

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 710

SPONSOR: Governmental Oversight and Productivity Committee and Senator Crist

SUBJECT: Florida Customer Service Standards Act

DATE: March 11, 2001      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	Wilson	GO	Favorable/CS
2.	_____	_____	JU	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

The committee substitute (CS) for SB 710 creates the Florida Customer Service Standards Act. The act requires all state departments, including the Florida Public Service Commission, to:

- Designate an employee(s) to resolve complaints and problems from department customers;
- Respond promptly to questions and requests for assistance;
- Provide toll-free telephone or electronic access to the department;
- Develop customer satisfaction measures;
- Track customer complaints and resolutions of those complaints;
- Report customer satisfaction measures and tracking data in annual reports;
- Provide customer service training to employees; and
- Staff and remain open to the public during regular business hours.

This CS creates an unnumbered section of the Florida Statutes.

## II. Present Situation:

The federal government recently recognized the need for government agencies to develop customer service standards. Former Vice President Gore’s National Performance Review team found in 1993, that the public’s confidence in the federal government to solve problems had plummeted from 75 percent in 1963, to 17 percent in 1993.<sup>1</sup> In response to this trend, then

<sup>1</sup>The National Performance Review, “Standards for Serving the American People,” October 1977.

President Clinton issued an executive order calling for a revolution within the federal government to change the way it does business.<sup>2</sup>

The executive order required putting customers first and striving for a customer-driven government that matched or exceeded the best service available in the private sector. Specifically, the order:

- Defined “customer” as an individual or entity directly served by a department or agency.
- Required all executive departments and agencies that provide significant services to the public to immediately identify customers served by the agency, survey the customers to determine needs and satisfaction with current level of service, establish service standards and measurements, survey employees for customer service ideas, make information and services easily accessible, and provide a means to address customer complaints.
- Required departments and agencies to report its customer surveys to the President and to publish a customer service plan within the year.

Three years after the directive was implemented, a Roper poll found that the public’s confidence in the federal government had increased by 9 percent.<sup>3</sup>

Although many of Florida’s state entities have established customer service policies, complaint procedures and ombudsmen offices, there is no formal statutory requirement that they set customer service standards and measure customer satisfaction. However, access to government services has been greatly expanded and improved in recent years to technological benefits of the Internet wherein state agencies have created websites. These websites detail services available, provide contact information and access to public records, allow applications and fees for permits to be submitted electronically<sup>4</sup>, and permit other forms of electronic interaction with the department.

### III. Effect of Proposed Changes:

The CS creates an act that may be cited as the “Florida Customer Service Standards Act.” The Act applies to all state departments, which are the principal administrative units within the executive branch of state government, set forth in Chapter 20, F.S., and also applies to the Public Service Commission (PSC).<sup>5</sup> The term “customer” is defined as any member of the public who:

<sup>2</sup>Executive Order 12862, Setting Customer Service Standards, September 11, 1993.

<sup>3</sup>Examples of federal agency customer service improvements include: (1) the Social Security Administration reported answering all telephone calls during its busiest month within five minutes; (2) the U.S. Mint reported answering calls within 10 seconds; (3) the Office of Personnel Management set up a web page which lists all federal jobs available and provides the forms necessary to apply for the positions; and (4) the Occupational Health and Safety Administration created a web page which answers frequently asked questions regarding workplace safety and health rules.

<sup>4</sup>See e.g., s. 288.109, F.S., providing for the creation of a “One-Stop Permitting System” on the Internet.

<sup>5</sup>In other words, “department” means the: (1) Department of State; (2) Department of Legal Affairs; (3) Department of Banking and Finance; (4) Department of Insurance; (5) Department of Agriculture and Consumer Services; (6) Department of Education; (7) Department of Business and Professional Regulation; (8) Department of Labor and Employment Security; (9) Department of Community Affairs; (10) Department of Children and Family Services; (11) Department of Law Enforcement; (12) Department of Revenue; (13) Department of Management Services; (14) Department of Transportation; (15) Department of Highway Safety and Motor Vehicles; (16) Department of Environmental Protection; (17) Department of Citrus; (18) Department of Corrections; (19) Department of Juvenile Justice; (20) Department of Lottery; (21) Department of

(a) uses or requests services or information provided by a state department; or (b) is required by statute to interact with the department.

The stated purpose of the Act is to require state all state departments and the PSC to employ the following measures:

- Designate at least one department employee to be responsible for facilitating the resolution of customer complaints, including any complaints regarding unsatisfactory treatment by department employees;
- Provide available information and accurate responses to questions and requests for assistance in a prompt manner;
- Acknowledge receipt of a telephonic or electronic question or request by the end of the next business day;
- Provide local or toll-free telephonic or electronic access to the employee(s) responsible for customer complaints;
- Develop a process for review by upper level management of any customer complaints not resolved by the employee(s) responsible for customer complaints;
- Develop customer satisfaction measures as part of the department's performance measurement system;
- Employ a system to track customer complaints and resolutions of those complaints;
- Report statistical data on customer complaints and resolutions, and on customer satisfaction measures in annual reports or performance publications, and use this data when conducting management and budget planning activities;
- Provide customer service training to employees;
- Include a program outline or goal regarding customer service in the department's strategic plan;
- Conduct interdepartmental discussion on methods of providing and improving customer service; and
- Keep offices staffed and open to the public during regular business hours.

A department's failure to comply with the Act does not give rise to a cause of action, and departments must use available resources to implement its provisions. The Act specifies that it does not apply to requests for services or information related to a person's: (a) pending or current criminal prosecution; (b) current sanction for a criminal offense; (c) pending administrative action; and (d) current lawful state or local government custody.

The Act takes effect October 1, 2001.

#### **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:

The act may provide the public with more efficient and effective access to state departments, and with defined processes for resolving complaints.

C. Government Sector Impact:

Representatives of the State Technology Office (STO) have indicated that the office is considering the purchase of a computer system that would have the ability to track customer complaints and the resolution thereof for the state departments. The system would require a non-recurring expenditure of \$250,000. Annual recurring costs would be approximately \$5,000 per department. The fiscal impact of this CS will be substantially reduced if this technology is acquired by the STO.

To date, the following fiscal impacts have been projected by the departments:

- **Agency for Health Care Administration:** Projects a non-recurring customer service training cost of \$194,139 (1,961 FTEs multiplied by \$99 training course cost).
- **Department of Agriculture and Consumer Services:** No fiscal impact.
- **Department of Children and Families:** Projects \$9,122 in non-recurring costs and \$102,430 in annual recurring costs for funding two FTE positions, developing a complaint tracking database, providing telephonic or electronic access, and an employee customer service training program.
- **Department of Citrus:** No fiscal impact.
- **Department of Community Affairs:** Projects unspecified costs to purchase software to create the customer complaint tracking system required by the CS.
- **Department of Corrections:** No fiscal impact if the exceptions to the CS are broadened to include inquiries related to a person's current criminal sanction.
- **Department of Education:** Projects \$180,000 in annual recurring costs for employee salaries and other expenses to implement the complaint tracking system.
- **Department of Elder Affairs:** Projects non-recurring costs of \$203,619 to purchase "Customer Relationship Management" software and annual recurring costs of \$59,024 to fund a FTE position and other unspecified expenses.

- **Department of Environmental Protection:** Projects annual recurring costs of \$34,781.65 to install and maintain a toll free telephone line, and for a FTE to answer the phone.
- **Department of Health:** Projects a non-recurring cost of \$188,862 to train employees and develop a customer service complaint system, and an annual recurring cost of approximately \$378,260 for four FTE salaries and other expenses.
- **Department of Highway Safety and Motor Vehicles:** No fiscal impact.
- **Department of Insurance:** No fiscal impact.
- **Department of Juvenile Justice:** Projects unspecified costs to fund a FTE position to resolve customer complaints and for developing a data collection system.
- **Department of Labor and Employment Security:** Projects non-recurring costs of \$100,000 to develop and implementation a customer complaint tracking database, and annual recurring costs of \$30,000 for the toll-free phone line and employee customer service training.
- **Department of Law Enforcement:** Projects non-recurring costs of approximately \$354,800 to develop an information system to collect and track customer complaint data and provide the reports required. Projects an annual recurring cost of approximately \$132,850 to fund personnel positions to maintain the information system.
- **Department of Lottery:** No fiscal impact.
- **Department of State:** Projects non-recurring costs of \$4,561, and annual recurring costs of \$54,406 for a FTE and the provision of a toll-free telephone line.
- **Department of Transportation:** No fiscal impact.
- **Public Service Commission:** No fiscal impact.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.