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1                   A bill to be entitled  
2           An act relating to community-based child welfare  
3           agencies; amending s. 409.016, F.S.; defining the term  
4           "management functions"; amending s. 409.987, F.S.;  
5           revising requirements for contracts the Department of  
6           Children and Families has with community-based care  
7           lead agencies; providing duties for board members of  
8           lead agencies; requiring that lead agencies ensure  
9           that board members participate in certain annual  
10          training; requiring the posting of a fidelity bond;  
11          revising the definition of the term "conflict of  
12          interest"; defining the term "related party";  
13          requiring the lead agency's board of directors to  
14          disclose to the department any known actual or  
15          potential conflicts of interest; prohibiting a lead  
16          agency from entering into a contract or being a party  
17          to any transaction with related parties if a conflict  
18          of interest is not properly disclosed; prohibiting a  
19          lead agency from entering into a contract or being a  
20          party to any transaction with related parties for  
21          officer-level or director-level staffing to perform  
22          management functions; requiring the contract with the  
23          department and the lead agency to specify the  
24          administrative functions that the lead agency may  
25          subcontract; authorizing a lead agency to enter into  
26          certain contracts or be a party to certain  
27          transactions, provided that a certain requirement for  
28          fees, rates, and prices paid is met and any conflict  
29          of interest is properly disclosed; requiring

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30 department contracts to impose contractual penalties  
31 on lead agencies for undisclosed conflicts of  
32 interest; providing applicability; requiring certain  
33 contracts to be reproced; authorizing the department  
34 to recoup lead agency expenses for the execution of  
35 certain contracts; amending s. 409.988, F.S.; revising  
36 lead agency duties; repealing s. 409.991, F.S.,  
37 relating to allocation of funds for community-based  
38 care lead agencies; creating s. 409.9913, F.S.;  
39 defining the terms "core services funding" and  
40 "operational and fixed costs"; requiring the  
41 department, in collaboration with the lead agencies  
42 and providers of child welfare services, to develop a  
43 specific funding methodology for the allocation of  
44 core services which must meet certain criteria;  
45 requiring the lead agencies and providers of child  
46 welfare services to submit to the department certain  
47 financial information; requiring the department to  
48 submit to the Governor and the Legislature certain  
49 reports by specified dates; providing construction;  
50 authorizing the department to include certain rates  
51 and total allocations in certain reports; requiring  
52 the Legislature to allocate funding to the lead  
53 agencies with due consideration of the specified  
54 funding methodology, beginning with a specified fiscal  
55 year; prohibiting the department from changing a lead  
56 agency's allocation of funds provided in the General  
57 Appropriations Act without legislative approval;  
58 authorizing the department to approve certain risk

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59 pool funding for a lead agency; requiring the  
60 department to submit to the Governor and the  
61 Legislature certain monthly reports for a specified  
62 period of time; amending s. 409.992, F.S.; revising  
63 requirements for lead agency practices in the  
64 procurement of commodities and contractual services;  
65 requiring the department to impose certain penalties  
66 for a lead agency's noncompliance with applicable  
67 procurement law; requiring the contract between the  
68 department and the lead agency to specify the rights  
69 and obligations with regard to real property held by  
70 the lead agency during the term of the contract;  
71 providing applicability of certain limitations on the  
72 salaries of community-based care lead agency  
73 administrative employees; amending s. 409.994, F.S.;  
74 revising the conditions under which the department may  
75 petition a court for the appointment of a receiver for  
76 a community-based care lead agency; amending s.  
77 409.996, F.S.; revising requirements for contracts  
78 between the department and lead agencies; revising the  
79 actions the department may take under certain  
80 circumstances; making a technical change; providing  
81 duties of the department; requiring the department, by  
82 specified dates, to submit certain reports to the  
83 Governor and the Legislature; providing an effective  
84 date.

85  
86 Be It Enacted by the Legislature of the State of Florida:  
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88 Section 1. Present subsections (3) and (4) of section  
89 409.016, Florida Statutes, are redesignated as subsections (4)  
90 and (5), respectively, and a new subsection (3) is added to that  
91 section, to read:

92 409.016 Definitions.—As used in this chapter:

93 (3) "Management functions" means:

94 (a) Planning, directing, organizing, coordinating, and  
95 carrying out oversight duties of the lead agency; or

96 (b) Contracting for officer or director level staffing in  
97 performance of the planning, directing, organizing,  
98 coordinating, and carrying out oversight duties of the lead  
99 agency.

