

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 1724

SPONSOR: Governmental Oversight & Productivity Committee and Senator Garcia

SUBJECT: Governmental Reorganization/Department of State

DATE: March 11, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rhea	Wilson	GO	Favorable/CS
2.	_____	_____	AGG	_____
3.	_____	_____	AP	_____
4.	_____	_____	RC	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill transfers the Division of Licensing of the Department of State to the Department of Agriculture and Consumer Services, recreating it there as a separate division. The division is transferred by a type two transfer.

This bill amends the following sections of the Florida Statutes: 20.10, 20.14, 493.6101, 493.6108, 493.6109, 493.6112, 493.6121, and 790.06.

II. Present Situation:

Pursuant to s. 4, Art. I of the State Constitution, the Secretary of State is a constitutional officer, directly elected by the electorate and is a member of the cabinet. The future configuration of the Cabinet was altered in November of 1998, by the adoption of Constitutional Amendment No. 8. The amendment modifies the Cabinet in the year 2003 by merging two cabinet positions and by eliminating two others.¹ The amendment also removes the Secretary of State from the Cabinet, but still refers to an undefined custodian of state records who will perform limited constitutional recordkeeping duties. As a result of these modifications, the new state Cabinet will consist of an Attorney General, a Commissioner of Agriculture, and a Chief Financial Officer.

¹ Specifically, the offices of the Treasurer and the Comptroller will be merged into one Chief Financial Officer. Additionally, the amendment removes the Commissioner of Education from the Cabinet, but still provides for a commissioner who will be appointed by a seven-member State Board of Education. Under the amendment, members of the State Board of Education will be appointed by the Governor and confirmed by the Senate. The amendment also removes the Secretary of State from the Cabinet, but still refers to an undefined *custodian of state records* who will perform limited constitutional recordkeeping duties.

Chapter 20, F.S., establishes the organizational structure of the executive branch.

Section 20.10, F.S., creates the Department of State (DOS). Pursuant to s. 20.10(1), F.S., the Secretary of State is the head of the DOS.² Pursuant to s. 4, Art. I of the State Constitution, the Secretary of State is a constitutional officer, directly elected by the electorate and a member of the cabinet.

The future configuration of the Cabinet was altered in November of 1998, by the adoption of Constitutional Amendment No. 8. The amendment modifies the Cabinet in the year 2003 by merging two cabinet positions and by eliminating two others. Specifically, the offices of the Treasurer and the Comptroller will be merged into one Chief Financial Officer. The amendment also removes the Secretary of State from the Cabinet, but still refers to an undefined custodian of state records who will perform limited constitutional recordkeeping duties. Additionally, the amendment removes the Commissioner of Education from the Cabinet, but still provides for a commissioner who will be appointed by a seven-member State Board of Education. Under the amendment, members of the State Board of Education will be appointed by the Governor and confirmed by the Senate. As a result of these modifications, the new state Cabinet will consist of an Attorney General, a Commissioner of Agriculture, and a Chief Financial Officer.

Section 20.10(2), F.S., establishes seven divisions within the DOS:

- (1) Office of the Secretary/Division of Administration.
- (2) Division of Elections.
- (3) Division of Historical Resources.
- (4) Division of Corporations.
- (5) Division of Library and Information Services.
- (6) Division of Licensing.
- (7) Division of Cultural Affairs.

Division of Licensing - The Division of Licensing consists of three bureaus: (1) Bureau of License Issuance;³ (2) Bureau of Regulation and Enforcement;⁴ and (3) Bureau of Support Services. As of 1999, there were 136 FTEs in the division. The division budget of \$10,032,036 for FY 1999-2000 is totally funded by licensing fees and assessments.

It is the responsibility of the division to protect the public from unethical business practices on the part of persons providing private security, private investigative and recovery services to the public through licensure and regulation of the industries. In addition, the division is responsible for the issuance of concealed weapon or firearm licenses.

