Bill No. CS/CS/HB 1061 (2024)

Amendment No.1

	COMMITTEE/SUBCOMMITTEE ACTION	
	ADOPTED (Y/N)	
	ADOPTED AS AMENDED (Y/N)	
	ADOPTED W/O OBJECTION (Y/N)	
	FAILED TO ADOPT (Y/N)	
	WITHDRAWN (Y/N)	
	OTHER	
1	Committee/Subcommittee hearing bill: Health & Human Services	
2	Committee	
3	Representative McFarland offered the following:	
4		
5	Amendment (with title amendment)	
6	Remove everything after the enacting clause and insert:	
7	Section 1. Subsections (3) and (4) of section 409.016,	
8	Florida Statutes, are renumbered as subsections (4) and (5),	
9	respectively, and new subsection (3) is added to that section,	
10	to read:	
11	409.016 DefinitionsAs used in this chapter:	
12	(3) "Management functions" means:	
13	(a) Planning, directing, organizing, coordinating, and	
14	carrying out oversight duties of the lead agency;	
15	(b) Contracting for officer or director level staffing in	
16	performance of the planning, directing, organizing,	
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17 coordinating, and carrying out oversight duties of the lead 18 agency. 19 (4) (3) "Secretary" means the secretary of the Department of Children and Families. 20 (5) (4) "Social and economic services," within the meaning 21 22 of this chapter, means the providing of financial assistance as 23 well as preventive and rehabilitative social services for 24 children, adults, and families. 25 Section 2. Subsections (3) and (4) and paragraphs (a) and 26 (b) of subsection (7) of section 409.987, Florida Statutes, are amended to read, and paragraph (g) is added to subsection (7) of 27 that section, to read: 28 29 409.987 Lead agency procurement; boards; conflicts of 30 interest.-31 (3) Notwithstanding s. 287.057, the department shall use 32 5-year contracts with lead agencies. The department may only extend for a period of one to five years, in accordance with s. 33 287.057, if the lead agency has met performance expectations 34 35 within the monitoring evaluation. 36 In order to serve as a lead agency, an entity must: (4) 37 (a) Be organized as a Florida corporation or a governmental entity. 38 39 (b) Be governed by a board of directors or a board committee composed of board members. Board members shall provide 40 oversight and ensure accountability and transparency for the 41 218805 - h1061 strike final.docx Published On: 2/21/2024 7:40:03 PM

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42 system of care. The board of directors shall provide fiduciary 43 oversight to prevent conflicts of interest, promote 44 accountability and transparency, and protect state and federal 45 funding from misuse. The board of directors shall act in 46 accordance with s. 617.0830. The membership of the board of 47 directors or board committee must be described in the bylaws or 48 articles of incorporation of each lead agency, which must provide that at least 75 percent of the membership of the board 49 50 of directors or board committee must be composed consist of 51 persons residing in this state, and at least 51 percent of the state residents on the board of directors must reside within the 52 service area of the lead agency. The lead agency shall ensure 53 54 that board members participate in annual training related to 55 their responsibilities. The department shall set forth minimum 56 training criteria in the contracts with the lead agencies. 57 However, for procurements of lead agency contracts initiated on or after July 1, 2014: 58 1. At least 75 percent of the membership of the board of 59

directors must <u>be composed</u> consist of persons residing in this state, and at least 51 percent of the membership of the board of directors must <u>be composed</u> consist of persons residing within the service area of the lead agency. If a board committee governs the lead agency, 100 percent of its membership must <u>be</u> <u>composed</u> consist of persons residing within the service area of the lead agency.

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2. The powers of the board of directors or board committee include, but are not limited to, approving the lead agency's budget and setting the lead agency's operational policy and procedures. A board of directors must additionally have the power to hire the lead agency's executive director, unless a board committee governs the lead agency, in which case the board committee must have the power to confirm the selection of the lead agency's executive director.

(c) Demonstrate financial responsibility through an organized plan for regular fiscal audits and the posting of a performance bond.

