

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Rules

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BILL: CS/CS/SB 1030

INTRODUCER: Appropriations Committee on Health and Human Services; Children, Families, and Elder Affairs Committee; and Senators Gruters and Rouson

SUBJECT: Recovery Residences

DATE: February 23, 2026

REVISED: 2/25/26

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	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kennedy</u>	<u>Tuszynski</u>	<u>CF</u>	<u>Fav/CS</u>
2.	<u>Sneed</u>	<u>McKnight</u>	<u>AHS</u>	<u>Fav/CS</u>
3.	<u>Kennedy</u>	<u>Kruse</u>	<u>RC</u>	<u>Favorable</u>

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/CS/SB 1030 narrows the term “transfer,” for purposes of licensure of substance abuse service providers regulated by the Department of Children and Families (DCF), to mean the transfer of a majority ownership interest in a licensed entity or the transfer of responsibilities under the license to another entity by contractual arrangement.

The bill requires that for transfers involving five percent or more of the licensed entity's controlling ownership, the DCF shall require a Level 2 background screening of the officers, directors, managing members, and any individuals exercising operational control on behalf of the new owner.

Additionally, the bill prohibits the DCF from requiring an existing licensed service provider with no outstanding violations or licensure enforcement actions within the previous 12 months to admit individuals for services during a probationary licensing period when the provider is seeking to add levels of care at an existing licensed location or offer the same level of care at additional locations.

The bill has a significant negative fiscal impact on the DCF. **See Section V., Fiscal Impact Statement.**

The bill takes effect July 1, 2026.

## II. Present Situation:

### Substance Abuse

Substance abuse refers to the harmful or hazardous use of psychoactive substances, including alcohol and illicit drugs.<sup>1</sup> According to the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5), a diagnosis of substance use disorder (SUD) is based on evidence of impaired control, social impairment, risky use, and pharmacological criteria.<sup>2</sup> SUD occurs when an individual chronically uses alcohol or drugs, resulting in significant impairment, such as health problems, disability, and failure to meet major responsibilities at work, school, or home.<sup>3</sup> Repeated drug use leads to changes in the brain's structure and function that can make a person more susceptible to developing a substance abuse disorder.<sup>4</sup>

Among people age 12 or older in 2023, 70.7 million people, or 24.9 percent of the population, used illicit drugs in the past year.<sup>5</sup> The most commonly used was marijuana, which 61.8 million people used.<sup>6</sup> In the past year:

- Among young adults ages 18 to 25, 12.4 million individuals, or 36.5 percent, reported marijuana use in the past year;
- 8.9 million individuals ages 12 and over misused opioids in the past year;
- 48.5 million individuals ages 12 and over, or 17.1 percent, had a past-year SUD, including 28.9 million with alcohol use disorder (AUD) and 27.2 million with a drug use disorder (DUD). The highest SUD rate was among young adults ages 18 to 25, which included 9.2 million individuals, or 27.1 percent of that age group.<sup>7</sup>

### *Substance Use Disorder Treatment in Florida*

In the early 1970s, the federal government enacted laws creating formula grants for states to develop continuums of care for individuals and families affected by substance abuse.<sup>8</sup> The laws resulted in separate funding streams and requirements for alcoholism and drug abuse. In response to the laws, the Florida Legislature enacted chs. 396 and 397, F.S., relating to alcohol and drug abuse, respectively.<sup>9</sup> Each of these laws governed different aspects of addiction and different

<sup>1</sup> The World Health Organization, *Mental Health and Substance Abuse*, available at <https://www.afro.who.int/health-topics/substance-abuse> (last visited 1/22/2026); See also The National Institute on Drug Abuse (NIDA), *Drugs, Brains, and Behavior: The Science of Addiction; How Science Has Revolutionized the Understanding of Drug Addiction*, available at <https://nida.nih.gov/research-topics/addiction-science/drugs-brain-behavior-science-of-addiction> (last visited 1/22/2026).

