Florida TaxWatch Report

STRONGER FAMILIES: PROTECTING FLORIDA’S VULNERABLE POPULATIONS

APRIL 2023
DEAR FELLOW TAXPAYER,

Perhaps government has no greater responsibility than to ensure the safety and welfare of its vulnerable citizens, including adults, children, seniors, and families. Over the past two decades, Florida TaxWatch has written extensively on issues facing Florida’s children and families, including stabilizing Florida’s child welfare workforce; how Florida delivers safety net services to Floridians in need; early childhood courts; and how Florida’s behavioral health Managing Entity (ME) system functions, among others.

Many of Florida’s state-required human services are delivered by an outsourced model, which has led to efficient, innovative, and effective use of taxpayer dollars. Rather than the state directly providing human services, it spends funds on not-for-profit businesses that provide human services at a community level. By doing so, service providers have the opportunity to develop meaningful stakeholder relationships within local communities, inviting local expertise and new streams of funding to enhance the delivery of care to the state’s most vulnerable people. This large-scale collaboration and sense of community ownership cannot be effectively accomplished by a highly centralized approach and deserves continual monitoring and maintenance to ensure its sustainability.

Although Florida is a leader in how it delivers care to its vulnerable residents, there are numerous challenges that threaten Florida’s ability to continue to provide quality services that are unique to each community served. As part of our “Stronger Families” Initiative, Florida TaxWatch invited stakeholders in that protect and serve Florida’s children and families to a series of roundtable discussions to better understand the nature of these challenges and to begin to identify appropriate remedies. This report presents a summary of those discussions and Florida TaxWatch’s research to improve the outcome and beneficial impact of these services.

Florida TaxWatch looks forward to discussing the challenges and opportunities presented by Florida’s human services organizations with policymakers during the 2023 legislative session and beyond. Further, Florida TaxWatch encourages leaders from across Florida to join us as we continue to develop a Stronger Families Initiative, identifying the challenges faced by vulnerable families and taking well-informed actions to further strengthen our great state and create meaningful value for the taxpayers of Florida.

Sincerely,

Dominic M. Calabro
President & Chief Executive Officer
INTRODUCTION

Vulnerable adults, seniors, children, and families face challenges they cannot overcome alone. It is the state’s responsibility to protect and serve these individuals. Among others, the state provides services to persons in need of behavioral and mental health services, persons with disabilities, runaway and homeless youths, juvenile delinquents, and foster care youth. Each vulnerable population has their own unique set of resources made available through various state agencies and delivered by a system of human services organizations funded by the state, whether through a direct line item or through funds provided to clients.

The challenges faced by vulnerable populations are growing. The cases of individuals receiving human services have only become more complex, with many individuals requiring more than one type of service. Maintaining and further developing Florida’s system of human services organizations is vital for saving the lives of these especially vulnerable individuals.

The effectiveness and availability of services rely heavily upon the sustainability of the organizations contracted by the state to carry out their delivery. The organizations are challenged by staffing shortages, overly burdensome regulatory requirements, and rising operational costs, among other issues. When these challenges threaten their stability, it can directly harm vulnerable populations and their families.

The organizations protecting vulnerable Floridians—the people protecting people—rely upon sufficient funding and strong partnerships with the state to maintain effective operations. The state and the public should consider the impactful nature of the work performed by human services organizations and how best to invest in their continued—and growing—social impact. Florida’s collaboration with the private sector in local communities to support children and families is highly effective, but it will take a commitment from the state to sustain.

FLORIDA’S VULNERABLE CHILDREN AND FAMILIES

Foster Care Youth

Florida’s child welfare system is intended to protect children from abuse, neglect, and abandonment. To protect children in such situations, the state is responsible for administering foster care, adoption services, case management, and resources to prevent child abuse. From July 2021 through June 2022, 185,654 child protective investigations and special conditions referrals were conducted to ensure children were safe, and the state served 60,839 children statewide.2

The first priority for children receiving child welfare is to keep their families intact. If the child is deemed unsafe, care providers can conduct case management of an in-home safety plan. In-home services enable families and children to remain safe and together, averting the disruption and emotional turmoil caused by separations while still protecting the needs of the child. As of November 30, 2022, 8,600 children were receiving in-home supervision and services.3

If children cannot be safely served within their homes, they are placed in foster care. Aligning with the state’s priority of keeping families intact, about 42 percent of these children are placed with a relative.4 As of November 30, 2022, 21,200 children were receiving foster care.5

When the state is unable to reunify a child with their guardian, it is responsible for facilitating an adoption. Florida has seen an increase in adoptions throughout the past two decades. In FY 1999, only 1,600 children were adopted.6 In FY 2021, nearly 4,000 children were adopted.7 Nearly half the children adopted in Florida are adopted by their relatives.8

At-Risk Youth

At-risk youths exhibit characteristics that could lead to juvenile delinquency. Risk factors include troubled behaviors, such as truancy, running away, and ungovernable conduct; substance abuse or addiction; risky behavior and unsafe environments, such as dangerous homes or homelessness. If the at-risk youths become incarcerated, they incur a greater chance of adult incarceration, trouble with alcohol, and welfare dependency.9 Further, juvenile arrests harm families who may need counseling and other supports as they try to move forward.

