

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1687 Governmental Reorganization
SPONSOR(S): Zapata
TIED BILLS: None **IDEN./SIM. BILLS:** SB 2528

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Commerce</u>	_____	<u>McDonald</u>	<u>Whitfield</u>
2) <u>Local Government & Veterans' Affairs</u>	_____	_____	_____
3) <u>State Administration</u>	_____	_____	_____
4) <u>Finance & Tax</u>	_____	_____	_____
5) <u>Appropriations</u>	_____	_____	_____

SUMMARY ANALYSIS

January 7, 2003, the Department of State moved from the status of a cabinet agency to an executive agency. During the late summer and fall months of 2002, a select group of Governor's staff working with departmental staff reviewed the department's mission, programs, activities, and functions. HB 1687 contains recommendations from that review.

Effective July 1, 2003, HB 1687 abolishes the Department of State (DOS) and Department of Community Affairs (DCA) and creates the Department of State and Community Partnerships (DSCP). DSCP is primarily composed of functions of those departments which are transferred by a type two transfer. Programs, functions, or activities which are transferred to other agencies include:

1. Designation and responsibilities of the official custodian of state records; records management program; Florida Administrative Code and Florida Administrative Weekly; laws of Florida production activity; capital postconviction public records function; and management of copyrights, patents, and trademarks.
2. International business partnerships, issuance of apostilles, and international notaries functions.
3. Civil legal assistance program.
4. State energy program.
5. Affordable Housing Catalyst Program and Affordable Housing Study Commission.

Programs, functions and activities are also transferred to DSCP from other agencies: Florida Recreation Development Assistance Program, federal recreational trails program, Regional Rural Development Grants Program, Rural Community Development Revolving Loan Fund Program, and Office of Urban Opportunity.

The primary policy and administrative functional areas of DSCP are community planning and growth management; elections, corporations, community assistance grants, emergency management, and the office of secretary/administration. For administrative purposes, the Florida Housing Finance Corporation and the Division of Emergency Management are housed in DSCP. DSCP is exempted from agency structure requirements of Chapter 20, F.S., and the Secretary is given flexibility to organize DSCP in any manner appropriate for efficiency, accountability, and accomplishment of reorganization.

Reports are required to be presented to the Legislature and the Governor by October 15, 2003 regarding statutory and programmatic changes.

The fiscal impact of HB 1687 is unable to be determined. See Fiscal Comments.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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DATE: March 23, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|-----------------------------------------|-----------------------------|-----------------------------------------|
| 1. Reduce government? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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

B. EFFECT OF PROPOSED CHANGES:

I. Background

Constitutional Requirements for State Agencies

Article IV of the Florida Constitution provides the executive structure of state government. Section 6, Art. IV, State Constitution, provides a cap on the number of executive departments at 25, exclusive of those specifically provided for or authorized by the constitution. The Fish and Wildlife Conservation Commission, the Department of Veterans Affairs, and the Department of Elderly Affairs are specifically provided for in Sections 9, 11 and 12 of Art. IV, State Constitution.

Change of the Department of State from a Cabinet to an Executive Agency

Due to the adoption of Revision No. 8 to the State Constitution by the voters on November 3, 1998, the Secretary of State was no longer to be an elected constitutional officer or a member of the Cabinet after January 7, 2003. As a result of the passage of the amendment, then Secretary of State Katherine Harris created a Constitutional Transition Task Force and assigned it the responsibility of analyzing various statutory functions of the Department of State and to recommend which functions it should continue to perform. In the 2000 Session of the Legislature, these recommendations were considered as well as others and incorporated into CS/SB 1194, 1st Engrossed, which passed and became law (CH 2000-258, Laws of Florida). The law maintains the Department of State and the Secretary of State as its head as well as the existing division structure and the responsibility of the official custodian of records to remain as the Secretary of State. Since the legislative action in 2000, the Legislature made one structural change to the Department of State with the transfer of the responsibilities of the Division of Licensing to the Department of Agriculture and Consumer Services.

