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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/26/2016	.	
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The Committee on Governmental Oversight and Accountability  
(Hays) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 287.05715, Florida Statutes, is created  
to read:

287.05715 Pay-for-success contracts.-

(1) As used in this section, the term:

(a) "Pay-for-success contract" or "contract" means a  
contract between a state agency and a private entity to fund a



697668

11 high-quality program, as specified in the General Appropriations  
12 Act, to address a critical public problem with historically poor  
13 outcomes.

14 (b) "Private entity" means a private, not-for-profit  
15 organization exempt from federal income taxation pursuant to s.  
16 501(c)3 of the Internal Revenue Code of 1986 which enters into a  
17 pay-for-success contract with a state agency and subcontracts  
18 with one or more entities to provide the actual services.

19 (c) "Success payment" means the amount paid to a private  
20 entity that meets the performance outcome measures established  
21 in the pay-for-success contract.

22 (2) Contingent upon authorization in the General  
23 Appropriations Act, a state agency may negotiate and enter into  
24 a pay-for-success contract with a private entity. The contract  
25 may be initiated in 1 fiscal year and continue into the next  
26 fiscal year and may be paid from appropriations in 1 or both  
27 fiscal years. The state agency shall:

28 (a) Determine performance outcome measures to be included  
29 in the contract.

30 (b) Determine the data to be included in an annual report  
31 filed by a private entity pursuant to subsection (4).

32 (c) Select an independent, nationally recognized evaluator  
33 through a request for proposals process to annually evaluate the  
34 performance outcome measures specified in the contract.

35 (d) Ensure that participants in the program or their  
36 guardians have given permission to share participant data and  
37 signed an acknowledgment that the data may be shared with an  
38 independent evaluator for research and evaluation purposes, and  
39 maintain documentation of the required acknowledgements.



697668

- 40           (3) A pay-for-success contract must:
- 41           (a) Be limited to programs specified in the General
- 42 Appropriations Act.
- 43           (b) Require the private entity to underwrite or secure
- 44 upfront capital from private funders, such as foundations,
- 45 banks, or businesses, to fund the services provided under the
- 46 subcontracts.
- 47           (c) Require an independent evaluator to determine whether
- 48 the specified performance outcomes have been achieved.
- 49           (d) Require a success payment, consistent with the General
- 50 Appropriations Act, only if the specified performance outcome
- 51 measures are achieved.
- 52           (e) Prohibit the private entity from receiving or viewing
- 53 any personally identifiable participant information.
- 54           (4) The private entity shall annually report to the state
- 55 agency for the duration of the contract period.
- 56           (5) Funding obtained for a high-quality program under this
- 57 section is not a procurement item under s. 287.057.
- 58           (6) By December 1, 2016, the department shall prescribe
- 59 procedures to be used by state agencies in connection with pay-
- 60 for-success contracts which are consistent with this section.

61           Section 2. This act shall take effect upon becoming law.

62  
63 ===== T I T L E   A M E N D M E N T =====

64 And the title is amended as follows:

65           Delete everything before the enacting clause  
66 and insert:

67   A bill to be entitled  
68           An act relating to the Pay-for-Success Contract



697668

69 Program; creating s. 287.05715, F.S.; defining terms;  
70 authorizing a state agency to enter into a pay-for-  
71 success contract with a private entity under certain  
72 circumstances; specifying the duties of the state  
73 agency; providing contract requirements; requiring the  
74 private entity to annually report to the state agency;  
75 providing that a high-quality program is not a  
76 procurement item; requiring the Department of  
77 Management Services to prescribe certain procedures by  
78 a specified date; providing an effective date.