Future of Child Protection Contracting and Funding Workgroup Report

I. Executive Summary

The Future of Child Protection Contracting and Funding Workgroup (Workgroup) was established by House Bill (HB) 7089 (2024) and signed into law by the Governor on May 10, 2024. The Workgroup was charged with the following core objectives: examine current contracting methods for the provision of all foster care and related services, consider the unique regional needs of children and families at risk of abuse and neglect, and identify current barriers to implementing federally approved Title IV-E prevention services.

Chaired by the Secretary of the Department of Children and Families (the Department), the Workgroup brings together representatives dedicated to serving children and families throughout Florida, with a mission to protect and promote safety, well-being, and permanency. As directed, the Workgroup developed a series of recommendations for consideration for each core objective and identified changes necessary to implement the recommendations contained within.

This report utilizes the core objectives outlined in HB 7089 to explore key themes and proposed recommendations. It reflects a process of stakeholder engagement, data review, and policy analysis that led to the recommendations included in the report. The Workgroup's proposed recommendations are intended to support the system of care through the exploration of contracting, consideration of the specific needs of children in local areas across the state, and through strategic investments.

II. Background

Florida's child welfare system operates under a privatized, community-based model in which the Department contracts with Community-Based Care Lead Agencies (CBC Lead Agencies) to provide the full continuum of child welfare services, pursuant to sections (s,) 409.996 and 409.988, Florida Statutes (F.S.) These services include prevention, in-home support, foster care, adoption, and transitional services for youth aging out of care. In turn, CBC Lead Agencies subcontract with networks of community providers rather than delivering services exclusively in-house.

Foster care and related services represent a highly specialized scope of work that is not treated as a commodity provided by vendors. Under 2 C.F.R. §§ 200.1 and 200.331–200.332, federal and state requirements designate CBC Lead Agencies—and other entities exercising programmatic authority, as applicable—as subrecipients. As subrecipients, they are responsible for programmatic decision-making and compliance with federal and state child welfare requirements under Titles IV-B and IV-E of the Social Security Act.

CBC Lead Agencies operate under cost-reimbursement contracts and may not earn profit or fee, consistent with s. 409.992, F.S., and 2 C.F.R. §§ 200.400(g), 200.415(a). Their operations are further governed by statutory limits on administrative costs and retained earnings (s. 409.990, F.S.), reflecting their role as mission-driven subrecipients.

While service delivery is decentralized to promote local responsiveness and innovation, the Department maintains oversight and responsibility for the quality of contracted services and programs to ensure services are delivered in accordance with applicable federal and state statutes and regulations, as well as established performance standards and metrics.

Each CBC Lead Agency functions as the single point of accountability for child welfare operations within a defined geographic area. CBC Lead Agencies operate under a standardized core contract developed by the Department, with specific exhibits tailored to address the child welfare system. The contract outlines expectations related to service delivery, fiscal and data reporting, subcontractor oversight, risk management, and achievement of system performance outcomes. Statutory responsibilities and operational requirements are clearly defined, while also allowing for flexibility in regional implementation.

Concurrent with the Workgroup's review and recommendations, the Department, in partnership with CBC Lead Agencies and providers, has advanced a complementary effort to establish a tiered, actuarially informed funding methodology designed to promote equity, transparency, and long-term fiscal stability within Florida's child welfare system.

In State Fiscal Year (SFY) 2022-23, the Department contracted with Mercer to produce an actuarial cost model for child welfare services. This work introduced a tiered, performance-oriented payment framework and highlighted the need for actuarially sound methodologies that account for regional variation and incentivize prevention and permanency. Building on Mercer's foundational work, HB 7089 directed the Department to collaborate with CBC Lead Agencies, providers, and stakeholders to develop a new funding methodology. To complete this objective, the Department contracted with KPMG to lead the next phase of development, including detailed expenditure analysis, service utilization reviews, construction of tiered payment structures, and integration of risk mitigation and

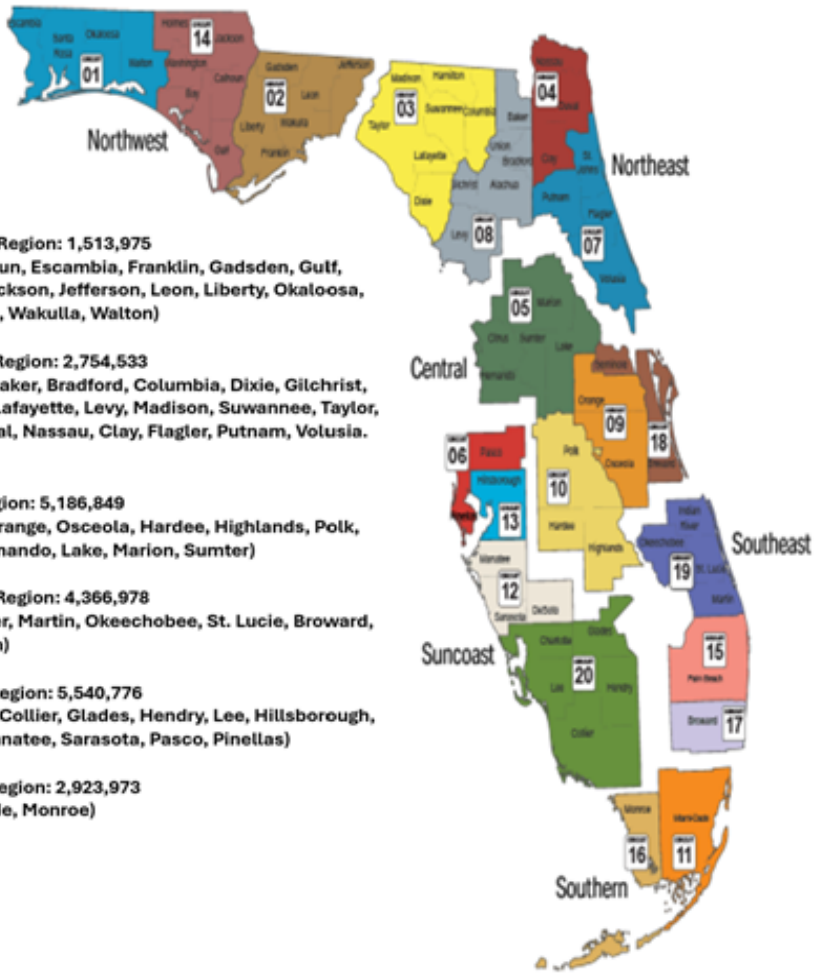
outcome-based incentives. The Department submitted the required funding formula report in December 2024.

Following the 2025 Legislative Session, refinement of the Department's proposed funding model was mandated and is now underway, with stakeholder engagement and technical workgroups actively contributing to the process. In the interim, for SFY 2025-26, core services funding is allocated as provided in the General Appropriations Act while the Department, in collaboration with CBC Lead Agencies and stakeholders, continues refinement of the tiered, actuarially informed methodology directed by recent legislation.

The refinement process emphasizes a tiered and transparent framework that distinguishes administrative expenditures and strengthens prevention and performance measures. The model incorporates actuarial adjustment factors such as geographic wage growth, housing costs, behavioral health prevalence, and demographic characteristics to ensure that regional differences in child welfare populations and service delivery environments are accounted for fairly and consistently. Stakeholders have also underscored the importance of fiscal mechanisms that promote long-term stability while preserving accountability.

Because this effort directly influences how funding may be allocated and managed across the CBC Lead Agencies, the implementation and subsequent impacts of the funding model should be monitored and evaluated in relation to the Workgroup's proposed recommendations contained in this report—particularly in areas of system performance, provider capacity, workforce sustainability, and service accessibility, including in regions with higher operating costs or unique service demands. Evaluation of these interactions will ensure that both the funding model and the Workgroup's recommendations remain aligned, evidence-informed, and responsive to the evolving needs of Florida's child and family service continuum.