Review by Executive Office of the Governor

The Governor appointed key members of his staff to work with the Department of State to review the department’s mission, programs, activities, and functions. According to presentations by staff from the Governor’s Office, the review team was guided by “principles of a smaller, more efficient government, maintenance of critical and essential government functions, elimination of duplication and overlap within and across agencies, and involvement of constituent groups in the discussions.”¹ The review

¹ Presentation documents entitled “Department of State and Community Partnerships” provided to Tourism Subcommittee on February 4, 2003.

began in late summer of 2002. Recommendations for merging the Departments of State and Community Affairs, sending some of their current functions or activities to other state agencies, bringing other activities and functions from other agencies into the new agency, and changes in funding levels and staffing were formulated. Some of the initial suggestions for transfers were changed or delayed, such as the transfer of the State Archives, State Museum, historical properties and Bureau of Archaeological Research.²

OPPAGA Reports on Department of State Programs

Library, Archives, and Information Program

In OPPAGA Report 99-05, *Justification Review Library, Archives, and Information Program*, published in August 1999, the following conclusions and recommendations were made:

- The State Archives and Florida Collection are essential to preserve the history of the people and the state documents of Florida.
- The program's Records Center benefits state and local government agencies by supporting the cost-effective and efficient management of records. The program provides cost-effective records storage and microfilm services for local and state agencies and provides training and technical assistance to support the development and implementation of effective records management and archives programs statewide. The records management process also initiates the preservation of public records for the State Archives through its screening of records destruction requests.³
- Potential for privatizing the storage of state records was reviewed and the cost analysis used, which included future costs of increasing the capacity of the storage facility, concluded that the contracting cost would be greater than the cost of the state providing the service.⁴
- Grants administration, consultation, and network services provide services to communities, local libraries, local governments, and state agencies that would otherwise not be available.
- State Library was seen as benefiting state employees by improving the efficiency of their research activities, library research assistance, interlibrary loan system availability, and training on electronic tools were mentioned as being valuable to state employees and other users. The circulating collection was cited as changing its focus to concentrate more on state agency users and researchers. The report stated that opportunities existed to improve the bureau's collection development process and that steps could be taken to ensure that state library efforts were not duplicating the purchase of materials already contained in agency libraries.⁵
- The placement of Florida's program (Library, Archives and Information Services) under the Secretary of State, whose department also has responsibility for cultural affairs, appears appropriate and we found no compelling benefit to changing the organizational placement of the program within state government was found.⁶

Divisions of Historical Resource and Cultural Affairs

In OPPAGA Report 02-68, *Justification Review Two Department of State Divisions Would Benefit Through Coordination and Grants Streamlining*, published in December 2002, the following conclusions and recommendations were made:

- Cultural Affairs and Historical Resource programs are logically placed under the Secretary of State, who is Florida's designated chief cultural officer. The placement is consistent with the departmental mission.

² The changes are noted in later documents and presentations on the reorganization proposal.

³ See OPPAGA report on pp. 11, 12, and 30 – 37.

⁴ OPPAGA also used the State Council on Competitive Government cost analysis methodology in its review. See OPPAGA Report, p. 13.

⁵ OPPAGA report on pp. 10 and 25-29.

⁶ OPPAGA report on p. 12.

- No compelling benefit, such as cost savings or increased efficiencies, was found which could be achieved from moving these programs and, thus, the activities should remain in the Department of State.⁷
- Florida is a national leader in its grant processes and is considered an innovator in developing financial support systems for cultural and historical resource development.
- The Division of Historical Resources has attained noteworthy accomplishments in its delivery of programs and services to Florida's citizens.
- The oversight of state-owned properties should be improved.
- The grant-making process could be streamlined by increased use of technology.
- The department needs to be more proactive in promoting and developing cultural and historical resources by developing a single strategic vision for cultural and historical resources development and increased flexibility in grant programs through reducing restrictions on grant requirements in law (cultural grants).⁸
- The department should merge the two divisions into a single administrative unit to facilitate coordination and implementation of a unified plan for cultural and historical resource development.⁹

II. Agencies, Programs, and Functions: Present Situation & Effect of Proposed Changes

DEPARTMENT OF STATE

Departmental Structure and Responsibilities:

The Department of State (DOS), created in s. 20.10, F.S., is composed of six divisions: Elections, Historical Resources, Corporations, Library and Information Services, Cultural Affairs, and Administration. In FY 2002-03, DOS had 539 positions and a budget of \$158,379,638 (\$98,934,806 in general revenue and \$59,444,832 in trust fund).