100 Section 2. Subsections (3) and (4) and paragraphs (a) and  
101 (b) of subsection (7) of section 409.987, Florida Statutes, are  
102 amended, and paragraph (g) is added to subsection (7) of that  
103 section, to read:

104 409.987 Lead agency procurement; boards; conflicts of  
105 interest.—

106 (3) Notwithstanding s. 287.057, the department shall use 5-  
107 year contracts with lead agencies. The department may only  
108 extend a contract for a period of 1 to 5 years, in accordance  
109 with s. 287.057, if the lead agency has met performance  
110 expectations within the monitoring evaluation.

111 (4) In order to serve as a lead agency, an entity must:

112 (a) Be organized as a Florida corporation or a governmental  
113 entity.

114 (b) Be governed by a board of directors or a board  
115 committee composed of board members. Board members shall provide  
116 oversight and ensure accountability and transparency for the

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117 system of care. The board of directors shall provide fiduciary  
118 oversight to prevent conflicts of interest, promote  
119 accountability and transparency, and protect state and federal  
120 funding from misuse. The board of directors shall act in  
121 accordance with s. 617.0830. The membership of the board of  
122 directors or board committee must be described in the bylaws or  
123 articles of incorporation of each lead agency, which must  
124 provide that at least 75 percent of the membership of the board  
125 of directors or board committee must be composed ~~consist~~ of  
126 persons residing in this state, and at least 51 percent of the  
127 state residents on the board of directors must reside within the  
128 service area of the lead agency. The lead agency shall ensure  
129 that board members participate in annual training related to  
130 their responsibilities. The department shall set forth minimum  
131 training criteria in the contracts with the lead agencies.  
132 However, for procurements of lead agency contracts initiated on  
133 or after July 1, 2014:

134 1. At least 75 percent of the membership of the board of  
135 directors must be composed ~~consist~~ of persons residing in this  
136 state, and at least 51 percent of the membership of the board of  
137 directors must be composed ~~consist~~ of persons residing within  
138 the service area of the lead agency. If a board committee  
139 governs the lead agency, 100 percent of its membership must be  
140 composed ~~consist~~ of persons residing within the service area of  
141 the lead agency.

142 2. The powers of the board of directors or board committee  
143 include, but are not limited to, approving the lead agency's  
144 budget and setting the lead agency's operational policy and  
145 procedures. A board of directors must additionally have the

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146 power to hire the lead agency's executive director, unless a  
147 board committee governs the lead agency, in which case the board  
148 committee must have the power to confirm the selection of the  
149 lead agency's executive director.

150 (c) Demonstrate financial responsibility through an  
151 organized plan for regular fiscal audits; ~~and~~ the posting of a  
152 performance bond; and the posting of a fidelity bond to cover  
153 any costs associated with procurement and the assessed  
154 penalties related to a failure to disclose a conflict of  
155 interest under subsection (7).

156 (7) (a) As used in this subsection, the term:

157 1. "Activity" includes, but is not limited to, a contract  
158 for goods and services, a contract for the purchase of any real  
159 or tangible property, or an agreement to engage with a lead  
160 agency for the benefit of a third party in exchange for an  
161 interest in real or tangible property, a monetary benefit, or an  
162 in-kind contribution.

163 2. "Conflict of interest" means when a board member,  
164 director, or ~~an~~ officer, or a relative of a board member,  
165 director, or ~~an~~ officer, of a lead agency does any of the  
166 following:

167 a. Enters into a contract or other transaction for goods or  
168 services with the lead agency.

169 b. Holds a direct or indirect interest in a corporation,  
170 limited liability corporation, partnership, limited liability  
171 partnership, or other business entity that conducts business  
172 with the lead agency or proposes to enter into a contract or  
173 other transaction with the lead agency. For purposes of this  
174 paragraph, the term "indirect interest" has the same meaning as

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175 in s. 112.312.

176 c. Knowingly obtains a direct or indirect personal,  
177 financial, professional, or other benefit as a result of the  
178 relationship of such board member, director, or officer, or  
179 relative of the board member, director, or officer, with the  
180 lead agency. For purposes of this paragraph, the term "benefit"  
181 does not include per diem and travel expenses paid or reimbursed  
182 to board members or officers of the lead agency in connection  
183 with their service on the board.