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1 Throughout this report, Florida TaxWatch uses the phrase “vulnerable families” to collectively address vulnerable adults, seniors, and children—including those who are single or live alone—as well as their families.
2 Florida Department of Children and Families, Long Range Plan for the Fiscal Year 2023-2024 through 2027-2028.
4 Florida Department of Children and Families, September 2021; Children’s Bureau, 2016. Note, Children’s Bureau stopped tracking adoptions by relatives.
5 Surpa, see footnote 3.
6 Florida Department of Children and Families, September 2021; Children’s Bureau, 2016. Note, Children’s Bureau stopped tracking adoptions by relatives.
If at-risk youths do not receive prevention or early intervention from the juvenile justice system, not only does juvenile incarceration tend to lead to worse outcomes for the youth and their families but also for the public. By increasing the likelihood of the youth committing additional crimes, juvenile incarceration increases the risk that members of the public will fall victim to crime and experience the associated distress. The arrests also cost taxpayer dollars; taxpayers pay a minimum $384.47 for each day one youth is detained10 and likely pays more when considering the costs of conducting the arrest, court proceedings, and the increased risk factors that could lead to welfare dependency or subsequent arrests.

Delinquency prevention services help at-risk youth to stay out of the juvenile justice system. A total of 27,252 youths were served through delinquency prevention programs in FY 2021. Exceeding the state’s approved standard, about 99 percent of youths receiving services remained crime-free throughout the duration of their prevention services and 97 percent remained crime-free twelve months after completing their prevention programs.11

Persons in Need of Behavioral and Mental Health Services

A significant portion of Florida residents need behavioral and mental health services. From 2018-2020, a study found that nearly three million adults in the state experienced mental illness and an estimated 682,000 adults experienced a serious suicidal thought within the last year. For children ages 12 to 17, an estimated 124,000 experienced a major depressive episode.12 Prevention, intervention, and treatment services help Floridians experiencing mental illness to lead functional lives and to avoid tragic outcomes, such as suicides and overdoses.13

Florida provides a behavioral health safety net system, maintained by Managing Entities. Individuals served by Managing Entities are uninsured or underinsured and face multiple social determinants of health challenges – including housing, food insecurity, poverty, – in addition to their mental health and substance use disorders. This system often helps individuals in need of behavioral and mental health services during especially trying times, including children in foster care, youth in the juvenile justice system, incarcerated individuals, and individuals who chronically experience homelessness.

The safety net system serves approximately three million Floridians who need mental health and substance abuse disorder services, including prevention and educational services.14

Persons With Disabilities

As of 2021, there were 3.5 million persons with disabilities in Florida.15 Persons with disabilities can have a variety of needs, requiring specific vocational, social, medical, behavioral, or therapeutic services or specialized living arrangements within the community. One of the programs that supports persons with disabilities is the iBudget program, which is monitored by the Agency for Persons with Disabilities. Through the iBudget program, Florida disperses Medicaid funds to persons with intellectual and developmental disabilities, allowing them to choose upon which services to spend their dollars. As of September 2022, about 35,200 individuals were utilizing iBudget waiver services and about 22,500 individuals were on a waitlist.16 About 40 percent of individuals on the waiting list receive services from the Agency for Persons with Disabilities or other agencies as they await their individual funds.17

THE PEOPLE WHO PROTECT THE PEOPLE

One of the fundamental responsibilities of government is to ensure the safety and welfare of those in its care. This core function of government should be delivered to all, including our most vulnerable families. Under Florida Statutes, the state has designated specific programs to address the needs of Florida’s vulnerable families.18

Around the turn of the century, the state began to decentralize the delivery of protection and care, moving away from state-controlled bureaucracies. Rather, the state began to rely upon not-for-profit human services businesses working at a community level, as exemplified by the following vulnerable populations witnessed a change to their delivery of care:

10 Florida Department of Juvenile Justice, Long Range Plan for Fiscal Year 2023-2024.
11 Ibid.
13 Florida Department of Children and Families, Long Range Plan for the Fiscal Year 2023-2024 through 2027-2028.
16 Ibid.
18 See, Florida Statute 409.986 (Child Welfare), 984.01 (Children in Need of Services/Families in Need of Services Program), 394.9082 (behavioral health Managing Entities), and 393.0862 (iBudget Program).
• **Foster Care:** In 1996, in response to reports of child deaths, children being “lost” in the system, and a lack of foster care beds so pronounced that some foster children were forced to sleep in government offices, the Florida legislature authorized the Department of Children and Families (DCF) to contract with community-based agencies for the provision of foster care and related services. Two years later, the Florida legislature expanded the concept of community-based care and directed DCF to outsource all foster care and related services statewide. In 2005, under the leadership of Governor Jeb Bush, Florida completed its phased-in transition to a model of community-based care (CBC). Currently, Florida has 19 CBC Lead Agencies, each of which is nationally accredited.