Mapping Florida's Regional Population



- **Northwest Region: 1,513,975**
  (Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Santa Rosa, Wakulla, Walton)
- **Northeast Region: 2,754,533**
  (Alachua, Baker, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy, Madison, Suwannee, Taylor, Union, Duval, Nassau, Clay, Flagler, Putnam, Volusia. St. Johns)
- **Central Region: 5,186,849**
  (Brevard, Orange, Osceola, Hardee, Highlands, Polk, Citrus, Hernando, Lake, Marion, Sumter)
- **Southeast Region: 4,366,978**
  (Indian River, Martin, Okeechobee, St. Lucie, Broward, Palm Beach)
- **Suncoast Region: 5,540,776**
  (Charlotte, Collier, Glades, Hendry, Lee, Hillsborough, DeSoto, Manatee, Sarasota, Pasco, Pinellas)
- **Southern Region: 2,923,973**
  (Miami-Dade, Monroe)

In alignment with the requirements set forth in HB 7089, the Workgroup was comprised of the following membership:

Name	Role	Organization
Taylor N. Hatch	Chair	Secretary, Department of Children and Families
Pedro Allende	Member	Secretary, Department of Management Services
Shevaun L. Harris	Member	Secretary, Agency for Health Care Administration
Lisa Magruder	Member (Appointed)	Director, Florida Institute for Child Welfare
Nadereh Salim	Member (Appointed)	CEO, Children's Network of SW Florida
Julie Smythe	Member (Appointed)	VP, Child Welfare Programs, Sunshine Health
Andry Sweet	Member (Appointed)	President and CEO, Children's Home Society
Mike Watkins	Member (Appointed)	CEO, Northwest Florida Health Network
Mark Wickham	Member (Appointed)	President and CEO, Youth and Family Alternatives

The Workgroup convened in February 2025 and met regularly until its conclusion in October 2025. Over the course of these meetings, the Workgroup reviewed legislative requirements and evaluated the following Core Objectives:

- Core Objective #1: Examine the Current Contracting Methods for the Provision of All Foster Care and Related Services.

- Core Objective #2: Consider the Unique Regional Needs of Children and Families At-Risk of Abuse and Neglect.

- Core Objective #3: Identify Current Barriers to Implementing Federally Approved Title IV-E Prevention Services.

To inform its work, the Workgroup held panel discussions and heard presentations from a variety of child welfare system experts on topics directly related to these objectives. These panels and presentations provided critical insight such as data analysis, historical context, and case studies. Panelists and presenters illuminated and shared actual examples of challenges that were met with the identification of root case analysis, strategy, development, and implementation of solutions that have led to leading practices. This approach enabled the Workgroup to develop associated themes for each Core Objective.

The resulting themes created a structural framework to guide discussion and shape the data-driven, actionable outcomes documented in this report. Throughout its deliberations, the Workgroup remained focused on actionable strategies, consistently linking process-related discussions to

Florida's priority child welfare issues. Recognizing the complexity of the system, the Workgroup acknowledged that no single, uniform solution could address every challenge. Accordingly, several of the actionable solutions in this report include targeted recommendations to improve funding and contracting processes for high-priority issues that have a significant impact on the child welfare system.

The Workgroup further grounded its deliberations in a set of Guiding Principles designed to ensure recommendations are connected with agreed upon overarching philosophical principles. These principles provided a consistent decision-making framework and balanced the perspectives of diverse stakeholders:

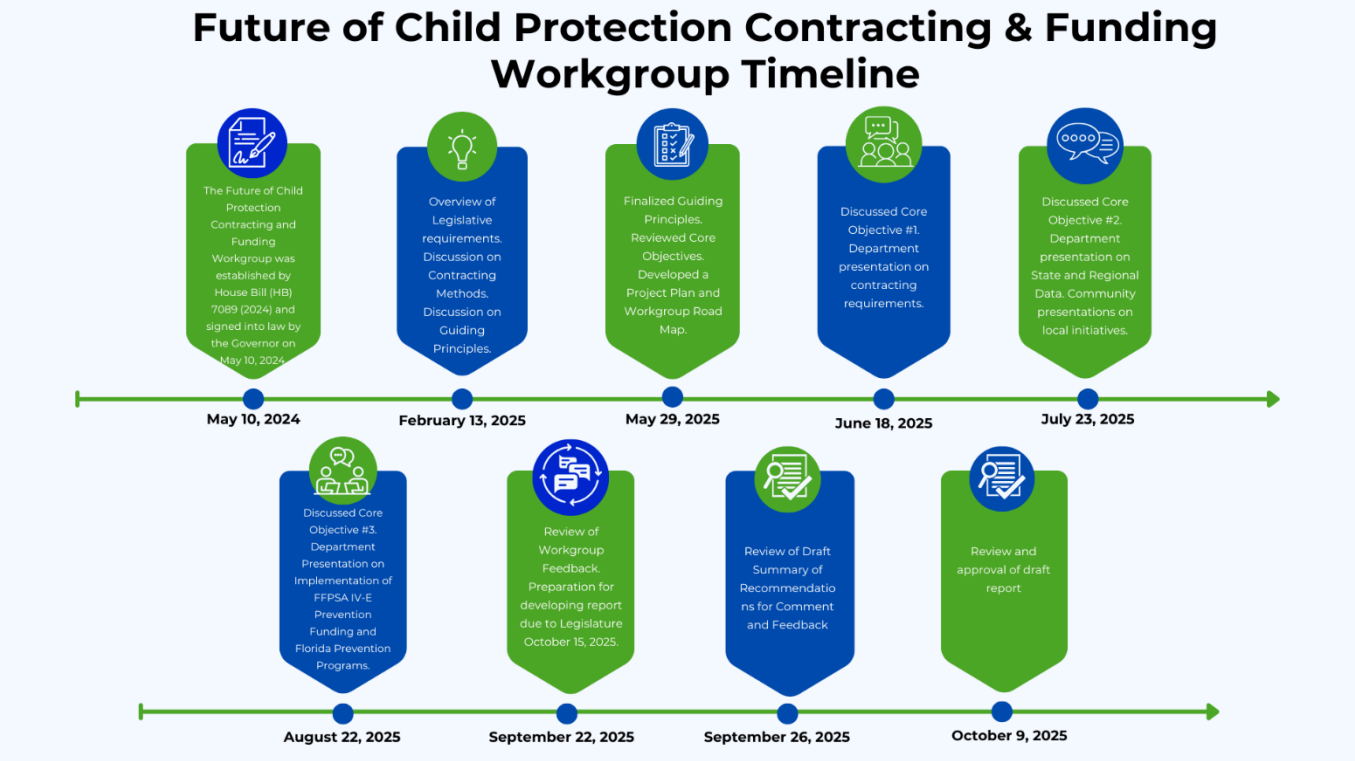
- Prioritize the safety, well-being, and permanency of children through empowering the voice of youth and families and data to drive decision making.

- Encourage a culture that drives local community participation and proactive engagement with children and families.

- Emphasize system accountability utilizing outcome measures to drive performance and funding.

III. Timeline

The Workgroup utilized information provided, robust discussion, and feedback collected to formulate associated themes, background, capture relevant data, that ultimately led to recommendations.



IV. Core Objective #1: Examine the Current Contracting Methods for the Provision of All Foster Care and Related Services

Procurement of CBC Lead Agencies is conducted through a competitive solicitation process governed by Chapter 287, F.S. As the solicitation mechanism typically utilized, Invitations to Negotiate (ITNs) issued by the Department require applicants to demonstrate organizational capacity, financial health, governance readiness, and experience in delivering child welfare services. Proposals are reviewed by multidisciplinary evaluation teams using technical and cost criteria. Contract awards are based on a "best value" solution, which evaluates a variety of factors, including cost and price structure, technical merit/quality, vendor qualifications and capacity, risk management, and additional benefits or enhancements that may be advantageous to the state.

Over the last five years, the Department has conducted a series of competitive solicitations resulting in the transition of four lead agencies impacting five circuits (Circuits 1, 6, 9, 13, and 18), as well as the award of several incumbents for their existing catchment areas. Resulting contracts between the

Department and the selected vendors include a five-year term with an option for the Department to renew for a period up to the initial term of the contract based on satisfactory performance.

CBC Lead Agency procurements are subject to additional requirements beyond those outlined in Chapter 287, F.S. Specifically, s. 409.987, F.S., outlines additional procurement requirements that the Department and CBC Lead Agencies must follow when a CBC Lead Agency provides more than 35 percent of all child welfare services in-house. To encourage community engagement and service diversification, local community alliances must review the CBC Lead Agency's justification for exceeding this threshold and recommend whether the Department should approve or deny the request for an exemption. Furthermore, s. 409.987, F.S., also requires that any CBC Lead Agency authorized to provide more than 40 percent of all child welfare services undergo an operational audit of its procurement and financial practices, to be conducted by the Auditor General. CBC Lead Agencies are also required to maintain strong governance structures that ensure appropriate separation of fiscal and programmatic oversight, prevent conflicts of interest, and support transparent, accountable decision-making.

Contracts between the Department and CBC Lead Agencies are monitored through a range of accountability mechanisms, including performance dashboards, routine quality assurance reviews, corrective action processes, and progressive enforcement tools. These oversight functions help ensure that services are delivered in accordance with statutory and contractual requirements and remain focused on the safety, permanency, and well-being of children and families.