² Chapter 15, F.S., which is entitled Secretary of State, contains residence requirements, the location of the secretary's office, and the duties of the secretary. Additionally, the chapter lists the state tree, state beverage, state bird, and the like.

³ The Bureau of License Issuance is responsible for the issuance or denial of licenses and game promotion registrations. The bureau receives and examines applications for licensure for statutory compliance and verifies eligibility of applicants.

⁴ The Bureau of Regulation and Enforcement is responsible for conducting regulatory investigations, compliance inspections, and complaint investigations.

III. Effect of Proposed Changes:

This bill transfers the Division of Licensing of the Department of State to the Department of Agriculture and Consumer Services, recreating it there as a separate division. The division is transferred by a type two transfer, though the bill explicitly prohibits the Commissioner of Agriculture from modifying the structure of the division once transferred.

Upon transfer to the Department of Agriculture and Consumer Services, the division still will be assigned the statutory duty to protect the public from unethical business practices on the part of persons providing private security, private investigative and recovery services to the public through licensure and regulation of the industries. In addition, the division will remain responsible for the issuance of concealed weapon or firearm licenses.

The bill makes numerous technical and conforming changes to various statutory sections to reflect the transfer of the division to the Department of Agriculture and Consumer Services.

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:

According to the Department of State, four positions that perform departmental printing services are currently funded through the Licensing Trust Fund. These positions were fund shifted from the Publications Revolving Trust Fund to the Licensing Trust Fund during FY 1997-98 in response to the outsourcing of the Florida Administrative Weekly. These positions would have to be shifted to General Revenue or the Corporations Trust Fund at an annual cost of \$132,677. In the event these positions were not funded, the remaining divisions of the Department of State would be required to use outside vendors

for the agency’s extensive printing requirements. Based upon a 1996 privatization study of agency printing services, failure to continue print shop activities would result in an annual fiscal impact of \$240,000 to the agency in increased printing costs. This number could be higher now due to inflation as the study is 6 years old.

The department currently uses two mainframes in a clustered configuration for the Divisions of Licensing, Elections and Corporations. The department states that one new mainframe would be required if these divisions were separated. Also, the Division of Licensing uses the Department of State’s network. The cost to separate and support the information technology requirements of the Division of Licensing would be \$2,450,000, according to the department.

Salaries and Benefits 3 FTE	\$150,132
Standard Expense and OCO Package (3 @ \$11,415)	\$29,745
Mainframe Computer	\$1,100,000
Software RDB Oracle	\$500,000
UPS	\$25,000
Training	\$50,000
Bracket and Installations	\$300,000
Software Support	\$100,000
Network Server	\$115,000
Network Licenses	\$80,123
TOTAL	\$2,450,000

It should be noted, however, that outsourcing of this function could be explored by the Department of State and that a purchase of a mainframe may not be necessary.

The 8 regional offices in the division assist the Notary Commissions and Apostilles section of the Office of International Affairs in the filing and collection of revenue for the apostilles program. All revenues collected under this program are transferred to the General Revenue Fund. According to the department, future apostilles certifications would have to be mailed to Tallahassee for action reducing service to constituents and increasing the time delay to obtain an apostille certification. In calendar year 2001, 75 percent (56,425) of all apostille certifications (75,459) were issued through the licensing regional offices. Of this amount, 45 percent (33,882) were issued through the Miami Regional Office. The department states that “[w]ithout local service, constituents desiring rapid turnaround will have to pay for express package service to obtain an apostille certification quickly.” The 75 percent of apostille certifications performed outside of Tallahassee account for approximately \$562,000 in revenue.

The department’s office of inspector general is physically located with the Division of Licensing’s offices. This office would have to be relocated at an approximate non-recurring cost of \$5,000.

	FY 2002-03	FY 2003-04	FY 2204-05
GR	\$137,677	\$132,677	\$132,677
LTF	\$2,450,000	\$400,132	\$400,132
TOTAL	\$2,587,677	\$532,809	\$532,809

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

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