<sup>2</sup> The National Association of Addiction Treatment Providers, *Substance Use Disorder*, available at <https://www.naatp.org/resources/clinical/substance-use-disorder> (last visited 1/23/2026).

<sup>3</sup> The Substance Abuse and Mental Health Services Administrator (The SAMHSA), *Substance Use Disorders*, available at <https://www.samhsa.gov/find-help/disorders> (last visited 1/23/2026).

<sup>4</sup> Harvard Medical School, Harvard Health Publishing, *Brain Plasticity in Drug Addiction: Burden and Benefit*, available at <https://www.health.harvard.edu/blog/brain-plasticity-in-drug-addiction-burden-and-benefit-2020062620479#:~:text=Experience-dependent%20learning%2C%20including%20repeated%20drug%20use%2C%20might%20increase,drug%20use%2C%20where%20people%20ignore%20the%20negative%20consequences> (last visited 1/23/2026).

<sup>5</sup> Substance Abuse and Mental Health Services Administration, *Key Substance Use and Mental Health Indicators in the United States: Results from the 2023 National Survey on Drug Use and Health (HHS Publication No. PEP24-07-021, NSDUH Series H-59)*, available at <https://www.samhsa.gov/data/report/2023-nsduh-annual-national-report> (last visited 1/23/2026).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> The DCF, *Baker Act and Marchman Act Project Team Report for Fiscal Year 2016-2017*, p. 4-5. (on file with the Senate Children, Families, and Elder Affairs Committee).

<sup>9</sup> *Id.*

rules were promulgated by the state to implement the legislation.<sup>10</sup> However, because persons with substance abuse issues often do not restrict their misuse to one substance or another, having two separate laws dealing with the prevention and treatment of addiction was cumbersome and did not adequately address Florida's substance abuse problem.<sup>11</sup> In 1993, legislation was adopted to combine chs. 396 and 397, F.S., into a single law referred to as the Hal S. Marchman Alcohol and Other Drug Services Act (Marchman Act).<sup>12</sup>

The Marchman Act encourages individuals to seek services on a voluntary basis within the existing financial and space capacities of a service provider.<sup>13</sup> However, denial of addiction is a prevalent symptom of SUD, creating a barrier to timely intervention and effective treatment.<sup>14</sup> As a result, treatment typically must stem from a third party providing the intervention needed for SUD treatment.<sup>15</sup>

The DCF administers a statewide system of safety net services for substance abuse and mental health (SAMH) prevention, treatment, and recovery for children and adults who are otherwise unable to obtain these services. Services are provided based on state and federally established priority populations.<sup>16</sup> The DCF provides treatment for SUD through a community-based provider system offering detoxification, treatment, and recovery support for individuals affected by substance misuse, abuse, or dependence.<sup>17</sup>

- **Detoxification Services:** Detoxification services use medical and clinical procedures to assist individuals and adults as they withdraw from the physiological and psychological effects of substance abuse.
- **Treatment Services:** Treatment services include assessment,<sup>18</sup> counseling, case management, and support that are designed to help individuals who have lost their ability to control their substance use on their own and require formal, structured intervention and support.
- **Recovery Support:** Recovery support services, including transitional housing, life skills training, parenting skills, and peer-based individual and group counseling, are offered during and following treatment to further assist individuals in their development of the knowledge and skills necessary to maintain their recovery.<sup>19</sup>

<sup>10</sup> The DCF, *Baker Act and Marchman Act Project Team Report for Fiscal Year 2016-2017*, p. 4-5. (on file with the Senate Children, Families, and Elder Affairs Committee).

<sup>11</sup> *Id.*

<sup>12</sup> Chapter 93-39, s. 2, L.O.F., codified as ch. 397, F.S.