The Department of State is charged with the responsibility for:

- Serving as the official custodian of records;
- Administering and enforcing the state election laws;
- Filing acts and papers of the Legislature and county ordinances
- Filing all rules and regulations contained in the Florida Administrative Code and publishing and distributing proposed rules and regulations in the Florida Administrative Weekly for state agencies;
- Issuing commissions to all elected and appointed officials;
- Maintaining financial disclosures for all constitutional and state officers and specified employees; and qualifying all federal and state candidates;
- Serving as the ministerial filing agency that serves as the statewide repository for business entity filings and uniform business reports/annual reports, the statewide central filing office for judgment lien filings, and the statewide central registration office for fictitious names, trademarks and service marks;
- Preserving and promoting the state's cultural heritage and programs through cultural grant programs and promotional programs and implementing programs to gain international recognition on behalf of Florida artists and arts programs;
- Protecting, preserving, and promoting Florida's historical resources through encouraging identification, evaluation, protection, preservation, collection, conservation and interpretation of and public access to information about Florida's historic sites, properties and objects related to Florida history and to archaeological and folk cultural heritage;

⁷ OPPAGA Report No. 02-68, p. 5

⁸ OPPAGA Report, p. 12.

⁹ OPPAGA Report, p. 12.

- Administering the statewide historic preservation plan and administering historic properties of the state, either directly or through management of contracts;
- Providing library, records management, and archival services at the state and local level; and,
- Enhancing and coordinating foreign affairs and diplomacy fostering global relationships for Florida.

Division of Corporations is a ministerial filing agency that serves as the statewide central repository for business entity filings and uniform business reports/annual reports, the statewide central filing office for judgment lien filings, and the statewide central registration office for fictitious names, trademarks and service marks. The division has two bureaus: Commercial Recording and Commercial Information Services. The division has 193 FTE and division funding of almost \$13 million in FY 2002-03 from the corporations trust fund.

Funds collected by the division and deposited into the Corporations Trust Fund pay for the division and for many cultural and historical grants funded by the Department of State while the bulk of the money is deposited into the General Revenue Fund (more than \$142 million annually).

Division of Cultural Affairs is made up of the Office of the Director and Bureau of Grants Services. The division awards, administers, monitors, and evaluates cultural grant programs of the Department of State, as well as plans and implements programs designed to gain national and international recognition on behalf of Florida artists and arts organizations. The division also disseminates arts-related information and fosters the development of a receptive climate for the arts in Florida. There are 19 FTEs in the division. Funding for FY 2002-03 was \$28.1 million

Division of Elections is diverse and oversees many different functions. The division is comprised of the Director's office and three bureaus: Election Records; Voting System Certification; and Administrative Code and Weekly. There are 45 FTE and division funding in FY 2002-03 was \$21.0 million.

The Division of Elections administers and enforces the state election laws; files acts and papers of the Legislature and county ordinances; files all rules and regulations contained in the Florida Administrative Code; publishes and distributes proposed rules and regulations in the Florida Administrative Weekly for state agencies; issues formal advisory opinions; oversees the Florida Voter Registration Act; issues commissions to all elected and appointed officials; maintains financial disclosures for all constitutional and state officers and specified employees; and qualifies all federal and state candidates.

Division of Historical Resources is charged with encouraging identification, evaluation, protection, preservation, collection, conservation and interpretation of and public access to information about Florida's historic sites, properties and objects related to Florida history and to archaeological and folk cultural heritage. The responsibilities related to historic preservation are not only governed by state law but also by the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470).¹⁰ The division is comprised of the Director's office and three bureaus: Archaeological Research, Historic Museums, and Historical Preservation. The division has 94 FTE and division funding in FY 2002-03 was \$29.3 million.

The division administers public information programs, the statewide historic preservation plan, the operation of historic sites and properties, and state and federal grants for historic preservation. Its duties also include the maintenance and operation of Florida's state historic museums, promotion and administration of the Florida Folklife Program, and administration of various archaeological research and preservation programs, including a historic marker program. Apart from the R.A. Gray Building where the Florida Museum of History and the division offices are housed, 63 other properties are assigned (leased) to the division to manage on behalf of the state. Only 5 of those are directly

¹⁰ The federal law requires the state to have a State Historic Preservation Officer and a comprehensive statewide historic preservation plan that is approved by the Secretary of the Interior.

managed by the division, two more are not maintained by the division but the division has responsibility for maintaining exhibits, and the remainder are subleased to other entities.