• **At-Risk Youths:** In the 1980s, Florida became especially concerned with providing prevention and early intervention services for children who were runaways, ungovernable, troubled, or habitually truant. The Children and Families in Need of Services (CINS/FINS) Act of 1987 created a fund to provide such services. In 1994, the Legislature created the Department of Juvenile Justice (DJJ) to contain provisions relating to CINS/FINS and to contain provisions relating to juvenile delinquency cases. At DJJ, more than 75 percent of services are delivered under contract by private providers in local communities and these organizations are a critical part of the provision of the DJJ continuum of services in areas such as prevention, probation, and community intervention and residential services.

• **Behavioral Health:** Prior to the Managing Entities, there were limited a number of behavioral health care providers who were receiving funding for service delivery. This process, coupled with concerns regarding the management from a outsource location, motivated the state legislature to privatize the management of behavioral health funding in 2008. The Department of Children and Families contracts with seven community-based Managing Entities to manage the day-to-day operational delivery of behavioral health services through an organized system of care. The nationally accredited Managing Entities implement evidence-based programs, increase service capacity, and monitor and hold accountable a network of local providers for the services contracted. The decision to decentralize behavioral health remains popular today—in a recent poll, 79% of Floridians agree that mental health and behavioral health services are being met at the local level.

• **Persons with Intellectual and Developmental Disabilities:** In 2009, the Florida legislature directed the Agency for Persons with Disabilities (APD) to create the iBudget program. The intention of the program was to provide Medicaid funds to persons with intellectual and developmental disabilities that could be used flexibly, empowering clients to acquire personalized services within community settings (i.e., client’s home, a family home, or a group home). The APD clients can choose from a variety of services or purchases, including medical equipment, life skills development, residential services, and personal supports. Unlike other examples discussed, for this particular population, state money follows the individual rather than be paid directly to an organization.

For each of these populations, the general model is substantially the same. A state agency has the responsibility to provide support, protection, or services to a specific population. The state agency works with a human services organization(s) to use government funds—whether as a line-item appropriation, dispersed from the agency, or through government-issued waivers used as payment by clients—to satisfy the population’s need. The human services organization(s) coordinates the efforts of local stakeholders, ensuring vulnerable populations receive direct care from qualified persons within their community. The outsourcing of these services is an investment for Florida taxpayers (Figure 1).

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19 These services include family preservation, independent living, emergency shelter, residential group care, foster care, therapeutic foster care, intensive residential treatment, post-adjudication case management, postplacement supervision, permanent foster care, family reunification, the filing of a petition for the termination of parental rights, and adoption (reference §409.1671(1), Fla. Stat.).


22 See, Florida Statute 394.9082 (6).

23 Sachs Media, “79% of Floridians Say Behavioral Health Needs Best Met by Locally-Based Entities” n.d.
Protecting and providing care for vulnerable Floridians is no longer the sole responsibility of the government but rather a partnership across the community, embracing local expertise and investment as well as abandoning the original “one-size-fits-all” approach. Outsourcing these services to human services organizations allows for quicker decision-making, allowing human services organizations to decide on the resources and technology used daily without going through a bidding process like most government agencies must do. Since these organizations retain their status as businesses—with the added notion of having contracts with state agencies—their flexibility makes it easier to adapt to the changing trends of the human services industry as well as adopt new best practices.

The decentralized nature of the partnerships encourages community involvement, encouraging further engagement, innovation, and support from local stakeholders. These partnerships between state agencies and human services organizations are critical to ensuring that the delivery of services to Florida’s vulnerable families meets, and continues to exceed, expectations.

ENCOURAGING STRONGER FAMILIES IN FLORIDA

Conversations with human services organizations have helped Florida TaxWatch develop a Stronger Families Roundtable Initiative that focuses on bringing together the people who are protecting Florida’s vulnerable people. Florida TaxWatch recognizes that this group of organizations is just a portion of the large network of stakeholders who protect Floridians, and hope that more would lend their voices. This roundtable focuses on the various challenges that the vulnerable families—as well as the organizations that serve them—face. Florida TaxWatch welcomes other organizations to take a seat at the table and work on developing solutions for overcoming these challenges. In doing so, this roundtable hopes to continue protecting and supporting Florida’s vulnerable families.

