

By the Committee on Governmental Reform and Oversight

302-259A-98

1 A bill to be entitled
2 An act relating to program administration by
3 the Department of Children and Family Services;
4 amending s. 20.19, F.S.; providing additional
5 duties for the department's Office of Standards
6 and Evaluation with respect to measuring
7 standards of performance and to reports due to
8 the Legislature; providing duties of program
9 offices; requiring an evaluation and a report
10 from the Assistant Secretary for
11 Administration; revising requirements for the
12 department in procuring contracts for client
13 services and in establishing standards for the
14 delivery of those services; requiring the
15 department to procure certain services
16 competitively; allowing a phase-in period for
17 competitive procurement of certain client
18 services; authorizing deferral of the
19 competitive contracting process under certain
20 circumstances; limiting the duration of such
21 deferrals; authorizing the department to adopt
22 rules relating to an alternative competitive
23 procurement process; providing intent that the
24 department enter multi-year contracts;
25 providing for procuring services from multiple
26 sources; requiring that the department adopt
27 rules for imposing penalties against a provider
28 that fails to comply with a requirement for
29 corrective action; requiring notice; requiring
30 that the department develop, and incorporate
31 into the department's Employee Handbook,

1 standards of conduct and a range of
2 disciplinary actions relating to certain staff
3 functions; requiring the department to assure
4 the accountability of each provider of client
5 services; providing duties of the Auditor
6 General and the Office of Program Policy
7 Analysis and Government Accountability;
8 providing for cancellation of contracts under
9 specified circumstances; providing for
10 department liens against certain property
11 constructed or renovated using state funds;
12 amending 394.74, F.S.; adding a provision that
13 contracts for services must be performance
14 based; removing an obsolete requirement
15 associated with cost reimbursement contracts;
16 amending s. 394.76, F.S.; authorizing
17 performance-based contracts,
18 purchase-of-service contracts, and start-up
19 contracts; requiring an evaluation of the
20 contractor's performance; requiring reports to
21 the Legislature by the department; requiring
22 the department to provide training for staff in
23 negotiating contracts; requiring the department
24 to ensure certain assistance to staff who are
25 negotiating a contract; requiring the
26 department to create contract management units
27 at the district level; providing specifications
28 for these units; specifying the date by which
29 the contract management units must be in
30 operation; requiring the department to evaluate
31 contracting functions in the service districts;

1 authorizing the department to exercise budget
2 and personnel flexibility; authorizing the
3 department to transfer specified funds from
4 certain budget entities in order to create
5 certain staff positions; requiring a report;
6 providing an effective date.

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8 WHEREAS, it is the intent of the Legislature that the
9 Department of Children and Family Services achieve and
10 maintain accountability from all providers of client services
11 in order to assure a high level of quality and effectiveness
12 of those services, and

13 WHEREAS, it is further the intent of the Legislature
14 that the Office of Standards and Evaluation, in conjunction
15 with the program offices at the headquarters of the
16 department, play a central role in assuring that this
17 accountability is achieved and maintained, NOW, THEREFORE,

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

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21 Section 1. Subsections (3), (4), and (5) of section
22 20.19, Florida Statutes, are amended, present subsections
23 (16), (17), (18), (19), and (20) are redesignated as
24 subsections (17), (18), (19), (20), and (21), respectively,
25 and a new subsection (16) is added to that section, to read:

26 20.19 Department of Children and Family
27 Services.--There is created a Department of Children and
28 Family Services.

29 (3) OFFICE OF STANDARDS AND EVALUATION.--There is
30 created under the secretary the Office of Standards and
31 Evaluation which has the following responsibilities:

1 (a) With the assistance of the assistant secretaries,
2 district administrators, and health and human services boards,
3 establishing systems and strategies to evaluate performance in
4 achieving outcome measures and performance and productivity
5 standards related to service delivery, program and financial
6 administration, and support, ~~and procedures.~~

7 (b) Directing the development of monitoring and
8 quality assurance systems for statewide and district services
9 that will routinely assess the efficiency and effectiveness of
10 departmental and provider staff and services.

