By Senator Ausley

	3-00959-21 2021988
1	A bill to be entitled
2	An act relating to pay-for-success contracts; creating
3	s. 287.05715, F.S.; defining terms; authorizing a
4	state agency to enter into a pay-for-success contract
5	with a private entity under certain conditions,
6	subject to an appropriation and specified language in
7	the General Appropriations Act; authorizing the
8	carryforward of certain unexpended appropriations;
9	specifying contract requirements; authorizing
10	cancellation of the contract under specified
11	circumstances; specifying services and programs
12	eligible for funding under the contract; prohibiting a
13	private entity from viewing or receiving personal
14	client information that is otherwise confidential and
15	exempt from public records requirements; requiring an
16	agency to provide an annual report containing certain
17	data to the chairs of the legislative appropriations
18	committees by a specified date; requiring the
19	Department of Management Services to prescribe certain
20	procedures by a specified date; providing an effective
21	date.
22	
23	Be It Enacted by the Legislature of the State of Florida:
24	
25	Section 1. Section 287.05715, Florida Statutes, is created
26	to read:
27	287.05715 Pay-for-success contracts
28	(1) As used in this section, the term:
29	(a) "Pay-for-success contract" or "contract" means a

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written agreement executed between an agency and a private entity in which the agency agrees, contingent upon a specified service or program meeting specified performance targets and outcome measures, to reimburse the private entity for up-front capital it will provide to fund a service or program identified in subsection (4) which addresses a critical public problem. (b) "Private entity" means a private, not-for-profit organization, or a subsidiary or an affiliate thereof, that is exempt from federal income taxation pursuant to s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, and that enters into a pay-for-success contract with an agency. (c) "Service provider" means an entity that provides services on behalf of a private entity under a pay-for-success contract. (d) "Success payment" means a single payment or schedule of payments which is identified in a pay-for-success contract to be paid to a private entity when specific appropriation in the (2) (a) Contingent upon a specific appropriation in the General Appropriations Act which includes funding for a service or program identified in subsection (4) and contains a proviso, as defined in s. 216.011(1), authorizing a pay-for-success contract and specifying the term of the contract, an agency may enter into a pay-for-success contract with a private entity to program. The agency may not enter into a pay-for-success contract until the state agency head determines with reasonable		3-00959-21 2021988
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58 benefits and monetary savings to the state or a local government	58	benefits and monetary savings to the state or a local government

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75 against which the service's or program's success can be measured 76 to determine whether the service or program has achieved 77 quantifiable public benefits and monetary savings. 78 (d) Require an independent third-party evaluator to review 79 and issue a report in the middle and at the end of the contract 80 term specifying the degree to which the service or program met 81 the identified performance targets and outcome measures. 82 (e) Identify the calculation or algorithm to be used by the 83 agency in determining the amount and timing of success payments 84 to reimburse the private entity. The amount of each success	73	in subsection (4), to be funded under the contract.
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77 <u>quantifiable public benefits and monetary savings.</u> 78 <u>(d) Require an independent third-party evaluator to review</u> 79 <u>and issue a report in the middle and at the end of the contract</u> 80 <u>term specifying the degree to which the service or program met</u> 81 <u>the identified performance targets and outcome measures.</u> 82 <u>(e) Identify the calculation or algorithm to be used by the</u> 83 <u>agency in determining the amount and timing of success payments</u> 84 <u>to reimburse the private entity. The amount of each success</u>	75	against which the service's or program's success can be measured
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81 <u>the identified performance targets and outcome measures.</u> 82 <u>(e) Identify the calculation or algorithm to be used by the</u> 83 <u>agency in determining the amount and timing of success payments</u> 84 <u>to reimburse the private entity. The amount of each success</u>	79	and issue a report in the middle and at the end of the contract
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83 agency in determining the amount and timing of success payments 84 to reimburse the private entity. The amount of each success	81	the identified performance targets and outcome measures.
84 to reimburse the private entity. The amount of each success	82	(e) Identify the calculation or algorithm to be used by the
	83	agency in determining the amount and timing of success payments
85 payment must correlate with the independent third-party	84	to reimburse the private entity. The amount of each success
	85	payment must correlate with the independent third-party
86 evaluator's review under paragraph (d).	86	evaluator's review under paragraph (d).
87 (f) Contain a statement that the service provider will	87	(f) Contain a statement that the service provider will

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88	annually provide a report to the agency which includes data
89	deemed relevant by the agency.
90	(g) Contain a statement that the amount of funds to be
91	reimbursed to the private entity is contingent upon the degree
92	to which the service or program has met the performance targets
93	and outcome measures as evaluated by the independent third-party
94	evaluator.
95	(h) Require the agency to make the appropriate success
96	payment to the private entity within 60 days after receiving a
97	report from the independent third-party evaluator.
98	(i) Contain a provision authorizing cancellation of the
99	contract if the agency believes the degree to which the service
100	or program has met the identified performance targets and
101	outcome measures, as reported by the third-party evaluation, is
102	insufficient to warrant continuation of the service or program.
103	(4) Services or programs that are eligible for funding
104	under a pay-for-success contract are limited to:
105	(a) Early childhood care and education programs, including
106	prekindergarten and school readiness programs from birth to 5
107	years of age.
108	(b) Education, workforce preparedness, and employment
109	programs, including school-to-work programs and alternative
110	education services.
111	(c) Public safety programs, including programs that reduce
112	recidivism and address juvenile justice.
113	(d) Health and human services and programs, including those
114	addressing drug and alcohol addiction, mental health, chronic
115	homelessness, supportive housing, and child welfare.
116	(e) Long-term, home-based, and community-based care

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117	services and programs.
118	(5) The private entity may not view or receive any personal
119	client information that is otherwise confidential and exempt
120	from public records disclosure requirements.
121	(6) By April 1 annually, the agency shall provide a report
122	to the chairs of the legislative appropriations committees which
123	contains the data provided by each service provider under
124	paragraph (3)(f) and, if available, the evaluations from each of
125	the independent third-party evaluators.
126	(7) By December 1, 2021, the department shall prescribe
127	procedures to be used by an agency when executing a pay-for-
128	success contract with a private entity, consistent with this
129	section.
130	Section 2. This act shall take effect July 1, 2021.