As part of the work for our Stronger Families Roundtable Initiative, Florida TaxWatch has researched the challenges that human services organizations have faced, and is beginning to identify appropriate remedies to resolve these challenges. As we listened to their perspectives, we found unifying themes that should be addressed to ensure Florida is well equipped to support the success of its vulnerable families. Challenges—in no particular order—that must be addressed immediately include:

- **Workforce instability:** Non-competitive pay, long hours, challenging client behaviors, and constant workforce turnover contribute to stress and burnout, and annual attrition rates greater than 50 percent in some settings.
- **Leadership transition:** Many of the key managers and administrators are retiring or approaching retirement age. The development and honing of the knowledge, skills, and abilities required to become an effective administrator often take years, but not many people stay in this field long enough to develop them.
- **Litigious environment:** Tort litigation has become a multi-billion-dollar industry for plaintiffs’ lawyers. Florida is developing a reputation for being pro-plaintiff and pro-liability expansion. Employees need greater protection (e.g., limited liability) for the services they provide.
- **Administrative Burdens:** Many of the human services organizations are nationally accredited and exceed the standards of the governmental bodies who monitor them. The administrative burden with redundant reporting requirements needs to be addressed by the departments and human services organizations to reduce administrative burdens while maintaining the system’s integrity, compliance, and efficiency.
- **Financial Stabilization:** Inadequate resources or bureaucratic allocation funding models that fail to keep up with current costs or to deliver funding in a timely manner may place human services organizations, and those that it serves, at greater risk.

The following analysis and recommendations contained reflect the results of the most recent roundtable discussions and are supported by publicly available information.

**Challenge 1: Workforce Stability**

*Recruiting and Retaining Talent*

Human services organizations that work at a local level to support Florida’s vulnerable families struggle to attract and retain talent. There are significant shortages for direct care positions, such as those who directly supervise children (i.e., within the foster care system or in need of juvenile detention prevention) or who care for persons with disabilities. Working with vulnerable populations requires effective soft skills—such as patience, compassion, and having the flexibility to work in a challenging, and frequently unpredictable, environment—which restricts the talent pool. The right person needs to be detail-oriented and responsible enough to fill out documentation and administer treatment to children and vulnerable adults. Some of the direct care positions needed by certain human services organizations also require trainings, certifications, or previous job experiences.

There is also a shortage of specialized professionals, including behavioral health professionals, counselors, and case managers. Many of the relevant positions...
are expected to have specific certifications, licenses, or degrees; personal and ethical competencies; and, preferably, the ability to speak multiple languages. Working with vulnerable families typically requires good communication and problem-solving skills but also the resiliency and compassion to work amid stressful, desperate (and sometimes dangerous) situations. Finding individuals that have these skills is difficult.

Jobs within these organizations can be especially challenging for new employees if they have never had the opportunity to shadow, intern, or train within the field. As previously discussed by Florida TaxWatch in a February 2022 briefing entitled “A System in Crisis: Stabilizing Florida’s Child Welfare Workforce,” a longitudinal study from the Florida Institute for Child Welfare found that 57 percent of new case managers left their agency within their first 18 months of employment. Once the first 18 months pass, case workers continue to leave the system. Only 15 percent of Florida’s child welfare case managers have been employed for three years or greater. From June 2021 through June 2022, the statewide monthly average of all case carrying managers retained was 59.03 percent.

When human services organizations try to remedy talent gaps by developing staff members, they still risk losing their newfound talent to turnover. Sometimes, a human services organization will hire individuals and help them achieve necessary certifications during onboarding. For example, mental health professionals who would be needed by organizations such as the Managing Entities must work in the field for a certain number of hours before they are eligible to take certification tests. Once these individuals pass these certification exams, they often leave the underpaid human services organizations for businesses offering higher pay and greater flexibility.

The inability to offer remote work has also presented workforce stability problems. Post-pandemic, more individuals have pursued positions that can be performed remotely. The inability to work remotely has contributed to the high turnover rates in the behavioral health industry as well as other organizations that offer counseling, such as those providing intervention services for at-risk youths.

**Compensation**

Providing fair and competitive compensation and benefits on a tight budget is a growing challenge for Florida’s human services organizations. As additional federal funding from the pandemic ends and the labor market becomes increasingly competitive, the state should provide special consideration to the compensation needs of the human services organization upon which the most vulnerable Floridians rely. If the state does not consider the compensation needs of these organizations, turnover and shortages will continue, lowering the quality of human services delivered to Floridians.

For example, in March 2021, the federal American Rescue Plan created funding that could be used to sustain the workforce of care providers who serve individuals with intellectual and developmental disabilities. The state of Florida has scheduled for the spending of these funds to end June 30, 2023. Service providers have used this funding to give bonuses and boost retention for their hardworking Direct Support Professionals (DSPs), and as the effects of this legislation nears its end, service providers are struggling to sustain reasonable compensation for their employees. In the absence of reasonable compensation, this workforce may not be retained, which could cause instability and fewer services to be available.