11 (c) Validating the monitoring and quality assurance
12 activities of statewide and district service providers and
13 staff to ensure that these activities are being conducted
14 routinely and that corrective action is being taken to
15 eliminate deficiencies detected by these activities.

16 (d) Conducting evaluations, directly or by contract,
17 of programs and services provided by the department to
18 determine whether improvement in the condition of individuals,
19 families, and communities has occurred as a result of these
20 programs and services. The evaluations must include an
21 assessment of the short-term effects on individuals and
22 families and the long-term effects on communities and the
23 state. Outcome evaluation studies shall be conducted in
24 response to priorities determined by the department and the
25 Legislature and to the extent that funding is provided by the
26 Legislature.

27 (e) Consulting with the inspector general to ensure
28 the integrity of the monitoring and evaluation process and the
29 validity of the data derived from these activities.

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1 (f) Developing procedures for the competitive
2 procurement of external evaluations, including detailed
3 specifications for all evaluation contracts.

4 (g) Developing the budget for the department's
5 evaluation efforts and identifying future evaluation needs,
6 including infrastructure needs to support the outcome
7 evaluation function.

8 (h) Evaluating and reporting to the Legislature,
9 beginning December 31, 1999, and by October 31 of each
10 subsequent year, on the following issues:

11 1. The effectiveness of the department's performance
12 contracting system in accomplishing program outcomes and
13 supporting statewide quality assurance systems.

14 2. The adequacy of resources and internal controls
15 used by each program and service district to ensure
16 effectiveness and quality of client services provided through
17 standard contracts and other agreements.

18 3. The effectiveness and quality of contracted
19 services for each client target group, as determined by annual
20 performance reporting and results of quality assurance
21 monitoring.

22 4. The status of the department's progress in
23 complying with the provisions of this act, including the work
24 of the contract evaluation teams established pursuant to
25 paragraph (9)(g).

26 (i)~~(h)~~ Such other duties relating to evaluation as may
27 be assigned to the Office of Standards and Evaluation by the
28 secretary.

29 (4) PROGRAM OFFICES.--

30 (a) There are created program offices, each of which
31 shall be headed by an assistant secretary who shall be

1 appointed by and serve at the pleasure of the secretary. Each
2 program office shall have the following responsibilities:

3 1. Ensuring that family services programs are
4 implemented according to legislative intent and as provided in
5 state and federal laws, rules, and regulations.

6 2. Establishing program standards and performance
7 objectives.

8 3. Reviewing, monitoring, and ensuring compliance with
9 statewide standards and performance measures ~~objectives~~.

10 4. Providing general statewide supervision of the
11 administration of service programs, including, but not limited
12 to:

13 a. Developing and coordinating training for service
14 programs.

15 b. Coordinating program research.

16 c. Identifying statewide program needs and
17 recommending solutions and priorities.

18 d. Providing technical assistance for the
19 administrators and staff of the service districts.

20 e. Assisting district administrators in staff
21 development and training.

22 f. Monitoring service programs to ensure program
23 quality among service districts.

24 ~~4. Conducting outcome evaluations and ensuring program~~
25 ~~effectiveness.~~

26 5. Developing workload and productivity standards.

27 6. Developing resource allocation methodologies.

28 7. Compiling reports, analyses, and assessment of
29 client needs on a statewide basis.

30 8. Ensuring the continued interagency collaboration
31 with the Department of Education for the development and

1 integration of effective programs to serve children and their
2 families.

3 9. Other duties as are assigned by the secretary.

4 (b) The following program offices are established and
5 may be consolidated, restructured, or rearranged by the
6 secretary; provided any such consolidation, restructuring, or
7 rearranging is for the purpose of encouraging service
8 integration through more effective and efficient performance
9 of the program offices or parts thereof:

10 1. Economic Self-Sufficiency Program Office.--The
11 responsibilities of this office encompass income support
12 programs within the department, such as temporary assistance
13 to families with dependent children, food stamps, welfare
14 reform, and state supplementation of the supplemental security
15 income (SSI) program.

