Risk Pool Funding Application SFY 2018-19

Please complete all items and submit electronically to the Regional Managing Director. Upon review and concurrence of the Risk Pool Funding Application, the Regional Managing Director will submit the application to the Deputy Secretary for the Department.

Lead Agency Name: Partnership for Strong Families

Region: North East Contract No.: CJ149

Address: 5950 NW 1st Place, Suite A, Gainesville, FL 32607

Lead Agency Contact: Michael Reneke, CFO Phone No.: (352) 244-1525

Contract Manager: Melissa Trentham Phone No.: (352) 226-4591

This request is being submitted in response to an anticipated end of the fiscal year deficit inclusive of carry forward deficit.

Financials:

1) Confirm the dollar amount being requested: $ 732,755.00
2) Confirm that funds will be expended by the end of the current fiscal year: ☒ Yes ☐No
3) How do you propose to use these funds to address or correct the underlying cause of the shortfall?

Trend Analysis on Anticipated Deficits

1. At the close of FY 2016-17, PSF began the FY 2017-2018 with $791,216.00 in carry forward funds. This figure was further reduced by $ 43,309.00 of expenses incurred during the 2016-2017 fiscal year, but not presented for payment until November. The total carry forward funds remaining was $ 747,907, the lowest total carry forward funds PSF has experienced in quite some time. Anticipating a potential $ 1,723,402.00 comprehensive deficit, PSF applied for funding from the Risk Pool. Although Risk Pool funds were not awarded, the external drivers of internal financial risk continued at a high, but steady pace throughout the FY 2017-2018. Out of Home care placements for children coming into care continued to be a major element of those internal drivers.

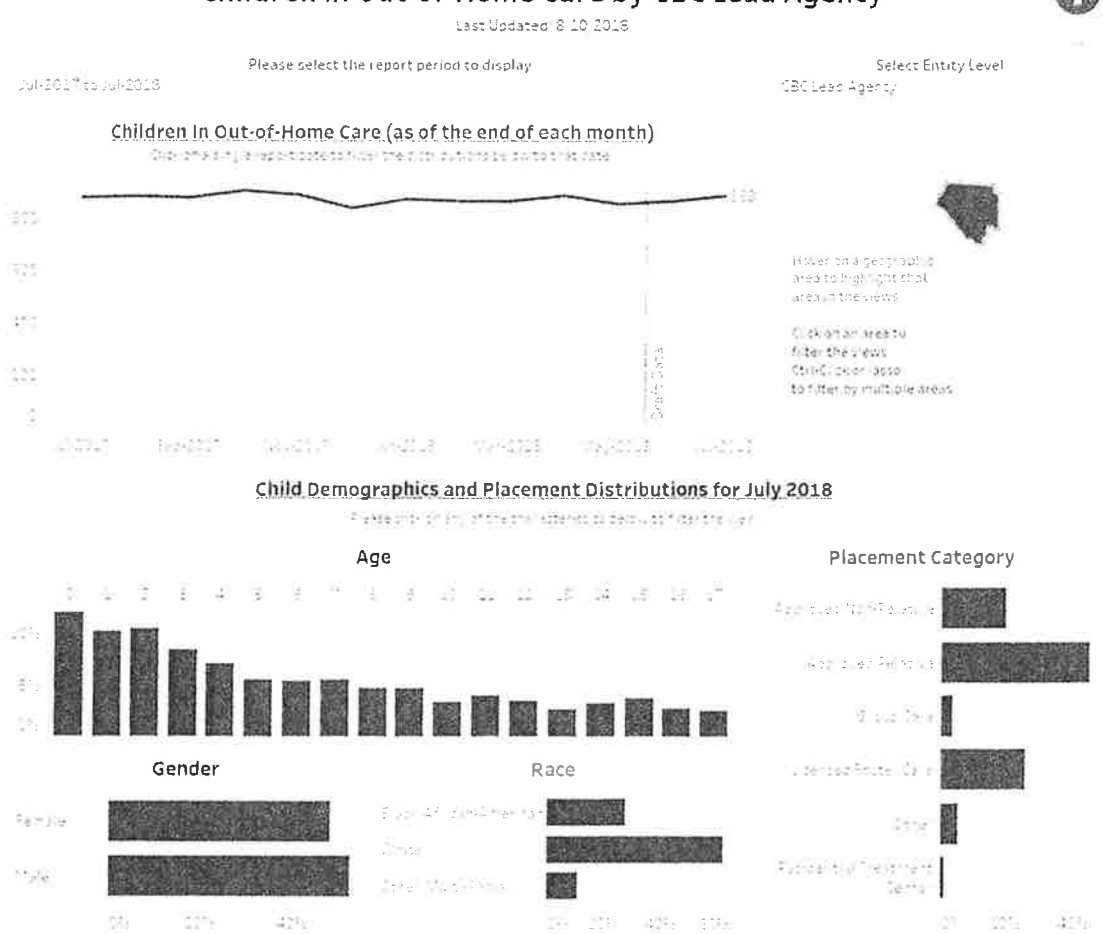
The table below lists the Out of Home care numbers for FY 2017-2018:

Number of children in Out of Home Care (as of the end of each month)

Jul-17	881
Aug-17	886
Sep-17	881
Oct-17	908
Nov-17	892
Dec-17	841
Jan-18	875
Feb-18	868
Mar-18	867
Apr-18	889
May-18	857
Jun-18	868

The data below is from on the DCF Dashboard and paints a compelling picture of the FY 2017-2018.

Children in Out-of-Home Care by CBC Lead Agency



2. During the 2017-2018 fiscal year, PSF implemented the activities and tactics contained in its approved Financial Viability Plan while continuing to monitor expenditures for Out of Home Care, Purchased Services, monthly removal data and quarterly Case Management expenditures. As a result, Out of Home Care Expenditures remained steady until December, when costs began to decline as shown below:

	2016-2017	2017-2018
July	$ 323,343.38	$ 363,728.11
August	$ 284,531.58	$ 359,392.68
September	$ 296,823.19	$ 335,469.50
October	$ 288,345.34	$ 373,282.14
November	$ 274,706.79	$ 360,123.49
December	$ 288,937.48	$ 328,129.72
January	$ 316,923.96	$ 314,634.81
February	$ 332,749.92	$ 301,442.73
March	$ 349,987.27	$ 328,354.83
April	$ 334,403.76	$ 330,212.82
May	$ 353,135.36	$ 322,704.65
June	$ 356,629.53	$ 310,331.11
Total Costs	**$3,800,517.56**	**$3,717,475.48**

Although the total OOHC costs in FY 2017-2018 were 2% lower than the prior fiscal year, 2% is not enough of a decrease in costs to make up for the deficits in allocation.

3. As the new fiscal year dawns, PSF is carefully monitoring the number of removals per month. The chart below highlights removal numbers for the last 3 fiscal years. The total for FY 2017-2018 is low but on trend to increase throughout the coming fiscal year, in a manner that mirrors the 2015-2016 fiscal year. Although, the total number of removals is lower than in the previous fiscal year, PSF is still managing care for those children removed in FY 2016-2017. The number of children who represent 18% removals in fiscal years 2015-2016 and 2016-2017, have not yet exited care.

		TOTAL			
		14/15	**15/16**	**16/17**	**17/18**
REMOVALS	**July**	42	56	78	57
	August	40	61	58	64
	September	49	64	54	32
	October	68	81	71	71
	November	34	55	80	57
	December	54	38	55	21
	January	31	73	80	66
	February	56	51	44	46
	March	95	51	83	56
	April	92	65	45	66
	May	23	56	51	39
	June	56	71	61	62
	Total	**640**	**722**	**760**	**637**

4. Another area of potential financial deficit exists in the anticipated cost of Case Management services for the FY 2018-2019. PSF received the following anticipated deficit figures from Case Management Agencies:

Case Management Agency	Carry Over Deficit FY 17-18	Projected Deficit FY 18-19
Camelot - Alachua County	$ -	$ 103,657.00
Camelot - Live Oak/Starke	$ 82,410.00	$ 36,377.00
CDS - Independent Living	$ 34,523.00	$ 29,670.00
Devereux Foundation	$ 8,778.28	$ 91,151.00
Total Deficit	**$ 125,711.28**	**$ 260,855.00**

In total, Case management Agencies are anticipating $ 260,855.00 in deficits. Increased staff overtime costs have become a consistent addition to case management agency costs.