CBC Lead Agencies are funded through a combination of state general revenue and federal funds, including Title IV-E, Title IV-B, Temporary Assistance for Needy Families (TANF) Block Grant, and the Social Services Block Grant. Funding is governed by s. 409.990, F.S., and has historically been distributed through a core services base model with supplemental appropriations for priority initiatives such as kinship supports, prevention programming, and specialized placements. Florida adopted the Equity Allocation Model in 2011 and, to address long-standing concerns about regional funding disparities, utilized the Florida Funding for Children Model in 2022 for the distribution of additional legislative funding received. These models aimed to better align funding with caseloads, service needs, and local cost drivers.

With this background and these considerations, the Workgroup appreciates the opportunity to conduct activities that continue to reevaluate the system of care to meet the needs of today and for future generations.

Theme 1: Insurance and Liability Coverage

Three interrelated themes related to Core Objective #1 were identified that impact sustainability and accountability: (1) insurance and liability costs, (2) procurement requirements and direct service limitations, and (3) modernization and workforce development.

Pursuant to s. 409.993, F.S., each lead agency and its subcontracted service providers must maintain general liability insurance coverage as a condition of contracting with the Department. The statute establishes minimum thresholds requiring coverage of at least $1 million per occurrence with a policy period aggregate limit of $3 million—levels originally intended to balance fiscal responsibility

with prudent risk management, given the inherent exposure to liability in foster care, case management, residential services, and related child welfare functions.

However, recent trends indicate that this balance is becoming increasingly unsustainable. A 2025 survey conducted by the Florida Coalition for Children found that CBC Lead Agencies now pay an average of $500,557.79 annually in professional liability premiums, with renewal costs rising by 80 to 100 percent for many agencies. In several instances, premiums are nearing or exceeding liability limits. These increases are projected to divert $12 to $15 million annually from direct services into insurance costs. Over a five-year period, these projected increases would result in $60 to $75 million being diverted to insurance costs; this amount is comparable to many CBC contracts that would serve 1,200 to 1,500 children annually.

In a letter dated February 17, 2025, addressed to the Secretary of the Department and legislative leadership, the Alliance of Nonprofits for Insurance (ANI) warned that, effective July 1, 2025, all Florida ISCPA (sexual conduct and physical abuse) and SSP (social services professional) policy premiums will face 100 percent rate increases, with umbrella policies non-renewed. ANI further cautioned that Florida's foster care nonprofits are at risk of becoming "uninsurable" under current liability laws. Notably, the Alliance of Nonprofit Insurers is one of only two insurance providers currently serving the Florida child welfare sector.

In response to the growing difficulty subcontracted providers face in obtaining or affording liability insurance coverage due to expansive risk exposure under existing law, s. 409.993, F.S., was amended during the 2025 legislative session to narrow subcontractor liability. Under prior law, subcontractors could be held liable not only for their own acts or omissions but also for those of the CBC Lead Agency and the Department.

This previously broad liability created challenges in the insurance marketplace. Subcontractors were frequently classified as high-risk by insurance carriers, leading to steep premium increases or outright denial of coverage. As a result, many providers struggled to meet statutory insurance requirements as premiums reached unsustainable levels and coverage options became increasingly limited. These conditions have contributed to systemwide instability, with a noticeable decline in the number of qualified providers willing or able to participate in the child welfare marketplace due to heightened legal and financial exposure.

While the Workgroup is optimistic that, through monitoring over time, this statutory change will improve the insurance landscape for subcontracted providers, these challenges continue to significantly affect CBC Lead Agencies and Providers today, diverting limited resources from direct services and leading to a reduction in marketplace competition. Provider impact data discussed during the Workgroup included the following specific examples, which should be utilized as baseline comparisons when evaluating impacts of the recent legislative change:

- *Insurance costs doubled from $1.2 million in FY 2024-25 to $2.6 million in FY 2025-26, despite no claims. This requires a per occurrence to be prefunded for the first $250,000 and an additional $250,000 per occurrence.*
- *Insurance products for one Provider total $4.2 million, resulting in nearly 5 cents of every contract dollar received going to insurance costs. This represents a cost of 5 percent of*

funding going toward property, liability, auto and workers compensation insurance when it should be 1 percent or less.

Workgroup members emphasized that the ongoing escalation in insurance costs reflects a shrinking and increasingly volatile marketplace, where limited carrier availability and rising premiums are placing unprecedented financial strain on Florida's child welfare system. Without targeted intervention, these insurance constraints threaten the long-term stability of provider participation and, ultimately, the system's capacity to deliver critical services to vulnerable children and families.

Recommendations:

- Explore the creation of an insurance coalition that unites nonprofit organizations to leverage their collective size in negotiating more favorable coverage across multiple insurance lines and consider funding opportunities to support the initial establishment. This approach offers a potential strategy to lower costs, expand access to coverage, and enhance stability for nonprofits delivering vital services within the child welfare system.
    - This analysis should include ongoing monitoring and collection of data on insurance costs year over year, including the number of settled claims and the average cost of those settlements, as well as a comparison of overall costs before and after the implementation of s. 409.993, F.S.
    - Utilizing a nonprofit coalition could not only reduce insurance costs but will also provide specific industry services to achieve a best in practice for risk management, loss control, safety and claims administration services. These services may also help reduce the frequency and the cost of claims.

- Consider enacting policies that reinforce accountability in service delivery through of legislation that both holds CBC Lead Agencies and Providers accountable and lessens the associated burden of liability.
    - Several states have extended protections for CBC Lead Agencies/subcontracted Providers working in a privatized model by limiting liability for those entities when they are delivering services on behalf of state government and have met associated requirements.
        - Texas SB 1558 (2025) provides qualified immunity for nonprofit entities contracting with Department of Family and Protective Services or serving as CBC contractors, as long as they comply with background check, reporting, and training standards. It seeks to stabilize the provider network, mitigate insurance challenges, and promote safer, more sustainable operations within the state's child welfare system—while maintaining accountability for gross negligence or systemic failures.
        - North Carolina HB 547 (2025) limits liability of nongovernmental child welfare and human services providers to their own negligence only. It also extends the state-equivalent liability caps to these providers and clarifies separate legal and financial responsibilities between contractors and public agencies while maintaining full accountability for acts constituting abuse.

- Consider the exploration of a partnership with an entity that could implement a credentialing model tied to the development of a tax credit program for insurance costs. This credit would be available to providers that meet already-required accreditation and performance standards, offering both an incentive for quality improvement and financial relief to high-performing organizations.
    - Some states provide discounts, incentives, or preferential treatment for providers with certain accreditations or quality recognitions, especially in health care or long-term care settings. For example, as noted by Joint Commission recognition programs, various liability insurers may offer premium discounts to providers accredited by the Joint Commission were permitted by law.

- Evaluate the potential financial impact of eliminating the automatic premium escalator provisions in provider contracts, as outlined in s. 409.993(4), F.S., which currently requires agencies to increase coverage by 5 percent annually.
    - This evaluation should include a formal fiscal impact assessment to determine potential cost savings and, if findings are favorable, the development of associated legislative proposals to promote greater stability within the insurance market.

- Conduct additional research to explore and evaluate the feasibility of state-backed insurance coverage focused on sexual abuse coverage, with remaining coverage purchased on the open market.
    - S. 627.351(6), F.S., establishes the Citizens Property Insurance Corporation. This is a state-created, not-for-profit insurer of last resort in Florida. It was established by the Florida Legislature in 2022 (via merger of two earlier state-backed entities) to provide property insurance to homeowners and businesses who cannot obtain coverage from private insurers. Citizens is intended to serve policyholders who are unable to secure coverage in the private market due to risk, geography, or affordability.
        - As of September 30, 2024, Citizens had approximately 1,263,055 policies in force and a total exposure of approximately $533.2 billion.

- Conduct additional research to analyze impacts and evaluate solutions in creating a risk-sharing corridor so that costs above a defined premium growth threshold are absorbed by a separate state fund rather than core CBC Lead Agency contracts. A shared risk corridor may aim to establish a cost-sharing arrangement between CBC Lead Agencies and the state for insurance expenses that exceed a defined threshold. CBC Lead Agencies would be responsible for insurance costs up to an agreed upon limit, while costs above that threshold would be partially absorbed by the state.
    - To ensure equitable distribution of financial protection across the system, the risk-sharing structure should flow down through CBC Lead Agency subcontracts, enabling subcontracted providers to benefit proportionally from the same fiscal safeguards.
        - This approach would help stabilize the broader Provider network, reduce the risk of service disruption, and maintain continuity of care during periods of market volatility. This evaluation should include the assessment of potential statutory or budgetary mechanisms necessary to implement and sustain such a model, including options for oversight, eligibility criteria, and accountability measures to ensure responsible use of shared risk funds.

