

STORAGE NAME: h1929a.gg

DATE: April 20, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GENERAL GOVERNMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 1929 (PCB UCO 99-04)

RELATING TO: Communications networks and information technologies

SPONSOR(S): Committee on Utilities and Communications

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) UTILITIES AND COMMUNICATIONS YEAS 10 NAYS 0
 - (2) GENERAL GOVERNMENT APPROPRIATIONS YEAS 9 NAYS 0
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

The bill establishes an Information Service Technology Development Task Force ("task force") in the Department of Management Services for two years for the purpose of developing policy recommendations that will foster development and beneficial use of advanced communications networks and information technologies within Florida. The 34 member task force will be comprised of key industry and government leaders. The bill names some members directly; others will be appointed, according to specified categories, by the President of the Senate, by the Speaker of the House, and by the Governor who also will name the chair of the task force.

The bill requires the task force to meet at least four times per year and provides that failure of a member to participate in three consecutive meetings will result in his or her replacement. The bill encourages the task force to implement electronic bulletin boards and other means for the exchange of ideas.

The bill requires the task force to

- develop overarching principles to guide state policy decisions with respect to the free-market development and the beneficial use of advanced communications networks and information technologies
- identify key factors that will determine whether Internet-related technologies will flourish in Florida
- develop policy recommendations for each key factor identified by the task force

The bill requires the task force to report to the Governor, the President of the Senate and the Speaker of the House by February 14, 2000, and 2001 outlining principles, policy recommendations, and any suggested legislation. The task force is authorized to develop and publish other documents throughout the year.

The bill provides for the task force to be staffed by the State Technology Office within the Department of Management Services. The State Technology Office also is to promote public awareness of the development of principles and policy recommendations by the task force. The bill requires the State University System to assist the task force as necessary.

\$375,100 and 4 positions are appropriated to the State Technology Office in the Department of Management Services for the purpose of carrying out the provisions of the act.

The act is to take effect on July 1, 1999.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The Internet and related communications and information technologies are growing at an unprecedented rate. The transforming potential of these technologies on society is routinely compared to the transforming effects of the industrial revolution. At a minimum, developments in the technology have the potential to affect commerce, state revenues, education, and law enforcement.

According to the *Cyberstates Update*, compiled by the American Electronics Association, high tech industry is already having a profound effect on the economy in Florida. Based on 1996 data, Florida ranks sixth in high tech employment with 184,456 jobs, 6,517 businesses, a payroll of \$7.8 billion, and an average wage of \$42,148 (68% higher than the average private sector wage in Florida of \$25,045). Thirty five of every one thousand private sector workers in Florida are employed by high tech firms. Significantly more people are employed by high tech industries in Florida than are employed in agriculture. High tech exports account for 46% of Florida's total exports (\$12.7 billion of \$27.6 billion total).

Despite the importance of the technologies, Florida, like most states, has not yet taken a comprehensive approach to promoting the free-market development and use of advanced communications networks and information technologies. However, Florida is a leader in making governmental information available on the web and development of web-based delivery of governmental services is ongoing in the state.

The State of Virginia has created a Commission on Information Technology to very publicly develop policy recommendations and principles to guide state policies with respect to high tech industries. Reports are that the forging of policies by the Virginia council are followed by "techies" with the kind of interest normally limited to fans following a sporting event. In testimony before the House Utilities and Communications Committee, Mark Rhoads of the US Internet Council (a nonprofit, industry funded educational organization) suggested that creation of a state council is a very important first step towards developing thoughtful state policies related to information technologies.

B. EFFECT OF PROPOSED CHANGES:

The bill establishes an Information Service Technology Development Task Force ("task force") in the Department of Management Services for two years for the purpose of developing policy recommendations that will foster free-market development and beneficial use of advanced communications networks and information technologies within Florida. The task force will be constituted as follows:

- the Attorney General
- the Executive Director of the Florida Department of Law Enforcement
- the Chancellor of the State University System
- the Commissioner of Education
- the Executive Director of the State Board of Community Colleges
- the Director of the Office of Tourism, Trade and Economic Development
- the Executive Director of the Department of Revenue
- a representative of the Florida Council of American Electronics Association
- a representative of the Florida Internet Providers Association
- a representative of the United States Internet Council
- the Chair of the State Technology Council
- the Secretary of the Department of Management Services.

Appointments by the President of the Senate will be from the following categories:

- a facilities based interexchange telecommunications company
- a wireless telecommunications company
- an alternative local exchange telecommunications company
- an Internet service provider with more than one million customers
- the entertainment industry

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- a computer or telecommunications manufacturing company
- one member of the Florida Senate.

Appointments by the Speaker of the House will be from the following categories:

- a cable television provider
- a computer software company
- the banking industry
- an Internet search engine company
- a local exchange telecommunications company
- the tourist industry
- one member of the Florida House of Representatives.

Appointments by the Governor will be as follows:

- one college student who relies on the Internet for academic or personal use
- seven members as determined by the Governor to appropriately represent technology providers, manufacturers, retailers, and users.