184 3. "Related party" means any entity of which a director or  
185 an officer of the entity is also directly or indirectly related  
186 to, or has a direct or indirect financial or other material  
187 interest in, the lead agency. The term also includes any  
188 subsidiary firm, parent entity, associate firm, or joint  
189 venture. Lead agencies that hold more than one lead agency  
190 contract with the department may request an exemption from the  
191 department for specific related party requirements.

192 ~~4.3.~~ "Relative" means a relative within the third degree of  
193 consanguinity by blood or marriage.

194 (b)1. For any activity that is presented to the board of a  
195 lead agency for its initial consideration and approval ~~after~~  
196 ~~July 1, 2021~~, or any activity that involves a contract that is  
197 being considered for renewal ~~on or after July 1, 2021, but~~  
198 ~~before January 1, 2022~~, a board member, a director, or an  
199 officer of a lead agency shall disclose to the board any  
200 activity that may reasonably be construed to be a conflict of  
201 interest before such activity is initially considered and  
202 approved or a contract is renewed by the board. A rebuttable  
203 presumption of a conflict of interest exists if the activity was

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204 acted on by the board without prior notice as required under  
205 paragraph (c). The board shall disclose any known actual or  
206 potential conflicts to the department.

207 2. A lead agency may not enter into a contract or be a  
208 party to any transaction with related parties if a conflict of  
209 interest is not properly disclosed. A lead agency may not enter  
210 into a contract with a related party for officer-level or  
211 director-level staffing to perform management functions. The  
212 contract with the department and lead agency must specify the  
213 administrative functions that the lead agency may subcontract  
214 ~~For contracts with a lead agency which are in existence on July~~  
215 ~~1, 2021, and are not subject to renewal before January 1, 2022,~~  
216 ~~a board member or an officer of the lead agency shall disclose~~  
217 ~~to the board any activity that may reasonably be construed to be~~  
218 ~~a conflict of interest under this section by December 31, 2021.~~

219 3. Subject to the requirements of subparagraph 2., a lead  
220 agency may enter into a contract or be a party to any  
221 transaction with related parties as long as the fee, rate, or  
222 price paid by the lead agency for the commodities or services  
223 being procured does not exceed the fair market value for such  
224 commodities or services. The lead agency shall disclose any  
225 known actual or potential conflicts to the department.

226 (g)1. All department contracts with lead agencies must  
227 contain the following contractual penalty provisions:

228 a. Penalties in the amount of \$5,000 per occurrence must be  
229 imposed for each known and potential conflict of interest, as  
230 described in paragraph (b), which is not disclosed to the  
231 department.

232 b. If a contract is executed for which a conflict of



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233 interest was not disclosed to the department before execution of  
234 the contract, the following penalties apply:

235 (I) A penalty in the amount of \$25,000 for a first offense.

236 (II) A penalty in the amount of \$50,000 for a second or  
237 subsequent offense.

238 (III) Removal of the board member who did not disclose a  
239 known conflict of interest.

240 2. The penalties for failure to disclose a conflict of  
241 interest under sub-subparagraphs a. and b. apply to any contract  
242 entered into, regardless of the method of procurement,  
243 including, but not limited to, formal procurement, single-source  
244 contracts, and contracts that do not meet the minimum threshold  
245 for formal procurement.

246 3. A contract procured for which a conflict of interest was  
247 not disclosed to the department before execution of the contract  
248 must be reprocured. The department shall recoup from the lead  
249 agency expenses related to a contract that was executed without  
250 disclosure of a conflict of interest.

251 Section 3. Paragraphs (c), (j), and (k) of subsection (1)  
252 of section 409.988, Florida Statutes, are amended to read:

253 409.988 Community-based care lead agency duties; general  
254 provisions.—

255 (1) DUTIES.—A lead agency:

256 (c) Shall follow the financial guidelines developed by the  
257 department and shall comply with regular, independent auditing  
258 of its financial activities, including any requests for records  
259 associated with such financial audits within the timeframe  
260 established by the department or its contracted vendors provide  
261 for a regular independent auditing of its financial activities.

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262 The results of the financial audit must ~~Such financial~~  
263 ~~information shall~~ be provided to the community alliance  
264 established under s. 20.19(5).

265 (j)1. May subcontract for the provision of services,  
266 excluding subcontracts with a related party for officer-level or  
267 director-level staffing to perform management functions,  
268 required by the contract with the lead agency and the  
269 department; however, the subcontracts must specify how the  
270 provider will contribute to the lead agency meeting the  
271 performance standards established pursuant to the child welfare  
272 results-oriented accountability system required by s. 409.997.  
273 Any contract with an unrelated entity for officer-level or  
274 director-level staffing to perform management functions must  
275 adhere to the executive compensation provision in s. 409.992(3).