The Governor’s budget recommendations also raise concerns as human services organizations try to retain employees. All state employees, including state-employed DSPs, would receive a five percent pay increase under the Governor’s recommendations. The Governor’s budget also provides school districts with the flexibility to provide raises to instructional personnel, including counselors—a position much needed by many human services organizations as well.

Since human services organizations are sustained by government funding to provide services for which the government is ultimately responsible, the Legislature should consider increases to funding that would allow similar wage increases for their employees as well. Without additional funding, the private-sector employers are often unable to match the higher wages offered to government employees. As a result, the human services organizations risk losing employees to state agencies. This exacerbates workforce shortages, impeding the delivery of care to vulnerable Floridians who require access to timely and reliable services.

The steadily rising minimum wage also poses a threat to workforce stability. The minimum educational requirement for many human services positions is a high-school degree, but the responsibilities required to do their jobs far outweigh that of other entry-level jobs.

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25 Supra, see footnote 20.
26 Florida Certification Board, “Certification Guidelines: Credential Standards and Requirements Table, Certified Mental Health Professional (CMHP),” January 2020.
Because of this, potential employees for compassion-driven organizations, such as the ones interviewed, may opt to work at establishments where they face less responsibility for the same, or substantially similar, rate of pay, such as restaurants and private stores.

Within the last year, some organizations received funding to make higher wages possible for community and human services positions. For example, DSPs saw their minimum wage increase to $15/hour. This wage increase helps DSPs move closer to fair compensation, but it remains a non-competitive wage when considering the strenuous nature of the work many DSPs perform.

Another example of more fairly compensated wages was found within the child welfare system. Heartland for Children, one of the CBC Lead Agencies, received long-needed funding during the last legislative session. The additional funding enabled Heartland for Children to raise the salaries of case managers, successfully stabilizing the Agency’s turnover problem and allowing them to compete in the market for high-quality professionals.

Despite these steps in the right direction, the human services organizations that support Florida’s vulnerable children and families remain confronted with the difficulty that individuals qualified to fulfill human services roles might find higher paying and less stressful occupations in another sector, leading to higher turnover rates. Therefore, it is imperative that adequate funding is provided to address the workforce shortage crisis.

**Limited Capacity**

There are not enough employees to serve all the community members in need. When organizations are short-staffed, they have to cut back on services provided. For example, the CINS/FINS program provides short-term shelter for youth in crisis, but due to the lack of available staff to supervise youths, has reduced the number of beds statewide by 38 percent. This results in more children in juvenile detention, at DCF program offices, and in the back of police cars, all of which lead to poorer outcomes for youths and the community.

For iBudget recipients, staffing issues are limiting the availability of service providers. The APD reports that, since March of 2021, more than 50 residential group homes have cited staffing issues as a reason for closure. Seven of the 46 adult day training centers also closed due to lack of staff. These closures put thousands of Floridians with disabilities at risk of losing their support network.

As the organizations struggle to overcome staffing shortages, some staff members become burdened with increased workloads, which further encourages turnover. Consider the case managers that are relied upon to coordinate child welfare. The DCF recommends a ratio of case managers to cases of 14:1; however, all but four of the CBC Lead Agencies routinely exceed this ratio. Florida’s child welfare system cannot turn away a child in need so, when one case manager leaves, other case managers must take on additional cases. Large caseloads can diminish the quality of care and services delivered and increase the level of stress of the remaining case managers, which can encourage further attrition.

**Recommendations**

**The legislature should appropriate levels of funding sufficient to enable human services organizations to provide reasonable workloads for staff.**

In the event that state agency employees receive a five percent salary increase as recommended by the Governor, the legislature should approve a similar increase for private sector human services providers contracted by the state to provide services to Florida’s vulnerable families.

**Challenge 2: Leadership Transition**

Consistent leadership, strengthened by historical and institutional knowledge, has kept firm a stable vision that has guided the development of supports for Florida’s vulnerable families over the past few decades. Most interviewed organizations have maintained a considerable level of stability among the executive ranks; however, many who have been in executive positions for some time are now nearing retirement age. As these organizations begin to experience an exodus of leaders and a drain of institutional knowledge, a premium must be placed on successful plans to secure and retain talent that can prepare them for the future.

Like most successful businesses and organizations, the talent required to operate human services organizations cannot be overstated. The executive team is responsible for building partnerships with the community, enlisting service providers, and serving as their region’s conduit to the state government. The leaders must be able to critically evaluate their local needs and secure the resources to ensure all needs are met. The leaders must be able to face emotionally trying situations with compassion as they help employees navigate tough situations.