16 2. Developmental Services Program Office.--The
17 responsibilities of this office encompass programs operated by
18 the department for developmentally disabled persons.
19 Developmental disabilities include any disability defined in
20 s. 393.063.

21 3. Children and Families Program Office.--The
22 responsibilities of this program office encompass early
23 intervention services for children and families at risk;
24 intake services for protective investigation of abandoned,
25 abused, and neglected children; interstate compact on the
26 placement of children programs; adoption; child care;
27 out-of-home care programs and other specialized services to
28 families; and child protection and sexual abuse treatment
29 teams created under chapter 415, excluding medical direction
30 functions.

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1 4. Alcohol, Drug Abuse, and Mental Health Program
2 Office.--The responsibilities of this office encompass all
3 alcohol, drug abuse, and mental health programs operated by
4 the department.

5 (5) ASSISTANT SECRETARY FOR ADMINISTRATION.--

6 (a) The secretary shall appoint an Assistant Secretary
7 for Administration who serves at the pleasure of the
8 secretary. The Assistant Secretary for Administration is
9 responsible for:

10 1. Supervising all of the budget management activities
11 of the department and serving as the chief budget officer of
12 the department.

13 2. Providing administrative and management support
14 services above the district level.

15 3. Monitoring administrative and management support
16 services in the districts.

17 4. Developing and implementing uniform policies,
18 procedures, and guidelines with respect to personnel
19 administration, finance and accounting, budget, grants
20 management and disbursement, contract administration,
21 procurement, information and communications systems,
22 management evaluation and improvement, and general services,
23 including housekeeping, maintenance, and leasing of
24 facilities.

25 5. Performing such other administrative duties as are
26 assigned by the secretary.

27 (b) If reductions in a district's operating budget
28 become necessary during any fiscal year, the department shall
29 develop a formula to be used in its recommendations to the
30 Governor and Legislature which does not disproportionately
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1 reduce a district's operating budget because of voluntary
2 county appropriations to department programs.

3 (c) The Assistant Secretary for Administration shall
4 evaluate and report to the Legislature by July 1, 1999, and
5 annually thereafter, on the methods used by each program to
6 ensure the fiscal accountability of each provider of client
7 services with whom the department contracts.

8 (d) The Assistant Secretary for Administration shall
9 evaluate the administrative operations of the districts, and
10 may require that districts develop and submit corrective
11 action plans in those areas that do not conform to the
12 department's uniform operating procedures.

13 (16) CONTRACTING AND PERFORMANCE STANDARDS.--

14 (a) The department will establish performance
15 standards for all contracted client services. Notwithstanding
16 s. 287.057(3)(f), the department must competitively procure
17 any contract for client services when any of the following
18 occurs:

19 1. The provider fails to meet performance standards
20 established by the department after the provider has been
21 given a reasonable opportunity to achieve the established
22 standards.

23 2. A new program or service has been authorized and
24 funded by the Legislature and the annual value of the contract
25 is \$300,000 or more.

26 3. A program or service is expanded based on an
27 increased appropriation of more than 10 percent above the
28 prior year's appropriation for that program or service and the
29 annual value of the contract is \$300,000 or more.

30 4. The annual value of the contract exceeds \$500,000
31 and the contract has been with the same service provider for 3

1 years or more, unless the contract is with a governmental
2 entity.

3 (b) The department may phase in the implementation of
4 competitive procurement for client services contracts that
5 exceed \$300,000 in annual contract value over a 3-year period,
6 to begin January 1, 1999. The department shall accomplish the
7 phase-in by determining which contracts must be competitively
8 procured to comply with this subsection and shall
9 competitively procure one-third of the contracts during each
10 of the subsequent 3 years.

