

NEWS SERVICE FLORIDA



SENATE DEMANDS SALARY DATA FROM COMMUNITY CARE AGENCIES
By MARGIE MENZEL THE NEWS SERVICE OF FLORIDA

THE CAPITAL, TALLAHASSEE, Oct. 14, 2011.....A Senate committee, angered by the juxtaposition of children's deaths with swelling pay for those overseeing their care, has ordered Florida's 20 community based care lead agencies to provide detailed data on their executives' salaries and bonuses.

The annual base pay of chief executive officers at the CBCs ranged from \$138,176 to \$307,977 in 2007 and 2008, according to federal tax forms. In 2010, bonuses as high as \$28,024 were distributed to CBC administrators.

"There's been a perception that there's been extraordinary compensation, given that these are non-profit agencies serving children," said Senate Democratic Leader Nan Rich of Weston, vice chair of the Senate Committee on Children, Families and Elder Affairs.

Sen. Ronda Storms, R-Brandon and chair of the committee, sent the CBCs a letter on Sept. 28, giving a deadline of Oct. 14 for data on executives' salaries, bonuses, deferred compensation and "perks such as cars, travel and hotel expenses" for each year from 2007 through June 2011.

"The committee is conducting a review not only to receive information relating to current compensation levels, but also to make recommendations for future efforts to ensure taxpayer dollars are used appropriately to serve and support the children and families of this state," Storms wrote.

The CBCs were on track to meet the deadline, said Michael Cusick, CEO of the Florida Coalition for Children, which lobbies for them.

The committee's ire was stoked during the 2011 legislative session, when the CBCs backed a bill that would have capped their liability for pain and suffering by children in their care.

Coming days after 10-year-old Nubia Barahona's decomposing body was found in her adoptive father's pick-up truck, it was a controversial measure, and Storms said the focus on CBC expenditures grew from there.

"We put it in writing because we knew they have been unwilling to provide the information," she said. "They would not tell you that...but I would cast a jaundiced eye at those assertions."

Cusick said the CBCs are operating in a transparent, accountable manner.

"They have audits like any other non-profits," he said, adding that the CBCs' 990 tax forms disclose executive salaries. "I don't know what more [Storms] wants that isn't already there."

The CBCs have had "some issues" in collecting the data, Cusick said, such as obtaining some of the older information and determining how to report non-disclosure agreements in legal settlements.

Florida is the only state in the nation with a community-based care model, according to Joe Follick, spokesman for the Florida Department of Children and Families. Now ten years old, the CBC model has been praised for generating improved outcomes and more local support over the former, monolithic child welfare system run out of Tallahassee.

"We've accomplished amazing results," Follick said, and in fact, Storms and Rich have been among the biggest backers of the CBCs. But Storms now compares the lead agencies to adolescents who need a firmer hand.

Among the most criticized CBCs: Hillsborough Kids Inc., in Tampa, with eight child deaths in the past two years, the state's highest, and Our Kids Inc., in Miami, which oversaw the Barahona case.

"If you are a high-performing organization, your outcomes should be comparable to your sister organizations," said Storms, whose district includes HKI. "And when you have the highest death rate in the state, the house is on fire."

Another source of friction: In 2009 and 2010, Our Kids gave bonuses and raises to its executives – while, critics say, cutting its Independent Living stipends to youth aging out of foster care.

Our Kids CEO Fran Allegra claims the state hasn't increased the stipends since 2006. She also said there's no relationship between the compensation and the Independent Living program.

"Our Kids did not cut anyone," Allegra said. "The program was becoming unsustainable as we made cost-of-living adjustments based on the federal standards, despite no increases in funding from the state. We simply moved to a model where all new entrants to the program – kids turning 18 – would be capped at the 2006 funding levels. No stipend was cut or reduced."

Meanwhile, she noted, young adults in the Independent Living program get a \$1,500 bonus for graduating from high school, \$3,000 for a two-year A.A. degree and \$5,000 for a four-year degree.

But Christina Spudeas, executive director of Florida's Children First, an advocacy group that represents foster youth, said the stipends were indeed cut. She said the graduation bonuses don't cover daily expenses and that Our Kids had slashed the Independent Living stipend from more than \$1,200 to less than \$850 monthly.

"I hear the horror stories of kids who are struggling, moving in with family members they shouldn't be living with," said Spudeas, whose agency opposed the liability cap for CBCs.

In 2010, Our Kids' bonus pool was \$352,327; HKI's was \$15,941. Other CBCs paid bonuses of a few hundred dollars or none at all.

Carlos de la Cruz, Jr., immediate past chair of the Our Kids board of directors, described the agency's philosophy to DCF's Office of Inspector General in an investigation completed in May.

"He explained that 'we believe very strongly in bonuses' to motivate good employees and that 'bonuses save money in the long run,'" said the inspector general's report.

The investigation was triggered by whistleblower complaints, including the allegation that Our Kids misused state and/or federal contract funds by paying the bonuses. The OIG neither backed nor refuted that the charge, but noted, "Information concerning base salaries or other compensation paid to a CEO is often difficult to assess. Information on IRS 990 Forms, even for the same year, is often recorded in different ways and is therefore difficult to interpret."

Cusick said the CBCs were being singled out by the committee.

"I am a little curious as to why them and not other service contractors for the state," he said.

Allison North Jones, a consultant for the Florida Coalition for Children, agreed.

"There are special interests seeking to gain by indicting the CBC system when we should be making improvements and adjustments to a system we all agree is outperforming any we've had in the past or

any elsewhere in the country," she said.

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