The Governor also will name the chair of the task force.

The task force will meet at least four times per year. Failure of a member to participate in three consecutive meetings will result in his or her replacement. The task force is encouraged to implement electronic bulletin boards and other means for the exchange of ideas.

The task force will:

- develop overarching principles to guide state policy decisions with respect to free-market development and the beneficial use of advanced communications networks and information technologies in Florida
- identify factors that will affect whether Internet-related technologies will flourish in Florida
- develop policy recommendations for each factor identified by the task force.

The task force will report to the Governor, the President of the Senate and the Speaker of the House by February 14, 2000, and 2001 outlining principles, policy recommendations, and any suggested legislation. The task force may develop and publish other documents throughout the year.

The task force will be staffed by the State Technology Office within the Department of Management Services. The State Technology Office is to promote public awareness of the development of principles and policy recommendations by the task force. The State University System is to assist the task force as necessary.

\$375,100 is appropriated to the State Technology Office and four positions for the purpose of carrying out the provisions of the act.

The act is to take effect on July 1, 1999.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

- a. Does the bill create, increase or reduce, either directly or indirectly:

- (1) any authority to make rules or adjudicate disputes?

N/A.

- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. For a period of two years, the State Office of Technologies will staff the task force and promote public awareness of task force activities developing principles and policy recommendations.

- (3) any entitlement to a government service or benefit?

N/A.

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A.

- (2) what is the cost of such responsibility at the new level/agency?

N/A.

- (3) how is the new agency accountable to the people governed?

N/A.

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A.

- b. Does the bill require or authorize an increase in any fees?

N/A.

- c. Does the bill reduce total taxes, both rates and revenues?

N/A.

- d. Does the bill reduce total fees, both rates and revenues?

N/A.

- e. Does the bill authorize any fee or tax increase by any local government?

N/A.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A.

- (2) Who makes the decisions?

N/A.

- (3) Are private alternatives permitted?

N/A.

- (4) Are families required to participate in a program?

N/A.

- (5) Are families penalized for not participating in a program?

N/A.

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A.

- (2) service providers?

N/A.

- (3) government employees/agencies?

N/A.

D. STATUTE(S) AFFECTED:

N/A.

E. SECTION-BY-SECTION ANALYSIS:

N/A.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>
<u>Expenditures</u>			
Department of Management Services			
Expenses	\$49,000		
Operating Capital Outlay	<u>\$22,800</u>		
 Total Non-recurring Expenditures (General Revenue Fund)	 \$71,800		

2. Recurring Effects:

<u>Expenditures</u>			
Department of Management Services			
Salaries and Benefits (4 FTE)			
General Revenue Fund	\$229,400	\$236,200	-0-
 Expenses			
General Revenue Fund	<u>\$73,900</u>	<u>\$73,900</u>	-0-
 Total Recurring Expenditures (General Revenue Fund)	 \$303,300	 \$310,100	 -0-

3. Long Run Effects Other Than Normal Growth:

N/A.

4. Total Revenues and Expenditures:

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>
<u>Expenditures</u>			
Department of Management Services			
General Revenue Fund	\$375,100	\$310,100	-0-

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A.

2. Recurring Effects:

N/A.

3. Long Run Effects Other Than Normal Growth:

N/A.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A.

2. Direct Private Sector Benefits:

Development of thoughtful policies to foster free-market development and beneficial use of advanced communications networks and information technologies would appear to benefit the private sector.

3. Effects on Competition, Private Enterprise and Employment Markets:

Development of thoughtful policies to foster free-market development and beneficial use of advanced communications networks and information technologies would appear to benefit private enterprise and employment markets.

D. FISCAL COMMENTS:

N/A.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

The Virginia Commission on Information Technology was charged with addressing four topics: Internet policy, statewide infrastructure, workforce development, and legal and regulatory barriers. Virginia has finished the Internet phase and is working on the infrastructure component.

Rather than revisit the ground that Virginia is covering, the bill casts a broader net and has the leaders of these industries and affected governmental agencies develop overarching principles to govern policy development. Then the members are to identify factors that will affect whether these technologies will flourish in Florida. Next, the members are to develop policy recommendations for each factor with the goal of developing policies that promote growth of the technology and its beneficial use by Floridians.

The goal of promoting free-market development and beneficial use of the technology does not directly address issues related to law enforcement, state revenue, government use of technology, or education. However, these concerns are inextricably linked to developments in, and an increasing reliance by Floridians on, these technologies. Thus, these interests are included on the task force.

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VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 20, 1999, the Committee on General Government Appropriations adopted an amendment to the bill which changes composition of the task force being created; specifically, changes and reduces appointments by the Governor and adds appointments by the minority leaders of the House and the Senate.

VII. SIGNATURES:

COMMITTEE ON UTILITIES AND COMMUNICATIONS:

Prepared by:

Staff Director:

Charles Murphy

Patrick L. "Booter" Imhof

AS REVISED BY THE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS:

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