Division of Library and Information Services provides library, records management, and archival services at the state and local level. Structurally, the Division administers these services through three bureaus: Archives and Records Management, Library and Network Services, and Library Development. The division provides direct library services to state government, management services, technical assistance, education, financial aid, and cooperative services. Working in partnership with archivists, librarians, records managers, government officials, and citizens, the division seeks to ensure access to materials and information of past, present and future value to enable state government and local libraries and agencies to provide effective information services for the benefit of the people of Florida. The division has 120 FTE with an appropriation of \$55.5 million with only approximately \$9 million being for staff with \$3 million of that from records management fees or federal funds.

Effective of Proposed Changes:

HB 1687 proposes to transfer all programs, functions, and activities currently in DCA to DSCP by a type two transfer with the exception of the following which will be transferred to the Department of Management Services:

- Role of the Secretary of State as the official custodian of state records, including constitutional and statutory powers, duties, and functions associated with that;
- Records management program; *(Transferred from Bureau of Archives & Records Management)*
- Florida Administrative Code and Florida Administrative Weekly; laws of Florida production activity; *(Transferred from Division of Elections)*
- Capital postconviction public records function; *(Transferred from Bureau of Archives & Records Management)*
- Management of copyrights, patents, and trademarks held in the name of or on behalf of the State of Florida; *(Transferred from Corporations)*

The international functions in the Department of State are being transferred to the Office of Tourism, Trade and Economic Development (OTTED) in the Governor's Office. These functions are advocating international business partnerships services; issuance of apostilles; and international notaries function. The transfer of the international responsibilities to OTTED contains some references to cultural responsibilities. This raises questions as to whether the responsibility of the Secretary as the Chief Cultural Officer of the State is being inadvertently shifted or is an intended shift.

The bill does not give any indication where the historical, cultural, or library programs will be placed in the new department nor does it indicate if they will remain as units or will have functions divided among different offices in the new department. Because there is mention of a corporations function and an elections function, it appears that those divisions will remain whole.

DEPARTMENT OF COMMUNITY AFFAIRS

Departmental Structure and Responsibilities:

The Department of Community Affairs (DCA), created in s. 20.18, F.S., is composed of three divisions: Emergency Management, Housing and Community Development, and Community Planning. In FY 2002-03, DCA had 351 positions and an appropriation of \$740,414,052 (\$13,588,435 in general revenue and \$726,825,617 in trust fund). The Department also houses the Florida Communities Trust which provides grants to communities for parks, greenways and natural resource protection. The Trust is funded by the Florida Forever Program. Its FY 2002-03 appropriation was \$67.2 million which is included in the DCA appropriation figures cited above.

The Department of Community Affairs is charged with the responsibility for:

- Overseeing the state's Growth Management program;
- Emergency management mitigation and recovery;
- Housing and community development; and
- The state's land purchase program.

Division of Emergency Management is responsible for the coordination of disaster preparedness, response, recovery, and mitigation programs for the state. The Division maintains the State Emergency Operations Center and State Warning Point facilities.

Division of Community Planning administers the following programs authorized under Chapter 163, Part II, and Chapter 380, Florida Statutes: comprehensive planning, evaluation and appraisal reports, optional sector plans, the certification program, the rural lands stewardship program, coordinated school planning, integrated land use and water supply planning, and interlocal service delivery and annexation reports, developments of regional impact program, areas of critical state concern, Florida Quality Developments, marina siting, and airport master plans.

Division of Housing and Community Development provides assistance and grant funding (much of which is Federal dollars) to local governments in identifying programs and services available to residents and local governments for individual and neighborhood improvements.¹¹

Florida Communities Trust administers state grant funding, as part of the Florida Forever Funding Program, for the public acquisition of community-based projects, urban open space, and parks and greenways that help implement local government comprehensive plans.

Additionally, DCA has numerous statutory boards, commissions and councils under its purview, such as the Affordable Housing Study Commission, Community Development Block Grant Advisory Council, Clean Fuel Florida Advisory Board, Florida Building Codes Commission, Florida Communities Trust Governing Board, Florida Housing Finance Corporation Board, and Handicapped Accessibility Advisory Council.

Effect of Proposed Changes:

HB 1687 proposes to transfer all programs, functions, and activities currently in DCA to DSCP with the exception of the state energy program which is transferred to the Department of Environmental Protection, the Affordable Housing Catalyst Program and the Affordable Housing Study Commission which are transferred to the Florida Housing Finance Corporation, and the civil legal assistance program which is transferred to the Department of Legal Affairs. The Florida Housing Finance Corporation is to be administratively housed in DSCP. Also, the "Division of Emergency Management" is to be administratively housed in DSCP. There is no Division of Emergency Management created in the bill and there is no indication whether this will be the current division in existence under DCA.