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(7)(a) As used in this subsection, the term:

1. "Activity" includes, but is not limited to, a contract for goods and services, a contract for the purchase of any real or tangible property, or an agreement to engage with a lead agency for the benefit of a third party in exchange for an interest in real or tangible property, a monetary benefit, or an in-kind contribution.

85 2. "Conflict of interest" means when a board member<u>,</u> 86 <u>director</u>, or an officer, or a relative of a board member<u>,</u> 87 <u>director</u>, or an officer, of a lead agency does any of the 88 following:

a. Enters into a contract or other transaction for goodsor services with the lead agency.

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91 b. Holds a direct or indirect interest in a corporation, 92 limited liability corporation, partnership, limited liability 93 partnership, or other business entity that conducts business 94 with the lead agency or proposes to enter into a contract or 95 other transaction with the lead agency. For purposes of this 96 paragraph, the term "indirect interest" has the same meaning as 97 in s. 112.312.

c. Knowingly obtains a direct or indirect personal, 98 99 financial, professional, or other benefit as a result of the 100 relationship of such board member, director, or officer, or relative of the board member, director, or officer, with the 101 lead agency. For purposes of this paragraph, the term "benefit" 102 does not include per diem and travel expenses paid or reimbursed 103 to board members or officers of the lead agency in connection 104 105 with their service on the board.

106 <u>3. "Related party" means any entity of which a director</u> 107 <u>or an officer of the entity is also directly or indirectly</u> 108 <u>related to, or has a direct or indirect financial or other</u> 109 <u>material interest in, the lead agency. The term also includes</u> 110 any subsidiary firm or joint venture.

111 <u>4.3.</u> "Relative" means a relative within the third degree 112 of consanguinity by blood or marriage.

(b)1. For any activity that is presented to the board of a lead agency for its initial consideration and approval after July 1, 2021, or any activity that involves a contract that is 218805 - h1061 strike final.docx

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116 being considered for renewal on or after July 1, 2021, but before January 1, 2022, a board member, a director, or an 117 118 officer of a lead agency shall disclose to the board any activity that may reasonably be construed to be a conflict of 119 120 interest before such activity is initially considered and 121 approved or a contract is renewed by the board. A rebuttable 122 presumption of a conflict of interest exists if the activity was 123 acted on by the board without prior notice as required under 124 paragraph (c). The board shall disclose any known actual or 125 potential conflicts to the department.

126 2. A lead agency may not enter into a contract or be a 127 party to any transaction with related parties if a conflict of 128 interest is not properly disclosed. A lead agency may not enter 129 into a contract with a related party for officer or director 130 level staffing to perform management functions. The contract 131 with the department and lead agency must specify the 132 administrative functions and services that the lead agency will subcontract For contracts with a lead agency which are in 133 134 existence on July 1, 2021, and are not subject to renewal before 135 January 1, 2022, a board member or an officer of the lead agency shall disclose to the board any activity that may reasonably be 136 137 construed to be a conflict of interest under this section by December 31, 2021. 138

139 <u>3. Subject to the requirements of subparagraph 2. of this</u>
 140 <u>subsection, a lead agency may enter into a contract or be a</u>