276 2. The lead agency shall directly provide no more than 35  
277 percent of all child welfare services provided unless it can  
278 demonstrate a need, ~~within the lead agency's geographic service~~  
279 ~~area,~~ where there is a lack of qualified providers available to  
280 perform necessary child welfare services. Beginning July 1,  
281 2024, any new request to exceed the threshold is limited to 2  
282 years ~~to exceed this threshold.~~ After the 2-year period, the  
283 lead agency may submit annual 1-year extension requests with a  
284 detailed report of all efforts to recruit a qualified provider  
285 to perform the necessary services in that geographic service  
286 area. If the department determines the lead agency is not making  
287 a good faith effort to recruit a qualified provider, it must  
288 deny the extension request and require reprocurement. The local  
289 community alliance in the geographic service area in which the  
290 lead agency is seeking to exceed the threshold shall review the

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291 lead agency's justification for need and recommend to the  
292 department whether the department should approve or deny the  
293 lead agency's request for an exemption from the services  
294 threshold. If there is not a community alliance operating in the  
295 geographic service area in which the lead agency is seeking to  
296 exceed the threshold, such review and recommendation shall be  
297 made by representatives of local stakeholders, including at  
298 least one representative from each of the following:

299 ~~a.1.~~ The department.

300 ~~b.2.~~ The county government.

301 ~~c.3.~~ The school district.

302 ~~d.4.~~ The county United Way.

303 ~~e.5.~~ The county sheriff's office.

304 ~~f.6.~~ The circuit court corresponding to the county.

305 ~~g.7.~~ The county children's board, if one exists.

306 (k) Shall publish on its website by the 15th day of each  
307 month at a minimum the data specified in subparagraphs 1.-10.  
308 ~~subparagraphs 1.-5.~~, calculated using a standard methodology  
309 determined by the department, for the preceding calendar month  
310 regarding its case management services. The following  
311 information shall be reported by each individual subcontracted  
312 case management provider, by the lead agency, if the lead agency  
313 provides case management services, and in total for all case  
314 management services subcontracted or directly provided by the  
315 lead agency:

316 1. The average caseload of case managers, including only  
317 filled positions;

318 2. The total number and percentage of case managers who  
319 have 25 or more cases on their caseloads;

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320 3. The turnover rate for case managers and case management  
321 supervisors for the previous 12 months;

322 4. The percentage of required home visits completed; ~~and~~

323 5. Performance on outcome measures required pursuant to s.  
324 409.997 for the previous 12 months; ~~and~~

325 6. The number of unlicensed placements for the previous  
326 month;

327 7. The percentages and trends for foster parent and group  
328 home recruitment and licensure for the previous month;

329 8. The percentage of families being served through family  
330 support services, in-home services, and out-of-home services for  
331 the previous month;

332 9. The percentage of cases that were converted from  
333 nonjudicial to judicial for the previous month; and

334 10. Children's legal service staffing rates.

335 Section 4. Section 409.991, Florida Statutes, is repealed.

336 Section 5. Section 409.9913, Florida Statutes, is created  
337 to read:

338 409.9913 Funding methodology to allocate funding to lead  
339 agencies.—

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

341 (a) "Core services funding" means all funds allocated to  
342 lead agencies. The term does not include any of the following:

343 1. Funds appropriated for independent living services.

344 2. Funds appropriated for maintenance adoption subsidies.

345 3. Funds allocated by the department for child protective  
346 investigation service training.

347 4. Nonrecurring funds.

348 5. Designated mental health wrap-around service funds.

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349 6. Funds for special projects for a designated lead agency.

350 7. Funds appropriated for the Guardianship Assistance  
351 Program established under s. 39.6225.

352 (b) "Operational and fixed costs" means:

353 1. Administrative expenditures, including, but not limited  
354 to, information technology and human resources functions.

355 2. Lease payments.

356 3. Asset depreciation.

357 4. Utilities.

358 5. Administrative components of case management.

359 6. Mandated activities such as training, quality  
360 improvement, or contract management.

361 (2) The department shall develop, in collaboration with  
362 lead agencies and providers of child welfare services, a funding  
363 methodology for allocating core services funding to lead  
364 agencies which, at a minimum:

365 (a) Is actuarially sound.

366 (b) Is reimbursement-based.

