

By the Committee on Governmental Oversight and Accountability;
and Senator Bean

585-02625-16

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1 A bill to be entitled

2 An act relating to the Pay-for-Success Contract
3 Program; creating s. 287.05715, F.S.; defining terms;
4 authorizing a state agency to enter into a pay-for-
5 success contract with a private entity under certain
6 circumstances; specifying the duties of the state
7 agency; providing contract requirements; requiring the
8 private entity to annually report to the state agency;
9 providing that a high-quality program is not a
10 procurement item; requiring the Department of
11 Management Services to prescribe certain procedures by
12 a specified date; providing an effective date.

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

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

18 287.05715 Pay-for-success contracts.—

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

20 (a) "Pay-for-success contract" or "contract" means a
21 contract between a state agency and a private entity to fund a
22 high-quality program, as specified in the General Appropriations
23 Act, to address a critical public problem with historically poor
24 outcomes.

25 (b) "Private entity" means a private, not-for-profit
26 organization exempt from federal income taxation pursuant to s.
27 501(c)3 of the Internal Revenue Code of 1986 which enters into a
28 pay-for-success contract with a state agency and subcontracts
29 with one or more entities to provide the actual services.

30 (c) "Success payment" means the amount paid to a private
31 entity that meets the performance outcome measures established

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32 in the pay-for-success contract.

33 (2) Contingent upon authorization in the General
34 Appropriations Act, a state agency may negotiate and enter into
35 a pay-for-success contract with a private entity. The contract
36 may be initiated in 1 fiscal year, may continue into subsequent
37 fiscal years, and may be paid from appropriations authorized in
38 any of those fiscal years. The state agency shall:

39 (a) Determine performance outcome measures to be included
40 in the contract.

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

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

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

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

52 (a) Be limited to programs specified in the General
53 Appropriations Act.

54 (b) Require the private entity to underwrite or secure
55 upfront capital from private funders, such as foundations,
56 banks, or businesses, to fund the services provided under the
57 subcontracts.

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

60 (d) Require a success payment, consistent with the General

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61 Appropriations Act, only if the specified performance outcome
62 measures are achieved.

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

65 (4) The private entity shall annually report to the state
66 agency for the duration of the contract period.

67 (5) Funding obtained for a high-quality program under this
68 section is not a procurement item under s. 287.057.

69 (6) By December 1, 2016, the department shall prescribe
70 procedures to be used by state agencies in connection with pay-
71 for-success contracts which are consistent with this section.

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