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141	party to any transaction with related parties as long as the
142	fee, rate, or price paid by the lead agency for the commodities
143	or services being procured does not exceed the fair market value
144	for such commodities or services. The lead agency shall disclose
145	any known actual or potential conflicts to the department.
146	(g) All department contracts with lead agencies shall
147	contain the following contractual penalty provisions:
148	1. Penalties in the amount of \$5,000 per occurrence shall
149	be imposed for each known and potential conflict of interest, as
150	described in paragraph (b), which is not disclosed to the
151	department.
152	2. If a contract is executed for which a conflict of
153	interest was not disclosed to the department before execution of
154	the contract, the following penalties apply:
155	i. A penalty in the amount of \$10,000 for a first
155 156	<u>i. A penalty in the amount of \$10,000 for a first</u> offense.
156	offense.
156 157	offense. ii. A penalty in the amount of \$15,000 for a second or
156 157 158	offense. ii. A penalty in the amount of \$15,000 for a second or subsequent offense.
156 157 158 159	offense. <u>ii. A penalty in the amount of \$15,000 for a second or</u> <u>subsequent offense.</u> <u>3. The penalties for failure to disclose a conflict of</u>
156 157 158 159 160	offense. <u>ii. A penalty in the amount of \$15,000 for a second or</u> <u>subsequent offense.</u> <u>3. The penalties for failure to disclose a conflict of</u> <u>interest under subparagraph (1) and (2) apply to any contract</u>
156 157 158 159 160 161	<u>offense.</u> <u>ii. A penalty in the amount of \$15,000 for a second or</u> <u>subsequent offense.</u> <u>3. The penalties for failure to disclose a conflict of</u> <u>interest under subparagraph (1) and (2) apply to any contract</u> <u>entered into, regardless of the method of procurement,</u>
156 157 158 159 160 161 162	<u>offense.</u> <u>ii. A penalty in the amount of \$15,000 for a second or</u> <u>subsequent offense.</u> <u>3. The penalties for failure to disclose a conflict of</u> <u>interest under subparagraph (1) and (2) apply to any contract</u> <u>entered into, regardless of the method of procurement,</u> <u>including, but not limited to, formal procurement, single-source</u>
156 157 158 159 160 161 162 163	<u>offense.</u> <u>ii. A penalty in the amount of \$15,000 for a second or</u> <u>subsequent offense.</u> <u>3. The penalties for failure to disclose a conflict of</u> <u>interest under subparagraph (1) and (2) apply to any contract</u> <u>entered into, regardless of the method of procurement,</u> <u>including, but not limited to, formal procurement, single-source</u> <u>contracts, and contracts that do not meet the minimum threshold</u>

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165	4. A contract procured for which a conflict of interest
166	was not disclosed to the department before execution of the
167	contract shall be reprocured. The department shall recoup from
168	the lead agency expenses related to a contract that was executed
169	without disclosure of a conflict of interest.
170	Section 3. Paragraphs (c), (j), and (k) of subsection (1)
171	of section 409.988, Florida Statutes, are amended to read:
172	409.988 Community-based care lead agency duties; general
173	provisions
174	(1) DUTIES.—A lead agency:
175	(c) Shall follow the financial guidelines developed by the
176	department and shall comply with regular, independent auditing
177	of its financial activities, including any requests for records
178	associated with such financial audits within the timeframe
179	established by the department or its contracted vendors provide
180	for a regular independent auditing of its financial activities.
181	The results of the financial audit must Such financial
182	information shall be provided to the community alliance
183	established under s. 20.19(5).
184	(j) May subcontract for the provision of services <u>,</u>
185	excluding with a related party for officer or director level
186	staffing to perform management functions, required by the
187	contract with the lead agency and the department; however, the
188	subcontracts must specify how the provider will contribute to
189	the lead agency meeting the performance standards established
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190 pursuant to the child welfare results-oriented accountability 191 system required by s. 409.997. The lead agency shall directly 192 provide no more than 35 percent of all child welfare services 193 provided unless it can demonstrate a need $_{\tau}$ within the lead 194 agency's geographic service area $_{\tau}$ where there is a lack of 195 qualified providers available to perform the necessary services. 196 The approval period to exceed the threshold shall be limited to 197 2 years and must be renewed following the process outlined in 198 this section to exceed this threshold. The local community 199 alliance in the geographic service area in which the lead agency 200 is seeking to exceed the threshold shall review the lead 201 agency's justification for need and recommend to the department 202 whether the department should approve or deny the lead agency's request for an exemption from the services threshold. If there 203 204 is not a community alliance operating in the geographic service 205 area in which the lead agency is seeking to exceed the 206 threshold, such review and recommendation shall be made by 207 representatives of local stakeholders, including at least one 208 representative from each of the following: 209 1. The department. 210 2. The county government. 211 3. The school district.

- 4. The county United Way.
- 5. The county sheriff's office.

214 6. The circuit court corresponding to the county.