<sup>13</sup> See ss. 397.601(1) and (2), F.S., An individual who wishes to enter treatment may apply to a service provider for voluntary admission. Within the financial and space capabilities of the service provider, the individual must be admitted to treatment when sufficient evidence exists that he or she is impaired by substance abuse and his or her medical and behavioral conditions are not beyond the safe management capabilities of the service provider.

<sup>14</sup> Darran Duchene and Patrick Lane, *Fundamentals of the Marchman Act, Risk RX*, Vol. 6 No. 2 (Apr. – Jun. 2006) State University System of Florida Self-Insurance Programs, available at <https://flbog.sip.ufl.edu/risk-rx-article/fundamentals-of-the-marchman-act/> (last visited 1/22/2026)(hereinafter cited as “fundamentals of the Marchman Act”).

<sup>15</sup> *Id.*

<sup>16</sup> See ch. 394 and 397, F.S.

<sup>17</sup> The DCF, *Treatment for Substance Abuse*, available at <https://www.myflfamilies.com/services/samh/treatment> (last visited 1/22/2026).

<sup>18</sup> Research indicates that persons who successfully complete substance abuse treatment have better post-treatment outcomes related to future abstinence, reduced use, less involvement in the criminal justice system, reduced involvement in the child-protective system, employment, increased earnings, and better health.

<sup>19</sup> The DCF, *Treatment for Substance Abuse*.

## Overview of Florida’s Licensure Framework for Behavioral Health Providers

Licensure of behavioral health facilities and substance abuse service providers and facilities in Florida exists to ensure that individuals receiving substance use disorder (SUD) treatment are served in programs that meet minimum standards for health, safety, quality of care, and consumer protection.<sup>20</sup> Florida’s behavioral health licensure framework divides responsibility between the Agency for Health Care Administration (AHCA) and the DCF based on the type of services provided, requiring coordination between the two agencies when providers operate across both mental health and substance abuse systems.<sup>21</sup> Licensure is intended to protect clients by requiring providers to comply with uniform statewide standards, including background screening of personnel, appropriate staffing and supervision, recordkeeping, and adherence to client rights and confidentiality laws.<sup>22</sup> Under Florida law, licensed substance abuse facilities and providers must meet programmatic and operational requirements, such as maintaining written policies and procedures, providing services consistent with the level of care for which they are licensed, and ensuring that services are delivered by qualified staff.<sup>23</sup> Licensure also enables state agencies to conduct inspections, monitoring, and enforcement actions, including the denial, suspension, or revocation of a license when a provider fails to comply with statutory or rule requirements, thereby promoting accountability and public trust in the substance abuse treatment system.<sup>24</sup>

### *Licensure of Substance Abuse Service Providers*

As part of the larger behavioral health licensure structure, the DCF regulates substance use disorder treatment by licensing individual treatment components under ch. 397, F.S., and Rule 65D-30, F.A.C. Licensed service components include a continuum of substance abuse prevention,<sup>25</sup> intervention,<sup>26</sup> and clinical treatment services.<sup>27</sup>

Clinical treatment is a professionally directed, deliberate, and planned regimen of services and interventions that are designed to reduce or eliminate the misuse of drugs and alcohol and promote a healthy, drug-free lifestyle.<sup>28</sup> “Clinical treatment services” include, but are not limited to, the following licensable service components:

- Addictions receiving facility.
- Day or night treatment.
- Day or night treatment with community housing.
- Detoxification.
- Intensive inpatient treatment.

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<sup>20</sup> Section 397.401, F.S.

<sup>21</sup> Sections 394.875 and 408.805, F.S.

<sup>22</sup> Section 397.407 and 397.501, F.S.

<sup>23</sup> Section 397.410, F.S.

<sup>24</sup> Section 397.415, F.S.

<sup>25</sup> Section 397.311(26)(c), F.S. “Prevention” is defined as “a process involving strategies that are aimed at the individual, family, community, or substance and that preclude, forestall, or impede the development of substance use problems and promote responsible lifestyles.” See also The DCF, *Substance Abuse Prevention*, available at <https://www.myflfamilies.com/services/samh/substance-abuse-prevention> (last visited 1/22/2026).