- The Department, in collaboration with its partners, is exploring the potential to incorporate a risk corridor in the funding formula. While not directly linked to insurance costs, this approach could still be assessed for its relevance and considered in relation to this proposed solution.

- Evaluate Department of Corrections (DOC), Department of Juvenile Justice (DJJ), and Florida's self-insurance practices for adaptable models that provide a sustainable solution related to increasing costs for liability insurance.
    - S. 768.28, F.S., waives sovereign immunity for state agencies in tort claims not to exceed $200,000.00 per claim or $300,000.00 per incident. The Statute also extends this protection to certain contractors that are deemed agents of the state when performing services under contract with appropriate agency language establishing that relationship.
    - S. 768.28(10)(a), F.S.: "Health care providers or vendors, or any of their employees or agents, that have contractually agreed to act as agents of the Department of Corrections to provide health care services to inmates of the state correctional system shall be considered agents of the State of Florida, Department of Corrections, for the purposes of this section, while acting within the scope of and pursuant to guidelines established in said contract or by rule. The contracts shall provide for the indemnification of the state by the agent for any liabilities incurred up to the limits set out in this chapter."
    - S. 768.28(11)(a), F.S.: "Providers or vendors, or any of their employees or agents, that have contractually agreed to act on behalf of the state as agents of the DJJ to provide services to children in need of services, families in need of services, or juvenile offenders are, solely with respect to such services, agents of the state for purposes of this section while acting within the scope of and pursuant to guidelines established in the contract or by rule. A contract must provide for the indemnification of the state by the agent for any liabilities incurred up to the limits set out in this chapter."
    - As part of this evaluation, this should include exploration around the feasibility of adopting comparable statutory language to extend limited liability protections to CBC Lead Agencies and subcontracted Providers delivering services in lieu of a state agency, ensuring such protections only apply when entities are found to be acting in good faith and within the scope of their contractual responsibilities.

Theme 2: Procurement Requirements and Direct Service Limitations

S. 409.987, F.S. outlines CBC Lead Agency contract terms, requiring that the Department procure Lead Agency contracts through competitive procurements with a contract period of five years. Contracts are subject to the requirements of Chapter 287 and allow for the extension of a contract for a period up to the initial term of the contract, in accordance with s. 287.057, F.S., if the CBC Lead Agency has met performance expectations within the monitoring evaluation.

While the Invitation to Negotiate (ITN) procurement process supports long-term planning, negotiations to ensure the best value for the state, and the development of innovative practices and services to support the local community, Workgroup members observed that the process requires a high level of investment relating to administrative staffing—even in instances with sole or limited bidders—taking upwards of 500+ staff hours to respond and participate.

Members also raised concerns about the statutory restriction that prevents CBC Lead Agencies from delivering more than 35 percent of direct services without Department and Community Alliance approval and potential Auditor General review if they exceed 40 percent of direct service delivery. They noted that this limits flexibility, particularly in regions with constrained provider capacity, and restricts community voice.

Finally, Workgroup members representing the provider perspective noted that under the current procurement process, the lack of multiple bidders does not impact the timeframe for contract execution and creates unnecessary instability for high-performing providers already delivering essential services. Streamlining the process would help reduce administrative burden, ensure continuity of community-based services, and incentivize sustained excellence in provider performance.

Recommendations:

- Explore expedited procurement paths for high-performing, sole-bidder incumbents and qualified providers in good standing thereby reducing instability and reducing administrative burden.
    - Prior to issuing a solicitation, the concept of the issuance of a “letter of intent” could be explored for the purposes of gauging the interest of potential respondents to a competitive solicitation prior to release of an Invitation to Negotiate (ITN).
        - If only one “letter of intent” is received in response to the Department or entity intending to issue the competitive solicitation, the process could mimic the process of a sole source contract, subject to validation or desk audit confirming that the organization continues to meet all minimum statutory and contractual requirements.
        - As a safeguard, the process would maintain the aspect relating to community input to ensure the selected provider remains a viable and supported choice. If the community raises substantial concerns, the Department/CBC Lead Agency could elect to reopen the competitive process.
    - Alternatively, an expedited process could be explored regarding the development of an expedited or abbreviated ITN process for qualified CBC Lead Agencies and Providers in good standing and meeting/exceeding established performance standards. This could include consideration of the creation of a “preferred provider” status to formalize the streamlined process.
        - For these providers, repetitive documentation requirements could be waived, recognizing the Department/CBC Lead Agencies already maintain verified performance and compliance records.
    - This recommendation should apply to both CBC Lead Agencies and Provider contracting processes, ensuring consistent procurement efficiency and recognition of provider performance throughout the system.

- Enhance procurement efficiency through technology-enabled document management and data integration.
    - Stakeholders noted limited focus on the tools and technology solutions needed to make procurement streamlining operational. To address this, exploration of

opportunities to automate and centralize documentation and data collection associated with procurement and contract management processes should occur.
    - Technology solutions- such as leveraging the Comprehensive Child Welfare Information System (CCWIS), or a similar secure online platform- should be evaluated as potential systems for provider document uploads and data sharing, consistent with the provisions of s. 402.7306, F.S.
        - Implementing such a system would allow providers to submit documentation once for review by both the Department and CBC Lead Agencies, thereby reducing redundancy, administrative costs, and duplication of effort, while enhancing transparency and oversight.
        - This information could also be utilized as a pre-qualifier for providers and CBC Lead Agencies in advance of an ITN.

- Clarify the contractual requirement for provider required timeframes for re-procurement by CBC Lead Agencies, supporting stability within the system of care.
    - CBC Lead Agency contracts (C-2.3.6) requires that *"The Lead Agency shall re-procure all CMO and Full Case Management Agency contracts by competitive procurement within 24 months of the effective date of this Contract, unless procurement of these services has occurred within the last 12 months leading up to the execution of this contract."*

- Monitor and report on the implementation of HB 7089—specifically the direct services thresholds (35–40 percent) and related Auditor General findings—to assess their impact on network stability and consistency. The Department should conduct a formal review by 2027, allowing for at least three years post–statutory implementation to collect CBC Lead Agencies procurement feedback, analyze audit outcomes, and evaluate whether additional legislative or policy adjustments are warranted to strengthen system performance.
    - Updated during the 2024 Legislative session, s. 409.988(1)(j), F.S., directs that CBC Lead Agencies *"Shall directly provide no more than 35 percent of all child welfare services provided unless it can demonstrate a need within the lead agency's geographic service area where there is a lack of qualified providers available to perform necessary services."* Furthermore, the Statute outlines the process for local community alliance review and recommendation for an exemption to this requirement, based on specified factors, requiring the Department to approve or deny the exemption request and require re-procurement.
    - Some Workgroup members noted challenges with the current structure, including the additional review requirements once a CBC Lead Agency exceeds 40 percent, the two-year waiver limit requiring repeat applications within a single contract term, and the need for multiple approvals in multi-county circuits. These members emphasized the importance of ensuring accountability while also balancing administrative efficiency. Other Workgroup members suggested that modifying the current procurement processes for both CBC Lead Agencies and expand those processes to the CBC Lead Agency procurement.
    - As of October 2025, there are currently six (6) CBC Lead Agencies who are providing more than 35 percent direct services with Department-approved

exemptions with two (2) of the six (6) CBC Lead Agencies providing more than 40 percent direct services in house.
    - The two CBC Lead Agencies providing more that 40 percent direct services in house were audited by the Auditor General's Office. The audit did not produce any findings as to either of the two CBC Lead Agencies.

- Explore an allocation of funding that could be utilized under specific circumstances to both encourage competition and stabilize when a new or an existing CBC Lead Agency assumes a new catchment area. This will provide an opportunity to introduce competition into the marketplace while ensuring interested providers have the capital to deliver the required services.
    - Examples of allowable transition costs may include:
        - Staffing and workforce stabilization: Short-term funding to retain critical staff, cover recruitment and onboarding costs, and maintain continuity of case management and direct services during the transition period.
        - Information technology and data integration: Costs related to transferring client data and ensuring compliance with confidentiality and data security standards. This may also include expenses for transferring, upgrading, or replacing essential technology and equipment such as computers, servers, and mobile devices necessary to support staff operations.
        - Facility and infrastructure readiness: Expenses associated with establishing or transferring office space, vehicles, signage, and other operational infrastructure necessary to serve the new catchment area.
        - Training and compliance preparation: Costs for staff and subcontractors to meet licensure, accreditation, and programmatic requirements prior to assuming full-service delivery.
    - There have been five (5) CBC Lead Agency contract transitions from FY 2019- FY 2025. Four (4) selected Lead Agencies have been incumbents from another catchment area.