11 (c) The competitive requirements of paragraph (a) must
12 be initiated for each contract that meets the criteria of this
13 subsection within the time limits set forth in paragraph (b),
14 unless the secretary makes a written determination that
15 particular facts and circumstances require deferral of the
16 competitive process. Facts and circumstances must be
17 specifically described for each individual contract proposed
18 for deferral and must include one or more of the following:

19 1. An immediate threat to the health, safety, or
20 welfare of the department's clients.

21 2. A threat to appropriate use or disposition of
22 facilities that have been financed in whole, or substantially
23 in part, through contracts or agreements with a state agency.

24 3. A threat to the service infrastructure of a
25 community which could endanger the well-being of the
26 department's clients.

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28 Competitive procurement of client services may not be deferred
29 for longer than 3 years beyond the time limits set forth in
30 paragraph (b) and deferral may not be used to circumvent the
31 intent of paragraph (b).

1 (d) The Legislature intends for the department to
2 obtain services in the manner that is most cost-effective for
3 the state, in the manner that provides the greatest long-term
4 benefits to the clients receiving services, and in the manner
5 that minimizes the disruption of client services. In order to
6 meet these legislative goals, the department may adopt rules
7 providing procedures for the competitive procurement of
8 contracted client services which represent an alternative to
9 the request-for-proposal or the invitation-to-bid process. The
10 alternative competitive procedures shall permit the department
11 to solicit professional qualifications from prospective
12 providers and to evaluate such statements of qualification
13 before requesting service proposals. The department may limit
14 the firms invited to submit service proposals to only those
15 firms that have demonstrated the highest level of professional
16 capability to provide the services under consideration, but
17 may not invite fewer than three firms to submit service
18 proposals, unless fewer than three firms submitted
19 satisfactory statements of qualification. The alternative
20 procedures must, at a minimum, allow the department to
21 evaluate competing proposals and select the proposal that
22 provides the greatest benefit to the state while considering
23 the quality of the services, dependability and integrity of
24 the provider, dependability of the provider's services, the
25 experience of the provider in serving target populations or
26 client groups substantially identical to members of the target
27 population for the contract in question, and the ability of
28 the provider to secure local funds to support the delivery of
29 services, including, but not limited to, funds derived from
30 county governments. These alternative procedures need not
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1 conform to the requirements of s. 287.057(1) or (2) or s.
2 287.042.

3 (e) The department shall review the period for which
4 it executes contracts and, to the greatest extent practical,
5 shall execute multi-year contracts to make the most efficient
6 use of the resources devoted to contract processing and
7 execution.

8 (f) When it is in the best interest of a defined
9 segment of its consumer population, the department may
10 competitively procure and contract for systems of treatment or
11 service that involve multiple providers, rather than procuring
12 and contracting for treatment or services separately from each
13 participating provider. The department must ensure that all
14 providers that participate in the treatment or service system
15 meet all applicable statutory, regulatory, service-quality,
16 and cost-control requirements. If other governmental entities
17 or units of special purpose government contribute matching
18 funds to the support of a given system of treatment or
19 service, the department shall formally request information
20 from those funding entities in the procurement process and
21 shall take the information received from those funding
22 entities into account in the selection process. The department
23 may also involve nongovernmental funding entities in the
24 procurement process when appropriate.

25 (g) The department may contract for or provide
26 assessment and case-management services independently of
27 treatment services.

28 (h) The department shall adopt, by rule, provisions
29 for including in its contracts incremental penalties to be
30 imposed by its contract managers on a service provider due to
31 the provider's failure to comply with a requirement for