<sup>26</sup> Section 397.311(26)(b), F.S. “Intervention” is defined as “structured services directed toward individuals or groups at risk of substance abuse and focused on reducing or impeding those factors associated with the onset or the early stages of substance abuse and related problems.”

<sup>27</sup> Section 397.311(26), F.S.

<sup>28</sup> Section 397.311(26)(a), F.S.

- Intensive outpatient treatment.
- Medication-assisted treatment for opiate addiction.
- Outpatient treatment.
- Residential treatment.<sup>29</sup>

### ***Licensure Types***

Under s. 397.407, F.S., substance abuse treatment providers in Florida are licensed under one of three primary licensure types, determined by a provider's compliance history and operational status:

- Probationary.
- Regular.
- Interim.

A regular license is issued to a provider that is in full compliance with all statutory and rule requirements and authorizes the provider to operate for the standard licensure period established by the DCF.<sup>30</sup> A probationary license may be issued to a provider that is not in full compliance but is able to correct identified deficiencies within a specified time period, allowing continued operation while the provider works toward compliance under heightened oversight.<sup>31</sup> An interim license may be issued to a provider in limited circumstances, such as when a provider is awaiting a regular license decision, undergoing a change of ownership, or addressing temporary operational issues, and permits short-term operation subject to conditions imposed by the DCF.<sup>32</sup> Together, these licensure types allow the DCF to maintain continuity of care for clients while ensuring providers progress toward or maintain compliance with Florida's substance abuse treatment standards.<sup>33</sup>

### ***Licensure Requirements***

Florida law requires the DCF to establish minimum licensure standards for each substance abuse service component, including administrative management and clinical standards for the delivery of services.<sup>34</sup> The DCF is required to establish personnel and supervision standards, including staff qualifications and hours of coverage, and specifically set standards for "the maximum number of individuals who may receive clinical services together in a group setting."<sup>35</sup> In addition, Florida law requires facility standards to include, at a minimum, the safety and adequacy of the facility and grounds, and "space, furnishings, and equipment for each individual served," along with infection control, sanitation, maintenance, and meals/snacks as applicable.<sup>36</sup> Current rule mandates all licensed facilities used by a provider (including community housing) to comply with local fire safety standards, local health and zoning codes, and to maintain annual proof of compliance with applicable fire/safety and health inspections. For providers, treatment

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<sup>29</sup> Section 397.311(26)(a), F.S.

<sup>30</sup> Section 397.407(1) and(2), F.S.

<sup>31</sup> Section 397.407(3), F.S.

<sup>32</sup> Section 397.407(4) and(5), F.S.

<sup>33</sup> Section 397.407, F.S.

<sup>34</sup> Section 397.410(1)(a)–(b), F.S.

<sup>35</sup> Section 397.410(1)(c), F.S.

<sup>36</sup> Section 397.410(1)(d), F.S.

space capacity is largely constrained by local building and fire requirements and may vary by location.<sup>37</sup>

### ***Licensure Denial, Suspension, and Revocation***

When the DCF identifies serious noncompliance by a substance abuse service provider, the department is authorized to respond through licensure enforcement actions, including denial, suspension, or revocation of the provider's license.<sup>38</sup> A license may be denied or sanctioned when a provider's conduct demonstrates an inability to meet minimum standards for safe operation, including material violations of ch. 397, F.S., or applicable rules, failure to maintain required licensure standards, or the submission of false or misleading information to the department.<sup>39</sup> Licensure enforcement may also occur when a provider fails to correct cited deficiencies within the timeframe required by the department, reflecting an ongoing inability or unwillingness to come into compliance after regulatory review.<sup>40</sup> Because patient safety is central to licensure oversight, the statute also authorizes action when providers fail to comply with background screening requirements, including employing or retaining disqualified personnel or failing to provide required screening-related information to the department.<sup>41</sup>

