earned Income Tax Credit;
- Provides the UF to develop participation profiles based on specified data;
- Requires the UF to provide the OEL with a report of the data results by a specified date each year, and the OEL to submit a copy of the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives within 30 days of receipt;
- Provides for a sunset clause of June 30, 2023;
- Removes the definitions of “earned income” and “unearned income” from s. 1002.81, F.S.; and
- Expands the list of children who receive priority to participate in the School Readiness program.

B. Amendments:

None.