1 corrective action. Any financial penalty that is imposed upon
2 a provider may not be paid from funds being used to provide
3 services to clients, and the provider may not reduce the
4 amount of services being delivered to clients as a method for
5 offsetting the impact of the penalty. If a financial penalty
6 is imposed upon a provider that is a corporation, the
7 department shall notify, at a minimum, the board of directors
8 of the corporation. The department may notify, at its
9 discretion, any additional parties that the department
10 believes may be helpful in obtaining the corrective action
11 that is being sought. Further, the rules adopted by the
12 department must include provisions that permit the department
13 to deduct the financial penalties from funds that would
14 otherwise be due to the provider, not to exceed 10 percent of
15 the amount that otherwise would be due to the provider for the
16 period of noncompliance. If the department imposes a financial
17 penalty, it shall advise the provider in writing of the cause
18 for the penalty. A failure to include such deductions in a
19 request for payment constitutes a ground for the department to
20 reject that request for payment. The additional remedies
21 identified in this paragraph do not limit or restrict the
22 department's application of any other remedy available to it
23 in the contract or under law. The additional remedies
24 described in this paragraph may be cumulative and may be
25 assessed upon each separate failure to comply with
26 instructions from the department to complete corrective
27 action.

28 (i) The department shall develop standards of conduct
29 and a range of disciplinary actions for its employees which
30 are specifically related to carrying out contracting
31 responsibilities, and shall incorporate the standards and

1 disciplinary actions in its Employee Handbook by December 31,
2 1998.

3 (j) The department must implement systems and controls
4 to ensure financial integrity and service-provision quality in
5 the developmental services Medicaid waiver service system no
6 later than December 31, 1998. The Auditor General shall
7 include specific reference to systems and controls related to
8 financial integrity in the developmental services Medicaid
9 waiver service system in his audit of the department for the
10 1998-1999 fiscal year, and for all subsequent fiscal years.

11 The Office of Program Policy Analysis and Government
12 Accountability shall review the department's systems and
13 controls related to service-provision quality in the
14 developmental services Medicaid waiver service system and
15 submit a report to the Legislature by December 31, 1999.

16 (k) If a provider fails to meet the performance
17 standards established in the contract, the department may
18 allow a reasonable period for the provider to correct
19 performance deficiencies. If performance deficiencies are not
20 resolved to the satisfaction of the department within the
21 prescribed time, and if no extenuating circumstances can be
22 documented by the provider to the department's satisfaction,
23 the department must cancel the contract with the provider. The
24 department may not enter into a new contract with that same
25 provider for the services for which the contract was
26 previously canceled for a period of at least 24 months after
27 the date of cancellation.

28 (l) The department shall file a lien against the
29 property where facilities are located which have been
30 constructed or substantially renovated, in whole or in part,
31 through the use of state funds. The lien must be recorded in

1 the county where the property is located upon the execution of
2 the contract authorizing such construction or renovation. The
3 lien must specify that the department has a financial interest
4 in the property equal to the pro rata portion of the state's
5 original investment of the then-fair-market value for
6 renovations, or the proportionate share of the cost of the
7 construction. The lien must also specify that the department's
8 interest is proportionately reduced and subsequently vacated
9 over a 20-year period of depreciation. The contract must
10 include a provision that, as a condition of receipt of state
11 funding for this purpose, the provider agrees that, if it
12 disposes of the property before the department's interest is
13 vacated, the provider will refund the proportionate share of
14 the state's initial investment, as adjusted by depreciation.

15 Section 2. Subsections (2) and (3) of section 394.74,
16 Florida Statutes, are amended to read:

17 394.74 Contracts for provision of local alcohol, drug
18 abuse, and mental health programs.--

19 (2) Contracts for service shall be performance based
20 and consistent with the approved district plan and the service
21 priorities established in s. 394.75(4).

22 (3) Contracts shall include, but are not limited to:

23 (a) A provision that, within the limits of available
24 resources, primary care alcohol, drug abuse, and mental health
25 services shall be available to any individual residing or
26 employed within the service area, regardless of ability to pay
27 for such services, current or past health condition, or any
28 other factor;

29 (b) A provision that such services be available with
30 priority of attention being given to individuals who exhibit
31 symptoms of chronic or acute alcoholism, drug abuse, or mental

1 illness and who are unable to pay the cost of receiving such
2 services;

3 (c) A provision that every reasonable effort to
4 collect appropriate reimbursement for the cost of providing
5 alcohol, drug abuse, and mental health services to persons
6 able to pay for services, including first-party payments and
7 third-party payments, shall be made by facilities providing
8 services pursuant to this act; and

9 ~~(d) A program description and line-item operating~~
10 ~~budget by program service component for alcohol, drug abuse,~~
11 ~~and mental health services, provided the entire proposed~~
12 ~~operating budget for the service provider will be displayed;~~
13 ~~and~~

14 ~~(d)(e)~~ A requirement that the contractor must conform
15 to department rules and the priorities established thereunder.

