

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1100

SPONSOR: Senator Sebesta

SUBJECT: State Comptroller; Purchasing and Procurement

DATE: February 18, 2000 REVISED: 2/23/00

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wilson</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
2.	<u>Hendon</u>	<u>Hadi</u>	<u>FP</u>	<u>Fav/1 amendment</u>
3.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
4.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
5.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

## I. Summary:

The bill provides the Comptroller with the legal authority to review state purchasing agreements to determine their legal and financial sufficiency.

This bill substantially amends section 215.42, F.S.

It provides a General Revenue Fund appropriation of \$500,000.

## II. Present Situation:

The Comptroller is the member of the Cabinet charged with the constitutional duty of assuring that there are sufficient funds on deposit to defray the legitimate expenses of the State of Florida; Art. IV, s. 4(d), State Constitution. As chief fiscal officer of the State of Florida, the Comptroller is the head of the Department of Banking and Finance, as provided in ch. 17, F.S. Among the constitutional duties of office are the settling and approving of accounts against the state, the assurance of deposited funds, and the assurance that agency expenditures have been lawfully appropriated. While no longer internally organized under traditional line-and-staff division structures, the principal non-constitutional duties assigned the office are the regulation of banks and state-chartered financial institutions and the regulation of the securities and finance industry.

## III. Effect of Proposed Changes:

Section 1. The bill amends s. 215.42, F.S., to permit the Comptroller to conduct prior reviews of contracts and purchase orders. The Comptroller may enter into memoranda of agreement with state agencies for a review of procurement contracts and purchase orders to determine their legal and financial sufficiency. The review is to be undertaken within 10 days of its submission by the state agency, although the process does not impair the exercise of any discretionary decision vested in the agency reviewed. The Comptroller must inform the Governor, the Cabinet, the

President of the Senate, and the Speaker of the House of any contracts to which he formally objects. The Comptroller, in conjunction with the Secretary of Management Services shall establish a public contracting certification program. Training for certification may be provided by the state community college system.

Section 2. The sum of \$500,000 is appropriated from the General Revenue Fund to provide first year operational support.

Section 3. The bill is effective upon becoming a law.

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

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The expanded duties required of the Comptroller are estimated to cost \$100,000 annually. The bill has an appropriation of \$500,000 from the General Revenue Fund.

#### **VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

Memoranda of agreement executed by the Comptroller in the public financial oversight capacity of that office are exempt from promulgation as rules under ch. 120, F.S., pursuant to s. 120.52(15)(c)2, F.S.

Section 1, subsection 5 of the bill lists the entities to be included in the public contracting certification program. Not listed are independent districts, state receiving facilities or contract vendors. The latter two categories are permitted under existing state law to use state services, such as purchasing and SUNCOM, or receive state insurance benefits incidental to their contractual relationship.

Section 20.19, F.S., also provides specific direction to the Department of Children and Families to develop internal purchasing and procurement expertise in the discharge of its contractual programs.

**VIII. Amendments:**

#1 by Committee on Fiscal Policy:

Reduces the appropriation to Department of Banking and Finance from \$500,000 to \$100,000.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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