Theme 3: Modernization and Investment into Technology and Workforce Development

Florida's child welfare workforce remains central to the success of the system, and efforts are underway to strengthen stability and professional growth. While turnover and salary pressures present challenges, the Department and its partners are actively advancing solutions, including the development of a new statewide case management curriculum (anticipated completion of implementation in 2027) and the implementation of the Comprehensive Child Welfare Information System (CCWIS), with full launch anticipated in fall 2026. These initiatives will modernize tools, improve consistency in practice, and create a stronger foundation for workforce retention and support. As the system transitions away from legacy approaches, stakeholders emphasized the importance of ensuring that funding models not only sustain services but also promote reinvestment in staff, technology, and infrastructure.

Recommendations:

- Assess establishing a dual-purpose innovation grant opportunity to support technology or workforce initiatives that supports both the implementation of proven, evidence-based technology solutions and the development of emerging or locally designed innovations that show promise. These initiatives should be aimed at enhancing efficiencies, streamlining processes and improving service delivery capacity. Saving resulting could be reinvested to support further technology upgrades, workforce development or infrastructure improvements.
    - Evidence-based technology solutions: Grants could prioritize tested and validated technology platforms that have demonstrated measurable benefits in case management efficiency, data integration, or workforce productivity. This approach would promote broader adoption of plug-and-play innovations with proven outcomes.
    - Emerging or locally developed innovations: Grant opportunities could support homegrown technology or workforce initiatives that aim to address identified system challenges or service gaps. While these may not yet have a formal evidence base, they could serve as targeted pilot projects to test and refine new approaches in real-world settings.
    - Each grant should include a formal evaluation component to assess outcomes, scalability, and sustainability. This evidence-building strategy would generate insights from pilot implementations across diverse regions, strengthen the case for recurring investments in successful statewide innovations, and encourage a balanced approach that values both evidence-based practice and practical innovation developed within the child welfare network.

- Explore establishing a framework that allows CBC Lead Agencies and Providers to provide one-time, merit-based bonuses to staff, with incentives tied to tenure, satisfactory performance, and professional development milestones.
    - These bonuses could be funded through the agencies existing administrative allocation and/or available carry-forward dollars, classified as one-time, non-recurring costs, to reward and retain high-performing employees without creating ongoing fiscal obligations.
    - Exhibit B of the CBC Lead Agency contract requires that compensation be reasonable and necessary, while also establishing a cap on executive compensation under s. 409.992(3), F.S., which limits the salaries of the chief executive officer, chief financial officer, chief operating officer, or their equivalents to no more than 150 percent of the Department Secretary's salary. Exhibit F.1.1. ties funding to legislative appropriation and line-item authority under s. 409.990(1), F.S., and s. 409.992(2), F.S., imposes an administrative cost cap.
        - Within this framework, merit-based bonuses may be considered feasible so long as they are reasonable and necessary, remain within the statutory executive compensation limits, and are funded either from the existing administrative allocation or non-state revenue sources, unless the Legislature establishes a dedicated appropriation category (OCA).

- Explore the feasibility of conducting a comprehensive evaluation of the utilization and limitations of carry-forward funds to determine opportunities for enhanced flexibility and strategic reinvestment within the CBC Lead Agency and Provider networks.
    - This review should assess current statutory and contractual constraints, identify barriers to efficient use, and explore policy or legislative options that would allow carry-forward dollars to be applied more effectively toward workforce stabilization, innovation, infrastructure and technology enhancements, and other one-time system-strengthening initiatives.
    - Expanding the use of carry-forward funds- while maintaining appropriate accountability measures- would provide CBCs and Providers with the agility to respond to emerging needs, reward performance, and invest in initiatives that improve long-term system sustainability and service outcomes.
    - S. 409.990(5), F.S., outlines that *"A lead agency may carry forward documented unexpended state funds from one fiscal year to the next; however, the cumulative amount carried forward may not exceed 8 percent of the total contract. Any unexpended state funds in excess of that percentage must be returned to the Department. The funds carried forward may not be used in any way that would create increased recurring future obligations, and such funds may not be used for any type of program or service that is not currently authorized by the existing contract with the Department. Expenditures of funds carried forward must be separately reported to the Department. Any unexpended funds that remain at the end of the contract period shall be returned to the Department. Funds carried forward may be retained through any contract renewals and any new procurements as long as the same lead agency is retained by the Department.*

- Monitor the current work underway to develop newly proposed funding model previously mentioned which may provide CBC Lead Agencies greater flexibility to strengthen staff capacity, sustain infrastructure, and support modernization efforts while maintaining accountability for outcomes.
    - In response to the requirements outlined in HB 7089, the Department and partners continue to refine a proposed funding model for CBC Lead Agencies and Providers, prioritizing a more predictable, needs-based allocation and establishing pathways for reinvestment. The level of effort currently underway relating to the creation of a newly proposed funding model includes the consideration of tiers that allow for innovation and the consideration of reinvestments in a multitude of ways. Examples could include workforce stabilization, infrastructure, modernization, and other strategic investments.

V. Core Objective #2: Consider the Unique Regional Needs of Children and Families At-Risk of Abuse and Neglect

Florida's child welfare system is built on the community-care based model, which empowers local CBC lead agencies and providers to deliver services tailored to their communities while operating within a consistent statewide framework. This structure allows CBC lead agencies and providers to be responsive to the unique needs of Florida's diverse regions—ranging from rural, isolated areas to fast-growing urban centers—while maintaining accountability to the state's statutory and contractual requirements.

The state's community-based system is diverse, encompassing a wide range of geographic regions, community needs, and service delivery environments. As a result, Workgroup members report significant variations in the costs of delivering services across the state, influenced by factors such as local wage levels, housing markets, workforce availability, and demographic characteristics of the populations served. Additional cost pressures voiced by Workgroup members also stem from operational dynamics—including the volume of hotline intakes received, investigative activities conducted, case management caseload levels, and child removal rates—all of which directly impact resource allocation and service intensity. Recognizing these regional and operational differences is essential to developing a funding approach that supports sustainability within the community-based care model.

To help manage these challenges, Florida's statewide Risk Pool program, established under s. 409.990, F.S., serves as a financial mechanism to manage and distribute fiscal risk inherent to the community-based model for child welfare services. Administered by the Department, the program provides targeted support to CBC lead agencies facing uncontrollable cost pressures such as caseload fluctuations, changes in service demand, or unexpected funding shifts.

As outlined in the Department's 2025 Final Funding Methodology and Rates Report (p.13), *"the figure below illustrates the amount of risk pool, back of the bill, and other additional funding that has been allocated to CBCs to address deficits over the last five years, demonstrating a continued need for a funding methodology that more accurately predicts future costs and adjusts for cost-of-living factors and case-mix fluctuations."*

Figure 1: CBC Risk Pool Funding from SFY 19-20 to SFY 23-24

CBC Lead Agency	CBC Lead Agency Risk Pool/Back of Bill/Additional Funding for Budget Deficits				
	SFY 19-20	SFY 20-21	SFY 21-22	SFY 22-23	SFY 23-24
Central					
Family Partnerships of Central Florida*			$ 1,028,962		$ 2,916,347
Embrace Families Community Based Care*	2,354,282	6,331,222	913,525	3,054,312	9,036,160
Heartland for Children					327,662
Kids Central, Inc.	400,342				
Northeast					
Community Partnership for Children					
Family Support Services of North Florida			1,636,059		
Kids First of Florida					
Partnership for Strong Families		67,666	156,101		3,943,889
St. John's Board of County Commissioners					
Northwest					
Families First Network**	3,771,089	2,107,445	4,478,368		
Northwest Florida Health Network - East	2,346,951	3,534,097	2,781,935		1,181,000
Northwest Florida Health Network - West**					
Southeast					
ChildNet - Broward					
ChildNet - Palm Beach	1,338,767	513,725			724,183
Communities Connected for Kids					3,489,378
Southern					
Citrus Family Care Network					6,191,401
Suncoast					
Children's Network of Hillsborough***					467,628
Children's Network of Southwest Florida					
Eckerd Youth Alternatives - Hillsborough***	3,262,402				
Eckerd Youth Alternatives - Pasco/Pinellas****	11,167,021	10,749,108			
Family Support Services of Suncoast****			6,724,321		
Safe Children Coalition	3,165,360	891,327	1,600,534		426,443
Total	**27,806,214**	**24,194,590**	**19,319,805**	**3,054,312**	**28,704,091**