367 (c) Is designed to incentivize efficient and effective lead  
368 agency operation, prevention, family preservation, and  
369 permanency.

370 (d) Considers variable costs, including, but not limited  
371 to:

372 1. Direct costs for in-home and out-of-home care for  
373 children served by the lead agencies.

374 2. Direct costs for prevention services.

375 3. Operational and fixed costs.

376 (e) Is scaled regionally for cost-of-living factors.

377 (3) The lead agencies and providers shall submit any

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378 detailed cost and expenditure data that the department requests  
379 for the development of the funding methodology.

380 (4) The department shall submit a report to the Governor,  
381 the President of the Senate, and the Speaker of the House of  
382 Representatives by December 1, 2024, which, at a minimum:

383 (a) Describes a proposed funding methodology and formula  
384 that will provide for the annual budget of each lead agency,  
385 including, but not limited to, how the proposed methodology will  
386 meet the criteria specified in subsection (2).

387 (b) Describes the data used to develop the methodology and  
388 the data that will be used to annually calculate the proposed  
389 lead agency budget.

390 (c) Specifies proposed rates and total allocations for each  
391 lead agency. The allocations must ensure that the total of all  
392 amounts allocated to lead agencies under the funding methodology  
393 does not exceed the total amount appropriated to lead agencies  
394 in the 2024-2025 General Appropriations Act.

395 (d) Provides risk mitigation recommendations that ensure  
396 that lead agencies do not experience a reduction in funding that  
397 would be detrimental to operations or result in a reduction in  
398 services to children.

399 (5) By October 31, 2025, and each October 31 thereafter,  
400 the department shall submit a report to the Governor, the  
401 President of the Senate, and the Speaker of the House of  
402 Representatives which includes recommendations for adjustments  
403 to the funding methodology for the next fiscal year, calculated  
404 using the criteria in subsection (2). Such recommendations must,  
405 at a minimum, be based on updated expenditure data, cost-of-  
406 living adjustments, market dynamics, or other catchment area

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407 variations. The total of all amounts proposed for allocation to  
408 lead agencies under the funding methodology for the subsequent  
409 fiscal year may not exceed the total amount appropriated in the  
410 General Appropriations Act for core services funding in the  
411 present fiscal year. The funding methodology must include risk  
412 mitigation strategies that ensure that lead agencies do not  
413 experience a reduction in funding that would be detrimental to  
414 operations or result in a reduction in services to children.

415 (6) (a) The requirements of this section do not replace, and  
416 are in addition to, any requirements of chapter 216, including,  
417 but not limited to, submission of final legislative budget  
418 requests by the department under s. 216.023.

419 (b) The data and reports required under subsections (4) and  
420 (5) may also include proposed rates and total allocations for  
421 each lead agency which reflect any additional core services  
422 funding for lead agencies which is requested by the department  
423 under s. 216.023.

424 (7) (a) Beginning with the 2025-2026 fiscal year, the  
425 Legislature shall allocate funding to lead agencies through the  
426 General Appropriations Act with due consideration of the funding  
427 methodology developed under this section.

428 (b) The department may not change the allocation of funds  
429 to a lead agency as provided in the General Appropriations Act  
430 without legislative approval. The department may approve  
431 additional risk pool funding for a lead agency as provided under  
432 s. 409.990.

433 (8) The department shall provide to the Governor, the  
434 President of the Senate, and the Speaker of the House of  
435 Representatives monthly reports from July through October 2024

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436 which provide updates on activities and progress in developing  
437 the funding methodology.

438 Section 6. Subsections (1) and (3) of section 409.992,  
439 Florida Statutes, are amended to read:

440 409.992 Lead agency expenditures.—

441 (1) The procurement of commodities or contractual services  
442 by lead agencies is shall be governed by the financial  
443 guidelines developed by the department and must comply with  
444 applicable state and federal law and follow good business  
445 practices. Pursuant to s. 11.45, the Auditor General may provide  
446 technical advice in the development of the financial guidelines.

447 (a)1. Lead agencies shall competitively procure all  
448 contracts, consistent with the federal simplified acquisition  
449 threshold.

450 2. Lead agencies shall competitively procure all contracts  
451 in excess of \$35,000 with related parties.

452 3. Financial penalties or sanctions, as established by the  
453 department and incorporated into the contract, must be imposed  
454 by the department for noncompliance with applicable local,  
455 state, or federal law for the procurement of commodities or  
456 contractual services.

