

By Senator Bean

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1                   A bill to be entitled  
2           An act relating to the Pay-for-Success Contract  
3           Program; defining terms; requiring the Department of  
4           Management Services to oversee a Pay-for-Success  
5           Contract Program; authorizing the department,  
6           contingent upon funding, to negotiate and enter into  
7           contracts with private entities to fund high-quality  
8           programs; specifying the duties of the department;  
9           requiring the Office of Economic and Demographic  
10          Research to provide information to the department to  
11          assist in determining performance outcome measures;  
12          specifying contract requirements; requiring an  
13          independent evaluator to determine whether the  
14          performance outcome measures in a contract have been  
15          met; requiring the private entity to annually report  
16          to the department; requiring the office to estimate  
17          cost savings at the request of the department;  
18          providing that a high-quality program is not a  
19          procurement item; providing an effective date.

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21 Be It Enacted by the Legislature of the State of Florida:

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23           Section 1. Pay for success.—

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

25           (a) "Pay-for-success contract" or "contract" means a  
26           contract entered into between the Department of Management  
27           Services and a private entity to fund a high-quality program  
28           specified in the General Appropriations Act. Under the contract,  
29           the private entity shall secure private-sector funding for the  
30           implementation of the program and shall enter into separate  
31           contracts with private providers to implement the identified  
32           program.

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33       (b) "Private entity" means a private, not-for-profit  
34 organization that enters into a pay-for-success contract with a  
35 service provider.

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

39       (2) The Department of Management Services shall oversee a  
40 Pay-for-Success Contract Program. The department may, contingent  
41 upon authorization in the General Appropriations Act, negotiate  
42 and enter into a pay-for-success contract with a private entity  
43 that is selected through a competitive process. The contract may  
44 be initiated in one fiscal year and continue into the next  
45 fiscal year and may be paid from the appropriations of one or  
46 both fiscal years. The department shall:

47       (a) Determine performance outcome measures that must be  
48 included in the contract. The Office of Economic and Demographic  
49 Research and the appropriate state agency shall provide  
50 information to the department to assist in the determination of  
51 these measures.

52       (b) Determine the data to be included in an annual report  
53 filed by a private entity pursuant to subsection (5).

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

57       (d) Ensure that participants of the high-quality program or  
58 their guardians have given permission and signed an  
59 acknowledgment that participant data may be shared with an  
60 independent evaluator for research and evaluation purposes and  
61 maintain documentation of the required acknowledgements.

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62 (3) A pay-for-success contract must:

63 (a) Be limited to high-quality programs specified in the  
64 General Appropriations Act.

65 (b) Require that funding for implementation is provided by  
66 the private sector.

67 (c) Require an independent evaluator to determine whether  
68 the specified performance outcomes have been achieved.

69 (d) Require a success payment, consistent with the General  
70 Appropriations Act, only if the specified performance outcome  
71 measures are achieved.

72 (e) Prohibit the private entity from receiving or viewing  
73 any personally identifiable participant information.

74 (4) At the direction of the Department of Management  
75 Services, an independent evaluator shall determine whether the  
76 performance outcome measures specified in the contract have been  
77 met. If the performance outcome measures have been met, the  
78 department may authorize a success payment to the private  
79 entity.

80 (5) A private entity that receives a repayment of an  
81 investment or a success payment pursuant to a contract entered  
82 into under this section shall annually report to the Department  
83 of Management Services for the duration of the contract period.

84 (6) At the request of the Department of Management  
85 Services, the Office of Economic and Demographic Research shall  
86 estimate the total cost savings related to the high-quality  
87 program.

88 (7) Funding obtained for a high-quality program under this  
89 section is not a procurement item under s. 287.057, Florida  
90 Statutes.

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