** Embrace Families Community Based Care Lead Agency's contract ended on 4/30/2024, and Family Partnerships of Central Florida Lead Agency's contract was effective 5/1/2024 for this service area.*
*** Families First Network Lead Agency's contract ended on 10/31/2022, and Northwest Florida Health Network - West Lead Agency's contract was effective 11/1/2022 for this service area.*
**** Eckerd Youth Alternatives - Hillsborough Lead Agency's contract ended on 6/30/2022, and Children's Network of Hillsborough Lead Agency's contract was effective 7/1/2022 for this service area.*
***** Eckerd Youth Alternatives - Pasco/Pinellas Lead Agency's contract ended on 12/31/2021, and Family Support Services of Suncoast Lead Agency's contract was effective 1/1/2022 for this service area.*

While the Risk Pool provides short-term fiscal stabilization, the ongoing Funding Model Workgroup—supported by actuarial and fiscal experts—is focused on the development of a long-term, data-driven funding methodology that promotes transparency and predictability across the system. The Workgroup recognizes that operating costs differ by geography. To better account for these variations, the funding model work will integrate several geographic and programmatic adjustment factors, including geographic housing and wage adjustments, as well as additional adjustments for service type, risk factors, and demographic characteristics. The implementation and outcomes of this work should be monitored and evaluated to assess its impact on funding allocations and to inform potential refinements to the recommendations outlined in this section.

Across the system, CBC lead agencies and providers face many shared dynamics that reflect both statewide trends and regional realities. Recruiting and retaining qualified case managers continues to be a system-wide challenge. CBC lead agencies and providers report that workforce shortages are driven by factors such as compensation, job stress, and competition with other sectors—particularly in rural areas and high-cost urban markets. Despite these challenges, partners

throughout the system of care remain committed to building strong, mission-driven teams and have implemented a range of creative workforce supports.

Placement stability and capacity are also top priorities and concerns, particularly for large sibling groups and children with high behavioral health needs. While targeted recruitment strategies—such as partnerships with faith-based organizations, foster parent groups, and local advocates—are underway across the state, specialized placement options remain limited in some areas. The Department, sister agencies, CBC lead agencies, providers, and partners have responded by analyzing data to better inform and develop both innovative statewide and local solutions, from expanding respite care to creating support networks for foster families. Analyzing data and capturing the voice of those with lived experiences will continue to be imperative.

Access to behavioral health services remains a critical need in every region, especially for youth with intensive or co-occurring diagnoses. CBC lead agencies and providers are working with Managing Entities, investing in telehealth, and supporting provider capacity-building efforts to close service gaps. These efforts are helping to increase service availability, although rural and underserved communities still face notable barriers. In geographically large or rural regions, transportation remains a key obstacle that affects service access, family visitation, court participation, and school continuity. CBC lead agencies and providers have adapted by using mobile and telehealth services and co-locating supports closer to families whenever possible.

To strengthen coordination of services and resolve barriers—especially for children and families engaged with multiple agencies or systems of care—the Department and its statewide partners convene Local Review Teams (LRTs). These teams unite representatives from diverse agencies and organizations to review complex cases and address systemic challenges, with the shared goal of connecting families to appropriate resources and treatment, preventing crises, and reducing entry into the child welfare system. In FY 2024-2025, LRTs reviewed 1,038 children, successfully diverting 96 percent from entering out-of-home dependency care. The effectiveness of these teams, and the critical role of system partners in achieving such outcomes, cannot be overstated.
Despite these barriers, Florida's partners are demonstrating resilience, innovation, and deep community engagement. Cross-sector collaboration has become a defining strength of the system, with CBC lead agencies and providers actively partnering with school districts, law enforcement, local governments, and behavioral health providers. These relationships support joint case staffings, crisis response planning, and community-based prevention programs.

Data-driven strategies are also being employed with several child welfare providers, who are using geo-mapping and predictive analytics to target resources, inform placement decisions, and expand prevention services. This is allowing agencies to respond more strategically and efficiently to emerging needs.

The Department, along with its system partners, has made lived experience a cornerstone of the development of the work in child welfare, engaging caregivers, foster youth, and biological families in shaping practice improvements. Advisory councils, listening sessions, and the integration of lived experience into staff training are helping to ensure that services are both meaningful and effective. These strengths are evident across all regions, as CBC Lead Agencies and Providers continue to develop innovative, community-rooted responses to local challenges. Agencies are expanding

access through mobile services and telehealth, addressing placement and housing instability through coordinated supports, and building strong partnerships with local governments, faith-based organizations, and community groups. While specific strategies may vary by region, partners statewide are demonstrating adaptability, collaboration, and a shared commitment to improving outcomes for children and families.

The Department and sister agencies are actively supporting these local efforts through policy leadership, funding oversight, and system-wide initiatives focused on workforce development, the cultivation of resources and supports with traditional and nontraditional partners, performance monitoring, and equitable service access to improve placement stability, strengthen behavioral health integration, and advance family-centered practices across the state.

The Workgroup's review of Core Objective #2 identified two primary areas of opportunity: (1) strengthening early supports for high-acuity youth prior to removal, and (2) expanding access and services for youth with high needs once they are in care.

Theme 1: Advancing Early Support for Youth with High Acuity Prior to Removal

Florida has made important progress in diverting youth from foster care through Local Review Teams (LRTs), with 96 percent of community youth successfully diverted from system entry as tracked through Department run staffings. These efforts reflect the strength of the prevention framework under s. 409.986(2), F.S., and related contract requirements (C.1.1.1.4), which obligate CBCs to ensure access to prevention services. Data from approximately 1,000 LRT-staffed children highlight overlapping system involvement: 22 percent had dual involvement with DJJ, 11 percent with APD (Agency for Persons with Disabilities), 66 percent had a history of Baker Act examination, and 87 percent had prior Department involvement. These findings point to both progress in diversion and opportunities to enhance early supports, including trauma identification and caregiver assistance, to further reduce reliance on crisis stabilization and residential care.

Recommendations:

- Consider expanding early trauma identification efforts by embedding screening tools into diversion programs and CBC Lead Agencies and Provider prevention contracts.
    - S. 409.986(2), F.S., establishes prevention as a CBC Lead Agency responsibility; C.1.1.1.4 of CBC Lead Agency contracts obligates access to prevention services.
    - Enhanced screening could help address the high percentage (66 percent) of youth with prior Baker Act history before problems escalate.

- Explore expanding caregiver support programs such as respite, peer mentoring, and parenting skill development. A more robust and flexible caregiver support infrastructure will ultimately enhance stability and safety for children and families while preserving in-home placements, whenever safely possible and reducing long-term costs associated with placement breakdowns and reentries into care.
    - Exploration should include the following considerations:

        - Data in support of the request for the funding of community respite beds for children and youth who are at-risk of entering out-of-home care (e.g. due to temporary “lockout” situations or family crises). These short-term, community-based respite placements would help stabilize families, prevent unnecessary removals, and reduce pressure on emergency shelter systems.
        - Evaluate current statutory and contractual limitations on the respite allowance (both days and reimbursement rates) for licensed foster homes to provide greater flexibility and reduce caregiver burnout. The associated allowances should reflect the true cost of care and incentivize the availability of qualified respite providers.
        - Lower the statutory threshold for participation in peer mentoring programs by revising the background screening requirements that may unnecessarily limit the involvement of those with lived experience. Expanding eligibility may allow enhanced mentorship support for caregivers and parents, enhancing retention and improving the overall quality of care.
        - A data and fiscal evaluation to determine the feasibility of expanding access to evidence-informed parenting programs, trauma-informed care training, and ongoing professional development opportunities for all caregiver types (including foster, adoptive and relative caregivers), to strengthen capacity and confidence in managing complex child needs.
    - S. 409.165, F.S., authorizes family support and foster parent training services; existing CBC Lead Agency contracts already support limited caregiver assistance.
    - Of the youth staffed by LRTs, 26 percent came from adoptive homes, suggesting that caregiver support remains critical even after permanency is achieved.

- Assess the feasibility for a flexible pathway for families to access cross system service arrays and experts supporting an immediate activation of person center supports on a time limited basis while additional planning and provisioning of services are explored.
    - S. 409.986, F.S., emphasizes coordination of services; Part II of Chapter 409, F.S., governs Medicaid program alignment; CFOP 170-9 directs the Department to coordinate across systems.
    - 22 percent of youth in LRTs had dual DCF/DJJ involvement and 11 percent had APD involvement, underscoring the need for continued partnership and flexibilities.