Depending on the severity and circumstances of noncompliance, the DCF may impose intermediate sanctions short of license revocation, such as administrative fines, probationary status, or corrective action requirements, to compel compliance while maintaining continuity of care when appropriate.<sup>42</sup> Any licensure action taken against a substance abuse service provider must comply with due process requirements, including notice and the opportunity for an administrative hearing under ch. 120, F.S., before final agency action becomes effective.<sup>43</sup>

### **Background Screening**

Chapter 435, F.S., establishes standard procedures for criminal history background screening of certain prospective employees working with vulnerable populations. There are two levels of background screening: level 1 and level 2. Level 1 screening includes, at a minimum, employment history checks and statewide criminal history record check through the Florida Department of Law Enforcement (FDLE) and a check of the Dru Sjodin National Sex Offender Public Website,<sup>44</sup> and may include criminal records checks through local law enforcement agencies.<sup>45</sup>

Level 2 background screening includes, but is not limited to, fingerprinting for statewide criminal history records checks through the FDLE and national criminal history checks through the Federal Bureau of Investigation (FBI), and may include local criminal records checks

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<sup>37</sup> Rule 65D-30.0047(11), F.A.C.

<sup>38</sup> Section 397.415(1), F.S.

<sup>39</sup> Section 397.415(2)(a)–(c), F.S.

<sup>40</sup> Section 397.415(2)(d), F.S.

<sup>41</sup> Section 397.415(2)(e)–(g), F.S.

<sup>42</sup> Section 397.415(3), F.S.

<sup>43</sup> Section 397.415(5), F.S.

<sup>44</sup> The Dru Sjodin National Sex Offender Public Website is a U.S. government website that links public state, territorial, and tribal sex offender registries in one national search site, available at <https://www.nsopw.gov/> (last visited 2/11/2026).

<sup>45</sup> Section 435.03, F.S.

through local law enforcement agencies.<sup>46</sup> In addition, level 2 screening includes a search of the sexual predator and sexual offender registries of any state in which the individual has lived during the preceding five years.<sup>47</sup>

Every person required by law to be screened pursuant to ch. 435, F.S., must submit a complete set of information necessary to conduct a screening to his or her employer.<sup>48</sup> Such information for a level 2 screening includes fingerprints, which are taken by a vendor that submits them electronically to the FDLE.<sup>49</sup>

Various agencies, programs, employers, and professionals serve vulnerable populations in Florida. Personnel working with entities that serve vulnerable populations are subject to background screening; however, due to restrictions placed on the sharing of criminal history information, persons who work for more than one agency or employer or who change jobs, or who wish to volunteer for such an entity, often must undergo a new and duplicative background screening and fingerprinting.<sup>50</sup> In 2012, the Legislature created the Care Provider Background Screening Clearinghouse to create a single “program” of screening individuals and allow for the results of criminal history checks of persons acting as covered care providers to be shared among the specified agencies.<sup>51</sup> Designated agencies include the AHCA, the Department of Health (the DOH), the DCF, the DOEA, the Agency for Persons with Disabilities (the APD), the Department of Juvenile Justice (DJJ), the Department of Veterans’ Affairs (FDVA), and Vocational Rehabilitation within the Department of Education (the DOE).<sup>52</sup>

### III. Effect of Proposed Changes:

**Section 1** amends s. 397.407, F.S., to narrow the definition of “transfer” to only mean the “transfer of a majority of the ownership interest in the licensed entity or the transfer of responsibilities under the license to another entity by contractual arrangement.”

The bill limits Level 2 background screening to officers, directors, managing members, and individuals exercising operational control over a licensed substance abuse service provider when more than five percent of a controlling interest of the licensed service provider is transferred to another person or entity. In current law, a change in majority ownership requires all owners to submit to a Level 2 background check.