The civil litigation program that is being transferred to the Department of Legal Affairs was established by Chapter 2002-288, Laws of Florida, was placed under DCA, and was not funded. The stated intent of the Act creating the program is to "establish an administrative framework whereby public funds may be used in an effective and efficient manner to enhance the availability of civil legal assistance to the poor in this state." Funds received through the Act may be used to secure the legal rights of eligible clients relating to family law, juvenile law, entitlements to federal government benefits, protections from domestic violence, elder and child abuse, and immigration.¹²

¹¹Grants through the division: Community Development Block Grant Program, Section 108 Loans, Community Services Block Grant Program, Community Services Block Grant Program – Farmworkers, Low-Income Home Energy Assistance Program, Weatherization Assistance Program-Low Income Home Energy Assistance Program; Weatherization, Low-Income Home Emergency Repair Program, and Energy Projects. In FY 02-03, \$70.7 million was awarded in grants.

¹² Analysis of Council Substitute for HB 491 (Chapter 2002-288, LOF)

Department of Environmental Protection

Departmental Structure and Responsibilities:

The Department of Environmental Protection is an agency that has responsibility for many diverse areas. The Department is composed of several divisions including State Lands, Recreation and Parks, Resource Assessment, Water Resource Management, Air Resource Management, Waste Management, and Law Enforcement and the Offices of Greenways and Trails and Coastal and Aquatic Managed Areas.

Florida Recreation Development Assistance Program (FRDAP) is a statutorily created competitive grant program which provides grants for acquisition or development of land for public outdoor recreation use or to construct or renovate recreational trails. The Grant Section within the Division of Recreation and Parks is responsible for administering all aspects of the Florida Recreation Development Assistance Program. The Grant Section serves as liaison to all local governmental agencies. In FY 2002-03, \$27 million was appropriated for FRDAP and there were 218 awards. According to the Director of the Division of Parks and Recreations, each staff handles 220 projects.

Federal Recreational Trails Program is a federally funded competitive program which provides grants for projects to construct, renovate or maintain recreational trails, trailhead and trailside facilities or trail education projects. A match is required of the local government, state or federal agency or non-profit sponsor. The Department of Environmental Protection administers the program in coordination with the U.S. Department of Transportation, Federal Highway Administration. The integration of the Recreational Trails Program into the Office of Greenways & Trails implementation of the statewide greenways and trails plan has gained national recognition and has been cited as a model. In 2003, Florida received \$1,656,895. The amount of money received is based on an allocation of off-road vehicle fuel taxes collected by the federal government.

Effect of Proposed Changes:

The Department of Environmental Protection is to have the state energy program under DCA transferred to it while the two grant programs described above are to be transferred to the new department created by HB 1687. Programmatic placement of the grants is not indicated by the legislation.

Department of Management Services

Departmental Structure and Responsibilities:

The Department of Management Services is organized into five program areas: support (state purchasing and fleet management); information technology (SunCom; computer systems; wireless systems); facilities (administers the state building construction, maintenance and leasing, and security functions and implements the Florida Building and Facilities Act; coordinates the activities of the Governor's Mansion Commission); and workforce and administration.

Effect of Proposed Changes:

HB 1687 designates the Secretary of the Department of Management Services as the official custodian of state records with all constitutional and statutory powers, duties, and functions associated with that responsibility. This is a function and responsibility currently held by the Secretary of State.

Also, the records management program, Florida Administrative Code and Florida Administrative Weekly; laws of Florida production activity; capital postconviction public records function; management of copyrights, patents, and trademarks held in the name of or on behalf of the State of Florida are transferred from the Department of State to the Department of Management Services.

Office of Tourism, Trade, and Economic Development (Executive Office of the Governor)

Structure and Responsibilities:

The Office of Tourism, Trade and Economic Development (OTTED) serves as the executive branch agency charged with promoting economic development, tourism, and international trade. The primary statutory and functional responsibilities of OTTED are formulating economic opportunity policies and strategies; overseeing five public private partnerships through contract management; providing administrative oversight to the Office of Film and Entertainment and the Office of Urban Opportunity (Front Porch); administering several economic development programs and advocacy activities housed with the Governor's Office, e.g., rural economic development; managing community development programs; and serving as lead agency for the expedited permit process.