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215 The county children's board, if one exists. 7. Shall publish on its website by the 15th day of each 216 (k) 217 month at a minimum the data specified in subparagraphs 1.-10.5., calculated using a standard methodology determined by the 218 219 department, for the preceding calendar month regarding its case 220 management services. The following information shall be reported 221 by each individual subcontracted case management provider, by 222 the lead agency, if the lead agency provides case management 223 services, and in total for all case management services 224 subcontracted or directly provided by the lead agency: 225 1. The average caseload of case managers, including only 226 filled positions; 227 2. The total number and percentage of case managers who 228 have 25 or more cases on their caseloads; 229 3. The turnover rate for case managers and case management 230 supervisors for the previous 12 months; 231 4. The percentage of required home visits completed; and 232 5. Performance on outcome measures required pursuant to s. 233 409.997 for the previous 12 months. 234 The number of unlicensed placements for the previous 6. 235 month; 236 The percentages and trends for foster parent and group 7. 237 home recruitment and licensure for the previous month; 218805 - h1061 strike final.docx

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238	8. The percentage of families being served through family
239	support, in-home, and out-of-home services for the previous
240	month; and
241	9. The percentage of cases that converted from nonjudicial
242	to judicial for the previous month.
243	10. Children's legal service staffing rates.
244	Section 4. Section 409.991, Florida Statutes, is repealed.
245	Section 5. Section 409.9913, Florida Statutes, is created
246	to read:
247	409.9913 Funding methodology to allocate funding to lead
248	agencies
249	(1) As used in this section, the term:
250	(a) "Core services funding" means all funds allocated to
251	lead agencies. The term does not include any of the following:
252	1. Funds appropriated for independent living services.
253	2. Funds appropriated for maintenance adoption subsidies.
254	3. Funds allocated by the department for child protective
255	investigation service training.
256	4. Nonrecurring funds.
257	5. Designated mental health wrap-around service funds.
258	6. Funds for special projects for a designated lead
259	agency.
260	7. Funds appropriated for the Guardianship Assistance
261	Program established under s. 39.6225.
262	(b) "Operational and fixed costs" means:
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263	1. Administrative expenditures, including, but not limited
264	to, information technology and human resources functions.
265	2. Lease payments.
266	3. Asset depreciation.
267	4. Utilities.
268	5. Administrative components of case management.
269	6. Mandated activities such as training, quality
270	improvement, or contract management.
271	(2) The department shall develop, in collaboration with
272	lead agencies and providers of child welfare services, a funding
273	methodology for allocating core services funding to lead
274	agencies which, at a minimum:
275	(a) Is actuarially sound.
276	(b) Is reimbursement based.
277	(c) Is designed to incentivize efficient and effective
278	lead agency operation, prevention, family preservation, and
279	permanency.
280	(d) Considers variable costs, including, but not limited
281	to, direct costs for in-home and out-of-home care for children
282	served by the lead agencies, prevention services, and
283	operational and fixed costs.
284	(e) Is scaled regionally for cost-of-living factors.
285	(3) The lead agencies and providers shall submit any
286	detailed cost and expenditure data that the department requests
287	for the development of the funding methodology.
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288	(4) The department shall submit a report to the Governor,	
289	the President of the Senate, and the Speaker of the House of	
290	Representatives by December 1, 2024, which, at a minimum:	
291	(a) Describes a proposed funding methodology and formula	
292	that will provide for the annual budget of each lead agency,	
293	including, but not limited to, how the proposed methodology will	
294	meet the criteria in subsection (2).	
295	(b) Describes the data used to develop the methodology,	
296	and the data that will be used to annually calculate the	
297	proposed lead agency budget.	
298	(c) Specifies proposed rates and total allocations for	
299	each lead agency. The allocations must ensure that the total of	
300	all amounts allocated to lead agencies under the funding	
301	methodology does not exceed the total amount appropriated to	
302	lead agencies in the General Appropriations Act in the 2024-2025	
303	fiscal year.	
304	(d) Provides risk mitigation recommendations that ensure	
305	that lead agencies do not experience a reduction in funding that	
306	would be detrimental to operations or result in a reduction in	
307	services to children.	
308	(5) By October 31 of each year, beginning in 2025, the	
309	department shall submit a report to the Governor, the President	
310	of the Senate, and the Speaker of the House of Representatives	
311	which includes recommendations for adjustments to the funding	
312	methodology for the next fiscal year, using the criteria in	