Additionally, the bill prohibits the DCF from requiring an existing licensed service provider with no outstanding violations or licensure enforcement actions within the previous 12 months to admit individuals for services during a probationary licensing period when the provider is seeking to add levels of care at an existing licensed location or offer the same level of care at additional locations.

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<sup>46</sup> Section 435.04, F.S.

<sup>47</sup> Section 435.04(1)(a)2., F.S.

<sup>48</sup> Section 435.05(1)(a), F.S.

<sup>49</sup> Sections 435.03(1) and 435.04(1)(a), F.S.

<sup>50</sup> Florida Department of Children and Families, *Frequently Asked Questions for Clearinghouse*: available at <https://www.myflfamilies.com/services/background-screening/frequently-asked-questions-clearinghouse> (last visited 1/22/2026).

<sup>51</sup> Florida Department of Children and Families, *Frequently Asked Questions for Clearinghouse*: available at <https://www.myflfamilies.com/services/background-screening/frequently-asked-questions-clearinghouse> (last visited 1/22/2026); see also s. 435.12, F.S. and ch. 2012-73, L.O.F.

<sup>52</sup> *Id.*

Currently, to move from a probationary license to a regular license, a service provider must admit clients to demonstrate its capability to operate. The bill removes this requirement for existing licensed service providers but maintains the requirement for new providers.

The bill takes effect July 1, 2026

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill will likely have a minimal fiscal impact on licensed substance abuse service providers. While some providers may incur additional costs for required level 2 background screenings when controlling ownership interest changes, the bill reduces licensing requirements for existing licensed service providers that add additional levels of care or expand their service locations.

C. Government Sector Impact:

Indeterminant, likely significant negative fiscal impact on the Department of Children and Families. The department reports needed updates and changes to the licensing

application technology system for the probationary licensure process for providers. Total projected development cost is estimated at \$432,550.<sup>53</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 397.407 of the Florida Statutes.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS/CS by Appropriations Committee on Health and Human Services on February 12, 2026:**

The committee substitute makes the following changes:

- Narrows the definition of “transfer” to mean the “transfer of a majority of the ownership interest in the licensed entity or the transfer of responsibilities under the license to another entity by contractual arrangement.”
- Requires level 2 background screening for officers, directors, managing members and individuals who exercise operational control over a licensed substance abuse entity when more than five percent of the controlling interest of the entity is transferred to another person or entity; and
- Prohibits the Department of Children and Families (DCF) from requiring existing licensed substance abuse service providers that are seeking to add additional levels of care at existing or new licensed locations to admit individuals for services during the probationary license period if the provider has no outstanding violation for the prior 12 months.

**CS by Children, Families, and Elder Affairs on January 27, 2026:**

The committee substitute makes the following changes:

- Narrows the definition of “transfer” for the purposes of a substance abuse service providers to mean the sale or other transfer of ownership to a different individual or entity with a different federal employer or taxpayer identification number or the transfer of 51 percent or more of the ownership, shares, membership, or controlling interest of a licensed provider. This is changed from the current broader definition of transfer that “includes, but is not limited to, the transfer of majority of the ownership

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<sup>53</sup> Florida Department of Children and Families, *SB 1030 (2026) Agency Analysis*, 2/24/26, p.8 (on file with the Children, Families, and Elder Affairs Committee).

interest in the licensed entity or transfer of responsibilities under the licensee to another entity by contractual arrangement.”;

- Requires the issuance of a regular license within 30 days to an existing licensed service provider when seeking to add levels of care at an existing location or at one or more new locations if that service provider is in compliance with all licensure requirements for existing programs and prohibits the DCF from imposing additional requirements outside of existing licensure; and
- Prohibits a recovery residence credentialing entity from requesting or obtaining clinical or medical records when determining whether to suspend or revoke a certificate of compliance.

B. Amendments:

None.