Without the talents and high performance of a chief
executive officer, the social service needs of Florida will not be properly met. The talent of executive leadership is unique and takes years to build. For any business, the top executives need to be highly educated, driven, experienced managers, well-trained, innovative, and unrelenting. Looking at potential executives for human services organizations, the pool gets even smaller, while the demand for specific skills becomes greater. The organizations need someone with business experience, an ability to coalesce and collaborate with community leaders and stakeholders, and an understanding of the rules of engagement and policy within the human services field.

To further compound the issue, the right leaders typically have talents that are universally prized among all types of businesses, and not-for-profit businesses have a greater challenges offering compensation or benefit packages that are anywhere near as competitive as those offered by for-profit businesses. Even if prospects are willing to accept lower compensation, they worry about the stress of satisfying excessive government regulation and being treated with suspicion even as they act ethically. When the agencies cannot find the right fit, they may hire someone less capable for the job.

These challenges were exacerbated by COVID-19, which encouraged professionals across fields to retire sooner than anticipated due to stress and health concerns. The collective retirements of CEOs led to a loss of institutional knowledge that must be rebuilt, which can be especially difficult as the leaders try to overcome pressing issues such as staffing shortages and high turnover.

Recommendations

The legislature should enact legislation that allows not-for-profit human services organizations to offer competitive compensation packages when recruiting new executive leadership to pay for high performance.

Challenge 3: Litigious Environment (Indemnification)

Tort litigation has become a multi-billion-dollar industry for plaintiffs’ lawyers. Since 2002, the American Tort Reform Foundation’s (ATRF) Judicial Hellholes® program has identified jurisdictions where judges in civil cases routinely apply laws in an unfair and unbalanced manner, generally to the detriment of defendants. Although Florida is not officially designated a Judicial Hellhole®, the ATRF has placed Florida on its 2022-23 Watch List as it moves closer to a formal designation as a Judicial Hellhole. According to a recent study, each Florida resident pays an annual “tort tax” of $812.52, and more than 173,000 jobs are lost each year due to the outcomes of these lawsuits. If Florida enacted reforms targeting lawsuit abuse, the state’s gross domestic product would increase by more than $17.66 billion.

Many organizations working with Florida’s vulnerable families are susceptible, whether justified or not, to a lawsuit. When faced with a lawsuit, the organization can either go to court or settle. Regardless of the legitimacy of the claim, they usually settle due to the high costs and the time needed to take a case to court. Predatory and malicious suits waste taxpayer dollars allocated for Florida’s adults, seniors, children, and families with the greatest needs. It is important to note that, when a lawsuit is filed, government employees have the benefit of sovereign immunity, but organizations delivering services on behalf of the government do not.

The increased number of lawsuits has increased insurance costs. Data from not-for-profit, governmentally funded human services organizations show exorbitant rate increases over the past five years. Since 2017, the overall premium for General Liability and Professional Liability insurance has increased by 239 percent and Auto Liability insurance increased by 236 percent, despite lower limits of insurance and higher deductibles. Combined, the human services organizations from the analysis spent $34 million on liability insurance.

The cost of claims for human services organizations has also increased. In 2017, the average claim cost for General Liability was $16,000. Now, it costs community and human services organizations more than double --- $33,900. Before child welfare services were outsourced, DCF had a $768.28 tort cap per case due to its sovereign immunity. Although they deliver the same services, the tort cap is not applicable to the CBC Lead Agencies or child welfare service providers, nor is there a tort cap for any of the other organizations delivering services to Florida’s vulnerable populations on the government’s behalf. Increased insurance costs translate to fewer funds available for staffing and services, which directly affects the level and quality of care provided.

The ramifications of a lawsuit extend beyond monetary burdens. Lawsuits can be demoralizing, especially for the staff directly involved. Lawsuits also induce atmospheres of anxiety, which can interfere with the quality of services provided to children and families and further disincentivize employment within this industry.

33 American Tort Reform Foundation, “Judicial Hellholes 2022/23.”
36 Ibid.
Recommendations

The legislature should pass legislation that would eliminate one-way attorney fees, eliminate fee multipliers, reduce the number of predatory and opportunistic lawsuits filed, and ensure fairness in Florida’s civil justice system.

The legislature should afford limited liability to employees of organizations that deliver government services to shield them against exorbitant lawsuits.

Challenge 4: Administrative Burdens

From those providing juvenile prevention services to those serving persons with disabilities, the network of compassion-driven organizations that reinforces the self-sufficiency and resiliency of Florida families is diverse. They differ in how they receive government funding, which agencies they work with, and what laws govern their activities; however, all of them feel burdened by government regulations.

Since the growing popularity of privatization and the initial implementation of local organizations providing human services to the community, government regulations and “red tape” have continued to grow. For example, CBC Lead Agencies are subjected to more than 300 accountability measures. The CBC Lead Agencies are not alone in carrying this burden. These redundant reports are duplicative in nature.