OTTED has a direct staff of 13 with a staff budget of \$1,526,485 in FY 02-03. Other staff associated with OTTED are the Office of Film and Entertainment (4FTE) with a staff budget of \$290,034 in FY 02-03 and the Office of Urban Opportunities (2FTE) with a staff budget of \$134,588 in FY 02-03.

Regional Rural Development Grants Program (ss. 14.2015(2)(f) and 288.018, F.S.) fund was created to assist regional economic development organizations serving rural communities. OTTED contracts with Enterprise Florida, Inc. for application review and contract administration. OTTED determines grant award. In FY 2002-03, \$400,000 was appropriated to fund this program.

Rural Community Development Revolving Loan Program (s. 288.065, F.S.) was created to promote the economic viability of rural communities and create jobs for residents of Florida's rural areas by leveraging the use of existing federal, state, and local financial resources. This program provides local governments with access to financial assistance through low-interest long-term loans. Since its inception in 1996, \$5.6 million has been appropriated for this loan program and \$3,379,227 in 12 loans have closed. OTTED contracts with Enterprise Florida, Inc. for application review.

Office of Urban Opportunity (Front Porch) directs the Front Porch Florida initiative which is to improve the economic viability of distressed urban neighborhoods through promoting bottoms-up, community-based planning and problem-solving which will lend to the creation of economic opportunities for citizens of these communities. Twenty front porch communities have been established in Florida.

International Affairs - In the Fall of 2002, through a Memorandum of Agreement (MOA), OTTED assumed oversight of the Office of International Affairs in the Department of State. This Office has responsibility for consular operations, sister city/sister state programs, Free Trade Area of the Americas, Governor's Gulf States Accord, and other international liaison responsibilities. The program staff of 10 and a program and staff budget of over \$3 million physically remained in the Department of State; however, activities and use of money was governed by OTTED.

Effect of Proposed Changes:

Subsection (3) (c) of section 6 of House Bill 1687 transfers the responsibilities of advocating business partnerships service under ss. 288.809 and 288.816, F.S., issuance of apostilles under s. 15.16(8), F.S., and the international notaries function authorized in chapter 118, F.S., from the Department of State to OTTED.

Subsection (3)(f) of section 6 of House Bill 1687 transfers the Rural Economic Development Grants Program and the Rural Community Development Revolving Loan Fund Program to the Department of State and Community Partnerships.

Department of State and Community Partnerships

Effect of Proposed Changes:

Effective July 1, 2003, HB 1687 creates the Department of State and Community Partnerships (DSCP) which is primarily composed of most functions of the Department of State (DOS) and the Department of Community Affairs (DCA) which are transferred to DSCP by a type two transfer with the exception of the following programs, functions, or activities which are transferred to other agencies:

- Role of the Secretary of State as the official custodian of state records, including constitutional and statutory powers, duties, and functions associated with that; *(Transferred to DMS)*
- Records management program; *(Transferred to DMS)*
- Florida Administrative Code and Florida Administrative Weekly; laws of Florida production activity; *(Transferred to DMS)*
- Capital postconviction public records function; *(Transferred to DMS)*
- Management of copyrights, patents, and trademarks held in the name of or on behalf of the State of Florida; *(Transferred to DMS)*
- Advocating international business partnerships services; issuance of apostilles; and international notaries function; *(Transferred to Executive Office of the Governor)*
- Civil legal assistance program; *(Transferred to Department of Law Enforcement)*
- State energy program; *(Transferred to DEP)* and
- Affordable Housing Catalyst Program and Affordable Housing Study Commission. *(Transferred to the Florida Housing Finance Corporation that is administratively housed in DSCP)*

Programs, functions and activities are also transferred to DSCP from other agencies that were never a part of either DCA or DOS:

- Florida Recreation Development Assistance Program and federal recreational trails program;
- Regional Rural Development Grants Program;
- Rural Community Development Revolving Loan Fund Program; and
- Office of Urban Opportunity (Front Porch).

The DSCP structure is exempted from requirements of Chapter 20, F.S. Legislative intent is provided to give the Secretary broad discretion and flexibility to organize DSCP in any manner determined appropriate for efficiency, accountability, and accomplishment of reorganization. Primary policy and administrative functional areas are identified as community planning and growth management; elections, corporations, community assistance grants, emergency management, and office of secretary/administration. Additionally, for administrative purposes, the Florida Housing Finance Corporation and the Division of Emergency Management are housed in DSCP; however, how these are to operate is not specified.