457 (b) The contract between the department and the lead agency  
458 must delineate the rights and obligations of the lead agency  
459 concerning the acquisition, transfer, or other disposition of  
460 real property. At a minimum, the contract must:

461 1. Require the lead agency to follow all federal law on the  
462 acquisition, improvement, transfer, or disposition of real  
463 property acquired by the lead agency using federal dollars.

464 2. Require the department to obtain the rights to and



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465 ownership of all real property acquired by the lead agency using  
466 state funds.

467 3. Require the department to approve any sale, transfer, or  
468 disposition of real property acquired and held by the lead  
469 agency using state funds.

470 4. Require the department to retain all rights to and  
471 ownership of all real property acquired with state funds and  
472 held by the lead agency upon termination of the lead agency  
473 contract.

474 (3) Notwithstanding any other provision of law, a  
475 community-based care lead agency administrative employee may not  
476 receive a salary, whether base pay or base pay combined with any  
477 bonus or incentive payments, in excess of 150 percent of the  
478 annual salary paid to the secretary of the Department of  
479 Children and Families from state-appropriated funds, including  
480 state-appropriated federal funds. This limitation applies  
481 regardless of the number of contracts a community-based care  
482 lead agency may execute with the department. This subsection  
483 does not prohibit any party from providing cash that is not from  
484 appropriated state funds to a community-based care lead agency  
485 administrative employee.

486 Section 7. Paragraph (d) of subsection (1) of section  
487 409.994, Florida Statutes, is amended to read:

488 409.994 Community-based care lead agencies; receivership.-

489 (1) The Department of Children and Families may petition a  
490 court of competent jurisdiction for the appointment of a  
491 receiver for a community-based care lead agency established  
492 pursuant to s. 409.987 if any of the following conditions exist:

493 (d) The lead agency cannot meet, or is unlikely to meet,

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494 its current financial obligations to its employees, contractors,  
495 or foster parents. Issuance of bad checks or the existence of  
496 delinquent obligations for payment of salaries, utilities, or  
497 invoices for essential services or commodities constitutes ~~shall~~  
498 ~~constitute~~ prima facie evidence that the lead agency lacks the  
499 financial ability to meet its financial obligations.

500 Section 8. Paragraph (d) of subsection (1) of section  
501 409.996, Florida Statutes, is amended to read:

502 409.996 Duties of the Department of Children and Families.-  
503 The department shall contract for the delivery, administration,  
504 or management of care for children in the child protection and  
505 child welfare system. In doing so, the department retains  
506 responsibility for the quality of contracted services and  
507 programs and shall ensure that, at a minimum, services are  
508 delivered in accordance with applicable federal and state  
509 statutes and regulations and the performance standards and  
510 metrics specified in the strategic plan created under s.  
511 20.19(1).

512 (1) The department shall enter into contracts with lead  
513 agencies for the performance of the duties by the lead agencies  
514 established in s. 409.988. At a minimum, the contracts must do  
515 all of the following:

516 (d) Provide for contractual actions ~~tiered interventions~~  
517 ~~and graduated penalties~~ for failure to comply with contract  
518 terms or in the event of performance deficiencies, as determined  
519 appropriate by the department.

520 1. Such contractual actions must ~~interventions and~~  
521 ~~penalties shall~~ include, but are not limited to:

522 a.1. Enhanced monitoring and reporting.

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523 ~~b.2.~~ Corrective action plans.

524 ~~c.3.~~ Requirements to accept technical assistance and  
525 consultation from the department under subsection (6).

526 ~~d.4.~~ Financial penalties, which shall require a lead agency  
527 to direct ~~reallocate~~ funds from administrative costs to the  
528 department. The department shall use collected funds to support  
529 and provide services to children and families in the geographic  
530 service area of the lead agency from which the funds were  
531 obtained ~~direct care for children.~~

532 ~~e.5.~~ Early termination of contracts, as provided in s.  
533 402.7305(3)(f) ~~s. 402.1705(3)(f).~~

534 2. No later than January 1, 2025, the department shall  
535 ensure that each lead agency contract executed includes a list  
536 of financial penalties for failure to comply with contractual  
537 requirements.

538 Section 9. By September 30, 2024, and February 1, 2025,  
539 respectively, the Department of Children and Families shall  
540 submit a report to the Governor, the President of the Senate,  
541 and the Speaker of the House of Representatives on rules and  
542 policies adopted and other actions taken to implement this act.

543 Section 10. This act shall take effect July 1, 2024.