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313	subsection (2) and basing the recommendations on, at a minimum,
314	updated expenditure data, cost-of-living adjustments, market
315	dynamics, or other catchment area variations. The total of all
316	amounts proposed for allocation to lead agencies under the
317	funding methodology for the next fiscal year may not exceed the
318	total amount appropriated for core services funding in the
319	current fiscal year's General Appropriations Act. The funding
320	methodology must include risk mitigation strategies that ensure
321	that lead agencies do not experience a reduction in funding that
322	would be detrimental to operations or result in a reduction in
323	services to children.
324	(6)(a) The requirements of this section do not replace,
325	and must be in addition to, any requirements of chapter 216,
326	including, but not limited to, submission of final legislative
327	budget requests by the department under s. 216.023.
328	(b) The data and reports required under subsections (4)
329	and (5) may also include proposed rates and total allocations
330	for each lead agency which reflect any additional core services
331	funding for lead agencies which is requested by the department
332	under s. 216.023.
333	(7)(a) Beginning with the 2025-2026 fiscal year, the
334	Legislature shall allocate funding to lead agencies through the
335	General Appropriations Act with due consideration of the funding
336	methodology developed under this section.
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337	(b) The department may not change the allocation of funds
338	to a lead agency as provided in the General Appropriations Act
339	without legislative approval. The department may approve
340	additional risk pool funding for a lead agency as provided under
341	s. 409.990.
342	(8) The department shall provide to the Governor, the
343	President of the Senate, and the Speaker of the House of
344	Representatives monthly reports from July through October 2024
345	which provide updates on activities and progress in developing
346	the funding methodology.
347	Section 6. Subsections (1) and (3) of section 409.992,
348	Florida Statutes, are amended to read:
349	409.992 Lead agency expenditures
350	(1) The procurement of commodities or contractual services
351	by lead agencies <u>is</u> shall be governed by the financial
352	guidelines developed by the department and must comply with
353	applicable state and federal law and follow good business
354	practices. Pursuant to s. 11.45, the Auditor General may provide
355	technical advice in the development of the financial guidelines.
356	(a)1. Lead agencies shall competitively procure all
357	contracts, consistent with the federal simplified acquisition
358	threshold.
359	2. Lead agencies shall competitively procure all contracts
360	in excess of \$35,000 with related parties.
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361	3. Financial penalties or sanctions, as established by the
362	department and incorporated into the contract, shall be imposed
363	by the department for noncompliance with applicable local,
364	state, or federal law for the procurement of commodities or
365	contractual services.
366	(b) The contract between the department and the lead
367	agency for the provision of child protection and child welfare
368	services shall delineate the rights and obligations of the
369	parties concerning the acquisition, transfer, or other
370	disposition of real property held by the lead agency during the
371	term of the contract. This subsection applies prospectively to
372	new contracts entered into between the department and a lead
373	agency for the provision of child protection and child welfare
374	services on or after July 1, 2024.
375	(3) Notwithstanding any other provision of law, a
376	community-based care lead agency administrative employee may not
377	receive a salary, whether base pay or base pay combined with any
378	bonus or incentive payments, in excess of 150 percent of the
379	annual salary paid to the secretary of the Department of
380	Children and Families from state-appropriated funds, including
381	state-appropriated federal funds. This limitation applies
382	regardless of the number of community-based care contracts a
383	community-based care lead agency may execute with the
384	department. This subsection does not prohibit any party from
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385 providing cash that is not from appropriated state funds to a 386 community-based care lead agency administrative employee.

387 Section 7. Paragraph (d) of subsection (1) of section388 409.994, Florida Statutes, is amended to read:

389 409.994 Community-based care lead agencies; receivership.390 (1) The Department of Children and Families may petition a
391 court of competent jurisdiction for the appointment of a
392 receiver for a community-based care lead agency established
393 pursuant to s. 409.987 if any of the following conditions exist:

(d) The lead agency cannot meet, or is unlikely to meet, its current financial obligations to its employees, contractors, or foster parents. Issuance of bad checks or the existence of delinquent obligations for payment of salaries, utilities, or invoices for essential services or commodities <u>constitutes</u> shall constitute prima facie evidence that the lead agency lacks the financial ability to meet its financial obligations.