Departments with programs, functions, and activities transferred to them by the proposed governmental reorganization are required to meet with constituent groups and to recommend any needed statutory and administrative changes to the Governor, President of the Senate, and Speaker of the House of Representatives by October 15, 2003. Additionally, DSCP is required to jointly develop with the Department of Environmental Protection a report making statutory and administrative recommendations regarding the best way to manage historical properties and the state museum to best serve public interests and to protect the properties. The report is to be submitted to the Governor, President of the Senate, and Speaker of the House of Representatives on October 15, 2003.

C. SECTION DIRECTORY:

Section 1. Provides a declaration of legislative policy regarding communities, economic development, business climate, elections, protection of individuals and communities, and quality of life directed toward the elements of the proposed new Department of State and Community Partnerships; requires departments with programs, functions, and activities transferred to them by the proposed governmental

reorganization to meet with constituent groups and recommend statutory and administrative changes to the Governor, President of the Senate and Speaker of the House of Representatives by October 15, 2003; and, requires the new department to jointly develop with the Department of Environmental Protection a report making statutory and administrative recommendations regarding historical properties and state museum to be submitted to the Governor and President of the Senate and Speaker of the House of Representatives on October 15, 2003.

Section 2. Amends s. 20.04, F.S., providing an exception to departmental structure requirements for the Department of State and Community Partnerships.

Section 3. Creates s. 20.101, F.S., creating the Department of State and Community Partnerships; provides for appointment and confirmation of departmental secretary; provides legislative intent regarding organizational flexibility given to secretary; specifies primary policy and administrative functional areas of the department.

Section 4. Amends s. 20.22, F.S., relating to the Department of Management Services, to expand the department's functions and responsibilities to make the secretary the official custodian of state records, including all powers, duties, and functions associated with that position.

Section 5. Repeals ss. 20.10 and 20.18, F.S., relating to the Department of State and the Department of Community Affairs, respectively.

Section 6. Provides for the transfer of programs, functions, activities, powers, duties, rules and records, personnel, property, and unexpended balances among certain state agencies by a type two transfer, as defined in s. 20.06(2), F.S.

Section 7. Provides that the Secretary of State shall become Secretary of State and Community Partnerships without further appointment or confirmation.

Section 8. Notwithstanding other provisions of law relating to programs under the Department of State and Community Partnerships, for FY 2003-2004, the Secretary is given authority to do what is necessary to achieve greatest coordination and delivery of services and to facilitate efficient operation.

Section 9. Directs the Division of Statutory Revision to prepare a reviser's bill for 2004 Regular Session of the Legislature.

Section 10. Provides an effective date of July 1, 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments.

D. FISCAL COMMENTS:

The fiscal impact of the legislation is difficult to assess. Governor's Office staff indicates that there would be some savings through reduction in the size of the fiscal and other administrative offices when the two agencies are combined. In earlier presentations on the merger proposal presented to legislative committees, costs savings were estimated by Governor's Office staff to be approximately \$21 million, assuming the reductions in staffing proposed for several programmatic areas as well as administration. These would be some costs associated with the merger in the form of moving expenses, revisions to web pages, letterhead, etc., but these costs are indeterminate at this time.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The legislation does not require expenditure of funds by local governments, does not reduce the authority to raise revenue, nor reduce the percentage of state tax shared with local governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Rules are transferred to DSCP from existing agencies by a type two transfer and broad authority is given to the agency regarding implementation of programs and functions transferred. Rules are also transferred by a type two transfer to other agencies receiving programs, functions, or activities.

C. DRAFTING ISSUES OR OTHER COMMENTS:

On line 113 of the bill states that the secretary will organize the department in a manner "to accomplish the intent of this section"; however, there is no intent language in the section.

On line 126, the bill refers to the "Division of Emergency Management" being administratively housed with the new department. There is no reference to the creation of any division or if this is the "old" division of the Department of Community Affairs that is transferred. Additionally, by structural definition within Chapter 20, F.S., it is questionable if this term can be used for something that is only to be administratively housed in a department.

The transfer of the international responsibilities to OTTED contains some references to cultural responsibilities. This raises questions as to whether the responsibility of the Secretary as the Chief Cultural Officer of the State is being inadvertently shifted or is an intended shift.

A strike all amendment has been prepared to provide more structure to the newly created department, provide a departmental mission in lieu of legislative policy or intent, and address transfers.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES