

STORAGE NAME: h1861.ca

DATE: March 17, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
ANALYSIS**

BILL #: HB 1861

RELATING TO: Military Affairs/Direct Support Organization

SPONSOR(S): Representative Hart

TIED BILL(S): None

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

- (1) COMMUNITY AFFAIRS (PRC)
 - (2) GOVERNMENTAL OPERATIONS (PRC)
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS (FRC)
 - (4)
 - (5)
-

I. SUMMARY:

This bill provides for the creation of a direct-support organization, a non-profit corporation, and authorizes it to be housed in and use resources of the Department of Military Affairs.

This bill provides for a board of directors, requires accountability to the Adjutant General, and mandates submission of tax documents and a yearly audit.

There is an insignificant fiscal impact, as this organization is expected to subsist through fundraising. The Department of Military Affairs may have to absorb occasional costs.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

This bill permits the Adjutant General to impose rules regarding the operation of the organization.

B. PRESENT SITUATION:

Currently, there is no general law addressing the formation of direct-support organizations which operate under the direction of the Adjutant General.

Chapters 240.331 and 240.3315, Florida Statutes, provide for the creation of community college direct-support organizations. Ch. 240.331, F.S. stipulates that these local organizations are non-profit corporations, authorizes a board of directors, permits use of certain community college resources, and requires fiscal accountability. Ch. 240.3315, F.S., authorizes the State Board of Community Colleges to certify statewide organizations as direct-support, where appropriate. Similarly, this statute authorizes use of property, provides for a board of directors, and requires budget reports and audits.

S. 240.3335, Florida Statutes, provides for the creation of centers of technology innovation. These centers are designated by the State Board of Community Colleges and are housed in community colleges or other educational facilities.

C. EFFECT OF PROPOSED CHANGES:

According to a representative from the Department, the Florida National Guard Foundation, a non-profit corporation, has functioned in direct support of the Department and the Florida National Guard since 1983. One of the primary goals of the Foundation is to assist Guard members and their families, at times when a Guard member is given an unusually lengthy assignment. This bill makes the relationship between the Department and the Foundation an official one. This organization is permitted to rely on existing Department resources; however, the non-profit corporation status enables the organization to continue to be as self-sufficient as possible.

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D. SECTION-BY-SECTION ANALYSIS:

Section 1 -- Creates s. 250.115, F.S and provides the following:

(1) Definitions:

Direct support organization: a Florida non-profit corporation, incorporated under Ch. 617, F.S., created to raise money, purchase and accept securities, funds or property, and assist the Department of Military Affairs or the Florida National Guard, and to function in accordance with the goals of the Department and the National Guard.

Personal services: full and part-time personnel and payroll processing.

- (2) Authorizes a board of directors; provides that the board president is the Adjutant General or his or her designee and that the Adjutant General designate up to 15 members; authorizes board to select up to 15 more members; provides for 3 year term of office; requires candidates to be Florida residents with knowledge about the military and proven community service.
- (3) Allows Adjutant General to authorize the use of Department property and personal services to the organization, subject to Adjutant General restrictions; clarifies that no organization can use these facilities or services if it fails to provide equal employment opportunities.
- (4) Requires prior approval by the Adjutant General before an organization can contract with another direct support organization or center of technology innovation, as designated by the State Board of Community Colleges.
- (5) Requires organization to produce IRS exemption request to Adjutant General.
- (6) Requires yearly postaudit by an independent CPA, to be submitted to Adjutant General and Auditor General.

Section 2 -- Provides for an effective date upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill creates no new taxes or fees.

There is no impact on state revenues.

2. Expenditures:

Fiscal costs are expected to be minimal and any such costs will be fully absorbed by the Department of Military Affairs.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill creates no new taxes or fees.

There is no impact on local revenues.

2. Expenditures:

It is not expected that there are any expenditures to be borne by local government.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

There is no direct economic impact on the private sector.

D. FISCAL COMMENTS:

N/A

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

This bill endows the Adjutant General with rule-making authority, relating to the operation of the direct-support organization. Further, the Department of Military Affairs is obligated to attempt to accommodate the organization's needs regarding physical space and services. The bill contains clear language addressing specific powers and duties of both the Adjutant General and the Department of Military Affairs.

C. OTHER COMMENTS:

This Department and the Foundation support this bill. Presently, there is no opposition to this legislation.

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VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

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