401 Section 8. Paragraph (d) of subsection (1) of section 402 409.996, Florida Statutes, is amended to read:

403 409.996 Duties of the Department of Children and 404 Families.—The department shall contract for the delivery, 405 administration, or management of care for children in the child 406 protection and child welfare system. In doing so, the department 407 retains responsibility for the quality of contracted services 408 and programs and shall ensure that, at a minimum, services are 409 delivered in accordance with applicable federal and state

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410 statutes and regulations and the performance standards and 411 metrics specified in the strategic plan created under s. 412 20.19(1). 413 The department shall enter into contracts with lead (1)414 agencies for the performance of the duties by the lead agencies established in s. 409.988. At a minimum, the contracts must do 415 416 all of the following: 417 (d) Provide for contractual actions tiered interventions 418 and graduated penalties for failure to comply with contract 419 terms or in the event of performance deficiencies, as determined 420 appropriate by the department. 421 Such contractual actions must interventions and 1. 422 penalties shall include, but are not limited to: 423 a.1. Enhanced monitoring and reporting. 424 b.2. Corrective action plans. 425 c.3. Requirements to accept technical assistance and 426 consultation from the department under subsection (6). 427 d.4. Financial penalties, as a matter of contract. The 428 financial penalties assessed by the department on the lead agency revert to the state which shall require a lead agency to 429 reallocate funds from administrative costs to direct care for 430 431 children. 432 e.5. Early termination of contracts, as provided in s. 433 402.7305(3)(f) s. 402.1705(3)(f). 218805 - h1061 strike final.docx