There are basic policies in place that should sufficiently secure quality performance without the need for excessive regulation. Regarding the examples described above, both CBC Lead Agencies and Managing Entities are procured through a competitive process that enables DCF to review business plans and to negotiate for the services the state needs. After procurement, their contracts undergo periodic review and renewal, thereby allowing DCF to maintain oversight and control over the services that are provided. All CBC Lead Agencies and Managing Entities are nationally accredited.

Often, organizations that serve vulnerable families are required to share similar data with different state agencies. Time and resources are used to deliver the same information repeatedly, sometimes requiring new staff positions solely for the sake of providing paperwork to the government, rather than providing critical services. The over-collection of data and reporting takes time away that could have been spent supporting the needs of Florida’s vulnerable populations. Further, since the employees producing the data and paperwork are paid with state funds, taxpayer dollars are used inefficiently when the system fails to be streamlined.

Administrative requirements from the state government can also exacerbate other challenges. The regulations are often disruptive, especially during a time burdened by short-staffing, and impede the delivery of services. As agencies try to restaff, administrative practices required by the state government—which result in slow and expensive onboarding processes—can make it harder to compete with private businesses.

Recommendations

State agencies should revise their regulations of services contracted to serve vulnerable families to ensure they are streamlined and efficient and reduce administrative burdens. The number of accountability measures and performance metrics reported to state agencies should be streamlined to include only those measures and metrics that are meaningful and appropriate.

The state agencies need to demonstrate a willingness to amend the contract when programs should be modified to allow organizations to implement newly evidenced best practices or to accommodate industry trends.

Challenge 5: Financial Stabilization

As funding models are considered, it is important to first recognize many of the discussed human services organizations deliver state-contracted services at a discount due to donor contributions. These organizations take the initiative to secure alternative revenue streams to supplement the funding provided through state contracts to meet the needs of those entrusted to their care. Florida’s locally oriented approach presents an opportunity to forge relationships with stakeholders, enabling donors to witness direct impacts from their donations in their own neighborhoods.

Some statutorily mandated human service providers have been subjected to operating with ever-changing funding allocation models. Constant shifts in funding can erode and destabilize an otherwise sound system of care. Complex funding allocation models should be designed with and by those who deliver services and carry the financial risk of doing so.

For example, in 2011, the CBC Lead Agencies were allocated funding based upon an equity model, and the model experienced changes in 2013, 2015, and 2018. To more comprehensively evaluate Florida’s child welfare funding model, the Florida legislature established a new work group in 2019. The work group included DCF, CBC Lead Agencies, and Casey Family Programs. The work group developed an “actuarial based, child centered cost structure.” A consultant was hired to develop a cost

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37 Florida Coalition for Children, Fact Sheet.
38 Chapter 287, Florida Statutes and Chapter 394, Florida Statutes
40 See, Florida Statutes 409.996 (12) and Florida Statute 394.9082 (6).
model, which is scheduled to be complete in the summer of 2023.41

As the new funding model is developed, certain factors about the nature of child welfare should be considered. Since both governmental and nongovernmental agencies deliver child welfare and related services, the new funding model should be applied equitably to both parties. Child welfare providers do not have a right of refusal—they must serve every child in need of services—so the funding model will need the flexibility to allow agencies to serve the unique needs of children with consideration that the extent of services needed cannot be anticipated until the child is screened and enrolled.

The new model should be careful not to incentivize the removal or placement of children in foster care, or any other practices that adversely impact timely permanency. Rather, the optimal funding model should reward innovation and efficiency that best serve those in need of services, as well as provide the best return on investment for Florida taxpayers. Most importantly, the current budget allocation should serve as a baseline—as the labor market grows increasingly competitive and inflation creeps, the funding for child welfare services must grow correspondingly in order to maintain these crucial services. If the new funding model will result in reduced funding for a human services organization, the human services organization should be “grandfathered” into the new methodology by gradually adjusting the impact over time rather than threatening the sustainability of the child welfare system by removing funds upon which they have grown reliant.

Some organizations have specific line-items in the General Appropriations Act. As an example, the CINS/FINS program has a specific line-item appropriation in the General Appropriations Act each year, primarily funded by General Revenue (GR). Within the past few decades, the program has received multiple increases, but increases are tied to the addition of programs, which require additional staff and support, making it hard to maintain overhead costs. Many other providers also contract with the state for multiple years without rate adjustments to address increases in costs. If state agency contracts with these organizations do not include provisions for increased funding to address inflation and increased costs of living, then these organizations risk losing talent or are forced to redirect costs for services to overhead spending. This directly impacts the organizations’ ability to provide quality services to Floridians. Sometimes, providers leave the system altogether because they can no longer afford to operate under the current funding model.