Theme 2: Expanding Access and Support Once High-Acuity Youth Enter the Child Welfare System

Florida has taken steps to strengthen its placement and treatment options for youth with significant behavioral health needs. After an assessment of all children referred to the Qualified Evaluator Network for in-patient residential treatment in SFY 2023-2024, approximately 250 children did not qualify for residential or therapeutic treatment but still require enhanced services. The Department created Behavioral Qualified Residential Treatment Programs (BQRTPs) under FFPSA; and, through SB 7012 (2025), established a Foster Pilot Program targeted to this population. These initiatives align with s. 409.988, F.S., which makes lead agencies responsible for administering a continuum of care, and s. 409.1451, F.S., which directs supports for older youth in care.

While these legislative and programmatic initiatives represent important progress in specialized settings, Workgroup members identified persistent challenges that limit the effectiveness of group care and placement settings and supports. Noted challenges include inconsistent rate structures across providers and regions, lack of rate alignment with the true cost of care and intensity of services provided or the specialized staffing required. These inconsistencies can lead to placement inequities, where providers in certain regions cannot sustain programs due to insufficient reimbursement levels, disincentives for higher-acuity placements, particularly for youth with co-occurring behavioral health needs, and barriers to system growth, as providers face uncertainty in long-term funding viability.

Workgroup members emphasized that establishing a standardized, cost-based rate structure- one that reflects the actual costs of delivering care and accounts for regional variations- would help ensure program sustainability and provider participation across the continuum. They further highlighted opportunities to build on current placement frameworks by addressing waitlists, rural service gaps, and strengthening the workforce responsible for serving these youth.

Recommendations:

- Explore expanding specialized placement models such as BQRTPs and the Foster Pilot Program to meet the needs of youth who fall outside of current eligibility criteria; and to develop a tiered funding structure for psychiatric residential treatment facilities for youth with co-occurring needs.
    - Family First Prevention Services Act (42 U.S.C. §671(a)(37)); s. 409.175, F.S., governs licensure of residential care; SB 7012 (2025) established the Foster Pilot Program.

- Consider exploration of specified funding to allow the Department to invest in capacity-building initiatives through grants to ensure the system of care can effectively meet the needs of youth with complex behavioral health and co-occurring conditions.
    - Workgroup members report persistent service gaps, particularly in Psychiatric Residential Treatment Centers (PRTCs) and therapeutic foster homes, underscoring the need for targeted capacity-building strategies.
    - These grants could be modeled after the Office of Substance Abuse and Mental Health (SAMH) approach for Crisis Stabilization Units (CSUs) and inpatient services.
    - These investments would fund sufficient and sustainable capacity to meet the needs of children and youth requiring higher levels of care, especially in regions currently lacking specialized placements.

- Consider piloting respite and crisis placement programs as a bridge for families and youth with acute needs.
    - In SFY 2022-23, 33,685 Baker Act examinations involved children. While 988 and Mobile Response Teams (MRTs) divert many crises, gaps remain as youth face waitlists for outpatient care and limited short-term stabilization options. Existing shelters (e.g., Children in Need of Services/Families in Need of Services - CINS/FINS) provide respite but are not designed for clinical crisis placement, leaving families without adequate bridge supports. Piloting respite and crisis placement

programs could offer short, structured stays that stabilize youth, reduce unnecessary Baker Acts and ER utilization, and connect families to longer-term services.
    - S. 409.1676, F.S., provides for residential group care quality standards; contracts may be adapted to include respite and crisis stabilization.

- Assess incentives to expand provider capacity in rural or underserved areas.
    - Florida has established strong network adequacy standards, but persistent gaps remain in rural and underserved areas. To address these challenges, state agencies and system partners should conduct a data-driven assessment of provider shortages. This review would draw on available network adequacy reports and other statewide data to identify high-need regions, evaluate the effectiveness of existing incentives such as telemedicine coverage, Rural Health Clinic reimbursement, loan repayment programs, and value-based purchasing, and compare recruitment and retention outcomes across regions.
    - Workgroup members noted an evaluation for the consideration of Medicaid reimbursement to include reasonable travel expenses could help attract and sustain providers in these regions, thereby strengthening the service marketplace and supporting overall system development—particularly in rural and hard-to-reach communities.
    - Building on this foundation, state agencies in consultation with lead agencies and providers could explore the expansion of the use of financial, contractual, and workforce incentives most likely to increase provider capacity. Options could include enhanced rate structures for rural service delivery, targeted procurement strategies under Chapter 287, F.S., cross-system partnerships to braid funding, and expanded access to workforce supports such as tuition assistance and loan repayment. Grounded in the statutory direction of s. 409.986, F.S., this approach ensures responsiveness to local needs while embedding accountability and performance monitoring into statewide agreements and contracts.

- Assess the feasibility for a flexible pathway for youth in out of home care to access cross system service arrays and experts supporting an immediate activation of person center supports on a time limited basis while additional planning and provisioning of services are explored.
    - Florida's child welfare system frequently serves children who are also involved with the DJJ, the APD, and Medicaid. Youth served through multiple systems of care often present with complex needs requiring coordinated services across agencies. Although state agencies and system partners are directed to collaborate, differing eligibility rules and funding structures continue to cause delays, duplications, and gaps in service delivery. Explore steps such as the development of a crosswalk of all eligibility pathways, explore braided or blended funding models to reduce cost-shifting between systems. Targeted pilots in high-need regions would test revised agreements, with data used to refine statewide standards.

    - Explore the feasibility of a flexible pathway with flexible funding to serve children with intensive behaviors utilizing all available state resources to meet individual person-centered needs. This flexible pathway would activate timely provision of available

subject matter experts, services, supports, and settings to deliver for children and families in need.

- Consider strengthening workforce supports by aligning staffing ratios with case complexity, creating incentives for providers who accept high-acuity youth, and embedding clinical consultation into CBC contracts.
    - CBC Lead Agencies are required to ensure sufficient staff and service capacity, and Rule 65C-30, Florida Administrative Code, sets minimum case management standards. Contract provisions, including CBC Standard Contract Section C.1.1.1.4, further require agencies to maintain an adequate and trained workforce. Serving high-acuity youth requires more intensive engagement and clinical expertise, which increases strain on staff and contributes to turnover rates exceeding 50 percent in some regions. By investing in these supports, Florida can strengthen its workforce, stabilize service delivery, and ensure statutory obligations are met while improving outcomes for children and families.

VI. Core Objective #3: Identify Current Barriers to Implementing Federally Approved Title IV-E Prevention Services

Long before the passage of the Family First Prevention Services Act (FFPSA) in 2018, Florida had made prevention a central focus of its child welfare strategy. The state's community-based care model emphasized family preservation, early intervention, and diversion from foster care. Locally driven programs were already being deployed to keep children safely with their families. By the time FFPSA was enacted, Florida had spent years investing in upstream supports and building a prevention-oriented system.

FFPSA's promise of federal reimbursement for prevention services aligned with Florida's philosophy but presented practical challenges. The law limited reimbursement to narrowly defined Evidence-Based Practices (EBPs) listed on a federal Clearinghouse and delivered only to children formally identified as "candidates for foster care." This definition tends to exclude most of the Florida's prevention population—families reached through voluntary services, community referrals, and early interventions not tied to a hotline report.

To implement FFPSA, Florida undertook extensive planning. The Department convened workgroups, assessed the statewide service array, and submitted a federally approved prevention plan. Federal transition funds were used to train providers and expand selected EBPs, including Functional Family Therapy, Homebuilders, and Multisystemic Therapy. However, across the state, these services reach only a few hundred children annually. Barriers include high training costs, limited provider capacity, staff turnover, and confusion about referrals. Providers often prefer to continue delivering existing, effective services rather than adopt rigid, costly new models.

Efforts to claim federal reimbursement have proven even more difficult. FFPSA requires extensive child-level documentation—including risk assessments, individualized prevention plans, service

authorization, fidelity tracking, and expenditure reporting—entered in Florida's data system (FSFN) and submitted to the federal government. Many providers find this reporting to be duplicative creating reticence in recreating the required documentation in a different system. Even with targeted trainings, the documentation demands are proving difficult to operationalize at scale.

Attempts to blend or braid FFPSA with other funding sources, including Medicaid, have also been difficult. Medicaid coverage is often insufficient to support EBP fidelity and navigating multiple funding streams only increases provider burden. Ultimately, many CBC Lead Agencies have weighed the cost of compliance against the potential financial return and have looked toward moving away from the clearinghouse EBP implementation citing they are a poor fit with Florida's local delivery model. Florida's unique structure—decentralized, privatized, and community-led—does not easily align with FFPSA's assumptions about state-level control and uniform systems.