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434	2. No later than January 1, 2025, the department shall
435	ensure that each lead agency contract executed includes a list
436	of financial penalties for failure to comply with contractual
437	requirements.
438	Section 9. The Department of Children and Families shall
439	submit a report to the Governor, the President of the Senate,
440	and the Speaker of the House of Representatives on rules and
441	policies adopted and other actions taken to implement the
442	requirements of this act. The first such report must be due
443	September 30, 2024, and the second such report must be due
444	February 1, 2025.
445	Section 10. There is established the Future of Child
446	Protection Contracting and Funding Working Group. The Department
447	of Children and Families shall convene the working group and
448	shall be responsible for producing and submitting a report to
449	the Governor, the President of the Senate, and the Speaker of
450	the House of Representatives by October 15, 2025.
451	(1) The report must, at a minimum:
452	(a) Examine the current contracting methods for the
453	provision of all foster care and related services.
454	(b) Identify any barriers or deficiencies in creating
455	local ownership and governance of such services.
456	(c) Assess the implications of a 10% cap on administrative
457	<u>costs.</u>
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458	(d) Evaluate barriers to entry in the procurement of
459 <u>mana</u>	ged care networks.
460	(e) Consider the unique regional needs of children and
461 <u>fami</u>	lies at-risk of abuse and neglect.
462	(f) Recommend changes to existing laws, rules, and
463 <u>poli</u>	cies necessary to implement the task force's
464 <u>reco</u>	mmendations.
465	(2) The Secretary of the Department of Children and
466 <u>Fami</u>	lies, or his or her designee, shall chair the working group
467 <u>and</u>	shall invite the following persons to participate as a
468 <u>memb</u>	er of the working group.
469	(a) The Secretary of the Agency for Health Care
470 <u>Admi</u>	nistration, or his or her designee.
471	(b) The Secretary of the Department of Management
472 <u>Serv</u>	ices, or his or her designee.
473	(c) A member of the Florida Coalition for Children, or his
474 <u>or h</u>	er designee.
475	(d) A current contractor for lead agency child protection
476 <u>serv</u>	ices.
477	(e) Two representatives of a direct provider of child
478 <u>prot</u>	ection or child welfare services.
479	(f) A member of the Family Law Section of the Florida Bar
480 <u>or a</u>	member of the court exercising jurisdiction over family law
481 <u>matt</u>	ers.
482	(g) A representative of a for-profit managed care entity.
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483	(h) A representative from a State University System school
484	of business.
485	
	(i) A representative from the Florida Institute for Child
486	Welfare.
487	(j) Any additional members as the department deems
488	appropriate.
489	(3) The working group shall terminate immediately after
490	the Secretary of the Department of Children and Families submits
491	the report to the Governor, the President of the Senate, and the
492	Speaker of the House of Representatives.
493	Section 10. This act shall take effect July 1, 2024.
494	
495	
496	TITLE AMENDMENT
497	Remove everything before the enacting clause and insert:
498	An act relating to community-based child welfare agencies;
499	amending s. 409.016, F.S.; defining the term "management
500	functions"; amending s. 409.987, F.S.; revising requirements for
501	contracts the Department of Children and Families has with
502	community-based care lead agencies; revising requirements for an
503	entity to serve as a lead agency; providing duties for board
504	members of lead agencies; requiring that lead agencies ensure
505	that board members participate in certain annual training;
506	revising the definition of the term "conflict of interest";
507	defining the term "related party"; requiring the lead agency's
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508 board of directors to disclose any known or potential conflicts 509 of interest; prohibiting a lead agency from entering into a 510 contract or being a party to any transaction with related parties if a conflict of interest is not properly disclosed; 511 512 prohibiting a lead agency from entering into a contract or being 513 a party to any transaction with related parties for officer or 514 director level staffing to perform management functions; 515 authorizing a lead agency to enter into certain contracts or be 516 a party to certain transactions so long as any conflict of 517 interest is properly disclosed; imposing civil penalties on lead agencies for undisclosed conflicts of interest; providing 518 519 applicability; requiring certain contracts to be reprocured; 520 authorizing the department to recoup lead agency expenses for the execution of certain contracts; amending s. 409.988, F.S.; 521 522 revising lead agency duties; repealing s. 409.991, F.S., 523 relating to allocation of funds for community-based care lead 524 agencies; creating s. 409.9913, F.S.; providing definitions; 525 requiring the department, in collaboration with the lead 526 agencies and providers of child welfare services, to develop a specific funding methodology for the allocation of core services 527 that meets certain criteria; requiring the lead agencies and 528 529 providers of child welfare services to submit to the department 530 certain financial information; requiring the department to 531 submit to the Governor and the Legislature certain reports by the established deadlines; subjecting the allocation of core 532 218805 - h1061 strike final.docx Published On: 2/21/2024 7:40:03 PM

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533 services to the requirements of ch. 216, F.S.; authorizing the department to include certain rates and total allocations in 534 535 certain reports; requiring the Legislature to allocate funding 536 to the lead agencies with due consideration of the funding 537 methodology, beginning with the 2025-2026 fiscal year; 538 prohibiting the department from changing a lead agency's allocation of funds provided in the General Appropriations Act 539 540 without legislative approval; authorizing the department to 541 approve certain risk pool funding for a lead agency; requiring 542 the department to submit to the Governor and the Legislature 543 certain reports by the established deadlines; amending s. 544 409.992, F.S.; revising requirements for lead agency practices 545 in the procurement of commodities and contractual services; 546 requiring the department to impose certain penalties for a lead 547 agency's noncompliance with applicable procurement law; 548 requiring the contract between the department and the lead 549 agency to specify the rights and obligations to real property 550 held by the lead agency during the term of the contract; 551 applying a prospective date for the inclusion of the real property contractual condition to new contracts; providing 552 553 applicability of certain limitations on the salaries of 554 community-based care lead agency administrative employees; 555 amending s. 409.994, F.S.; revising the conditions under which 556 the department may petition a court for the appointment of a 557 receiver for a community-based care lead agency; amending s. 218805 - h1061 strike final.docx

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409.996, F.S.; revising requirements for contracts between the department and lead agencies; revising the actions the department may take under certain circumstances; making a technical change; providing duties of the department; providing reporting requirements; requiring the department to convene a working group to submit a certain report to the Governor and the Legislature by a certain date; providing an effective date.

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