16 Section 3. Subsection (3) of section 394.76, Florida
17 Statutes, is amended to read:

18 394.76 Financing of district programs and
19 services.--If the local match funding level is not provided in
20 the General Appropriations Act or the substantive bill
21 implementing the General Appropriations Act, such funding
22 level shall be provided as follows:

23 (3) The state share of financial participation shall
24 be determined by the following formula:

25 (a) For performance-based contracts and
26 purchase-of-service contracts, the state must purchase units
27 of services or outcomes at a per-unit rate. The state rate
28 must be a negotiated rate not to exceed the state model rate
29 and model rates must be reevaluated biennially. At a minimum,
30 financial rules must address a chart of accounts for state
31 reporting and auditing and programmatic rules must address

1 performance outcomes, including client satisfaction and
2 functional assessments, service protocols, quality assurance
3 standards, and service standards.

4 (b) For start-up contracts, the state shall reimburse
5 actual expenditures made in accordance with contract
6 specifications that include a description of services to be
7 provided and a detailed line-item budget.

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9 All contracts for client services must provide for an
10 evaluation of the contractor's performance. The evaluation
11 must be based on contractually agreed-upon outcome performance
12 standards that measure the effectiveness of the services
13 provided. ~~The state share of approved program costs shall be~~
14 ~~a percentage of the net balance determined by deducting from~~
15 ~~the total operating cost of services and programs, as~~
16 ~~specified in s. 394.675(1), those expenditures which are~~
17 ~~ineligible for state participation as provided in subsection~~
18 ~~(7) and those ineligible expenditures established by rule of~~
19 ~~the department pursuant to s. 394.78.~~

20 (c)(b) Residential and case management services which
21 are funded as part of a deinstitutionalization project shall
22 not require local matching funds and shall not be used as
23 local matching funds. The state and federal financial
24 participation portions of Medicaid earnings pursuant to Title
25 XIX of the Social Security Act, except for the amount of
26 general revenue equal to the amount appropriated in 1985-1986
27 plus all other general revenue that is shifted from any other
28 alcohol, drug abuse, and mental health appropriation category
29 after fiscal year 1986-1987, shall not require local matching
30 funds and shall not be used as local matching funds. Local
31 matching funds are not required for general revenue

1 transferred by the department into alcohol, drug abuse, and
2 mental health appropriations categories during a fiscal year
3 to match federal funds earned from Medicaid services provided
4 for mental health clients in excess of the amounts initially
5 appropriated. Funds for children's services which were
6 provided through the Children, Youth, and Families Services
7 budget which did not require local match prior to being
8 transferred to the Alcohol, Drug Abuse, and Mental Health
9 Services budget shall be exempt from local matching
10 requirements. All other contracted community alcohol and
11 mental health services and programs, except as identified in
12 s. 394.457(3), shall require local participation on a 75-to-25
13 state-to-local ratio.

14 (d)~~(c)~~ The expenditure of 100 percent of all
15 third-party payments and fees shall be considered as eligible
16 for state financial participation if such expenditures are in
17 accordance with subsection (7) and the approved district plan.

18 (e)~~(d)~~ Fees generated by residential and case
19 management services which are funded as part of a
20 deinstitutionalization program and do not require local
21 matching funds shall be used to support program costs approved
22 in the district plan.

23 (f)~~(e)~~ Any earnings pursuant to Title XIX of the
24 Social Security Act in excess of the amount appropriated shall
25 be used to support program costs approved in the district
26 plan.

