

# 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/CS/SB 710

SPONSOR: Judiciary Committee, Governmental Oversight and Productivity Committee and Senator Crist

SUBJECT: Florida Customer Service Standards Act

DATE: April 18, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable/CS</u>
2.	<u>Matthews</u>	<u>Johnson</u>	<u>JU</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>AP</u>	_____
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 implement the provisions of this Act using available resources as follows:

- Designate an employee(s) to resolve customer complaints and problems;
- 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 a yet unnumbered section of the Florida Statutes.

**II. Present Situation:**

In 1993, a governmental performance review team found that over the course of 30 years, the public's confidence in the federal government's ability to solve the public's problems had steadily declined from 75 percent in 1963 to 17 percent in 1993. In response to recommendations from the review team, an executive order was issued prioritizing the needs of the public as

customers of the federal government and dictating that a customer-driven government match or exceed the service available in the private sector.<sup>1</sup> Specifically, the order:

- Required all executive departments and agencies that provide significant services to the public to immediately identify customers served by the department or 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, and
- Required departments and agencies to report its customer surveys to the President and to publish a customer service plan within the year.

Within three years after the directive was implemented, it was reported that over 4000 customer service standards had been developed in 570 federal programs, agencies, organizations and programs and that public confidence in the federal government had increased by 9 percent. *See The National Performance Review*, “Standards for Serving the American People,” October 1997.

Many of Florida’s state entities have voluntarily established customer service policies, complaint procedures and ombudsmen offices. Technological advancements, including improved database tracking systems and the Internet, have facilitated access to governmental services. In particular, department and agency Internet websites set forth services available, provide contact information and access to public records, allow applications and fees for permits to be submitted electronically such as one-stop permitting under s. 288.109, F.S., and permit other forms of electronic interaction with the department or an agency. However, there is no formal statutory requirement that all state departments and agencies develop customer service standards and measures for customer satisfaction.

### III. Effect of Proposed Changes:

The CS creates 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>2</sup> The term “customer” is defined as any member of the public who: (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 all state departments and the PSC to employ the following measures:

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<sup>1</sup>Executive Order 12862, Setting Customer Service Standards, September 11, 1993.

<sup>2</sup>In other words, “department” includes the following departments (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 Veterans’ Affairs; (22) Department of Elderly Affairs; (23) Department of Health; (24) Department of Military Affairs; and (25) Agency for Health Care Administration.

- 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 through a centralized intake call center or directly through an employee 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 of 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. Each department must use available resources to implement the Act's 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 incarceration; (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, through 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 all the state departments. The system would require a non-recurring expenditure of \$250,000. Annual recurring costs would be approximately \$5,000 per department. If this system is acquired by STO, the fiscal impact of this CS could be substantially reduced. To date, the following fiscal impacts have been projected by the departments and the Public Service Commission:

<i>Department or Commission</i>	<i>Projects of Fiscal Impact</i>
Agency for Health Care Administration	A non-recurring customer service training cost of \$194,139 (1,961 FTEs multiplied by \$99 training course cost)
Agriculture and Consumer Services	No fiscal impact.
<i>Banking and Finance</i>	<i>No response to date.</i>
<i>Business and Professional Regulation</i>	<i>No response to date.</i>
Children and Family Services	A non-recurring cost of \$9,122 and an annual recurring cost of \$102,430 for funding two FTE positions, developing a complaint tracking database, providing telephonic or electronic access, and an employee customer service training program.
Citrus	No fiscal impact.
Community Affairs	Unspecified costs to purchase software to create the customer complaint tracking system required by the bill.
Corrections	No fiscal impact.
Education	An annual recurring cost of \$180,000 for employee salaries and other expenses to implement the complaint tracking system.
Elder Affairs	A non-recurring cost of \$203,619 to purchase "Customer Relationship Management" software and an annual recurring cost of \$59,024 to fund a FTE position and other unspecified expenses.
Environmental Protection	An annual recurring cost of \$34,781.65 to install and maintain a toll free telephone line, and for a FTE to answer the phone.
Health	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 expenses
Highway Safety and Motor Vehicles	No fiscal impact.
Insurance	No fiscal impact.
Juvenile Justice	Unspecified costs to fund a FTE position to resolve customer complaints and for developing a data collection system.

Labor and Employment Security	A non-recurring cost of \$100,000 to develop and implement a customer complaint tracking database, and annual recurring costs of \$30,000 for the toll-free phone line and employee customer service training.
Law Enforcement	A non-recurring cost of \$354,800 to develop an information system to collect and track customer complaint data and provide the reports required. An annual recurring cost of approximately \$132,850 to fund personnel positions to maintain the information system.
<i>Legal Affairs</i>	<i>No response to date.</i>
Lottery	No fiscal impact.
Management Services	A non-recurring cost of \$200,000 to set up a telephone system for the Division of Retirement and reports that the impact for the rest of the Department will be negligible.
<i>Military Affairs</i>	<i>No response to date.</i>
<i>Revenue</i>	<i>No response to date.</i>
State	A non-recurring cost of \$4,561, and an annual recurring cost of \$54,406 for a FTE and the provision of a toll-free telephone line.
Transportation	No fiscal impact.
<i>Veterans' Affairs</i>	<i>No response to date.</i>
Public Service Commission	No fiscal impact.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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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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