Despite these challenges, Florida's prevention efforts have continued to succeed. The number of children in out-of-home care has dropped to a twenty-year low in part due to the State's longstanding community-based strategies that predate the implementation of FFPSA Prevention. These locally developed programs are demonstrating results and meeting families where they are—early, voluntarily, and without overwhelming bureaucracy.

The Workgroup's review of Core Objective 3 centered on two themes: (1) empowering providers to deliver sustainable EBPs, and (2) understanding the funding impacts of implementing these services.

Theme 1: Empowering Providers to Deliver Sustainable, Evidence-Based Programs

Florida's prevention network has demonstrated commitment to serving families, but providers continue to face challenges in curating, training, and sustaining programs that align with federal requirements. Many community-level services in Florida show strong outcomes but are not listed on the IV-E Clearinghouse. Meanwhile, the limited number of approved EBPs creates strain on capacity, leading to long waitlists, expensive training requirements, and high clinician turnover. These challenges highlight the importance of balancing federal requirements with Florida's flexible, community-based approach.

Recommendations:

- Support local innovation and evidence-informed practices by expanding flexibility for CBC Lead Agencies and Providers to deliver prevention services that have demonstrated positive outcomes in Florida communities, even if not federally recognized EBPs. This preserves Florida's long-standing tradition of tailoring services to meet local needs.

- Further invest in family-driven, voluntary supports by prioritizing services that engage families early, before they reach the child welfare front door, by expanding utilization of voluntary access points and community-based diversion initiatives. These early intervention strategies can help stabilize families in crisis, reduce unnecessary system involvement, and promote long-term child and family well-being.

- To ensure that such investments are data-informed and sustainable, this should include consideration of the establishment of a framework to evaluate the effectiveness, quality and return on investment (ROI) of family-centered prevention programs, including ongoing evaluation of outcomes, formal integration of evaluation requirements and collaboration with research partners.
- By pairing early engagement strategies with evaluation and ROI analyses, the Department can ensure resources are directed toward interventions proven to be effective, while building an evidence base to guide ongoing investment in prevention and diversion efforts across Florida's community-based care network.

Theme 2: Evidence-Based Services and Funding Impacts

FFPSA created opportunities for Florida to draw down federal dollars for prevention, but Workgroup members highlighted ongoing challenges that have prevented any drawdown of IV-E Prevention reimbursement. States may claim a 50 percent IV-E federal match for EBPs, but services must be documented by child, service, and eligibility type. Fidelity monitoring, cost allocation, and documentation burdens have increased administrative complexity. Florida's experience has been shaped by Medicaid billing, IV-E's "payer of last resort" rule, and maintenance of effort (MOE) requirements. A 2024 University of South Florida evaluation detailed high implementation costs, low reimbursement rates, and workforce pressures as key barriers. Despite these challenges, Florida continues to strengthen fidelity monitoring and data systems, positioning the state to improve claiming practices over time.

See Attachment: Statewide EBP Implementation

Recommendations:

- Maximize flexible state and local funding streams to sustain programs that may not align with narrow federal definitions but produce measurable family outcomes.

- To ensure that such investments are data-informed and sustainable, this evaluation should include consideration of the establishment of a framework to evaluate the effectiveness, quality and return on investment (ROI) of family-centered prevention programs, including ongoing evaluation of outcomes, formal integration of evaluation requirements and collaboration with research partners.

- Streamline data and outcome measurement utilizing the new CCWIS systems to capture prevention outcomes holistically (not just limited to federal categories), allowing the state to demonstrate the effectiveness of locally developed programs and inform resource allocation.
    - Additional consideration should be made to potentially capture IV-E Clearinghouse evidence-based requirements, to support continued development of claimable supported services.

VII. Closing

The Future of Child Protection Contracting and Funding Workgroup was established by the Legislature with a clear charge: to review Florida's child welfare contracting and funding structures and provide actionable recommendations that enhance accountability, transparency, and outcomes for children and families. Over the course of eight months, the Workgroup engaged in a thorough process that included presentations from subject matter experts, review of data and statutory requirements, and extensive discussion of the unique challenges and opportunities facing the child welfare system.

Through this work, the Workgroup identified core objectives and themes that must guide future solutions for families and the people who serve them: strengthening fiscal stability, modernizing procurement and oversight processes, addressing insurance and liability concerns, expanding workforce and technology investments, and ensuring that services remain responsive to the diverse needs of Florida's communities. These recommendations carry fiscal implications whose magnitude and timing should be evaluated and aligned within the ongoing, actuarially informed funding model refinement. The resulting insights should inform funding allocations, highlight areas requiring additional investment, and guide the reinvestment of efficiencies to support long-term stability and improved outcomes.

The Workgroup's efforts reaffirm the Legislature's intent that Florida's child welfare system remains child-centered, prevention-focused, and community-driven, while also ensuring prudent stewardship of state and federal resources. By grounding its recommendations in guiding principles — prioritizing child safety and well-being, fostering local engagement, and emphasizing system accountability — the Workgroup has produced a roadmap that supports both immediate improvements and long-term system transformation.

The Workgroup would like to thank the multitude of partners who contributed to this report and their unified commitment to our shared mission and values as a state.

Attachment: Statewide EBP Implementation

	FFT	BSFT	HB	PCIT	PAT	MST	MI	Date Information provided to Evaluation Team and additional Information
Information below indicates EBPs implemented within the local SOC by the CBC or ME. The purpose is to provide a snapshot of EBP availability statewide.								
NWFL HN								
Cir 1	Yes (CBC)						Yes (CBC)	**Implementing: MI, FFT, PCIT** ***Updated: August 2024***
Cir 2				Yes (ME)				
Cir 14	Yes (ME)			Yes (ME)				
PFSF	Yes (CBC, ME)			Yes (CBC)			Yes (CBC)	**Implementing:** MI ***Updated: September 2024***
KFF	Yes (ME)						Yes (CBC)	**Implementing** MI, FFT ***Updated: August 2024***
FSSNF	Yes (ME)						Yes (CBC)	**Implementing** FFT, MI **HB discontinued** ***Updated: September 2024***
FIP							Yes (CBC)	**Implementing:** No plans to pursue FFPSA funding ***Updated: September 2024***
CPC	Yes (CBC)		Yes (CBC)			Yes (ME)	Yes (CBC)	**Implementing:** FFT, HB, MI, MST. ***Updated: August 2024***
KCI	Yes (CBC)		Yes (ME)		Yes (CBC)			**Implementing:** FFT, PAT, HB **BSFT discontinued** ***Updated: September 2024***

HFC	Yes (CBC, ME)	Yes (CBC)		Yes (CBC, ME)			Yes (CBC)	**Implementing:** FFT, BSFT, PCIT, MI **Note: FFT** is a combination of a contract with ME and grant funding through DCF. **PCIT** two teams, one funded by CBC and the other is a provider funded by ME. ***Updated: August 2024***
FPCF	Yes (CBC)			Yes (CBC)	Yes (CBC)		Yes (CBC)	**Implementing:** FFT**,** PCIT, PAT and MI **Note:** Funder for FFT needs to be clarified, SAMH reported funding. Services reported for Brevard, Orange, Osceola, and Seminole. Assessment of needs is currently underway.
FSS-SC	Yes (CBC)						Yes (CBC)	**Implementing:** FFT (note: teams providing (FFT-CW) **Note:** SAMH office reporting HB, CBC reports HB discontinued. ***Updated: September 2024***
SCC	Yes (ME)						Yes (CBC)	**Implementing:** MI ME expanded FFT services as a response to FFPSA ***Updated: September 2024***
CNHills	Yes (CBC)					Yes (ME)		**Implementing:** FFT, MST ***Updated: September 2024***
ChildNet Broward			Yes (CBC)			Yes (CBC)	Yes (CBC)	**Implementing:** HB, MST **Note:** MST current provider ended, CBC working with another provider on the EBP. ***Updated: August 2024***
ChildNet Palm Beach		Yes (CBC)				Yes (ME)	Yes (CBC)	**Implementing:** BSFT and MST. ***Updated: August 2024***

CCK	Yes (CBC)					Yes (ME)	Yes (CBC)	**Implementing:** FFT and MI. **Note:** FFT funded by CBC will discontinue on 10/01, additional provider through ME in process ***Updated:***
Citrus FCN	Yes (CBC)						Yes (CBC)	**Implementing:** FFT and MI. ***Updated: June 2024***
CN-SWFL							Yes (CBC)	**Implementing:** MI. ***Updated: August 2024***