27 Section 4. (1) The Department of Children and Family
28 Services shall take steps to ensure that department contracts
29 are negotiated in a manner that assures that the state's
30 interests are well represented. In order to make this
31 assurance, the department must request voluntary assistance

1 from outside entities, including, but not limited to, other
2 state agencies, to provide training for departmental employees
3 who negotiate contracts. Further, employees who negotiate
4 contracts must have available to them other department
5 employees who have expertise in legal and fiscal matters and
6 employees who are especially skilled in conducting contract
7 negotiations to ensure that the interests of the state are
8 well represented.

9 (2) The department shall create contract management
10 units at the district level which must be staffed by
11 individuals who are specifically trained to perform the
12 functions related to contract management. The contract
13 management units are responsible for monitoring the
14 programmatic and administrative performance of the
15 department's contracts for client services and shall report to
16 the appropriate district administrator. To the greatest extent
17 possible, the members of the contract management units shall
18 be career service employees who are assigned to the same pay
19 grade. The contract management units shall be in operation
20 throughout the state no later than March 1, 1999.

21 (3) The department shall evaluate the effectiveness
22 and efficiency of contracting functions in each service
23 district and report to the Legislature by December 15, 1999.
24 For districts where contracting functions have been
25 centralized for at least 12 months, the department shall
26 report on the effectiveness of such centralization. For
27 districts that elected not to centralize contracting
28 functions, the report must include the reasons for that
29 decision and the steps a district has taken to improve
30 contracting within the district.

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1 Section 5. (1) It is critical that the Department of
2 Children and Family Services have an adequate number and
3 quality of staff to ensure the effective negotiation and
4 management of contracts for client services. The Legislature
5 intends that the department be permitted to have limited
6 flexibility to use funds for improving contract negotiation,
7 contract management, oversight, quality assurance, training,
8 and other related activities. To this end, effective October
9 1, 1998, the department may transfer up to 0.25 percent of the
10 total funds from categories used to pay for contractually
11 provided client services of any budget entity within the
12 department. Such transfer may not exceed a total of \$3 million
13 in any fiscal year. When necessary, the department may
14 establish, in accordance with section 216.177, Florida
15 Statutes, additional positions that will be exclusively
16 devoted to these functions. Any positions required under this
17 section may be established notwithstanding sections
18 216.262(1)(a) and 216.351, Florida Statutes.

19 (2) The department must report to the Legislature by
20 July 1, 2000, on the impact of this section. This report must,
21 at a minimum, include quantifiable evidence demonstrating that
22 the department is able to provide additional client services
23 within the same appropriation through improved ability to
24 negotiate and manage contracts.

25 Section 6. This act shall take effect October 1, 1998.
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SENATE SUMMARY

Requires that the Office of Standards and Evaluation of the Department of Children and Family Services evaluate the process by which the department ensures the quality of contracted services, the fiscal accountability of providers, and the support provided to staff. Requires that the department annually report to the Legislature. Requires that the department competitively procure a contract for client services if the provider fails to meet performance standards, if the contract is for a new program or service and the value of the contract exceeds \$300,000, or if the value of the contract exceeds \$300,000 and the appropriation is more than 10 percent over the amount appropriated in the prior year. Authorizes the department to phase in implementation of competitive procurement. Authorizes the department to adopt rules for alternative procedures for procuring services contracts. Requires that the department adopt rules for imposing incremental penalties against a service provider that fails to take required corrective action. Requires that the department develop standards of conduct and disciplinary sanctions for employees who have responsibility for contracts. Requires that the department ensure the financial integrity of the Medicaid waiver service system by December 31, 1998. Requires that the department record a lien against certain property in order to protect the state's investment in construction or renovations to the property. Requires that the department request assistance in training departmental employees who negotiate contracts. Requires the department to evaluate the effectiveness of centralizing contracting functions within certain service districts and report to the Legislature. Authorizes the department to transfer certain funds and establish additional positions. Requires that the department report to the Legislature.