5. Currently, PSF is in the process of closing out the 2017-2018 fiscal year and fully anticipating that the carry forward funds will be reduced by the total amount overspent on the contract. In addition, we are anticipating a small return of approximately $ 12,000 in unearned Federal Maintenance Adoption Subsidy funds, which further reduces the total funds to be carried forward from this contract year. PSF is anticipating approximately $394,000 in carry forward funds. This decreasing level of carry forward dollars remains a primary financial risk.

6. Recently, $ 106,000.00 in unanticipated occupancy expenses came to light. An increase in occupancy costs for leased space in the Library Partnership building was recently discovered by the Alachua County Library District, and was not previously conveyed to PSF, the holder of the lease. By contract, PSF is being held responsible for the accumulated cost of the space ($106,000.00) occupied by PSF since 2009.

7. PSF is therefore requesting funding in the amount of **$ 732,755.00** from the Risk Pool as follows:

    a. The difference between carry forward remaining at the end of FY2016-2017 ($747,900) and carry forward remaining at the end of FY 2017-2018 ($ 394,000), which is **$353,900.00**.
    b. Funds to mitigate case management deficits costs anticipated - **$260,855.00**.
    c. Funds to repay the Alachua County Library district contractual obligation - **$106,000.**
    d. Restore the $12,000 in unused Maintenance Adoption Subsidy funds - **$12,000.00.**

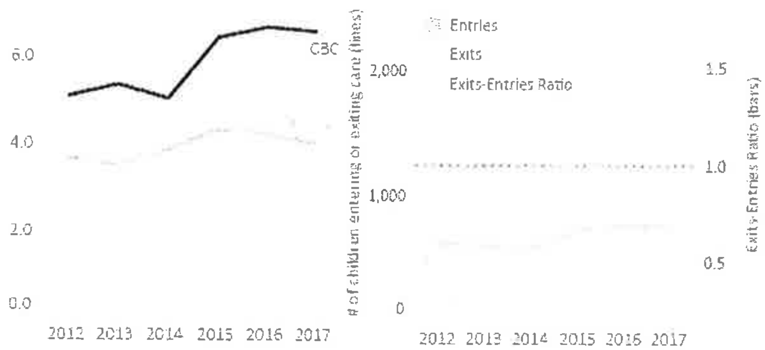
8. Additional Supplemental Information from Casey Family Programs is included with this application to underscore the need for additional funds. This independent analysis highlights that the rate of children entering care has increased overall since 2014 and is currently well above the state and national rates. As a complement to the increased numbers reflected below, the complexity of physical, psychological and psychiatric presenting conditions has also increased.

Special Analysis | Partnership for Strong Families

What do the basic trends look like?

rate of children entering care
(per 1,000)

children entering & exiting care
(numbers and overall ratio)



The rate of children entering care in Partnerships for Strong Families counties has increased overall since 2014 and is currently much above the state and national rate.

In addition, the number of children entering care has remained higher than the number of children exiting care over the last few years.

Lead Agency Name: Partnership for Strong Families

Region: Northeast

Contract No.: CJ149

Lead Agency CEO/ED Name: H. Stephen Pennypacker, Esq.

Lead Agency CEO/ED Signature

8/20/18

Date

CBC Contract Manager Name:

CBC Contract Manager Signature

8/21/2018

Date

Regional Managing Director Name: Patricia Medlock

Please confirm the following:

The Lead Agency submitted a Financial Viability Plan. ☒ Yes ☐ No

The Lead Agency is actively working its Financial Viability Plan. ☒ Yes ☐ No

The Lead Agency's Financial Viability Plan includes projected deficits for one or more CMO contracted through the Lead Agency. ☐ Yes ☐ No

Please check the applicable box to indicate your level of support of this application:

☑ Concur

☐ *Do Not Concur

8/21/18

Regional Managing Director Signature

Date

***Rationale:**

(This item must be completed if "Do Not Concur" is checked.)

Click here to enter text.

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.