Risk Pool Funding Application SFY 2021-2022

Please complete all items, sign and date the application, consult with your Regional Managing Director, and submit electronically to the Barney Ray, Director of Revenue Management & Partner Compliance at Barney.Ray@myflfamilies.com

Lead Agency Name: Family Support Services of Suncoast

Region: Suncoast Contract No.: QJ014

Address: 8550 Ulmerton Road, Suite 130, Largo, FL 33771

Lead Agency Contact: Jenn Petion Phone No.: 904-314-4193

Contract Manager: Amanda VanLaningham Phone No.: 904-563-4325

This request is being submitted in response to a projected deficit at 6/30/2022 inclusive of all currently available funding.

Financials:

1) State the amount of funding requested from Risk Pool funds and the amount of the projected deficit at the end of Fiscal Year 2021-2022:
   Projected Deficit: $8,131,200
   Amount of Risk Pool Funds Requested: $8,131,200

2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2021-2022: ☒ Yes ☐No

3) State specifically how the Lead Agency would qualify for Risk Pool funds based upon the requirements in s. 409.990(7)(c), F.S. (Appendix A):

   Family Support Services of Suncoast qualifies for Risk Pool funds based on Category 3, "continuity of care in the event of failure, discontinuance of service, or financial misconduct by a lead agency." FSS Suncoast assumed the lead agency contract on January 1, 2022 after the Department initiated an emergency procurement.

4) Please attach a narrative explaining how the deficit occurred, what steps have been taken to address the cause(s), and how the Lead Agency will work within its allocated core funding in the future. The narrative should not exceed five pages. See Addendum

5) Please provide a detailed proposal that addresses how you will use these funds to address or correct the underlying cause of the shortfall? FSS Suncoast inherited a system of care in crisis, with more than 2600 children in out-of-home care and an

additional 1000 served in home. Staffing was at a critical low, with approximately one-third of the needed case managers on board at the time of transition. Funding was being spent in high cost areas of enhanced board rates and group home subsidies and not invested on front-end family preservation efforts. These funding levels will take time to right-size and normalize. FSS immediately increased the salary of frontline case managers and family support workers to be more competitive with the hiring market. FSS is also working to assess the current prevention and family preservation service array to build out a robust system that the Sheriff's offices can trust to keep children safe at home. Additionally, FSS incurred significant start-up costs associated with becoming a lead agency in a new area, particularly within a 30 day timeframe that included several holidays. Initial costs of standing up IT infrastructure, vehicle purchases and legal corporate structure and filings was significant.

6) Please provide a detailed budget projection for FY 2021-2022 using the template provided with this application.

7) Please include a detailed narrative budget for the proposal presented in #5 and expected Return on Investment (ROI) for the funds requested. FSS assumed the role of lead agency effective January 1, 2022. During January there were one-time expenses nearing $1M due to required acquisition of several vehicles for the contract, significant infrastructure development costs of IT, telephony, and professional service contracts that required escalation clauses to meet a very short timeline. During implementation it was determined that the majority of the computers being utilized by the agency were in such disrepair or significantly aged that they were not able to be productive. To assist with stabilization in the Circuit, FSS has executed a transportation contract to provide support to our placement teams and Case Management Organizations valued with a base rate of slightly more than $100,000 for 6 months. Wages were evaluated at time of transition for many reasons; one of which was due to the increased health insurance costs to the employees that transferred from ECA to FSS. ECA offers a self-funded health insurance plan with an artificially deflated monthly premium to the employees. Bringing them to a traditionally funded health plan resulted in a significant reduction in take home pay. Often as much as $5000 - $8000 per year.

   FSS felt that at this time of instability within the community that it was important to remain consistent in the locations of the current office spaces. Although the landlord of the Largo office has been amicable to repairing a few of the areas in the current location, in the near future FSS will be required to vacate those premises and move into the newly built out area. Replacement furnishings (ie. chairs for all staff seating areas) will be required.

   With the award of Risk Pool funding, FSS will engage consultants that have been integral in FSS' history in the facilitation of change management in areas including but not limited to agency culture, community development and involvement, and process evaluation and streamline implementation.

   Additionally, the creation and enhancement of the service array for Pasco and Pinellas counties requires additional staffing, increased funding to the subcontractor services, and creation and bolstering of FAST and SAFE programs among others.

Lead Agency Name: Family Support Services of Suncoast

Region: Suncoast Contract No.: QJ014

Lead Agency CEO/ED Name: Jenn Petion

Please confirm the following:

The Lead Agency is actively working its SFY 2021-2022 Financial Viability Plan.

☒ Yes ☐ No

Did the Lead Agency receive Risk Pool funding in SFY 2020-2021?