Not only are these organizations in need of financial increases to enhance their programs and keep up with rising demand, but they also need them to keep pace with rising, non-wage operational costs such as gasoline, health insurance, and business insurance. For example, these increased non-wage operational costs have directly affected providers who operate through the iBudget waiver program, and many of these providers are now operating at a loss.42 From March 2021 through December 2022, the Agency for Persons with Disabilities reported that 18 adult day training (ADT) programs permanently closed, citing financial difficulty as a reason for most of the closures.43 The current funding model approach is not sustainable, and there will eventually be a reduction in services provided to those in need, if these disparities are not addressed.

In addition to financial increases and keeping up with non-operational costs, the allocation of how funds are distributed to these organizations significantly impacts how these human services organizations facilitate their services to Florida’s vulnerable populations. These organizations operate as businesses within their communities while still maintaining a unique relationship with state agencies to provide human services on a local level. Unlike traditional business operations, these organizations often have to wait for their funding until the state agencies review the complex contracts and provide feedback which then starts the amendments process, which can further delay the overall process. Further stress is placed on these organizations when only partial funding is received due to the remaining funds being tied up in various amendments that go back and forth between these human services organizations and the related state agencies. Having the entire amount of funds distributed to these organizations as early as possible benefits everyone involved and can help these organizations accurately plan how that money will be allocated throughout the year.

Some of the organizations believe they would have an easier time discussing their financial needs if there was a greater ability to define the state’s needs for their services. For state-delivered social services, such data estimates are common practice. The Florida legislature’s Office of Economic and Demographic Research (EDR) conducts annual estimating conferences for social service programs such as Kidcare, Medicaid, and TANF, where the programs’ past caseload and expenditures are evaluated for forecasting of future growth. These serve as a tool to inform legislators of the funding needs for each of these programs year-to-year. Unlike social services directly delivered by the state, similar programs such as iBudget and foster care have not had an estimating conference since their inception. Additionally, although the Criminal

41 Florida Senate, Appropriations Committee on Health and Human Services, February 22, 2023.
Justice Estimating Conference monitors incarceration rates over time for different age groups, it may also be beneficial to monitor the growing population of youths facing risk factors.

Under Florida Statutes, the Social Services Estimating Conference (SSEC) is required to develop official forecasts of Medicaid caseloads and expenditures to be reviewed for planning and budgeting purposes by State agencies. Without an estimating conference for iBudget, the legislature uses previous appropriations to forecast the needs of iBudget for the year ahead, leaving out influential variables such as the effects of new laws, agency policy changes, inflation, and Florida’s growing population. Incorporating iBudget into its own estimating conference would provide policymakers and taxpayers with a clearer sense of this program's current and future costs, ensuring the APD and service providers have the funds needed to care for Floridians with disabilities. It is stated Florida policy to have people live in the community with supports rather than institutions, which would be more expensive than Medicaid Waivers.

**Recommendations**

The funding model for human services organizations to individuals should be data driven and should be flexible enough to permit these organizations to serve Floridians in need.

When applicable, estimating conferences should be used to align funding more accurately to needs. The Social Services Estimating Conference should provide policymakers with supplementary information—such as the effects of rising healthcare costs, service utilization increases as population levels increase, and the cost of servicing waitlist individuals—that would contribute to long-term plans to sustain Florida’s human services organizations working at the community level.

State agency contracts with human services organizations should include provisions that permit the contract to be amended to address the need for additional funding due to inflation and increased costs of living.

Funds should be distributed immediately after being allocated by the state legislature.

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**CONCLUSION**

When Florida first pursued the decentralization of human services in the 1990s, the notion was novel. Since then, Florida developed robust, home-grown, highly effective systems of care—often considered one of the best across the country—that serve a wide range of needs for its vulnerable populations. This decentralized approach also saves the state money because of the relatively low cost of human services organizations, coupled with their management efficiency, transparency, and accountability of taxpayer dollars. Despite the success Florida has achieved, the challenges noted in this report must be addressed to ensure optimal care for Florida’s most vulnerable adults, seniors, children, and families.

There are many vulnerable children and families throughout Florida who look to the state, and the human services organizations who contract with the state, to provide access to needed services. As Florida’s population continues to grow, it will be especially important that Florida’s systems of care are funded appropriately to meet the growing demand for services.

It is imperative that the partnerships between state agencies and organizations that facilitate these systems of care have the stability and support to continue providing these crucial services to Floridians. Florida cannot take its eye off the prize—achieving the best outcomes for the vulnerable children and families that are served by this locally-oriented approach—for one minute. Through the Stronger Families Roundtable Initiative, Florida TaxWatch is committed to supporting the state as stakeholders, policymakers, and administrators responsible for the delivery of services try to secure the best outcomes for vulnerable children and families. Florida TaxWatch believes we can best support our vulnerable children and families by supporting the agencies and human services organizations that provide their services, the people who protect people.
As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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