☐ Yes ☒ No

***If Yes**, please attach a status update on the recommendations made by the Risk Pool Committee.*

Jenn Petion 2/23/22

Lead Agency CEO/ED Signature Date

Exhibit A

Section 409.990(7), Florida Statutes:

(a) The department, in consultation with the Florida Coalition for Children, Inc., shall develop and implement a community-based care risk pool initiative to mitigate the financial risk to eligible lead agencies. This initiative must include:

1. A risk pool application and protocol developed by the department which outlines submission criteria, including, but not limited to, financial and program management, descriptive data requirements, and timeframes for submission of applications. Requests for funding from risk pool applicants must be based on relevant and verifiable service trends and changes that have occurred during the current fiscal year. The application must confirm that expenditure of approved risk pool funds by the lead agency will be completed within the current fiscal year.

2. A risk pool peer review committee, appointed by the secretary and consisting of department staff and representatives from at least three nonapplicant lead agencies, which reviews and assesses all risk pool applications. Upon completion of each application review, the peer review committee shall report its findings and recommendations to the secretary, providing, at a minimum, the following information:

a. Justification for the specific funding amount required by the risk pool applicant based on the current year's service trend data, including validation that the applicant's financial need was caused by circumstances beyond the control of the lead agency management;

b. Verification that the proposed use of risk pool funds meets at least one of the purposes specified in paragraph (c); and

c. Evidence of technical assistance provided in an effort to avoid the need to access the risk pool and recommendations for technical assistance to the lead agency to ensure that risk pool funds are expended effectively and that the agency's need for future risk pool funding is diminished.

(b) Upon approval by the secretary of a risk pool application, the department may request funds from the risk pool in accordance with s. 216.181(6)(a).

(c) The purposes for which the community-based care risk pool shall be used include:

1. Significant changes in the number or composition of clients eligible to receive services.

2. Significant changes in the services that are eligible for reimbursement.

3. Continuity of care in the event of failure, discontinuance of service, or financial misconduct by a lead agency.

4. Significant changes in the mix of available funds.

(d) The department may also request in its annual legislative budget request, and the Governor may recommend, that the funding necessary to effect paragraph (c) be appropriated to the department. In addition, the department may request the allocation of funds from the community-based care risk pool in accordance with s. 216.181(6)(a). Funds from the pool may be used to match available federal dollars.

1. Such funds shall constitute partial security for contract performance by lead agencies and shall be used to offset the need for a performance bond.

2. The department may separately require a bond to mitigate the financial consequences of potential acts of malfeasance or misfeasance or criminal violations by the service provider.

Response to Item 4: Please attach a narrative explaining how the deficit occurred, what steps have been taken to address the cause(s), and how the Lead Agency will work within its allocated core funding in the future. The narrative should not exceed five pages.

FSS assumed the lead agency contract on January 1, 2022 after responding to an emergency procurement initiated by DCF. The prior lead agency was projecting a deficit of $14 million for FY 21-22. In the first 45 days, FSS has already realized some cost savings that reduce the need for Risk Pool assistance this fiscal year, despite significant start-up costs incurred through the transition.

The Circuit Six contract has historically been funded at a lower level than what has been assessed as adequate funding. DCF's projections estimate approximately a $10 million funding disparity. Additionally, the number of children entering out of home care has outpaced exits, resulting in more than 2,600 children being in OHC status, creating an additional strain on resources in every component of the system. This inflated number of youth in out-of-home care creates an enhanced need for case managers, support staff, licensing and placement personnel, placement resources and more.

FSS is working to address critical staffing shortages to stabilize the case management workforce. In addition to immediately needing to elevate case manager compensation to maintain staff and recruit additional workers in an environment that has been operating as a long-term crisis, there is a significant community bias to overcome about working in child welfare. Compensation is only part of the approach, albeit an important one, as we also work to shift the culture and perception of working in this field.

Additionally, FSS is working to invest in programs and services that will allow children to be served in the home safely and preserve families from experiencing removal. Over time, as those youth who are lagging in foster care exit to permanency, this will result in right-sizing the system of care. This will result in stabilizing the long-term financial health of the organization as we serve families upstream before more intensive out-of-home services are needed.

Finally, there were significant start-up costs associated with establishing ourselves as a lead agency in a compressed 30 day timeframe. This included rush expenses associated with creating an IT infrastructure that could support 500+ users with appropriate security and FSFN accessibility. These costs are continuing to accrue as even the hardware that was acquired from the prior agency during transition was insufficient and needed immediate replacement due to being broken or so outdated it could not accommodate new software or security installations. Additional start-up costs include emergency service procurements, lease assumption costs, legal filings, vehicle purchases and more. These expenses are not typical of annual expenditures that can be budgeted and cycled over time.